

# Reaching NEW HEIGHTS — in — SUSTAIN ABILITY



力勁科技集團有限公司  
L.K. Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code : 558)

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## ABOUT THIS REPORT

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ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT



### OVERVIEW

The board of directors (the “Board”) of L. K. Technology Holdings Limited (the “Company”) is pleased to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) of the Company and its subsidiaries (collectively as the “Group” or “we”) for the year ended 31 March 2026 (the “Reporting Period”). The Report outlines the policies, sustainability strategies, management approach and initiatives implemented by the Group and the performance of the Group in ESG aspects of its business.

### REPORTING SCOPE

The Report covers the Group’s business in the manufacture and sale of die-casting machine, plastic injection molding machine and computerized numerical controlled (“CNC”) machining center and the manufacture of casting in Shenzhen, Shanghai, Chongqing, Fuxin, Ningbo, Zhongshan, Kunshan, Taiwan and Italy, which are the core business and major source of revenue of the Group, covering over 75% of the Group’s revenue. Other companies of the Group are not covered in the Report because their impact on the ESG performance is not significant. During the Reporting Period, there were no significant changes to the reporting scope.

### REPORTING BASIS

The Report discloses the required information of the ESG Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The relevant provisions and details are set out at the end of the Report.

### REPORTING PRINCIPLES

The Group adheres to the following reporting principles as the basis for the preparation of the Report.

#### Materiality

The threshold at which ESG issues determined by the Board to be sufficiently important to investors and other stakeholders of the Group that they should be reported, details of which are set out in the sections “Stakeholders’ Engagement” and “Materiality Assessment” below.

#### Quantification

The quantified environmental and social key performance indicators (“KPIs”) are disclosed in the Report to give stakeholders of the Group a comprehensive picture of the Group’s ESG performance. The information is accompanied by a narrative, explaining its purposes and impacts.

#### Balance

Every effort has been made in the Report to reflect the performance of the Group’s ESG activities impartially and avoid selection, omission or presentation of information that might inappropriately influence the decision or judgment of the readers of the Report.

#### Consistency

As far as is reasonably practicable, the Group has used consistent methodologies to allow for meaningful comparisons of ESG data over time.



# MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## BOARD STATEMENT

Climate change continues to pose critical challenges globally, alongside an evolving and increasingly complex regulatory landscape driven by laws and requirements. In response, we are committed to operating in compliance with applicable local and international sustainability requirements, while advancing a responsible, forward-looking development approach anchored in environmental responsibility and resource efficiency.

We have established a robust sustainability framework that guides the integration of ESG considerations into the Group's strategy, focusing on environmental protection, resource management, as well as the well-being of our employees and communities. We integrate sustainability principles into our operations and invest in targeted environmental initiatives to foster a culture of shared responsibility and collective action for a more sustainable future.

To ensure sustainability remains firmly embedded within the Group's governance structure, the Board retains overall accountability for ESG matters, including climate-related issues, which are integrated into the Group's strategic planning and management processes. The Board regularly reviews ESG priorities, monitors ESG matters relevant to the Group and evaluates progress toward ESG-related goals and targets. Further details regarding the Board's oversight of ESG matters, the Group's ESG management policies and strategies, and the Board's review of progress against ESG-related goals and targets, including their alignment with the Group's business, please refer to "Governance Structure".

Guided by this governance framework, we are unwavering in our commitment to creating sustainable long-term value through the balanced consideration of environmental, social, and economic factors. During the Reporting Period, we conducted

a comprehensive review and refinement of material ESG topics, informed by prior assessments, stakeholder expectations and an in-depth analysis of evolving industry trends. Through this process, we further ensure our strategic priorities remain aligned with internationally recognized disclosure standards. The updated list of material topics enables us to focus our resources on the ESG issues most relevant to our business, shaping our future decision-making, and supports the Group's preparedness for disclosures in accordance with ESG reporting frameworks.

The outcomes of this review also reinforce our belief that sustainable development extends beyond environmental performance and encompasses responsible business conduct, employee well-being and community engagement. We actively participated in "ESG Pledge Scheme" organized by The Chinese Manufacturers' Association of Hong Kong in collaboration with the Hong Kong Brand Development Council. Through the implementation of various ESG initiatives and responsible business practices, we seek to enhance our sustainability performance while promoting corporate sustainable development.

At the same time, we recognize that our employees are central to delivering our sustainability vision. In the face of global climate volatility and economic uncertainty, we remain committed to fostering a workplace that prioritizes safety, inclusivity, employee well-being and professional development. We provide fair compensation and benefits and diverse career development opportunities to support personal and professional growth. Through initiatives such as "L.K. Dream Pursuit Program" and "L.K. Dream Building Program", we seek to nurture talent, encourage innovation and build organizational resilience, while maintaining a safe and supportive working environment for all employees. We also remain steadfast in our goal to continue to actively engage in public welfare initiatives.



## MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Alongside our efforts to support our people and communities, we continue to strengthen our environmental performance in response to increasing societal expectations regarding environmental protection, energy efficiency and climate resilience. Environmental considerations have been systematically integrated into the Group's strategic planning and operational management, enabling us to enhance the environmental performance of our facilities and improve resource utilization. We continuously invest resources to optimize facilities for managing various emissions, adjusting our product portfolio to produce more environmentally friendly products, and conduct regular assessments on climate-related risks. These efforts support the Group's ability to strengthen resilience, address emerging challenges and capture opportunities arising from the transition to a low-carbon economy.

To support the Group's sustainability vision, the Board has established a series of environmental targets and has adopted a top-down approach to integrate these targets into operation management of functional departments. The management team and all employees actively support the Group's sustainability strategy and objectives through the ongoing monitoring and evaluation of performance against established targets. By embedding sustainability considerations into daily operations and decision-making processes, the Group seeks to drive behavioral and operational improvements that reduce greenhouse gas emissions, optimize energy and resource consumption, and promote the efficient use of resources. We aim to continue strengthening the Group's environmental performance, enhancing operational resilience and supporting its long-term sustainability aspirations.

Looking ahead, sustainability will remain integral to the Group's long-term strategy and business resilience. We view sustainability not only as a responsibility, but also as a driver of innovation, competitiveness and long-term value creation. Through continued investments in our people, products, operations and environmental performance, we aim to strengthen resilience, capture emerging opportunities arising from the low-carbon transition and create sustainable value for our stakeholders. Together with our employees, customers, suppliers and communities, we remain committed to contributing to a more sustainable future while supporting the Group's long-term growth and success.

**GOVERNANCE STRUCTURE**

The Board believes that sound ESG strategies can create investment value for the Group and deliver long-term returns to its stakeholders. The establishment of an appropriate

**THE BOARD**

Board members are responsible for:

- Developing long-term sustainable development policies and strategies
- Assessing and identifying risks and opportunities associated with ESG
- Ensuring appropriate and effective ESG risk management and internal monitoring systems
- Reviewing and approving policies, objectives and action plans or measures related to ESG
- Approving ESG report

**MANAGEMENT TEAM**

The management team is responsible for:

- Developing and reviewing ESG-related policies, objectives and action plans or measures
- Monitoring and reporting to the Board on the progress and quality of implementation of the action plan or measures
- Identifying ESG risks and opportunities
- Reviewing the ESG report

**FUNCTIONAL DEPARTMENT**

The functional departments are responsible for:

- Identifying, assessing, defining and reporting to management on significant ESG issues
- Performing ESG risk management and internal monitoring
- Ensuring ESG policies, objectives and action plans or measures are effectively implemented and integrated into business operations
- Reporting to management on progress and quality of action plan or measures



governance framework is critical to successful implementation of the ESG strategies of the Group. Therefore, the Group sets up the ESG governance structure with clear duties and responsibilities. The Board sets long-term policies and strategies for all sustainability matters, reviews the implementation status and progress of ESG work annually and reports on its performance. The Board also identifies, reviews and evaluates the corporate responsibility, sustainability and climate change response of the Group through internal meetings. The management team reports to the Board on a regular basis to assist the Board in assessing and determining whether the Company has established an appropriate and effective internal control system to contain the ESG risks. At the operational level, functional units are responsible for ensuring the integration of sustainability strategies and practices into the Group's business operations and exploring new action plans or initiatives.

The Board has appointed an independent consultant to provide advice on the ESG matters of the Group and assist in collecting data and information for conducting various analysis and providing improvement recommendations on ESG performance. The Group has also collected the views of key stakeholders on ESG matters during daily operations and conducted a materiality assessment to identify material ESG issues for the Group, details of which are disclosed in the sections “Stakeholders’ Engagement” and “Materiality Assessment” below. To effectively lead the ESG process of the Group, the Board monitors the work of all departments to ensure that they work closely together to achieve the sustainable development goals of operational compliance and fulfill social responsibility.

### STAKEHOLDERS’ ENGAGEMENT

The Group is dedicated to sustainable business growth while actively fulfilling its social responsibilities, pursuing both economic and social values. For years, we have supported environmental initiatives in the communities where we operate. The Group maintains strong relationships with key stakeholders, including government/regulatory organizations, shareholders/investors, employees, customers, suppliers, community etc., to better understand their perspectives. Through ongoing communication, we align their interests with our sustainable development strategy. Our ESG risks are systematically assessed, with corresponding risk management measures and internal controls in place to ensure effectiveness. The table below outlines our stakeholder communication channels and how we address their expectations and concerns:

| Stakeholders                                        | Expectations and concerns                                                                                                                                                          | Means of communication                                                                                                                                                                                                                               | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Government/<br/>regulatory<br/>organizations</b> | <ul style="list-style-type: none"> <li>Compliance in laws and regulations</li> <li>Tax obligation fulfillment</li> <li>Green operation</li> <li>Safe production</li> </ul>         | <ul style="list-style-type: none"> <li>Periodic report/announcement</li> <li>Regular communication with regulators</li> <li>Handle official business through government affairs website or application</li> </ul>                                    | <ul style="list-style-type: none"> <li>Uphold integrity and compliance in operations</li> <li>Pay tax on a timely basis, and contribute to the society</li> <li>Establish comprehensive and effective internal control system</li> <li>Fully implement safety production accountability system</li> </ul>                                                                                                                                                                           |
| <b>Shareholders/<br/>investors</b>                  | <ul style="list-style-type: none"> <li>Return on investment</li> <li>Information transparency</li> <li>Corporate governance system</li> <li>Operational risk management</li> </ul> | <ul style="list-style-type: none"> <li>Information disclosed on the website of the Stock Exchange and the official website of the Company</li> <li>Annual general meeting and other shareholders’ meetings</li> <li>Opinion mailbox/email</li> </ul> | <ul style="list-style-type: none"> <li>Management possesses relevant experience and professional knowledge in business sustainability</li> <li>Ensure transparent and efficient communications by dispatching information at the websites of the Stock Exchange and the Company</li> <li>Continue to improve the internal control system and focus on risk management</li> <li>Continue to communicate efficiently with investors through various communication channels</li> </ul> |

## MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE

| Stakeholders     | Expectations and concerns                                                                                                                                                    | Means of communication                                                                                                                                                                                                                                                                                                                                                                                                   | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employees</b> | <ul style="list-style-type: none"> <li>• Labor rights</li> <li>• Career development</li> <li>• Compensation and welfare</li> <li>• Health and occupational safety</li> </ul> | <ul style="list-style-type: none"> <li>• Staff activities</li> <li>• Employee performance evaluation</li> <li>• Induction and on the job training</li> <li>• Internal meetings and announcements</li> <li>• Contact via email, phone and communication applications</li> <li>• Employee rewards and punishments, and innovation and improvement proposal management system</li> <li>• General manager mailbox</li> </ul> | <ul style="list-style-type: none"> <li>• Set up contractual obligations to protect labor rights</li> <li>• Encourage employees to participate in continuous education and professional trainings to enhance ability</li> <li>• Establish a fair, reasonable and competitive remuneration scheme</li> <li>• Pay attention to health and occupational safety</li> <li>• Regularly provide medical check-ups to employees and conduct occupational disease hazard inspection on key positions to identify various occupational hazard source and adopt appropriate response plans as soon as possible</li> <li>• Establish an efficient and rewarding communication mechanism to motivate employees to actively provide opinions to the company and bring opportunities for mutual development to both parties</li> </ul> |
| <b>Customers</b> | <ul style="list-style-type: none"> <li>• High quality products and services</li> <li>• Timely delivery</li> <li>• Reasonable price</li> </ul>                                | <ul style="list-style-type: none"> <li>• Business visit and customer relationship management event in person</li> <li>• Direct contact via email, phone and communication applications</li> <li>• Conference and exhibition</li> <li>• Customer service team</li> <li>• Customer satisfaction survey</li> </ul>                                                                                                          | <ul style="list-style-type: none"> <li>• Improve the quality of products and services continuously in order to maintain customer satisfaction</li> <li>• Establish an effective, efficient and green supply chain system and actively conduct developments on different type of products to meet customers' requirements</li> <li>• Formulate comprehensive quality assurance process</li> <li>• Ensure fulfillment of contractual obligations</li> <li>• Establish and continuously improve the pre-sales, in-sales, after-sales service and customer training service</li> </ul>                                                                                                                                                                                                                                     |

| Stakeholders     | Expectations and concerns                                                                                                                                                                                                                                                           | Means of communication                                                                                                                                                      | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Suppliers</b> | <ul style="list-style-type: none"> <li>Stable demand</li> <li>Good relationship with the Company</li> <li>Corporate reputation</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>Business visit</li> <li>Contact via email, phone and communication applications</li> <li>Conference and exhibition</li> </ul>        | <ul style="list-style-type: none"> <li>Ensure fulfillment of contractual obligations</li> <li>Establish policy and procedures in supply chain management</li> <li>Establish and maintain strong and long-term relationship with suppliers</li> <li>Select suppliers with due care</li> </ul>                                                                                                                                                                                                                                                                                                   |
| <b>Community</b> | <ul style="list-style-type: none"> <li>Environmental protection</li> <li>Reduce greenhouse gas emissions</li> <li>Reduce waste generation</li> <li>Effective resource utilization</li> <li>Community contribution</li> <li>Economic development and community employment</li> </ul> | <ul style="list-style-type: none"> <li>Official website of the Company and information publicity website of government departments</li> <li>Community activities</li> </ul> | <ul style="list-style-type: none"> <li>Pay attention to climate change and actively take various clean production measures</li> <li>Continue to invest resources in environmental protection</li> <li>Actively innovate environmental protection technology</li> <li>Strengthen energy saving and emission reduction management</li> <li>Instill environmental protection knowledge into employees</li> <li>Encourage employees to actively participate in charitable activities and voluntary services</li> <li>Maintain good and stable financial performance and business growth</li> </ul> |

## MATERIALITY ASSESSMENT

The Group holds discussions with the management and conducts or reviews materiality assessment annually. During materiality assessment, the materiality level of the ESG issues is determined by the level of concern and importance to both the Group and its key stakeholders. For the materiality assessment, the Group has adopted the following three processes:

### IDENTIFICATION

- Examines and adopts the ESG issues of concern in the past stakeholders' engagement
- Identify emerging ESG issues from the requirements of the Stock Exchange, international and domestic industry trends, benchmarking against industry peers, and stakeholder communication

### PRIORITIZATION

- Synthesizes, analyzes and evaluates the views of all parties to identify and prioritize potential and important issues
- Develops materiality matrix based on the importance of the issue to the Group and its key stakeholders

### VALIDATION

- Interacts with the management team to validate the materiality assessment and ensure that these issues are aligned with the sustainable development direction sought by the Group
- Reports the materiality assessment to the Board and makes the required disclosures in the ESG report

## MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group utilizes materiality assessment as a critical mechanism to align its business objectives and development strategy with stakeholder expectations and requirements. In 2024, we have refined the list of sustainability issues based on the actual coverage of the issues for effective communications. Moreover, we have further reviewed and evaluated the materiality assessment during the Reporting Period, and prioritized the issue

“Climate change management” to a high materiality to the Group after considering the industry trend as well as the emerging expectation from the regulator. To keep pace with the ever-changing business environment, the Group continues to regularly review sustainability issues that are relevant to its business and stakeholders. The corresponding chapters in this Report also aligned with these revisions to address all material issues.

The key concerns of the Group and stakeholders are outlined in the following materiality matrix:

|                                                                                                            |        | Materiality Matrix                                                                                          |                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Importance to the stakeholders                                                                             | High   | <ul style="list-style-type: none"> <li>◆ Anti-discrimination measures</li> <li>◆ Labor practices</li> </ul> | <ul style="list-style-type: none"> <li>◆ Talent management</li> <li>◆ Staff training and promotion opportunity</li> <li>● Greenhouse gas emissions</li> </ul>                                                | <ul style="list-style-type: none"> <li>▶ Operational compliance</li> <li>▶ Customers' satisfaction</li> <li>▶ Product quality and safety</li> <li>▶ Suppliers management</li> <li>◆ Occupational health and workplace safety</li> <li>● Hazardous emission &amp; waste management</li> </ul> |
|                                                                                                            | Medium | <ul style="list-style-type: none"> <li>▶ Community contribution</li> </ul>                                  | <ul style="list-style-type: none"> <li>▶ Anti-corruption</li> <li>◆ Staff compensation and welfare</li> <li>● Use of resources</li> <li>▶ Risk management</li> <li>▶ Intellectual property rights</li> </ul> | <ul style="list-style-type: none"> <li>▶ Customers' privacy measures and protection</li> <li>● Non-hazardous emission &amp; waste management</li> <li>● Climate change management</li> </ul>                                                                                                 |
|                                                                                                            | Low    | <ul style="list-style-type: none"> <li>▶ Product labeling and traceability</li> </ul>                       |                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                              |
|                                                                                                            |        | Low                                                                                                         | Medium                                                                                                                                                                                                       | High                                                                                                                                                                                                                                                                                         |
| Importance to the Group                                                                                    |        |                                                                                                             |                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                              |
| <ul style="list-style-type: none"> <li>● Environment</li> <li>◆ Employees</li> <li>▶ Operations</li> </ul> |        |                                                                                                             |                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                              |



## ENVIRONMENTAL PROTECTION

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Emissions arising from the Group's production activities are primarily attributable to its manufacturing facilities located in Chinese Mainland, Taiwan, and Italy. The Group adheres strictly to all applicable environmental protection laws and regulations, including, but not limited to, the national and local requirements outlined below:

- The "Environmental Protection Law of the People's Republic of China"
- The "Prevention and Control of Atmospheric Pollution Law of the People's Republic of China"
- The "Law of the People's Republic of China on the Prevention and Control of Water Pollution"
- The "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste"
- The "Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise"
- The "Energy Conservation Law of the People's Republic of China"
- The "Legislative Decree No. 152/2006 approving the Code on the Environment"

The Group has established a range of emission management measures in accordance with applicable environmental protection laws, regulations and standards, as well as the internationally recognized ISO 14001 Environmental Management System. These measures have been formulated with due consideration of the Group's operational context, organizational structure, production capacity, human resources and relevant environmental aspects, and are designed to govern emissions arising from operations, including exhaust air, wastewater, noise, and various categories of hazardous and non-hazardous solid waste. Production facilities located in Italy, Ningbo, Shenzhen and Taiwan have obtained ISO 14001:2015 Environmental Management System certification. Moreover, the Group has implemented a range of policies and initiatives aimed at minimizing pollution and reducing its carbon footprint, thereby mitigating adverse environmental impacts associated with its business activities as well as employees' daily practices. The details are described in the sections "Management of Emissions" and "Management of Resources Utilization" below.

### 1. MANAGEMENT OF EMISSIONS

The Group's operations in the manufacturing and sale of die-casting machines, plastic injection molding machines and CNC machining centers give rise to various types of emissions, including exhaust air, wastewater, hazardous and non-hazardous solid waste, and noise. The Group recognizes the environmental impacts associated with its operations and has integrated environmental considerations into its business development strategy. Environmental safety supervision departments have been established at each production facility to oversee the effective implementation of the Group's environmental protection measures. The Group conducts regular reviews and inspections of its environmental protection and pollution prevention measures, as well as the associated facilities, to ensure their effectiveness and compliance. In addition, regular seminars are organized to facilitate knowledge sharing and the development of solutions to address major environmental challenges.

A comprehensive framework of internal policies and procedures has been established to ensure that all employees clearly understand their environmental responsibilities. These initiatives collectively enhance the effectiveness of the Group's environmental protection policies, minimize pollutant generation and avoid resource wastage. The Group also closely monitors developments in national environmental policies and regulatory frameworks, and makes timely adjustments to its practices in response to emerging requirements as needed.



**Hazardous Emission & Waste Management**

The Group strictly complies with national and local regulations regarding the prevention and control of environmental pollution caused by hazardous wastewater and hazardous solid waste. Comprehensive internal policies and procedures have been established to monitor and manage the collection, storage, treatment and disposal of such wastes. The environmental safety supervision department is responsible for overseeing industrial wastewater treatment processes, monitoring hazardous wastewater discharge, and assessing the effectiveness of emission reduction measures. Hazardous solid waste management practices encompass source control, implementation of cleaner production techniques, and targeted employee training to enhance awareness in order to reduce waste generation. In addition, the Group conducts regular assessments to ensure that employees are proficient in the operation of production equipment, thereby strengthening environmental awareness and promoting responsible operational practices. These measures contribute to the effective reduction of solid waste generation throughout the production process.

**Hazardous Wastewater Discharge**

Hazardous wastewater generated from the Group's manufacturing of die-casting machines and plastic injection molding machines primarily arises from production-related processes. This includes waste lubricating oil, waste cutting fluid, waste emulsions, and wastewater discharged from environmental treatment facilities.

To fully comply with national and local water pollution prevention and control regulations and standards, the Group has established wastewater treatment facilities at all operating facilities and implemented hazard-free treatment technologies. Prior to discharge into municipal sewage treatment systems for further processing, wastewater undergoes a comprehensive treatment

process, including chemical neutralization, electro-flocculation, coagulation, flocculation, sedimentation, and sand filtration. Certified third-party service providers are engaged to regularly remove the sludge from wastewater tanks, and dedicated pipelines have been installed to ensure the safe conveyance of wastewater. The discharge of waste oil, chemicals, or any substances that may cause blockages or damage to public sewer systems is strictly prohibited. Furthermore, regular maintenance and inspection of all wastewater treatment facilities and associated pipelines are conducted to ensure operational integrity and to prevent leakage, thereby mitigating the risk of secondary environmental contamination.

