瀚天天成电子科技（厦门）股份有限公司

Epiworld International Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 2726

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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About This Report

Overview of the Report

Epiworld International Co., Ltd (the "**Group**", "**Epiworld**" or "**we**") is pleased to release the Environmental, Social and Governance Report (the "**Report**") for 2025, to disclose the relevant performance of the Group in environmental, social and governance ("**ESG**") aspects in the past year in a transparent and open manner and address the concerns and expectations of various stakeholders on the sustainable management of the Group.

Reporting Scope

The Report covers the overall performance of the Epiworld's sustainable development practices from January 1 to December 31, 2025 (the "**Year**" or "**Reporting Period**"). The reporting scope covers the Group's principal businesses, and the scope of disclosure is consistent with the Annual Report. Any changes to the reporting or data scope will be disclosed in the relevant sections and explained with footnotes provided.

Basis of Preparation

The Group prepared the Report in accordance with the Environmental, Social and Governance Reporting Code (the "**ESG Code**") as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**" or "**HKEX**"). The Report has complied with the "Comply or Explain" provisions contained in the ESG Code and followed the four reporting principles of materiality, quantitative, balance and consistency as the basis of preparation.

Reporting Principles

Materiality:	Stakeholder communication and materiality assessment have been incorporated into the preparation of this ESG report as a basis for identifying material ESG issues.
Quantitative:	The Report presents environmental and social key performance indicator(s) ("**KPI(s)**") in the form of quantitative data, accompanied by explanations to illustrate their purposes and impacts. We also provide comparative data on environmental KPIs in the Report.
Balance:	This ESG report follows the principle of balance and presents our ESG performance in an impartial manner.
Consistency:	To ensure comparability, unless otherwise stated, we use the same statistical methods and standards as in previous years and compare this year's data with past data so that stakeholders can track performance trends.

Feedback to the Report

Your valuable advice serves as impetus for our continuous improvement. If you have any comments or suggestions on the Report or our related efforts, please contact the Group via the following means:

Email: ir@epiworld.com.cn

Statement of the Board of Directors

The Board of Directors (the "**Board**") places high importance on the sustainable development of the Group and its significance to achieving long-term and stable operations. As the highest governing body for the Group's ESG management, the Board is responsible for reviewing major ESG matters—including climate-related risks and opportunities—and for overseeing and evaluating the Group's overall ESG management and performance.

The Group has established an ESG Working Group to manage the ESG-related issues and report to the Board. The Board annually reviews and approves ESG-related goals and targets based on recommendations from the ESG Working Group and monitors their progress. The Board is also responsible for leading and supervising the development and implementation of the Group's climate-related strategy, targets, and risk management framework. Under the Board's leadership, relevant departments and business units are tasked with implementing specific ESG policies and initiatives. This integrated governance structure enables the Group to effectively identify and manage ESG risks and opportunities. Details on the targets are provided in the "Address climate change" section of this Report.

The Group values the views of its stakeholders and engages with them through various channels to identify material ESG issues. During the Reporting Year, the Board reviewed the outcomes of the materiality assessment and provided guidance on key ESG topics that may impact the Group's long-term sustainable development. In addition, through regular reporting by the ESG Working Group, the Board remains informed about evolving ESG trends and stakeholder expectations.

The Group has set management targets in key environmental areas including greenhouse gases ("**GHG**"), energy consumption, air pollutants, water consumption, and hazardous and non-hazardous waste. The Board reviews the progress toward these targets annually to ensure continuous improvement in meeting the Group's ESG objectives. Details on the targets are provided in the "Address climate change" section of this Report.

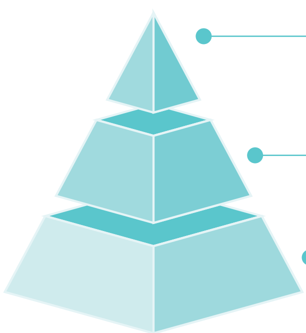
This Report provides a comprehensive disclosure of the above environmental, social, and governance matters and has been reviewed and approved by the Board on April 29, 2026.

1. Governance and Compliance

1. Governance and Compliance

1.1 Esg Governance

Epiworld integrates ESG considerations deeply into its overall strategy and daily operations. We have established a three-tier governance structure comprising the Board, the ESG Working Group, and functional departments, forming a top-down, systematic implementation mechanism. The ESG Working Group members include an executive director, senior managers and heads from relevant functional departments. This structure is responsible for coordinating routine ESG work, dynamically identifying and managing ESG risks and opportunities in operations, continuously refining relevant strategies, standards, and systems, and effectively driving the implementation of sustainable practices across all departments and business units of the Group.



Board

- Responsible for overall decision-making and overseeing the formulation, management, and assessment of the ESG system;
- Review and assess the Group's key corporate ESG trends and ESG risks (including climate-related risks) and opportunities;
- Ensure ESG-related risks (including climate-related risks) are effectively integrated into the Group's existing risk management and internal control framework;
- Supervise and inspect the implementation of sustainability-related work, and provide guidance if necessary;
- Reviews ESG-related goals and progress annually

ESG Working Group

- Assists the Board in managing and supervise the implementation of ESG governance, and ensure that relevant strategies, objectives, and management policies are effectively implemented;
- Develop work plans for climate governance and sustainable development, and organize the implementation of various climate governance measures;
- Coordinate the management of personnel, technology, funding, and other resources required for climate risk identification, mitigation, control, and monitoring;；
- Manage and monitor the Company's ESG policies and practices to ensure compliance with laws and regulations;
- Reports regularly to the Board on ESG performance and trends.