Sludge generated from treatment processes, particularly following dehydration and drying, may contain hazardous constituents such as heavy metals. In view of the specialized requirements for hazardous waste handling, the Group engages licensed and qualified contractors for the collection, recycling, treatment and disposal of hazardous sludge, waste lubricating oil, cutting fluids and emulsions. In addition, several production facilities have implemented water reuse systems to enable the safe recycling of treated wastewater for reuse in production processes. This enhances the recirculation of processed water, including steel washing water, thereby reducing overall wastewater discharge volumes. Given the use of cutting fluids and emulsions in metal cutting and processing processes, the Group carefully manages their associated environmental impacts. The Group prioritizes the procurement of environmental-friendly alternatives such as phosphorus-free cutting fluids to minimize and mitigate potential environmental risks arising from the use and disposal of these substances.

At the beginning of the Reporting Period, the Group set a target to maintain the production intensity of hazardous wastewater at a level comparable to that of the previous year. Please refer to the section "Environmental Performance Data Summary" below for the relevant data.

### Disposal of Hazardous Waste

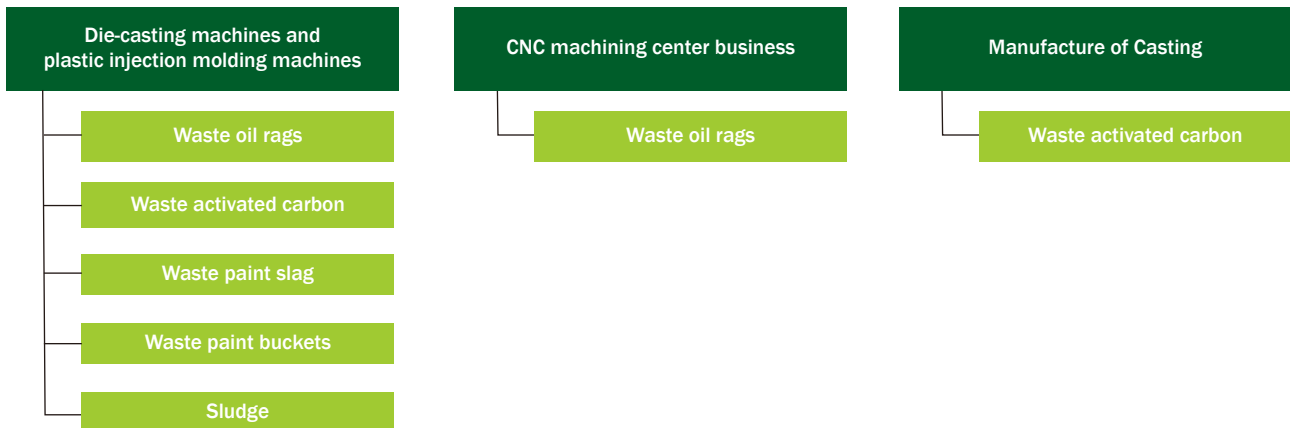
The Group aligns the standards of local government's hazardous waste registry to define and categorize harmful or hazardous solid waste, and strictly adheres to national and local regulations regarding the prevention and control of environmental pollution caused by hazardous solid waste. In compliance with the legal requirement on "Management Measures for the Transfer of Hazardous Wastes", and other relevant local laws and regulations, and the ISO 14001 Environmental Management System standards, our Plastic Injection Molding Machine operations, as well as our facilities in Italy have implemented a comprehensive framework for hazardous waste management. This includes the preparation of a "Hazardous Waste Transfer Plan" and the signing of agreements with licensed storage and transportation providers that possess valid "Hazardous Waste Operation Permits". All hazardous waste is securely stored on-site prior to transfer to ensure full traceability and to prevent unauthorized handling or disposal. Periodic analyses are conducted on hazardous waste to determine its hazard classification, thereby enabling receiving facilities to handle, treat and dispose of such waste appropriately, and to minimize the risk of environmental contamination. In addition, prior approval is obtained from the relevant local environmental protection authorities before any off-site transfer of hazardous waste to recycling or treatment facilities.



Designated locations for hazardous waste storage areas



While the generation of hazardous waste is unavoidable in our business operations, the types of hazardous waste generated during the manufacturing of various machines are listed below:



## ENVIRONMENTAL PROTECTION

In addition to complying with national and local rules and regulations, the Group has implemented internal procedures to standardize, monitor and govern the waste management practices. For example, our waste management practices include:

- Establishing designated collection points and containers to ensure proper waste segregation at designated locations within dedicated hazardous waste warehouses
- Designating temporary hazardous waste storage areas equipped with anti-leakage, anti-spill, and anti-loss measures, in compliance with the “Standard for Pollution Control of Dangerous Wastes Storage” and other relevant regulatory standards
- Setting and strictly enforcing maximum waste storage limits
- Ensuring any excess waste is promptly processed to mitigate environmental risks
- Requiring detailed documentation for the transfer of all types of hazardous waste
- Seeking qualified companies to recycle and process for the waste diversion from landfill
- Providing proper training to minimize the generation of unnecessary hazardous waste
- Conducting regular inspections by environmental protection officers to evaluate the implemented waste management practice and ensure that all facilities operate in accordance with established procedures

The Group prioritizes recovery and recycling over disposal, and actively engages qualified service providers with the requisite expertise to ensure the proper recycling and treatment of hazardous waste as well as the diversion from landfill. At the beginning of the Reporting Period, the manufacture of die-casting machine, plastic injection molding machine and CNC machining center business set a target to reduce the production intensity of hazardous solid waste by 2% as compared with the previous year.

### Non-hazardous Emission & Waste Management Exhaust Air Emissions

The Group's CNC machining center operations primarily involve parts assembly and steel processing. Apart from emissions associated with the use of vehicles, these activities do not generate exhaust gas during production. In contrast, the manufacturing activities of die-casting machines and plastic injection molding machines generate various types of exhaust gas. These include hydrochloric acid mist and hydrogen chloride generated from acid washing processes, volatile organic compounds (VOCs) emitted during painting and drying, and dust arising from powder spraying, sand blasting, shot blasting and grinding activities. In addition, exhaust gases are generated from the combustion of fuels used by vehicles, forklifts or any other mobile source across the Group's operations.

To ensure compliance with applicable national and local laws, regulations and standards on air pollution prevention and control of atmospheric pollution, the Group has implemented dedicated exhaust gas treatment facilities tailored to specific production processes. For instance, alkaline liquid drip towers are deployed to treat hydrochloric acid mist and hydrogen chloride generated during acid washing processes. Water curtain cabinets, oil curtain cabinets and activated carbon adsorption systems are utilized to capture and treat waste paint mist containing VOCs from painting and drying processes. For welding activities, gas collection hoods and bag filters are installed to manage smoke and dust. In addition, suction fans, sand and dust separators, filter cartridge dust collectors and pulse bag filters are utilized in enclosed environments to separate, filter and capture dust arising from sandblasting and grinding processes. The Group also promotes the use of water-based paints as an alternative to oil-based paints, and applies ring-shaped smoke collectors and dust removal systems to cool and treat high-temperature smoke generated from casting operations. All treated exhaust gases are discharged at or above the national and local government regulated discharge height after being treated by the environmental protection facilities.

For overall governance of exhaust air emission management, the Group has established a comprehensive monitoring and control framework to facilitate coordination among relevant departments in managing key emission control points. This ensures that industrial waste gas consistently meets applicable national standards. Maintenance and repair responsibilities for emission control points are jointly managed by the environmental safety supervision and production departments. Any identified risks must be reported immediately to management, and corrective actions are implemented in a timely manner to prevent gas leakage and mitigate potential environmental incidents.

### Non-hazardous Wastewater Discharge

Non-hazardous wastewater generated from the Group's operations primarily comprises the effluent of production activities, office and domestic use, as well as oily wastewater arising from canteen operations. To minimize the generation of domestic wastewater, the Group has implemented a range of water conservation and emission reduction measures. Further details can be found in the section titled "Water Resources Utilization". Due to the presence of oil and grease in canteen wastewater, such effluent undergoes oil-water separation followed by biochemical treatment prior to being discharged, together with domestic wastewater, into the local sewage network for further treatment at municipal sewage treatment facilities. In response to increasingly stringent environmental regulatory requirements, the Group continuously enhances its production processes and upgrades both production and environmental protection infrastructure. Regular maintenance and repair programs are carried out to ensure the effective operation and reliability of wastewater treatment systems. In addition, emergency containment facilities, such as wastewater



Exhaust air  
treatment  
equipment



retention pools, have been installed to mitigate the risk of environmental contamination in the event of leakage. In the event of a pollution incident, personnel from the Environmental Safety Management Department are required to report immediately to management and implement appropriate corrective actions to minimize potential environmental impacts.

At the beginning of the Reporting Period, the Group set targets to ensure that the production intensity of non-hazardous wastewater does not exceed that of the previous year.

### Disposal of Non-hazardous Waste

Non-hazardous solid waste generated from the Group's operations primarily includes metal scrap, raw material packaging, welding slag, furnace slag, waste sand, waste iron, and domestic waste arising from production, office and living facility activities. The Group adheres to the "Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Waste", "Waste Disposal Act" and the applicable local laws and regulations to ensure proper classification, segregation and storage of such waste at designated locations. Contracts are established with qualified service providers for the collection and disposal of both industrial and domestic waste. Recycled industrial and domestic waste is predominantly treated through incineration or landfill disposal. The Group advocates the waste treatment policy of "Reduction, Recycling and Hazardous-free". We actively promote the employee awareness of waste segregation, responsible material use, and strictly require our employees to operate production equipment in accordance with standard operating procedures to reduce waste from operations.

The Group also invests in digital solutions to strengthen waste management practices. A digital waste management platform in Italy has been implemented to enhance waste traceability, automate compliance monitoring, and support the oversight of waste collection, transportation and treatment processes, which guides the data-driven waste reduction efforts for the continuous improvement of resource efficiency.

Various waste optimization measures are implemented to enhance resource efficiency, including the sale of metal scrap to specialized recycling companies with better recycling technologies, reuse of waste sand for ground repair, and reintroduction of reusable large metal scraps into production processes. In addition, damaged wooden pallets are repaired or repurposed, components



from decommissioned equipment are salvaged for maintenance purposes, and employees are encouraged to reuse papers and other office supplies. Organic waste, such as food waste, is repurposed as fertilizer where feasible. Any disposing of hazardous waste and non-hazardous waste together is strictly prohibited to avoid large scale of adverse effects on the environment and human health during the processes of waste collection, transportation, storage, treatment and disposal.

**Storage zones and warehouses for different types of waste**

At the beginning of the Reporting Period, the Group set targets to decrease the production intensity of non-hazardous solid waste by 2% as compared with the previous year.

### Management of Noise

Noise generated from the Group's operations primarily arises from production machinery and equipment. To ensure full compliance with the "Emission Standard for Industrial Enterprises Noise at Boundary", the Group has formulated the "Management Regulations of Equipment Noise", which govern the layout of production workshops, the positioning of equipment, and the implementation of vibration and noise reduction measures.

Specific mitigation measures include the installation of vibration dampers beneath equipment, machines with enclosure guard must be shielded properly during operation, and the regular maintenance and servicing of machinery to minimize wear and associated noise emissions. Lubrication oil is applied to reduce friction, mechanical degradation and prevent unnecessary noise, while the procurement of low-noise equipment is prioritized where feasible.

In addition, the Group optimizes production scheduling and has undertaken greening initiatives, such as planting vegetation within factory premises, to mitigate noise impact on the surrounding community environment. To safeguard employee health, appropriate personal protective equipment, including earmuffs and earplugs, is provided, and working hours are managed to reduce potential exposure to excessive noise and associated occupational health risks.

### Compliance

During the Reporting Period, we were not involved in any confirmed violations that are related to emissions and have significant impact on the Group.

## 2. MANAGEMENT OF RESOURCES UTILIZATION

In order to comply with the "Law of the People's Republic of China on Energy Conservation" and relevant local regulations, and in support of our commitment to sustainable development, the Group has systematically integrated environmental considerations into its strategic planning and operational management. In response to escalating climate change concerns and increasing societal expectations regarding environmental protection and energy efficiency, the Group actively aligns its practices with evolving governmental policies and regulatory developments in these areas. A range of initiatives has been implemented to conserve natural resources and promote a culture of environmental responsibility across the organization. These measures include enhancing the environmental performance of operational facilities, encouraging employees to optimize resource utilization, and minimizing waste generation to improve overall operational efficiency. Details of our resource conservation measures are outlined below.

### Use of Resources

#### Conservation of Energy

*Conservation of Gasoline, Diesel, Liquefied Petroleum Gas, Natural Gas and Welding/Cutting Gas*

Gasoline and diesel are primarily consumed in vehicles, trucks and forklifts, as well as in product commissioning and parts cleaning processes. These vehicles and equipment support critical operational functions, including business development, guest transportation, customer service and goods handling within warehouse operations.

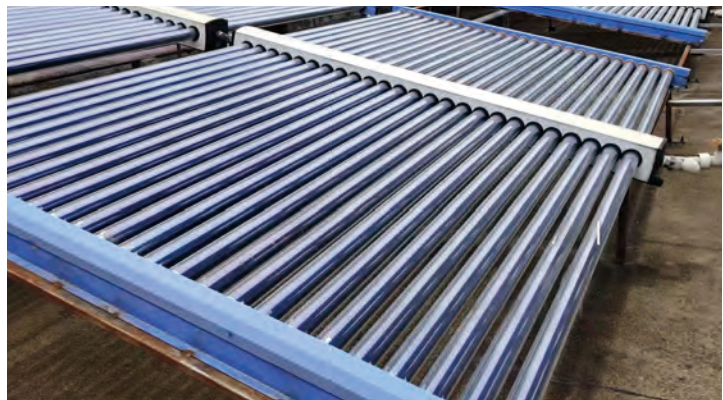


To enhance fuel efficiency and reduce associated emissions, the Group has implemented a range of fuel management and conservation measures. These include the systematic recording and analysis of fuel consumption data, optimization of transportation routes, enforcement of anti-idling policies, demand-based utilization of forklifts, and regular maintenance and inspection of vehicles and forklifts to ensure optimal performance. In addition, the Group is progressively introducing hybrid vehicles to replace conventional fossil fuel-powered vehicles, thereby reducing fuel consumption and lowering the associated gas emissions.

The Group also promotes the reduction of business travel and encourages employees to utilize public transportation where practicable. Fuel allocation is managed based on specific operational requirements to improve efficiency. For fuel used in product commissioning and parts cleaning, employees are required to strictly adhere to established operating procedures. Efforts are also made to maximize the reuse of fuel in cleaning processes, thereby reducing overall consumption and enhancing resource efficiency.

The Group set targets for the consumption intensity of gasoline and diesel. At the beginning of the Reporting Period, the Group set targets to decrease the consumption intensity of gasoline and diesel by 2% respectively as compared with the previous year.

The Group utilizes liquefied petroleum gas and natural gas primarily for canteen cooking, heating system operations, and selected production processes. In addition, gases such as carbon dioxide, acetylene, and propylene are released during welding and cutting activities.



To enhance energy efficiency and promote environmental responsibility, the Group enforces strict controls over food preparation in canteen operations to minimize excessive cooking, thereby reducing fuel consumption, food waste, and associated greenhouse gas emissions. Regular inspections of natural gas pipelines, as well as cooking and heating equipment, are conducted to prevent unnecessary waste due to leakage or equipment malfunction. Given the inherent safety risks associated with gas usage, these measures also play a critical role in preventing accidents and ensuring a safe working environment.

## Solar power energy generation

### *Conservation of Electricity*

The Group manages electricity consumption primarily through structured operational controls and ongoing monitoring. It also promotes a culture of energy conservation and actively implements technically feasible and economically viable measures to enhance electricity use efficiency. Department supervisors are responsible for monitoring and managing electricity consumption within their respective areas, including production equipment, workshop lighting, office devices, and air conditioning systems. They are also responsible for formulating and implementing targeted remediation plans in a timely manner if abnormal electricity consumption is noticed. The production department further strengthens the management of production workshop facilities and equipment by requiring employees to adhere strictly to standard operating procedures when operating electrical machinery and equipment. Unauthorized modifications of electrical circuits or installation of high electric power equipment are strictly prohibited without prior management approval. Any such changes must receive formal approval from management.

To further enhance energy efficiency, the Group engages independent third-party consultants to conduct periodic energy audits in accordance with recognized energy management standards. These audits assess energy consumption patterns, establish performance baselines, and identify energy-saving opportunities for potential improvement areas. The Group is also progressively phasing out outdated equipment and replacing it with nationally certified or energy-efficient alternatives with energy-efficient labels. Maintenance and repair of electrical equipment are prioritized to ensure optimal performance, and electricity consumption data is recorded and analyzed on a monthly basis. In certain facilities, electricity usage is incorporated into monthly performance evaluation systems and linked to employee bonuses to reinforce accountability. Given the energy-intensive nature of casting operations, particularly for electric furnaces, annealing furnaces, and air compressors, the Group has implemented targeted energy-saving measures. These include completing preparatory tasks prior to furnace operation to minimize idle time, operating furnaces in accordance with production schedules to avoid frequent start-stop cycles and unnecessary energy consumption, and installing frequency drives for the 24 hours operating air compressors to dynamically adjust power usage and reduce overall electricity consumption.



In line with our core principle of “Reduction at Source”, the Group has implemented a comprehensive energy management framework across its office operations. This includes the publication of an “Electricity Management Procedures” guideline at its Shanghai operations to promote efficient and responsible electricity use. Key initiatives include the replacement of conventional fluorescent lighting with energy-efficient LED systems, promotion of natural daylight utilization, and regulation of air conditioning usage in accordance with seasonal and ambient temperature conditions. Additional measures include routine cleaning of air conditioning filters, switching off non-essential electrical equipment outside of working hours, and the use of hot water as an alternative to electric heating where feasible. Furthermore, during the Reporting Period, the Group continued the use of green energy by the installation of photovoltaic systems across several facilities, resulting in estimated annual reductions in purchased electricity exceeding 2,400,000 kWh.

To reinforce the principle that “Energy Management is Everyone’s Responsibility”, the Group organizes regular energy-saving training programs across its facilities and offices to enhance employee awareness of national safety regulations and policies, and best practices in energy conservation. In addition, an innovation and continuous improvement mechanism has been established to encourage employees to actively contribute ideas, including suggestions for process optimization and energy efficiency enhancement transformations.

At the beginning of the Reporting Period, the Group set targets to decrease the consumption intensity of electricity by 2% as compared with the previous year. By the implementation of the energy efficiency measures and fostering active employee engagement, the Group aims to achieve sustained reductions in energy consumption and greenhouse gas emissions while supporting long-term operational excellence and sustainable development.



### Use of Materials

The Group actively promotes a “Paperless Office” initiative to enhance resource efficiency, encouraging the use of digital office systems and the electronic transmission of information and documents to minimize printing and photocopying. Employees are encouraged to adopt double-sided printing as the default setting, verify document formats (including spacing, margins, and page layout) prior to printing, and utilize both sides of paper whenever possible. Paper usage is further optimized through the reuse of single-sided paper for printing and the collection of double-sided wastepaper in designated recycling facilities for processing by certified recyclers. The Administration and Human Resources Department oversees paper procurement and monitors consumption data to ensure effective control. In certain facilities, dedicated Document Control Department have been established to provide guidance on document management and to enforce paper usage controls across copying and printing activities. To strengthen environmental awareness and accountability, paper consumption is periodically reviewed at the departmental level, and non-compliance with established policies may result in penalties. Beyond office paper, the Group incorporates sustainable material use principles into its broader resource management practices, including packaging materials. For our operations in Italy, preference is given to recyclable materials in product packaging, with wooden crates and containers predominantly used for product shipment and delivery.

### Water Resources Utilization

The Group primarily relies on government-supplied water sources for its operations. However, certain facilities located in remote areas utilize groundwater due to the absence of municipal water pipelines. These water sources adequately support the Group’s operational needs, and no issues in sourcing water were encountered during the Reporting Period. Notwithstanding, the Group recognizes that water is a valuable and finite resource essential to both production and daily operations.

To reduce water consumption, the Group has implemented a range of water management initiatives focused on enhancing water recycling technologies, increasing reuse rates, promoting responsible water use behaviors among employees, optimizing operational water usage, and reducing wastewater discharge. These initiatives include optimizing factory outlet water pressure to improve water efficiency, increasing the collection and reuse of rainwater, and reusing treated wastewater for applications such as greening irrigation and cleaning purposes. The Group has also implemented resource pricing mechanisms in our employee living dormitory to reinforce water conservation awareness and encourage efficient utilization of water resources.

The Group places strong emphasis on the maintenance and management of water supply infrastructure. Regular inspections are conducted to detect and prevent water losses, including leakage, overflow, and excessive consumption. Water-saving devices have been installed across facilities to prevent wastage from running taps, dripping, and leakage. In the event of damaged pipelines, valves, or leaks, the maintenance department is promptly engaged to carry out repairs and minimize unnecessary wastage.

## ENVIRONMENTAL PROTECTION

For domestic water use, “Water Saving” signage is displayed in prominent locations to raise awareness, while employee education programs are implemented to encourage responsible water use practices. Employees are required to turn off taps immediately after use, and initiatives such as reusing kitchen wastewater for landscape irrigation are adopted to improve water efficiency. In addition, our Shanghai operation has established dedicated Water Management Guidelines to standardize daily water usage.

Water use in production processes primarily involves surface cleaning the surfaces of steel to remove oil, oxides, and rust, as well as to improve corrosion resistance and paint adhesion. To enhance water efficiency, the Group has implemented water recycling measures, including extending aeration periods before use, and reusing treated wastewater in production processes. These practices improve water utilization in acid washing, degreasing, and phosphating removal processes, while increasing the reuse rate of cleaning water within production workshops. The Property Management Department monitors monthly water consumption across production departments, investigates any irregularities, and implements timely corrective actions to further reduce water wastage and enhance overall water use efficiency.

At the beginning of the Reporting Period, the Group set a 2% reduction target for water consumption intensity compared to the prior year.

### 3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group is committed to environmental protection, not only through strict compliance with applicable laws and regulations but also by maintaining transparent communication with stakeholders to understand and address their concerns. This approach supports the establishment of environmental objectives and policies, the regular evaluation of their effectiveness, and the systematic management of environmental data. Where issues or irregularities are identified, timely corrective actions are implemented to enhance the effectiveness of environmental management measures. Our dedicated employees play a crucial role in advancing the Group's sustainable development agenda by actively contributing to the formulation and implementation of green management strategies, as well as providing practical recommendations to support continuous improvement.

Across its operations, to identify and manage potential environmental and human health impacts associated with its products and operations, the Group conducts periodic risk assessments<sup>1</sup> covering a range of impact areas, including acidification, dust and particulate matter, ecotoxicity, photochemical smog, and human toxicity. Moreover, the Group has implemented clean production initiatives, including investments in advanced pollution prevention equipment and technologies, employee training programs to strengthen environmental awareness, and measures to improve resource efficiency while reducing the consumption of electricity, water, gasoline, diesel, and other resources. The Group adheres to the principles of “Use Less, Fully Exploit, Seek Alternatives, Fix and Reuse, and Rethink” to minimize environmental impacts and preserve natural resources from our operations. During the Reporting Year, about RMB 4.7 million was saved by environmental implementations such as recycling practices of production resources.