Functional Departments' Representatives

- Implements specific ESG policies and initiatives within respective operations;
- Identify and analyze climate-related risks within their respective departments;
- Executes specific measures to achieve established strategies and targets;
- Implements specific ESG policies and initiatives within respective operations;
- Organize the collection and compilation of ESG reports, and ESG disclosure work

1. Governance and Compliance

1.2 Stakeholder Engagement

The Group prioritises effective communication with stakeholders to understand their expectations and support sustainable growth. Various contact channels have been established to gather stakeholder feedback. During the Reporting Year, Epiworld engaged with different stakeholder groups through these communication channels:

Stakeholders	Focus issues	Communication channels
Shareholders and Investors	• Information disclosure • Financial performance • ESG governance	• Annual General Meetings • Annual and Interim Reports • Investor conference calls • Investor meetings and • Roadshows
Employees	• Compensation and benefits • Occupational health and safety • Employment compliance • Talent attraction and retention • Career development and growth	• Employee engagement surveys • Staff publications and videos • Regular management communications • Employee performance reviews • In-house recreational facilities and activities
Customers	• Customer rights protection • Customer Privacy • Product Quality	• Promotion activities • Customer satisfaction surveys • Group website
Suppliers & Partners	• Data Privacy & Security • R&D achievement and investment • Supply chain management	• Contract agreements • Regular reviews and evaluations • Routine communications and meetings • Business exchanges and cooperation
Government Bodies and Regulators	• Compliance with laws and regulations • Drive local economic development • Address climate change	• Regular communication and information disclosure • Annual and Interim Reports • Group website
Educational Institutions and Communities	• Talent attraction and retention • Address climate change • Community contribution	• Social media platforms • Group website • Community activities

1.3 Materiality Assessment

Materiality analysis is a core focus for the Group. By consistently weighing international regulatory standards and market expectations against our unique business objectives and industry shifts, we ensure that all significant issues are identified, assessed, and disclosed.

1. Governance and Compliance

Materiality Analysis Process

1. **Identification**: Through systematic research and comprehensive analysis of the requirements and recommendations of major domestic and international sustainable development standards, industry development trends, and sustainable development hotspots, and taking into account the Group's own development strategy, we successfully identified 19 material issues that have a significant impact on the Group's operations and development and are of general concern to various stakeholders.

2. **Assessment**: We prioritise material issues by scoring them through daily communication with stakeholders and internal meeting discussions. Based on the historical scores of the issues and their significance in guidelines, ESG ratings, and materiality maps, we give priority to issues that may have a material impact on our operational capabilities and create sustainable ESG value.

3. **Confirmation**: The ESG Working Group reviews the results of the above materiality ranking and finally determines the key ESG issues that have a material impact on our sustainable development.

High Materiality	Medium Materiality	General Materiality
Product innovation and quality	Human rights and labor rights	Pollutant emissions and waste management
Cybersecurity and IP Protection	Talent training and development	Water Resource Management
Sustainable supply chain	Occupational health and safety	Ecosystem and biodiversity protection
Business ethics	Diversity, equity, and inclusion	Community Investment
Corporate Governance and Legal Compliance	Response to climate change	
Talent attraction and retention	Energy and resource efficiency	
Circular economy and green products	Environmental compliance management	
	Customer Relationship Management	

1.4 Business Ethics

Epiworld views corruption as a fundamental risk to business stability and maintains a zero-tolerance policy toward all forms of commercial bribery. We strictly adhere to the Civil Code, Company Law, Anti-Monopoly Law, and Anti-Unfair Competition Law of the PRC. Our commitment to integrity is institutionalized through internal policies, including the *Code of Business Conduct* and the *Whistleblower Protection Policy*. Furthermore, we extend these standards to our supply chain by requiring key suppliers to sign integrity undertakings and including anti-bribery clauses in general contracts. During the reporting period, there were no legal cases or incidents regarding business ethics or corruption.

We have established clear whistleblowing procedures within our *Employee Handbook* and *Integrity Management Policy*. Employees may report concerns via real-name or anonymous channels, with their identities strictly protected. All leads are verified through internal procedures, followed by necessary corrective or disciplinary actions. Reporting channels include:

Email: 5198@epiworld.com.cn

Address: No. 198-1, East 2nd Road, Tongxiang High-tech City, Torch Hi-Tech Zone, Xiamen, Fujian

1. Governance and Compliance

To ensure efficacy, compliance activities are documented and subject to internal audits. Led by the Compliance and HR departments, our preventive measures this year included:

Annual Training:

CSR and integrity sessions for all employees and the Board to reinforce compliance awareness.

New Hire Orientation:

Mandatory ethics training upon induction to establish correct professional values.

Visual Reminders:

"Integrity Supervision Tips" posted across offices and factories clarifying reporting methods.

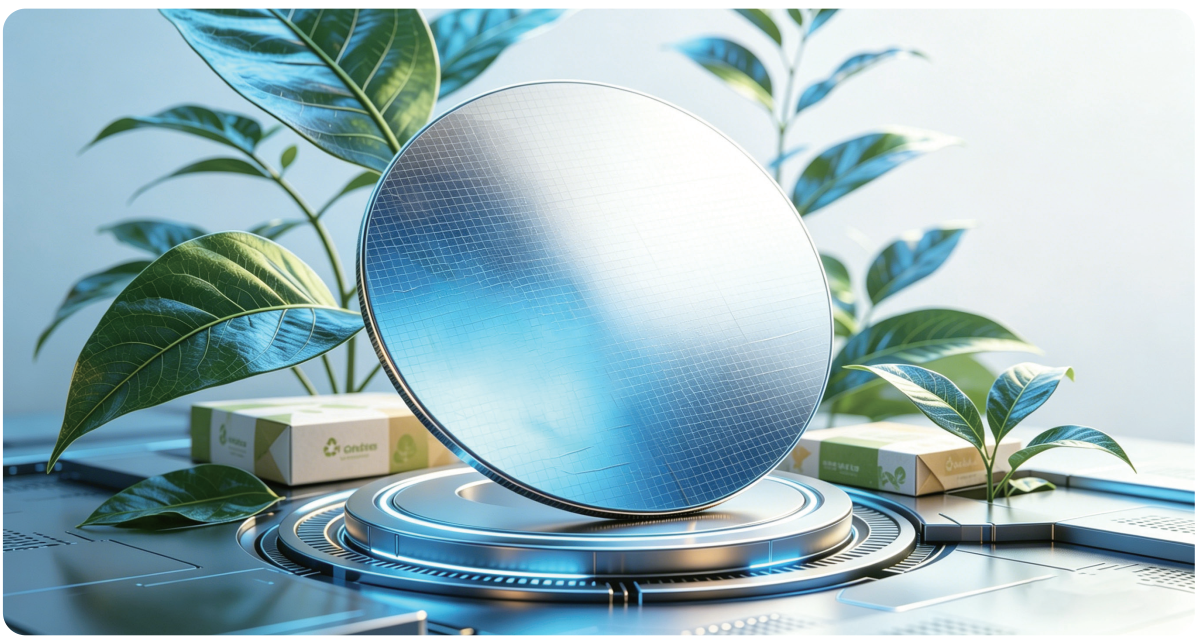
Digital Promotion:

Continuous awareness through posters on electronic publicity boards to maintain a transparent atmosphere.

1.5 Sustainable Supply Chain

A robust and resilient supply chain is the cornerstone of our ability to deliver high-quality products and services. The Group has institutionalized a comprehensive supplier management system, centered on the *Supplier Development Management Process*, to ensure consistency in quality, supply stability, and service excellence. During the onboarding of new partners, we integrate ESG criteria into a full-lifecycle management mechanism – spanning from the signing of codes of conduct and qualification filing to rigorous audit evaluations and rectification. Our selection process mandates thorough assessments of Environmental, Health and Safety (EHS) standards, social responsibility, Hazardous Substance Free (HSF) compliance, and Information Security (ISA).

The Group actively promotes supply chain sustainability by prioritizing eco-friendly products, recyclable packaging, and energy-efficient equipment. We implement a tiered management approach, requiring key material suppliers (AB1, B2) to hold ISO 9001 certifications. To ensure chemical safety, all suppliers must provide a *Hazardous Substance Free Guarantee*, confirming compliance with global regulations including RoHS, REACH, POPs, and TSCA. In 2025, we further enhanced supply chain resilience through multi-dimensional technical exchanges. These dialogues empower suppliers to better understand our technical and environmental requirements, fostering mutual progress in innovation and quality. This collaborative approach not only optimizes operational costs and strengthens our market position but also ensures that every product meets stringent quality standards from source to delivery.



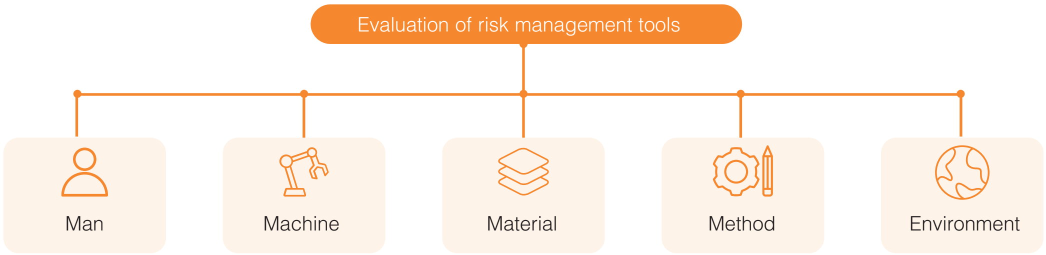
2. Quality Product and Service

2. Quality Product and Service

2.1 Quality and Safety Management System

Leveraging cutting-edge innovation and precision process control, the Group is dedicated to delivering products of exceptional quality. We recognize that quality responsibility spans the entire value chain. By strictly implementing our *Inspection and Testing Control Procedures*, we ensure comprehensive monitoring across raw materials, processes, and finished goods, supported by SPC data analysis and advanced testing equipment. Furthermore, our *Shipping Packaging Standards* guarantee accurate and clear product labelling information.

Through a product lifecycle management system integrating with quality planning, control, assurance, and improvement, we maintain a dynamic risk-prevention mechanism that ensures stable and reliable product performance. During the R&D phase, we conduct rigorous safety risk assessments to identify critical quality attributes at the source. Production is overseen by an independent Quality Management department, managing the full spectrum from technical transfer and raw material inspection to final release. Certified under IATF16949 and ISO9001, we utilize risk management tools such as Failure Mode and Effects Analysis (FMEA) and Fault tree analysis (FTA) to evaluate in the dimension of "Man, Machine, Material, Method, and Environment". Post-market, we fulfill our safety obligations through active research and efficient feedback mechanisms. By analyzing monitoring data, we continuously track product safety and implement timely risk control measures to ensure sustained quality and customer satisfaction.



2.2 Customer Service and Recall Management

When dealing with customer's complaints, dedicated Account Managers from related department handle the complaints via email and phone, ensuring personalized service and efficient resolution. Complaints trigger a formal investigation and root cause analysis via the PDCA cycle to drive continuous improvement. We have established multi-channel monitoring for adverse events – including dedicated emails and literature searches – to ensure timely reporting. During the reporting period, we optimized our "Product Recall Control Process" to enhance standardization. Notably, the Group initiated no recalls due to quality issues. While four product-related complaints were received, investigations confirmed these stemmed from upstream substrate issues rather than our internal processes; all cases have been successfully resolved and closed.

2.3 Protecting Customer Information Security

Epiworld strictly adheres to legal and regulatory requirements, establishing robust *Information Security Management Procedures* to ensure all data processing – including personal and biometric information – complies with national security standards. We implement informed consent and encrypted storage, safeguarding data subjects' rights to access, correction, and deletion. Enhanced security measures, such as access controls and screen watermarking, prevent unauthorized leaks. Our internal mechanism encourages immediate reporting of potential incidents to ensure rapid response. During the reporting period, no privacy or security violation cases were recorded.

2.4 Product Innovation and Development

The Group fosters innovation and agility to advance core epitaxial growth technologies. Our robust R&D management system drive Silicon Carbide (SiC) epitaxial technology optimization. By focusing on defect control and uniformity control, we meet the evolving needs of high-performance power devices. In 2025, we invested over RMB70 million in R&D, achieving iterative performance breakthroughs in 6-inch and 8-inch SiC epitaxial wafers. Additionally, we prioritize talent development through specialized training and technical exchanges, ensuring our R&D team remains at the forefront of industry excellence.

2.5 Intellectual Property Protection

The Group prioritizes intellectual property (IP) protection, maintaining a comprehensive management system to safeguard autonomous innovation and core technical assets. We strictly enforce policies governing IP acquisition, maintenance, and confidentiality, complemented by specialized training achieving 100% employee coverage. Our protection framework encompasses Silicon Carbide epitaxial growth processes, equipment modifications, testing methodologies, and trademarks. Following R&D milestones, projects undergo formal acceptance and IP registration to ensure commercial value is secured. In 2025, the Group obtained 9 new Chinese authorized patents, bringing our cumulative total to 40. During the reporting period, we have no violations or complaints regarding IP laws or regulations occurred.

3. Community and Human Resources Management

3. Community and Human Resources Management

3.1 Employment and Labour Standards

The Group is committed to fostering a fair, diverse, and inclusive workplace that upholds the fundamental rights of all job applicants and employees. We strictly adhere to the conventions of the laws of the regions where we operate, including the Labor Law of the People's Republic of China and the Social Insurance Law of the People's Republic of China. We maintain a zero-tolerance policy toward child labor and forced labor. During the Reporting Period, the Group received no complaints regarding such practices, and no related violations occurred.