<sup>1</sup> The assessment considers potential environmental and human health impacts to the surroundings, associated with exposure to metal dust (including aluminum and zinc oxides), formaldehyde and benzene compounds, air emissions (SO<sub>2</sub>, NO<sub>x</sub>, and HCl), wastewater containing chemical residues and oil contaminants, heavy metal-containing slag, and other emissions arising from fossil fuel combustion. Apart from our operations, critical suppliers identified are expected to provide raw material certificates and declarations of compliance with hazardous substances to ensure traceability of the environmental and social impact throughout the entire product life cycle. Where elevated environmental and social risks are identified, suppliers are subject to further review and corrective action requirements to reduce of toxic emissions and other adverse impacts across the supply chain.

The Group continues to develop environmentally friendly products that enable customers to improve energy efficiency and reduce the environmental impacts during the use phase. The Group remains committed to aligning its development with national environmental protection policies, upholding the principles of safety, harmony, green development, and clean production. The Group aims to embed environmental stewardship into the core of its operations and to collaborate closely with employees in building an environmentally responsible and resource-efficient enterprise. In addition, the Group seeks to extend its environmental awareness efforts beyond its operations by engaging employees' families, friends, business partners, and the broader community, with the objective of raising awareness of global environmental challenges. Through these initiatives, the Group strives to foster collective action to improve the living environment and support long-term sustainable development.

#### 4. RESPONDING TO CLIMATE CHANGE

Climate change presents increasing risks and opportunities for the Group, driven by the rising frequency of extreme weather events, long-term environmental changes, and evolving regulatory expectations. These may affect the Group's operations, assets, and overall business environment, while also creating opportunities for innovation in low-carbon and energy-efficient solutions.

Recognizing the importance of addressing climate-related impacts, the Group has taken steps to integrate climate considerations into its business strategy, enhance operational resilience and support the transition toward a low-carbon economy. To further strengthen its approach, the Group has referred to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which was fully incorporated to the International Sustainability Standards Board ("ISSB"), on its climate-related disclosures, as outlined below.

##### Governance

The Board of Directors oversees the Group's climate-related strategy, monitors and evaluates progress on sustainability matters including climate-related risks and opportunities. With the support of the management team, strategies and initiatives are effectively implemented, ensuring alignment between corporate strategy and sustainability goals.

##### The Board

- Sets policies and strategies on sustainability matters, including the oversight of climate-related risks and opportunities.
- Reviews the implementation status and progress of ESG initiatives on at least an annual basis and monitors performance accordingly.
- Identifies, reviews and evaluates the Group's corporate responsibility, sustainability performance, and climate-related responses through internal meetings.
- Receives regular updates from the Management Team on ESG matters, including developments relating to the HKEX ESG Code, which covers climate-related disclosure requirements, as well as emerging climate-related risks and opportunities.

## ENVIRONMENTAL PROTECTION

- Ensures that climate-related risks and opportunities are appropriately incorporated into the Group's sustainability strategy and overall governance framework.
- Enhances ESG oversight capabilities and reinforces accountability through ongoing capacity building in line with the updated Corporate Governance Code on a regular basis to ensure that informed decisions can be made.
- Incorporates climate-related risks and opportunities into decision-making processes, including strategy development, major investments, risk management, and trade-off assessments.
- Prepares and reviews the ESG report, ensuring the completeness and accuracy of ESG and climate-related disclosures.
- Currently evaluating the Group's greenhouse gas emissions reduction targets, with a view to establishing more granular and formalized targets for future disclosure.

## Management Team

- Develops and reviews ESG-related policies, objectives, and action plans, including those addressing climate-related risks and opportunities.
- Identifies and assesses ESG risks and opportunities, with ongoing efforts to integrate climate-related considerations into the Enterprise Risk Management framework to enhance risk management capabilities.
- Monitors the implementation of ESG initiatives and reports regularly to the Board (at least annually, or more frequently as needed) on progress, effectiveness, and key ESG developments, including climate-related risks and opportunities.
- Supports the Board in evaluating the effectiveness of internal control systems for managing ESG risks, including those related to climate change.

### Strategy and Risk Management

To strengthen oversight of climate-related matters and embed climate considerations into decision-making processes, the Group has identified climate-related risks and opportunities to inform further responses as part of our strategy to manage the potential climate-related risks and opportunities.

The identification of climate-related risks and opportunities was based on our business activities and operations, serving as a foundation for any further assessment considering location-specific parameters and asset characteristics. In parallel, the Group is progressively enhancing its capability to assess the potential financial impacts of climate-related risks and opportunities on its financial position, financial performance, and cash flows, and will continue to refine the granularity of the assessment as part of its ongoing climate risk management efforts.

| Risks and Opportunities                         | Impacted Value Chain                                                                              | Potential Impact                                                                                                                                                                                                                                                                                                                                                                          | Our Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Physical Risks</b>                           |                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Flooding and heavy precipitation (Acute)</b> | <ul style="list-style-type: none"> <li>Upstream</li> <li>Operation</li> <li>Downstream</li> </ul> | <ul style="list-style-type: none"> <li>Potential increase in direct repair and replacement costs for damaged production facilities, infrastructure, and operational assets in the short- and medium-term</li> <li>Potential disruption to operations, supply of raw materials and components, and logistics arrangements, which may result in delayed production or delivery</li> </ul>   | <ul style="list-style-type: none"> <li>Implement on-site flood prevention measures, including the deployment of sandbags and water barriers at entry points</li> <li>Develop and maintain business continuity plans to mitigate operational disruptions arising from extreme weather events</li> <li>Strengthen supply chain resilience by identifying and selecting suppliers with higher adaptability to climate-related disruptions, and exploring nearshoring strategies in collaboration with government authorities to reduce dependency on vulnerable supply chains</li> </ul> |
| <b>Typhoon (Acute)</b>                          | <ul style="list-style-type: none"> <li>Upstream</li> <li>Operation</li> <li>Downstream</li> </ul> | <ul style="list-style-type: none"> <li>Potential increase in direct repair and replacement costs for damaged production facilities, infrastructure, and operational assets in the short- and medium-term</li> <li>Potential disruption to operations and delivery schedules, which may result in delayed customer fulfillment and reduced revenue during the disruption period</li> </ul> | <ul style="list-style-type: none"> <li>Enhance operational resilience by incorporating wind-resistant designs into infrastructure to withstand extreme weather events</li> <li>Implement emergency preparedness measures to minimize disruption caused by extreme weather events</li> <li>Develop and maintain business continuity plans to mitigate operational disruptions arising from extreme weather events</li> </ul>                                                                                                                                                           |

## ENVIRONMENTAL PROTECTION

| Risks and Opportunities                   | Impacted Value Chain                                                                              | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Our Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Heat stress (Chronic)</b>              | <ul style="list-style-type: none"> <li>Upstream</li> <li>Operation</li> <li>Downstream</li> </ul> | <ul style="list-style-type: none"> <li>Potential reduction in workforce productivity and operational efficiency due to prolonged exposure to elevated temperatures</li> <li>Potential increase in occupational health and safety risks, including heat-related illness and workplace incidents, which may affect labor availability and operational performance</li> </ul>                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Monitor workplace conditions and implement appropriate heat mitigation measures to safeguard employee health and maintain operational efficiency</li> <li>Enhance occupational health and safety management to reduce risks associated with prolonged exposure to high temperatures</li> </ul>                                                                                                                                                                                                                                       |
| <b>Transition Risks and Opportunities</b> |                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Policy and legal</b>                   | <ul style="list-style-type: none"> <li>Operation</li> </ul>                                       | <ul style="list-style-type: none"> <li>Potential increase in capital expenditure and compliance costs arising from more stringent climate-related laws, regulations, and disclosure requirements</li> <li>Potential increase in operating costs due to carbon pricing, emissions-related charges, permit requirements, or other regulatory obligations</li> <li>Potential increase in energy procurement costs resulting from regulatory changes, carbon-related policies, or shifts in energy market conditions</li> </ul>                                                     | <ul style="list-style-type: none"> <li>Monitor regulatory developments and proactively adopt internal policies and operational practices to ensure compliance with evolving climate-related laws and regulations</li> <li>Evaluate and apply for available energy efficiency incentives, subsidies, and relevant government support programs to manage compliance costs and support low-carbon transition efforts</li> <li>Assess opportunities to secure external funding and tax incentives related to sustainability initiatives and technological innovation</li> </ul> |
| <b>Technology</b>                         | <ul style="list-style-type: none"> <li>Upstream</li> <li>Operation</li> </ul>                     | <ul style="list-style-type: none"> <li>Potential increase in upfront investment requirements for the adoption of low-carbon, energy-efficient, or digitally enabled technologies</li> <li>Potential reduction in energy consumption and operating costs through the deployment of energy-efficient equipment, smart sensors, optimization technologies, and digital transformation initiatives</li> <li>Potential improvement in operational efficiency and production performance through technology upgrades and process optimization in the medium- and long-term</li> </ul> | <ul style="list-style-type: none"> <li>Promote technology upgrades by supporting the research and development of energy-efficient machinery and low-carbon production technologies</li> <li>Adopt a structured approach to capital investment by continuously evaluating the cost-effectiveness of technology upgrades against the operational life cycle of machinery</li> <li>Enhance operational efficiency through the adoption of advanced technologies, automation, and digitalization initiatives</li> </ul>                                                         |

| Risks and Opportunities      | Impacted Value Chain                                                                | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Our Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market and Reputation</b> | <ul style="list-style-type: none"> <li>• Operation</li> <li>• Downstream</li> </ul> | <ul style="list-style-type: none"> <li>• Potential shift in customer demand toward low-impact, energy-efficient, and environmentally responsible products in the medium- and long-term</li> <li>• Potential loss of customers, market share, or business opportunities if the Group is unable to respond effectively to evolving sustainability expectations</li> <li>• Potential reputational impact arising from misalignment with stakeholder expectations on environmental performance and climate-related action</li> </ul> | <ul style="list-style-type: none"> <li>• Strengthen market competitiveness by obtaining additional environmental certifications for products to meet evolving customer expectations and access new market opportunities</li> <li>• Align product development strategies with increasing demand for sustainable and energy-efficient solutions</li> <li>• Enhance brand positioning by proactively aligning with evolving customer and stakeholder expectations on sustainability, including climate-related considerations</li> </ul> |

Following the preliminary climate-related risk identification exercise, the Group is working to integrate climate-related risks into its existing enterprise risk management framework, with the aim of enhancing its ability to identify, assess, and manage sustainability-related risks, including those associated with climate change. The Group is committed to reducing its environmental impact through measures aimed at lowering emissions and improving energy efficiency across its operations, which are disclosed in the “Conservation of energy” section.

### Metrics and Targets

The Group’s operations generate both direct and indirect greenhouse gas emissions, primarily arising from the consumption of fuels such as gasoline and diesel used in vehicles and forklifts, as well as from the use of electricity, natural gas, liquefied petroleum gas, welding and cutting gases, and refrigerants. In addition, production-related emissions are generated from specific production activities, including soot and fumes released during the operation of electric and annealing furnaces in casting and welding processes.