To ensure no child labor occurs, our Human Resources Department implements rigorous identity verification procedures, including the inspection of original identification documents during the onboarding process to ensure all employees meet legal age requirements. Our *Employee Handbook* explicitly prohibits child labor, and relevant departments conduct periodic audits of employment data to verify adherence. We have established dedicated reporting channels, including a hotline and email, to encourage employees to report any improper conduct. In the event that child labor is detected, we are committed to following local regulations and coordinating with government authorities to handle the situation responsibly.

We champion equal opportunity and strictly prohibit discrimination based on race, ethnicity, gender, or any other protected characteristic. The Group complies with the *Special Rules on the Labor Protection of Female Employees* and the *Law on the Protection of Women's Rights and Interests*, safeguarding the specific interests of our female workforce. Our recruitment process – encompassing demand reporting, interview screening, and probation management – is standardized to ensure transparency and fairness. By maintaining a merit-based promotion mechanism and diverse talent development pathways, we ensure that all employee's efforts and talents are treated with justice and respect, laying a solid foundation for a healthy corporate environment.

3.2 Employee Welfare

Epiworld complies with the Labor Law and the Social Insurance Law of the People's Republic of China, providing "Five Social Insurances and One Housing Fund" for all employees. This provides a robust social security foundation covering pension, medical, unemployment, work-related injury, and maternity insurance, alongside the housing provident fund. To attract, motivate, and retain talent, we maintain a competitive remuneration policy encompassing wages, bonuses, and various allowances that align with market standards.

In addition to statutory benefits, we provide supplementary support, including subsidies for communication, transportation, catering, and accommodation, as well as travel allowances. We also prioritize our employees' democratic rights, encouraging participation in organizational activities and empowering them to engage in democratic decision-making, management, and supervision concerning their welfare. By fostering a transparent and supportive environment, we ensure that our workforce remains protected, engaged, and valued.

3.3 Employee Development and Training

The Group regards talent development as the cornerstone of corporate sustainability and is committed to building diversified career development paths. We have established comprehensive development and training policies, providing internal and external opportunities for all levels – including management, sales, and operations. Our structured training system spans from orientation to in-service development. New hires undergo onboarding focused on professional knowledge, corporate culture, and internal policies. For current employees, we provide job-specific training and specialized technical courses to enhance competency and promotion readiness. Leadership programs are also offered to managers to strengthen team management skills and facilitate career advancement.

3. Community and Human Resources Management

During the reporting period, the Group completed approximately 110,000 training hours, averaging 140 hours per employee. These efforts primarily focused on new employee orientation and technical sharing sessions, ensuring our workforce remains agile and highly skilled. By continuously empowering our staff, we maintain a competitive edge and foster a culture of lifelong learning.

The Group completed approximately

110,000
training hours

Average training hours per employee

140
training hours

3.4 Employee Health and Safety

Epiworld prioritizes the health and safety of all employees, guided by the core principle of "Reverence for Life and Safe Development" and a steadfast commitment to achieving a "zero accident" goal. We strictly comply with the Production Safety Law, the Law on the Prevention and Control of Occupational Diseases, and other relevant PRC regulations. Our internal governance, including the Occupational Health Management System and Safety Production framework, ensures that every link from top-level design to frontline execution operates efficiently. In the past three years (including the Reporting Year), the Group has not experienced any work-related fatalities.

We have established an Environment, Health, and Safety (EHS) Committee, chaired by the General Manager, to manage and review the Group's safety management framework. We have implemented quantitative performance indicators – such as the work-related injury rate and hazard rectification rate – which are directly linked to the performance-based compensation of relevant managers. Adhering to ISO 45001 standards, our internal safety audits cover all departments. We maintain robust emergency response and investigation protocols to ensure any incident is reported immediately and rectified effectively. During the reporting period, we conducted 7 occupational health and safety training sessions for 520 employees, alongside 21 specialized sessions for over 140 stakeholders.

To safeguard employee wellbeing, we provide comprehensive health screenings, including pre-employment, during employment, and upon departure screening, which have a full coverage for staff in high-risk roles and establishing detailed health monitoring files accordingly. We supply essential personal protective equipment (PPE), including respirators and dust masks, tailored to specific job hazards. This year, we enhanced hazardous waste management through specialized training and emergency drills. Additionally, we organized 9 comprehensive emergency drills covering scenarios such as fire, chemical leaks, and confined space incidents, significantly bolstering our organizational resilience and response capabilities.

3.5 Community Investment

Epiworld recognizes that corporate success is built on a symbiotic relationship with society. Community investment and public welfare are integral to our business development, as we remain committed to managing our impact and contributing to the regions where we operate. We actively engage with local communities to ensure our strategic objectives align with their interests and long-term benefits. During the reporting period, the Group's charitable donations totalled RMB250,000, with a primary focus on supporting educational initiatives. These efforts reflect our dedication to fulfilling our social responsibilities, fostering sustainable community growth, and ensuring that our corporate progress translates into meaningful social value.

4. Environmental Protection

4. Environmental Protection

4.1 Addressing Climate Change

Epiworld recognizes the profound impact of climate change on business and societal development and has taken a series of actions to address this global challenge, and actively responding to the national "dual carbon" goals. We have benchmarked against Part D "Climate-related Disclosures" of the Stock Exchange's ESG Code and refer to the framework recommendations of the International Financial Reporting Standard S2: Climate-related Disclosures ("**IFRS S2**") issued by the International Sustainability Standards Board ("**ISSB**") to continuously identify and analyse climate change factors affecting the Group's operations. We have systematically constructed a climate risk management mechanism around four core dimensions: governance, strategy, risk management, and metrics and targets.

Governance

Epiworld has established a three-tier ESG management structure comprising the Board, the ESG Working Group, and functional departments to oversee the climate change issue. The Board, as the highest decision-making body for the Group's climate matters, uptakes the ultimate responsibility for climate-related strategies and reporting. The Board authorises the ESG Working Group to supervise the identification, assessment, and management process of climate risks, provide professional advice on the formulation and implementation progress of climate targets, and supervise relevant departments in implementing response actions. When considering the Group's strategy, major transaction decisions, and risk management processes, the ESG Working Group comprehensively considers climate-related risks and opportunities and weighs relevant trade-offs. The Working Group holds at least one meeting annually and reports annual work progress to the Board in the form of a written special report, ensuring that information on climate risks and opportunities is regularly and standardly communicated to the decision-making level. At the execution level, each major execution department is responsible for the daily management and supervision of ESG governance status, holding at least one meeting annually to communicate and coordinate with members of the ESG Working Group, ensuring that all strategies, targets, and management policies are properly implemented. For detailed responsibilities within our climate governance framework, please refer to the "ESG Governance" section.

We ensure the Board and management are equipped to oversee climate-related risks and opportunities through regular training on the regulatory landscape and carbon management. During the reporting period, specialized ESG and climate-themed sessions were conducted for leadership. While climate related remuneration policy is not implemented in our framework yet, we will evaluate future incentive mechanisms based on regulatory requirements and operational contexts.

4. Environmental Protection

Strategy

We identified and managed the climate-related risks and opportunities where the Group is facing, and assessed their direct or indirect financial impacts over short-term (within 3 years), medium-term (3-5 years), and long-term (over 5 years) horizons. This year, we have identified a total of 5 climate risks (including 3 transition risks and 2 physical risks) and 2 climate opportunities. To mitigate negative effects, we have formulated specific preventive measures and regularly review their timeliness and effectiveness, continuously consolidating our professional capacity to address climate change. By continuously optimising the risk control mechanism, we ensure the Group maintains proactivity and foresight in management, comprehensively enhancing corporate resilience to climate change.

Risk Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Response Measures
Physical Risks				
Acute Risks (Extreme weather events such as floods, heavy rains, typhoons)	Extreme weather events such as floods, heavy rains, and typhoons can damage infrastructure, laboratory equipment, etc., leading to damage or scrapping of the Group's fixed assets, and logistics disruption for business operation and value chain.	• Increased insurance premiums • Increased operating costs • Decreased operating income	Short-term, Medium-term	• Established the Emergency Response Control Procedures and Emergency Response Plan. • During extreme weather, we implement flexible work arrangements and coordinate responses with local emergency agencies.
Chronic Risks (Rising average temperatures)	Rising average temperatures may lead to increased water consumption by employees, the need for more cooling equipment in office buildings, or increased operating time for existing cooling equipment, thereby increasing energy consumption.	• Increased operating costs	Medium-term, Long-term	• Include geographical location and energy efficient supporting facilities into consideration when selecting new factory locations. • Invest in energy-efficient cooling systems and building insulation to optimize resource consumption and mitigate costs.
Transition Risks				
Policy and Regulatory Risks	Governments are implementing stricter environmental regulations, carbon pricing mechanisms, and more comprehensive reporting requirements. Furthermore, regulations concerning the disposal of medical, biological, and chemical waste are also becoming increasingly stringent.	• Increased compliance costs	Medium-term, Long-term	• Perform annual GHG emission accounting, and transparently discloses key carbon data in the annual ESG report. • Proactively establish and disclose clear carbon reduction targets and pathways to address relevant requirements in advance.

4. Environmental Protection

Risk Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Response Measures
Technology Risks	To actively control product carbon footprints, the Group may enhance eco-friendly process development and adopt emerging clean technologies. Upgrading production equipment to meet low-emission standards may escalate operating costs in the short term. uncertainties inherent in emerging green technologies may lead to increased R&D expenditures and potential delays in revenue generation.	• Increased operating costs • Decreased revenue	Medium-term, Long-term	• Provide comprehensive training for R&D teams to integrate sustainability into long-term technical roadmaps. • Accelerate the advancement of collaborative R&D projects by fostering strategic partnerships with government bodies and key customers.
Market Risk	As market preferences shift toward low-carbon solutions, failure to meet evolving customer expectations regarding energy efficiency and sustainability performance may result in the loss of market share. Procuring sustainable components and reconfiguring production lines often entail higher capital and procurement costs.	• Increased operating costs • Decreased revenue	Medium-term, Long-term	• Develop high-efficiency, green product designs that align with global sustainability trends and customer requirements. • Actively explore product architectures with reduced carbon footprints and have integrated carbon emission factors into our strategic supply chain planning.

Opportunity Type	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Response Measures
Resource Efficiency	Silicon Carbide (SiC) production is inherently energy-intensive. By adopting energy-efficient manufacturing processes, the Group can significantly mitigate operational costs, especially amidst rising global energy prices.	• Increased Revenue	Medium-term, Long-term	• We will implement a comprehensive energy management system to continuously track and optimize energy use at the facility level. We will consider invest in more carbon reduction equipment's such as waste heat recovery systems, PV panels and advanced wastewater treatment equipment.
Sustainable Product	Offering certified low-carbon SiC epitaxial wafers positions the Group as a critical partner for customers pursuing Net Zero targets. As capital markets and governments increasingly prioritize sustainable technologies, our low-carbon product portfolio aligns with global green procurement standards and regulatory requirements.	• Increased Revenue • Increased Market Share	Medium-term, Long-term	• We will review and consider of developing high-efficiency, low-emission products to enhance market competitiveness and fulfill evolving customer demands. By integrating sustainability into our core R&D strategy, we hope to deliver SiC wafers with superior performance with a minimized carbon footprint.

4. Environmental Protection

Risk Management

Epiworld places high importance on the risks and opportunities arising from climate change and is integrating climate-related risks into its risk management framework. This year, based on consolidated feedback from various departments, we have comprehensively considered the likelihood of occurrence and the degree of impact on the Group for each identified risk and opportunity. This process allows us to prioritize them and develop targeted response measures. During the Reporting Year, the Group did not identify any material climate-related risks, nor were there any changes to the risk management process as a result of emerging climate risks.

Steps	Definitions
Risk Identification	The Group regularly conducts work to identify climate-related risks and opportunities. We collaborate with external professional consultants to analyse macro policy trends and industry developments. Combined with internal communication, this collaboration helps form and update a comprehensive list of climate-related risks and opportunities.
Risk Assessment	For the identified risks and opportunities, we conduct a comprehensive evaluation of their likelihood of occurrence and the severity of their potential impact. This determines an overall risk level, clarifying the prioritization of climate change-related risks and highlighting significant ones.
Risk Response	For the assessed significant risks, the Group formulates targeted response strategies and action plans. We effectively manage risks through methods such as elimination, mitigation, or transfer, while simultaneously capturing related climate opportunities.
Risk Monitoring	We continuously monitor the dynamic changes in climate risks and opportunities, regularly review and update the risk and opportunity list, and have established a regular reporting mechanism to management. This ensures the Board and senior management are kept informed of climate-related developments in a timely manner to support decision-making.

4. Environmental Protection

Metrics and Targets

In response to global climate initiatives and in response to national policy calls, the Group has formulated green and low-carbon objectives based on its operational and industry benchmarks. The established climate-related target is detailed in the table below. For other key performance indicators, please refer to the "KPI Performance Table" section.