The Group is committed to reducing its carbon footprint and addressing climate change through the continuous enhancement of operational efficiency and resource management. Key initiatives include reducing energy and resource consumption, upgrading equipment and technologies, and fostering a culture of energy conservation across its operations.

The Group’s environmental targets serve as key benchmarks for the annual review of progress in greenhouse gas reduction and energy transition, thereby driving continuous improvement in its climate mitigation efforts. More details on reduction targets and mitigation measures are provided in the “Conservation of Energy” sections. The Group is currently in the process of evaluating its greenhouse gas emissions reduction targets, with the aim of establishing more granular and formalized targets for future disclosure.



## EMPLOYMENT AND LABOR PRACTICES

The Group recognize our employees as our most valuable asset. We are committed to providing a non-discriminatory, harmonious, and safe workplace. The Group fully complies with all applicable employment and labor laws and regulations in Chinese Mainland, Hong Kong, Taiwan and Italy<sup>2</sup>.

Relevant information will be described in detail in the sections “Health and Safety”, “Employment”, “Development and Training” and “Labor Practices” below.

### 1. HEALTH AND SAFETY

The Group places strong emphasis on safeguarding employee health and workplace safety, with ongoing efforts to prevent occupational hazards and safeguard our workforce. A production safety committee has been established for overall governance of safety management issues, supported by comprehensive internal policies and procedures to ensure safe production. Management and employees at all levels are required to sign the safety responsibility statement, acknowledging the safety responsibilities clearly and adhering strictly to our internal requirements.

### Occupational Health and Workplace Safety

The Group adopts a structured and risk-based approach to occupational health and safety (“OHS”) management across its operations, covering employees as well as contractors under supervision where applicable, to safeguard our production staff while minimizing operational disruptions and compliance risks that may affect our business operations.

To ensure the effectiveness of the management framework, the Group develops annual safety training plans based on the operational needs and job responsibilities of each department. The implementation progress is reviewed at year-end, alongside an assessment of emerging safety risks arising from business or operational changes. This process ensures reliable insights for developing the following year’s safety planning.

To enhance safety awareness and competency, the Group provides induction and role-based safety training covering operational procedures, equipment handling and safety protocols. Training programs include safety and health education, emergency response training, fire safety training and evacuation drills conducted on a regular basis. Office safety and emergency measures are also implemented to address potential workplace risks. New frontline employees are required to attend pre-employment training covering safety awareness and on-site protective requirements, including the provision and proper use of personal protective equipment such as safety shoes and helmets. In addition, fire safety training and periodic fire drills are conducted at production sites to strengthen employees’ preparedness for emergency situations.

<sup>2</sup> Relevant laws and regulations include but are not limited to the “Constitution of the People’s Republic of China”, the “Labor Law of the People’s Republic of China”, the “Law of the People’s Republic of China on Protection of Minors”, the “Provisions on the Special Protection on Minor Workers”, the “Provisions on the Prohibition of Using Child Labor”, the “Law of the People’s Republic of China on the Protection of Women’s Rights and Interests”, the “Insurance Law of the People’s Republic of China”, the “Labor Contract Law of the People’s Republic of China”, the “Social Insurance Law of the People’s Republic of China”, the “Regulations on Work-Related Injury Insurances”, the “Trade Union Law of the People’s Republic of China”, the “Employment Promotion Law of the People’s Republic of China”, the “Labor Dispute Mediation and Arbitration Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Protection of Disabled Persons”, the “Individual Income Tax Law of the People’s Republic of China”, the “Implementing Regulations of the Labor Contract Law of the People’s Republic of China”, the “Prevention and Treatment of Occupational Diseases Law of the People’s Republic of China”, the “Production Safety Law of the People’s Republic of China”, the “Prevention and Control of Occupational Diseases Law of the People’s Republic of China”, the “Work Safety Law of the People’s Republic of China (2014 Amendment)”, the “Measures for the Supervision and Administration of Employers’ Occupational Health Surveillance”, the “Occupational Health Examination Management Regulations” of Chinese Mainland, the “Employment Ordinance”, the “Employees’ Compensation Ordinance”, the “Mandatory Provident Fund Schemes Ordinance”, the “Minimum Wage Ordinance”, the “Sex Discrimination Ordinance”, the “Disability Discrimination Ordinance”, the “Family Status Discrimination Ordinance”, the “Race Discrimination Ordinance”, the “Occupational Safety and Health Ordinance” of Hong Kong, the “Labor Standards Act”, the “Anti-racial Discrimination Act”, the “Labor Pension Act”, the “Occupational Safety and Healthy Act” of Taiwan, the “National Collective Labor Agreement for the Metalworking Industry” of Italy.

The Group conducts regular role-based technical training, safety assessments, and team activities to reinforce safety knowledge and preparedness. In Taiwan and Kunshan, ongoing, role-specific training is arranged for employees in specialized roles, and designated employees with appropriate certifications are assigned supervisory responsibilities where required. Employees will receive certified skills training and participate in annual advanced programs to maintain qualifications. In Taiwan, we arranged specific training, including regular safety and hygiene education and sexual harassment prevention training, as well as pre employment and in service training disaster prevention drills and arrangements for personnel to obtain first aid and fire evacuation certifications. In addition, specialized training is provided by designating supervisors with relevant certifications. During the Reporting Period, the Group also organized training on various topics, such as safety production, chemical warehouse and storage management, fire safety knowledge, dangerous operation and high-risk work procedures, etc. We periodically conduct emergency drills to prepare employees for emergency situations.

The Group performs comprehensive risk assessments to evaluate the likelihood of incidents, the severity of their consequences, and the frequency of employee exposure to workplace hazards. All identified hazard sources are systematically recorded, with robust management policies to address them. These measures are tailored to local operational contexts. For example, at specific production sites in Chinese Mainland such as Ningbo and Shanghai Yida, hazard warning signage is displayed, appropriate personal protective equipment is provided, and employees are required to follow established safety procedures. Shanghai site also conducts regular occupational health examinations for employees. At Kunshan, high-risk operations are managed through dedicated systems, including the identification of hazardous work, approval procedures and the appointment of designated supervisory personnel. Shanghai Yida conducts daily patrols by safety managers and duty managers, holding quarterly workshop safety meetings. Complementing these traditional methods, production site in Italy has launched the “SAFETY ZUCCHETTI” app to improve communication with employees regarding safety matters, providing employees with access to safety updates, training records, training certificates, and fitness-for-work assessments.



Safety training  
and drill

## EMPLOYMENT AND LABOR PRACTICES

Ningbo facilities have implemented specialized management policies for high-risk operations including hot work, aerial work, and confined space operations, which apply to all employees and contractors, with a rewards-and-punishments system established for safety production and accident management by routine safety inspections.

In parallel, Fuxin has established a set of critical control procedures including the Emergency Preparedness and Response Control Procedure, Special Equipment Control Procedure, Solid Waste and Hazardous Waste Management Procedure and Hazardous Chemicals Management Procedure. These policies support the systematic identification and management of high-risk operations within our plants and manage them through established control systems. This includes implementing a rigorous approval process where designated supervisors must authorize high-risk activities, with additional preventive measures enforced in particularly hazardous areas such as mold warehouses and production workshops. Our plants further reinforce these protections through clearly visible warning signage in risk zones and the implementation of both engineering controls and administrative measures to eliminate hazards at their source. Additionally, Guangdong operation conducts detection and evaluation of occupational disease hazard factors in the workplace. This comprehensive approach significantly reduces the probability of workplace incidents while ensuring compliance with international safety standards.

To address different types of emergencies effectively and safeguard employee safety during incidents, the

Group has implemented a safety incident management system that clearly defines the responsibilities of each department. When emergencies occur, the responsible department is promptly deployed to the site to document critical details including the incident timeline, affected personnel, and any environmental contamination. They perform a preliminary assessment to determine the incident's nature, estimated location, root causes, and environmental impacts, enabling accurate severity classification and implementation of appropriate damage control measures. During the Reporting Period, our plants in Ningbo and Italy obtained ISO 45001:2018 certification for Occupational Health and Safety Management Systems, demonstrating our commitment to occupational health excellence. Other sites, including those in Taiwan, Kunshan, Shenzhen, and Fuxin, have implemented robust OHS management systems and specific safety protocols. Specifically in Italy, the company maintains a defined safety organization structure specifying roles for safety managers, supervisors, worker representatives, and emergency management personnel.

To reduce the risk of safety incidents caused by equipment malfunctions, the Group has implemented various measures to ensure the optimal condition for productions. The Equipment Department conducts periodic inspections and maintenance on all types of equipment, including production, fire prevention, and specialized equipment. We exclusively use electrical equipment that complies with national standards, featuring proper insulation and protective measures for all metallic shells. Specialized equipment undergoes annual repairs and maintenance by qualified service providers and is subject to inspection by the State Bureau of Quality and Technical Supervision, with their recommendations addressed promptly.



For example, Ningbo L.K. Plastic Machinery Intelligent Manufacturing posts various hazard warning signs in the production workshop, provides employees with protective equipment, and actively urges staff to use them according to regulations. In addition, the site has improved gas probes, emergency rescue equipment, explosion-proof communication equipment and safety warning signs. In high-risk zones prone to gas or dust explosions, we mandate the use of explosion-proof electrical equipment. Our facilities maintain a comprehensive inventory of first-aid supplies and rescue equipment to address potential occupational poisoning cases, personal injuries, and other incidents. Furthermore, we have strengthened fire prevention capabilities across multiple plants by enhancing our fire safety capabilities, increasing inspection and supervision of fire-fighting equipment, and expanding our inventory of fire-fighting tools to minimize occupational accident risks. For instance, Italy operation maintains a specific maintenance plan for lifting equipment, fire-fighting systems, and electrical and thermal installations.

The Group has established an occupational health management system in compliance with the "Prevention and Control of Occupational Diseases Law of the People's Republic of China," the "Work Safety Law of the People's Republic of China (2014 Amendment)," the "Measures for the Supervision and Administration of Employers' Occupational Health Surveillance," the "Occupational Health Examination Management Regulations" and local regulations. The safety committee is responsible for identifying workplace hazards, including exposure to noise, dust, and chemical toxins, and strictly prohibits assigning minor staff to any tasks involving toxic substances, hazardous conditions, excessive physical labor, or other dangerous roles. For example, Shenzhen Leadwell Technology has established specific protection systems for female employees and minors. To ensure employee safety while meeting production needs, we provide personal protective equipment such as protective masks, safety goggles, safety shoes, and gloves. All employees receive proper training on the correct use

of safety equipment, and we monitor compliance with personal protective equipment requirements. We mandate employees to complete pre-employment and on-the-job health assessments. Only personnel who successfully pass these medical evaluations are permitted to work, demonstrating our dedication to employee health and safety.

During the Reporting Period, our plants in Ningbo, Shanghai, Guangdong and Taiwan engaged third-party professional organizations to assess noise levels or hazardous substances in the air that could lead to occupational diseases to ensure a safe workplace for our employees. In Italy, we conduct annual health surveillance inspections by occupational doctors and issue annual reports on the findings. Where necessary, we will provide employees with improved protective equipment and strictly require them to use these supplies to minimize the risk of occupational diseases.

## 2. EMPLOYMENT

### Talent Management

The Group's talent management philosophy is designed to attract and retain talented individuals, leveraging their abilities for the Group's long-term benefit, while integrating sustainability considerations into our strategic human resources policies. An internal management system is established to define the requirements for recruitment, promotion, dismissal, working hours, rest periods, compensation, welfare and other benefits.