Indicators	Targets	Progress of 2025 Targets
GHG Emission	Compared to 2024 baseline year, our Scope 2 GHG emissions per wafer will be reduced by 10% in 2030.	Relative to the base year, the scope 2 GHG emission per wafer reduced by 19%.
Energy Consumption	Based on 2024 baseline year, energy consumption per wafer will be reduced by 5% in 2030.	Relative to the base year, energy consumption per wafer reduced by 7%.
Water Consumption	Based on 2024 baseline year, water consumption per wafer will be reduced by 5% in 2030.	Relative to the base year, water consumption per wafer reduced by 17%.
Waste Disposal	Based on 2024 baseline year, our non-hazardous waste disposal per million revenue will be reduced by 10% in 2030.	Relative to the base year, the non-hazardous waste disposal per million revenue increased by 14%.[1]

During the Reporting Year, the Group invested 99,000 RMB in the field of energy efficient equipment to meet our set reduction targets. We did not incorporate climate factors into its compensation and incentive system or adopted an internal carbon pricing strategy. Going forward, we will continue to monitor industry trends, actively explore the feasibility of internal carbon pricing, and continuously improve our carbon management system to ensure steady progress on the path of green and low-carbon development.

4.2 Green Operations Management

The Group prioritizes environmental stewardship by strictly adhering to national regulations, including the Environmental Protection Law of the PRC, the Law on Appraisal of Environment Impacts, and statutes governing the prevention of water, solid waste, and hazardous chemical pollution. Our dedicated Environmental, Health, and Safety (EHS) department spearheads the identification and mitigation of potential hazards while fostering environmental awareness across the organization.

To ensure operational resilience, we conduct annual environmental risk assessments to analyze potential incidents and identify gaps in our emergency response protocols. This robust framework is validated by our successful attainment of the ISO 14001 Environmental Management System certification. During the Reporting Period, we did not aware of any legal or regulatory matters relating to waste and greenhouse gas emissions, water or land discharges, or the generation of harmless waste that would have a material impact on the Group. We remain committed to practicing green and low-carbon development, integrating sustainable management into our core operations to drive long-term value.

[1] Owing to the increase of production but lower in each wafer's unit price, we recorded a gentle rise in the non-hazardous waste disposal intensity per million revenues.

4. Environmental Protection

4.3 Energy Management

The Group recognizes robust energy management as fundamental to environmental sustainability. We have implemented the *Energy Conservation and Consumption Reduction Management Regulations* to clearly define management responsibilities and standardize procedures for energy utilization, retrofitting, and monitoring. During the Reporting Period, our manufacturing operations primarily consumed electricity and fuel. To effectively minimize our operational footprint, the Group executed several key initiatives:

Waste Heat Recovery

A heat recovery system commissioned in 2024 is projected to save 339,102 kWh in 2025.

HVAC Optimization

By redirecting exhaust air – which closely matches cleanroom parameters – back to air handling units, we significantly reduced the thermal load required for temperature and humidity control.

Lighting Retrofit

Upgrading cleanroom lighting to high-stability, energy-efficient fixtures has reduced annual consumption by 12,600 kWh while lowering maintenance costs.

Operational Discipline

We actively promote energy-saving habits, such as ensuring lighting and climate control are deactivated in unoccupied rooms.

4.4 Water Resource and Packaging Material Management

The Group prioritizes water stewardship, sourcing its supply from municipal providers with no sourcing challenges encountered during the Reporting Period. Guided by the principles of conservation, volume control, and efficiency, we develop annual water-saving plans and perform usage assessments to enforce strict consumption quotas across all units.

To optimize resource utilization, we have implemented the following measures:

Water Recycling

We recover and reuse condensate from air handling units and concentrated water generated from ultrapure water (UPW) production.

Efficiency Enhancement

These recovery initiatives significantly improve water-use efficiency and minimize operational waste.

Regarding packaging, the Group remains committed to optimizing material usage and prioritizing sustainable options to reduce our environmental footprint throughout the value chain.

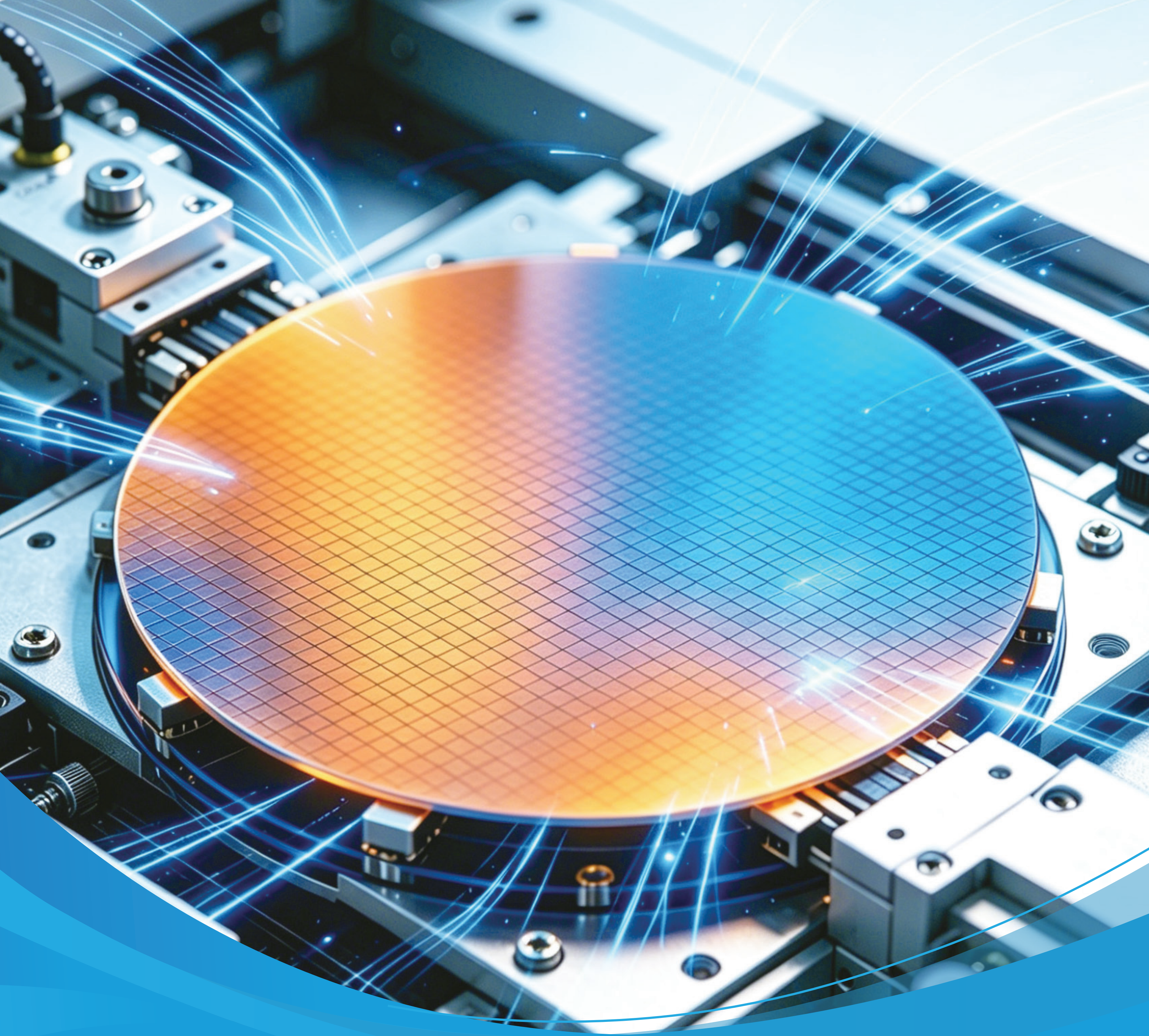
4.5 Air pollution, Sewage and Solid Waste Management