### Staff Compensation and Welfare

The Group offers competitive remuneration packages to attract and retain high quality talents. Industry compensation benchmarks are regularly reviewed to establish a fair, reasonable, and competitive pay structure. Employee compensation differs across factories and offices based on location, and salary levels are determined by an individual's knowledge, skills, experience, and educational background in relation to job requirements. Our comprehensive compensation structure includes base salary, overtime pay, various subsidies, and performance-based bonuses where applicable. Beyond monetary remuneration, a

## EMPLOYMENT AND LABOR PRACTICES

broad range of employee benefits is offered, including staff dormitories, complimentary health check-ups, meal allowances, high-temperature work allowances, birthday and festive gifts, work anniversary gifts, and comprehensive social insurance. The Group also promotes our employees' long-term welfare through comprehensive retirement planning assistance.

To promote employee wellbeing and work-life balance, the Group has established a library and recreation rooms, featuring facilities such as billiard room, table tennis room, chess room, and fitness room. During the Reporting Period, our operations organized a range of leisure activities, including monthly birthday celebrations with gifts and cards, annual sports day, International Women's Day event, company-wide employee tours, and cultural festivals featuring special meals and gift distributions. These initiatives aim to enhance team cohesion, foster a sense of belonging among employees, and provide opportunities for relaxation and social interaction.

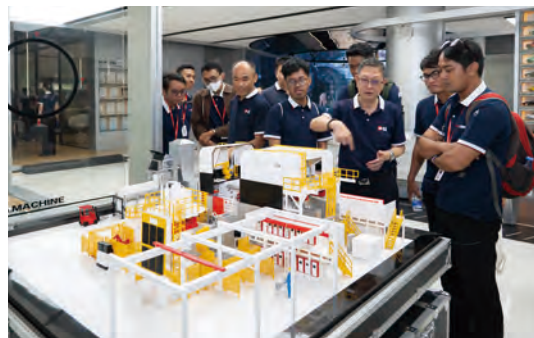
The Group places a strong focus on employee health and actively supports work-life balance through comprehensive policies aligned with local labor regulations. Employees' work hours and their rights to rest days and holidays are established in strict compliance with applicable labor regulations in each operating location. We also provide paid maternity leave for female employees. Adhering to local regulations, some operations extend additional provisions such as paternity leave for male employees and one-hour nursing breaks per day for breastfeeding mothers.

### Anti-discrimination Measures

We are committed to fostering anti-discrimination, equal opportunity, and workplace diversity through all aspects of our human resources policies and practices. The Group has implemented comprehensive measures to uphold these principles. During the recruitment process, position requirements and responsibilities are defined by department heads, while objective evaluations are conducted by the human resources department. Evaluations are based on professional qualifications and merit-based criteria including personal character,



Training  
activities



knowledge, abilities, and job suitability, regardless of their age, gender, race, social class, marital status, language, religion, nationality, or disability. The Group's non-discrimination policy applies throughout all phases of employment, including hiring, promotions, performance evaluations, training sessions, personal development, and terminations. All dismissals and related compensation arrangements are handled in strict compliance with applicable laws and regulations, including Labor Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, and local regulatory requirements for our operations. No relevant non-compliance cases of discrimination or harassment have been recorded in the Reporting Period.

At the end of the Reporting Period, the gender ratio in the workforce (including the senior management of the Company) of the Group comprised 85% male and 15% female. Given the nature of the Group's operations, which require significant manual labor, we believe this gender ratio is within a reasonable range. We will continue to monitor the gender ratio and strive for greater gender diversity in hiring across all positions within the Group.

### 3. DEVELOPMENT AND TRAINING

Recognizing that a strong and capable workforce is the cornerstone of the Group's long term and sustainable development, we have established a structured and comprehensive mechanism to cultivate professional talent, while encouraging employees to pursue continuous education and lifelong learning. The Group has implemented the "Employees Appraisal Management Guideline", which continuously refines performance assessment, promotion, and incentive mechanisms, to ensure transparency, fairness and objectivity, while supporting employees' career development. In alignment with the Group's overall business strategy, we focus on enhancing employees' competencies, technical skills, and professional knowledge through ongoing training, enabling them to deepen expertise in their roles while improving adaptability across different functions and positions.

Training programs cover a wide range of areas, including foundational knowledge training, management system training, enhancement training, and safety knowledge training. All new employees are required to complete induction training to familiarize themselves with the Group's background and operations, corporate culture, industry knowledge, organizational structure, staff handbook, policies and procedures, work processes and skills, operational safety, and management systems. In addition to induction training, we provide continuous skills development, professional and management training to equip employees with up-to-date knowledge and competencies to meet evolving business challenges, supporting employees' career development while strengthening the Group's long-term competitiveness.

The Group is dedicated to fostering a culture of continuous learning and professional growth by implementing a holistic ecosystem of development programs that bridge the gap between individual potential and organizational strategy. We have implemented programs that cover various areas including leadership development program, technical and professional skills enhancement and digital transformation initiatives.

For instance, we have established the "L.K. Young Engineers Nurturing Program" at our L.K. technology and research and development center to continuously enhance the competencies and technical skills of young talent, positioning them as distinctive leaders in the industry. To address regional and functional workforce needs, our plants and offices have developed customized training plans. Notably, our Ningbo operation has introduced two flagship programs: "L.K. Dream Pursuit Program" and "L.K. Dream Building Program", for leadership cultivation and high-potential talent development. The "L.K. Dream Pursuit Program" focuses on leadership development through a systematic learning and development framework designed to enhance both individual and team leadership effectiveness, and it requires participants to pass competency-based assessments before assuming formal leadership or management roles. Complementing this, the "L.K. Dream Building Program" targets high-potential and high-

## EMPLOYMENT AND LABOR PRACTICES

performing employees with strong growth prospects. This program provides a structured 3-year development pathway aimed at strengthening professional expertise, leadership capabilities, innovative thinking, and teamwork skills, preparing participants for future senior or critical positions. Upon completion, participants are assessed and ranked based on performance outcomes, with top performers prioritized for promotion and appointment to key roles. Shanghai Atech also implements a structured transition program based on anticipated employee retirements and departures over a three-year period. The program provides guided transition support for both retirees and their designated successors, maintaining operational continuity while preserving institutional knowledge.

Training sessions included topics such as corporate culture, marketing, sales, human resources, finance, environmental compliance, information systems, production, safety, and quality management. The Group also develops specific training programs for technical and site management staff to comply with local labor regulations. For example, they are required to undergo re-assessment training for electrician and electric welding certifications and must pass these assessments to demonstrate their knowledge and skills for their roles. At Fuxin Lida, employees receive regular external training to strengthen professional competencies, while all newly qualified employees including contractual and part-time employees are required to complete competency assessments before independently performing their duties. These efforts contribute to maintaining high product quality standards, as reflected by a customer satisfaction rate of 95% during the Reporting Period. In addition, Shanghai Atech has implemented a structured external training program for special equipment operators to ensure strict compliance with local safety regulations. This initiative mandates that all personnel obtain official certification before operating specialized machinery, thereby standardizing operational behaviors and elevating professional skills.

To enhance organizational agility in the digital economy and respond to emerging ESG priorities, the Group has rolled out targeted upskilling initiatives across its operations. In Ningbo operation, a Digital Literacy Initiative has been implemented to advance company-wide digital transformation, with approximately 180 employees gaining proficiency in office automation tools. In parallel, Taiwan operation is developing a group of internal “seed personnel” to lead carbon accounting efforts across departments, strengthening the Group’s competitiveness in alignment with international sustainability standards. Meanwhile, Kunshan operation focuses on advancing industrial automation capabilities by sponsoring technicians to obtain external certifications in advanced programming and debugging, ensuring the technical workforce remains at the forefront of manufacturing innovation. During the Reporting Period, the Group has spent over RMB 450,000 on training and development programs for employees, demonstrating our dedication to employees’ continuous learning and growth.

To motivate employees’ excellence in production quality and efficiency and to foster effective communication, the Group conducts structured and comprehensive performance appraisals at least annually. Where required, review granularity and frequency are adjusted to align with the management objectives and operational requirements. For example, manufacturing sites may conduct on-going or monthly assessments to support operational performance, while other locations may adopt quarterly appraisals that better align with their workflow and production requirements. This flexible approach enables the Group to maintain robust performance standards while adapting to the specific dynamics of each operation with agile conversations. Remuneration-related decisions, including bonuses, share options, salary increases, and promotion recommendations, are determined through a fair and holistic assessment based on multidimensional feedback and various criteria including work experience, seniority, knowledge, skills, performance, and contributions.

The Group aims to identify and develop employees with strong commitment and potential, and we have confidence in those who are willing to take responsibility, pursue continuous learning, and advance their skills as they progress with the Group.

#### 4. LABOR PRACTICES

The Group is committed to respecting human rights and safeguarding labor rights across its operations, complying with applicable laws and regulations that prohibit child and forced labor. Segments in Chinese Mainland operate in full compliance with labor contract and employee handbook, which set out clear provisions on working hours, overtime and leave, wage payment, and minimum wage guarantees. The Italy segment operates in accordance with its Code of Ethics and related management procedures, which prohibit discrimination, harassment and unlawful conduct on the basis of gender, age, political views, ethnicity, nationality, religion or other protected characteristics.

The Group is dedicated to continuously improving employees' working conditions. Our Kunshan operation has established a labor union and organizes regular communication sessions with worker representatives to mitigate potential negative impacts on labor rights and interests. Our Taiwan operation's Work Rules Implementation Guidelines specify the regulations for implementation of labor-management conference. Our Italy Segment has entered into an agreement with the local trade unions, which provides for the recognition of bonuses, in addition to the welfare provided by the National Employment Contract, with all 105 employees in the region covered by collective bargaining agreements.

During the recruitment process, the Human Resources Department verifies applicants' identity documents to prevent the employment of individuals under 18 years old. The Group strictly prohibits the hiring of children under 15 and in any identified case, we will immediately coordinate with guardians or local authorities to ensure the child's return to education. Furthermore, the Group strictly implements measures to combat any form of forced labor, including prisoner labor, indentured servitude, and bonded labor. We ensure that all labor contracts are signed voluntarily and fairly by employees, with no onboarding costs borne by employees. Overtime work is strictly voluntary, with proper compensation provided in accordance with labor laws. We strictly prohibit any unjustified deductions from wages or benefits and strictly forbid the confiscation of employees' identity documents. As detailed in our Employee Handbook, all forms of physical abuse, assault, body searches, insults, or coercion through violence, threats, or unlawful restrictions on personal freedom are forbidden. If any potential violations are identified, the Group will take immediate action to rectify and resolve these issues to ensure full operational compliance.

##### Compliance

There were no reported incidents of non-compliance or grievances in relation to employment, health and safety, and labor standards that would have a material or significant impact on the Group during the Reporting Period.





## OPERATING PRACTICES

### 1. SUPPLY CHAIN MANAGEMENT

To maintain high standards of product quality, the Group has implemented structured procurement and supplier management systems to closely monitor supplier screening and evaluation, selection, procurement, goods receipt and acceptance, and quality review processes. The Group provides regular training to procurement teams across the business segments to strengthen their understanding of procurement processes, supplier risk management, and relevant compliance requirements, thereby supporting the effective implementation of responsible and sustainable procurement practices. This facilitates the consistent use of high-quality and environmentally friendly raw materials<sup>3</sup> in production.

The Procurement Department, in collaboration with relevant business units, conducts supplier assessments on a regular basis, typically one to two times per year. All Tier-1 suppliers, including raw material suppliers and core component suppliers, are subject to periodic evaluations. As part of the assessment process, suppliers are required to comply with the Group's ESG-related requirements covering environmental management, human right and labor practices, occupational health and safety, and regulatory compliance.