The Group strictly adheres to local regulations to mitigate noise pollution. We have implemented technical modifications – including soundproofing, absorption, and vibration reduction – for air compressors and environmental facilities. Compliance is verified through regular internal monitoring and annual third-party testing to ensure a minimal impact on the surrounding environment.

Air emissions from production are managed through specialized treatment systems. Epitaxial furnace exhaust is collected via closed-loop systems and processed through CLEANSORB purifiers and alkaline spray towers. Similarly, cleaning exhaust is treated using alkaline scrubbers and activated carbon adsorption. These rigorous processes ensure all emissions consistently meet stringent environmental standards before discharge.

Regarding waste management, we adopted classification system for non-hazardous waste to maximize recycling. Hazardous waste – including chemical-contaminated wipes, filters, waste oils, and resins – is stored in a centralized, labelled warehouse with strict classification protocols. All waste streams are collected and disposed of by qualified third-party specialists to ensure full regulatory compliance.

Wastewater from production and domestic sources is treated at our on-site stations using multi-stage processes. Following successful annual external audits, where all discharges were found to be compliant, we have developed a 2026 roadmap. This plan involves implementing regular water quality monitoring and dedicated recycling solutions for cleaning wastewater, further advancing our commitment to a circular economy and sustainable operations.



Appendix

Appendix

Appendix1: KPI Performance Table

Category	Indicator	Unit	2025
Environmental	**Greenhouse Gas**		
	Total greenhouse gas emissions[1] (Scope 1, Scope 2 and Scope 3)	Tonnes of carbon dioxide equivalent	30,306.80
	Greenhouse gas emission (Scope 1 and Scope 2 and Scope 3) intensity	Tonnes of carbon dioxide equivalent/Revenue Per Million	39.60
	Greenhouse gas emission (Scope 1)	Tonnes of carbon dioxide equivalent	377.66
	Greenhouse gas emission (Scope 2)[2]	Tonnes of carbon dioxide equivalent	29,695.41
	Greenhouse gas emission (Scope 3)[3]	Tonnes of carbon dioxide equivalent	233.73
	Energy		
	Total energy consumption	MWh	55,978.81
	Energy consumption intensity	MWh/Revenue Per Million	73.14
	Indirect energy consumption – purchased electricity	MWh	55,965.72
	Direct energy consumption – unleaded petrol	MWh	13.09
	Air emissions		
	Nitrogen oxides	kg	1.90
	Sulphur oxides	kg	0.02
	Particulate matter	kg	0.14
	Water consumption		
	Total water consumption	m^3	346,465.00
	Water consumption intensity	m^3/Revenue Per Million	452.70

1 Greenhouse gases mainly come from purchased electricity. Greenhouse gas emissions are calculated based on the 2006 IPCC National Greenhouse Gas Inventory Guidelines published by the Intergovernmental Panel on Climate Change (IPCC), and are presented in carbon dioxide equivalent.

2 The calculation methodology for Scope 2 during the Reporting Period used the location-based method, with factors referencing the "Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors" issued by the Ministry of Ecology and Environment.

3 According to Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), our scope 3 greenhouse gas emission covers Category 5: Waste Generated in Operations.

Appendix

Category	Indicator	Unit	2025
	Packaging materials consumption		
	Total packaging materials consumption	Tonnes	18.93
	Packaging materials consumption intensity	kg/Revenue Per Million	24.73
	Waste		
	Non-hazardous waste[4]	Tonnes	88.72
	Non-hazardous waste intensity	kg/Revenue Per Million	115.92
	Hazardous waste[5]	Tonnes	0.49
	Hazardous waste intensity	kg/Revenue Per Million	0.64
Social	**Employment**		
	Total number of employees[6]	Person	529
	By gender		
	Male	Person	363
	Female	Person	166
	By age		
	29 years old or below	Person	337
	30-50 years old	Person	185
	51 years old or above	Person	7
	By employee level		
	Senior management	Person	8
	Middle management	Person	70
	Non-management	Person	451

4 All non-hazardous waste is handled by garbage removal units, mainly office waste, domestic waste, etc.

5 Hazardous waste is handled by professional recycling companies for harmless treatment or by the original factory for recycling, mainly including wasted oil, etc.

6 All employees are full-time employees. No part-time employees appointed as of 31 Dec 2025.

Appendix

Category	Indicator	Unit	2025
	By region		
	Mainland China	Person	525
	Other regions[7]	Person	4
	Turnover Rate[8]		
	Total Employee Turnover Rate	%	22
	By gender		
	Male	%	25
	Female	%	17
	By age		
	29 years old or below	%	29
	30-50 years old	%	5
	51 years old or above	%	36
	By employee level		
	Senior management	%	0
	Middle management	%	5
	Non-management	%	25
	By region		
	Mainland China	%	23
	Other regions[7]	%	0

[7] Other regions including countries such as America, Australia and Malaysia.

[8] Turnover Rate = the number of employees who leave the Group in the reporting year/(the total number of employees at the beginning of year + number of employees employed during the Reporting Period) *100%.

Appendix

Category	Indicator	Unit	2025
	Health and Safety		
	Number of deaths due to work	Person	0
	Death rate due to work	%	0
	Number of working days lost due to injury	Day	10
	Percentage of Trained Employee		
	Total percentage of trained employee	%	93
	By gender[9]		
	Male	%	72
	Female	%	28
	By employee level		
	Senior management	%	1
	Middle management	%	12
	Non-management	%	87
	Average Training Hours Per Employee[10]		
	By gender		
	Male	Hour	223.51
	Female	Hour	212.98

9 Breakdown for percentage of employees trained in relevant categories = Employees in the specified category who took part in training/ Employees who took part in training * 100%.

10 Average Training Hours Per Employee = The total training hours by type/the total number of employees at year end.

Appendix

Category	Indicator	Unit	2025
	By employee level		
	Senior management	Hour	16.00
	Middle management	Hour	143.86
	Non-management	Hour	235.68
	Supply Chain Management		
	Total suppliers	Unit	102
	By region		
	Mainland China	Unit	100
	Other regions	Unit	2

Appendix

Appendix2: Index of ESG Indicators

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
A. Environmental		
A1 Emissions		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		4.2 Green Operations Management 4.5 Air pollution, Sewage and Solid Waste Management
A1.1	The types of emissions and respective emissions data.	4.5 Air pollution, Sewage and Solid Waste Management
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	KPI Performance Table
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	KPI Performance Table
A1.5	Description of emissions target(s) set and steps taken to achieve them.	4.1 Addressing Climate Change
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.5 Air pollution, Sewage and Solid Waste Management
A2 Use of Resources		
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		4.3 Energy Management 4.4 Water Resource and Packaging Material Management
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	KPI Performance Table
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	KPI Performance Table
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.1 Addressing Climate Change
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.1 Addressing Climate Change
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Water Resource and Packaging Material Management

Appendix

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
A3 The Environment and Natural Resources		
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		4.5 Air pollution, Sewage and Solid Waste Management
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.5 Air pollution, Sewage and Solid Waste Management
B. Social		
B1 Employment		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		3.1 Employment and Labour Standards 3.2 Employee Welfare
B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	KPI Performance Table
B1.2	Employee turnover rates by gender, age group and region.	KPI Performance Table
B2 Health and Safety		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		3.4 Employee Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each.	KPI Performance Table
B2.2	Lost days due to work injury.	KPI Performance Table
B2.3	Description of occupational health and safety measures adopted.	3.4 Employee Health and Safety
B3 Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		3.3 Employee Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	KPI Performance Table
B3.2	Average number of hours of training completed per employee by gender and employee category.	KPI Performance Table

Appendix

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
B4 Labor Standards		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		3.1 Employment and Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labor.	3.1 Employment and Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Employment and Labour Standards
B5 Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.		1.5 Sustainable supply chain
B5.1	Number of suppliers by geographical region.	KPI Performance Table
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	1.5 Sustainable supply chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1.5 Sustainable supply chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.5 Sustainable supply chain
B6 Product Responsibility		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		2. Quality Product and Service
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.2 Customer Service and Recall Management

Appendix

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
B6.2	Number of products and service related complaints received and how they are dealt with.	2.2 Customer Service and Recall Management
B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.5 Intellectual property protection
B6.4	Description of quality assurance process and recall procedures.	2.2 Customer Service and Recall Management
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3 Protecting Customer Information Security
B7 Anti-corruption		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		1.4 Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	1.4 Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.4 Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	1.4 Business Ethics
Community		
B8 Community Investment		
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		3.5 Community Investment
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sports).	3.5 Community Investment
B8.2	Resources contributed (e.g., money or time) to the focus areas.	3.5 Community Investment

Appendix

<table>
<tr><th colspan="2">Part D: Climate-related Disclosures</th><th>Reference Section</th></tr>
<tr><td rowspan="2">Governance</td><td>19 (a). An issuer shall disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:

(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;

(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;

(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;

(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies</td><td rowspan="2">1.1 ESG Governance
4.1 Addressing Climate Change – Governance</td></tr>
<tr><td>19 (b). An issuer shall disclose the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:

(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and

(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</td></tr>
</table>

Appendix

Part D: Climate-related Disclosures		Reference Section
Strategy	20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	4.1 Addressing Climate Change – Strategy
	21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	4.1 Addressing Climate Change – Strategy

Appendix

Part D: Climate-related Disclosures	Reference Section
22 (a) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40;	4.1 Addressing Climate Change – Strategy
22 (b) An issuer shall disclose information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	4.1 Addressing Climate Change – Strategy
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Not applicable as this is the first year's ESG report.
24 (a) An issuer shall disclose qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	For qualitative information: 4.1 Addressing Climate Change – Strategy For quantitative information: Financial Effects Relief Adopted
24 (b) An issuer shall disclose qualitative and quantitative information about the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	

Appendix

Part D: Climate-related Disclosures	Reference Section
25 (a). The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy;	For qualitative information: 4.1 Addressing Climate Change – Strategy For quantitative information: Financial Effects Relief Adopted
25 (b). The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Financial Effects Relief Adopted
26 (a). An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Capabilities relief adopted for climate-related scenario analysis
26 (b). An issuer shall disclose how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Capabilities relief adopted for climate-related scenario analysis

Appendix

Part D: Climate-related Disclosures		Reference Section
Risk Management	27 (a). An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	4.1 Addressing Climate Change – Risk Management
	27 (b). An issuer shall disclose information about the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities);	
	27 (c). An issuer shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

Appendix

Part D: Climate-related Disclosures		Reference Section
Metrics and Targets	28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	KPI Performance Table
	29. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	KPI Performance Table

Appendix

Part D: Climate-related Disclosures	Reference Section
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable Information Relief Adopted
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable Information Relief Adopted
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable Information Relief Adopted
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	4.1 Addressing Climate Change – Metrics and Targets
34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group did not implement internal carbon prices in decision-making during the Reporting Period.
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group did not include climate-related considerations which are factored into remuneration policy during the Reporting Period.
36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	4.1 Addressing Climate Change – Metrics and Targets

Appendix

Part D: Climate-related Disclosures	Reference Section
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	4.1 Addressing Climate Change – Metrics and Targets
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	4.1 Addressing Climate Change – Metrics and Targets
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	4.1 Addressing Climate Change – Metrics and Targets

Appendix

Part D: Climate-related Disclosures	Reference Section
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	4.1 Addressing Climate Change – Metrics and Targets
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	4.1 Addressing Climate Change – Metrics and Targets

EpiWorld

瀚天天成电子科技（厦门）股份有限公司

Epiworld International Co., Ltd.