#### KEY ASSESSMENT CRITERIA INCLUDE:



Maintaining all required environmental permits, licences, and approvals, and complying with applicable environmental laws and regulations, with no significant environmental violations or pollution incidents.



Implementing effective environmental management practices to prevent pollution, reducing resource consumption, and minimizing adverse impacts on biodiversity and natural resources, including air, water, and soil quality.



Properly managing hazardous substances, wastewater, solid waste, and restricted materials in accordance with applicable regulations and industry standards.



Prohibiting child labour, forced labour, bonded labour, and all other forms of involuntary employment, while respecting internationally recognized human and labour rights.



Providing fair wages, working hours, and benefits in compliance with applicable legal requirements, and promoting equal employment opportunities and a workplace free from discrimination and harassment.



Maintaining a safe and healthy working environment by identifying, assessing, and mitigating occupational health and safety risks, and implementing measures to prevent workplace injuries and illnesses.



Respecting the rights and wellbeing of employees, contractors, local communities, and other stakeholders by avoiding practices that may result in health hazards, loss of livelihoods, or other adverse social impacts.



Complying with all applicable laws, regulations, and ethical business standards, and implementing appropriate measures to manage ESG-related risks throughout operations.

<sup>3</sup> The Group's key production materials primarily comprised metal raw materials, including aluminum (40,712 tonnes), copper (551 tonnes), and iron and steel (108,569 tonnes) during the Reporting Period. The consumption of these materials is monitored and recorded regularly to support effective resource management. Thermoplastics are not sourced to a significant extent in the Group's operations.

Suppliers are required to meet the Group's minimum ESG and operational requirements to qualify for inclusion in the "Approved Supplier List". Where non-compliance or significant ESG-related issues are identified, corrective actions are communicated to the supplier, and the implementation of improvement measures is closely monitored to ensure timely and effective remediation. Suppliers that fail to implement satisfactory corrective actions within the specified timeframe may have their approved supplier status revoked and be excluded from contracting.

In addition to ESG performance, supplier assessments evaluate quality consistency, on-time delivery performance, technical capabilities, as well as packaging integrity and product labelling accuracy. Clear and accurate labelling supports the traceability of raw materials throughout the supply chain and facilitates the identification of product origins where necessary. Assessment results are used to determine supplier performance ratings. Suppliers achieving the highest rating (Band A) are designated as preferred strategic partners and may receive priority consideration in procurement and order allocation.

Moreover, Fuxin Lida incentivizes suppliers with bonus points during evaluation for using more eco-friendly products, and incorporates environmental and social responsibility clauses, prohibition of hazardous chemicals, minimum wage guarantees and other requirements, into procurement agreements. Kunshan operation selects and evaluates suppliers based on criteria including quality stability, on-time delivery, legal and compliance status, required professional capabilities, and recognized certifications. All approved suppliers are required to submit formal written commitments, safeguarding both the quality and timeliness of deliveries while ensuring full protection of confidential information. Formal agreements are established by the Group with every supplier to safeguard mutual legal interests and explicitly prohibit any corrupt practices. Stringent procedures have been established in supply chain management, along with various reporting channels for employees, suppliers, customers, and other partners to report any violations or suspected abuses of authority, which have been stipulated in official policy documents. For example, our operation in Zhongshan has established Social Responsibility Commitment for suppliers. The Group strictly adheres to relevant practices to engage all suppliers in compliance with internal regulations.



#### CLASSIFICATION OF SUPPLIERS

Categorize in order  
of importance



#### EVALUATION OF SUPPLIERS

Evaluate suppliers according  
to the quality of their  
materials, their quality  
assurance abilities, and  
whether they have obtained  
the ISO certification



#### MANAGEMENT OF EXISTING SUPPLIERS

Conduct routine management  
and regular assessments  
of suppliers, assign grade to their  
performance, eliminate sub-standard  
suppliers, and support the continuous  
improvement and optimization  
of the overall supply chain



#### MANAGEMENT OF SUB-STANDARD SUPPLIERS

Require sub-standard suppliers  
to undertake corrective measures and  
undergo follow-up evaluations;  
failure to meet requirements  
will result in the cancellation  
of their supplier qualifications

## OPERATING PRACTICES

Furthermore, the Group adopts a diversified sourcing strategy for critical raw materials and seeks to maintain at least three qualified suppliers for each key material category. This approach helps reduce supply chain disruption risks and supports business continuity, ensuring a stable supply of quality materials and products.

## 2. PRODUCT RESPONSIBILITY

The Group pursues continuous innovation and improvement while maintaining a strong focus on quality control to achieve “zero-defect products”. We have established policies and procedures to manage product quality and customer service processes, ensuring effective communication with customers to understand and fulfil their needs and expectations, driving continuous enhancements to retain key customers and promote the growth of sales and revenue.

### Product Quality Management

The Group has established a comprehensive quality assurance system and conducts annual internal audits of product quality management across all production workflows. We adhere to Six Sigma and ISO 9001 quality management systems, implementing strict inspection controls across the entire manufacturing process, from raw material selection and procurement to production and finished goods quality assurance. Our production sites in Taiwan, Shenzhen, Kunshan, Ningbo, Fuxin, and Italy have obtained ISO 9001 certification, demonstrating our commitment to delivering high-quality products to our customers. In addition, our Fuxin operation has also obtained RB/T 048 Upgrade Certification in Quality Management System, for foundry enterprises in the machinery industry further reinforcing our dedication to delivering quality products to customers. Additionally, Ningbo L.K. Technology holds VDA 6.4 and CNAS (ISO/IEC 17025) quality management standard accreditation for its testing laboratory to ensure the reliability, accuracy, and credibility of testing results.

In addition to performing various quality inspections and product commissioning throughout the production process, the Group has implemented comprehensive traceability measures to prevent confusion or misuse of a wide range of raw materials, spare parts, semi-finished

products, and finished products. These measures include clear identification of labels, signage, as well as designated storage areas and batch management based on first-in-first-out principles. Such practices provide clear operational guidance for employees, reducing the risk of material misuse, and also strengthen quality verification by ensuring that materials align with the production plan, thereby improving efficiency. When product quality issues arise, we are able to promptly activate after-sales service procedures to minimize losses for both our customers and the Group.

We recognize that employees’ competencies directly influence product quality. Therefore, we provide regular training courses related to product quality, covering topics such as the basics of ISO 9001, quality control, quality awareness, quality case analysis, the seven major quality control techniques, and key account maintenance skills. This ensures that our quality inspectors have the latest skills and knowledge. At Kunshan operation, international standards experts are invited annually to conduct external audits and arrange specialized ISO 9001 training for quality personnel. We aim for employees to experience job satisfaction and a sense of accomplishment, encouraging them to seize every opportunity to enhance product quality alongside the Group as we strive for higher quality standards.

### Customer Service Management

The Group prioritizes customer satisfaction at the core of our operations by providing end-to-end support across the entire product lifecycle. To achieve this, the Group has implemented an integrated service framework covering pre-sales, in-sales, and after sales phases. Pre-sales services include investment budgeting, factory planning, and equipment repairs and maintenance. In-sales services encompass foundation construction for machines, production support, equipment installation, and related training. In our after-sales services, we have a rapid response mechanism with clearly defined service timelines. In Shenzhen operation, we guarantee a 10-minute response to complaints and require field engineers to arrive within 24 hours if onsite assistance is needed, while Guangdong operation commits to providing a specific handling plan within seven days. These services cover machine testing and maintenance, routine visits, technical support, and maintenance assistance.

To enhance the professional capabilities of our customers' operators and technicians, we provide tailored training programs including on-site briefings, operational guidance, and trial runs. Customers may also arrange for personnel to receive training at our production facilities, enabling them to acquire in-depth knowledge about machine operation, maintenance and advanced process optimization. Our customer training courses include topics such as product structure, control principles, process parameter debugging, safe operation, and maintenance.

Following the sales and training, we evaluate our product and service, as well as confirm customer understanding with after-sales customer satisfaction survey questionnaire. Quantitative targets are set across sites, such as Fuxin Lida's target of 95% satisfaction. We also require a minimum composite score of 90 points based on post-repair evaluations in Hong Kong. Feedback is reviewed promptly and discussed in regular product quality review meetings, where we also share our reflections. Departments associated with complaints are held accountable for corrective actions, while customer service teams are responsible for the handling and resolution process, ensuring continuous improvement in product and service quality. Through these comprehensive and professional services, the Group provides extensive technical support and service guarantees to maximize customer benefits.

If customers experience any issues with our products or services, they may submit feedback through our after-sales service mechanism and request support by various channels, such as online form submission, chatbot, and dedicated phone line by region. The Quality Control Department will conduct an initial review and analysis of the complaints, followed by the investigation of the root causes, formulation and implementation of corrective plans for addressing the complaints, and setting a



After-sales  
customer training,  
in-person  
engagement and  
site-visit activities  
at the Shenzhen  
factory

target completion time by the responsible department. A dedicated staff member will follow up with customers to ensure the complaint has been received, and provide effective resolution of complaints timely.

## OPERATING PRACTICES

**Product Labelling and Traceability****Advertising of Product**

The Group's product promotion activities mainly include participation in global industry exhibitions and specialized technical seminars, alongside advertising through magazines, industry websites, search engines, and similar platforms. The promotional content focuses on the product's characteristics, functionalities, parameters, and innovative solutions such as Giga Press technology and other relevant information. All promotional materials are centrally developed and approved by the Group to ensure consistency and accuracy, ensuring that all content complies with the "Advertising Law of the People's Republic of China" and other applicable laws, regulations, and standards before distribution to subsidiaries.

**Recall of Products**

Internal quality control policies are in place in various segment operations to guide the appropriate after-sale services for non-compliance products such as repairing and recalling procedures. During the Reporting Period, the Group has no product sold or shipped subject to recalls for safety and health reasons.

**Customer Data Protection and Privacy Policies**

Confidentiality is a core principle of the Group and customer information is managed with care and discretion. We strictly comply with the Civil Code of the People's Republic of China, the Regulation (EU) 2016/679 (General Data Protection Regulation) and other applicable laws, regulations, and standards to ensure that the handling of personal data and information fully meets regulatory requirements. The company has established internal information security and cybersecurity policies and has communicated the relevant guidelines and requirements to all employees. To ensure integrity and protection of data, all employees are strictly prohibited from disclosing any confidential information obtained through business relationships to third parties without proper authorization, except when legally or professionally mandated. Our plants in Shanghai, Kunshan and Ningbo have established formal policy documents such as information security work manuals to guide employees in daily work and require third parties (e.g. customers and suppliers) and employees to sign Non-Disclosure Agreements (NDAs) for

projects involving confidential information. Additionally, we regularly monitor and evaluate the confidentiality threats and risks associated with customer information and cybersecurity for continuous improvement. If security issues (such as phishing emails, system vulnerabilities, or other suspicious activities) are discovered, employees are required to promptly report them to the IT department for preliminary investigations. If the incident is classified as a major event, it will be escalated to the IT manager and management for further handling. All backup data are stored on cloud platforms with access control mechanisms in place, and regular restoration tests are conducted to ensure the availability and integrity of backup data, thereby strengthening recovery resilience and reducing the risk of business disruption. To strengthen our information protection capabilities, we conduct data protection and cybersecurity training programs across our facilities in Zhongshan, Ningbo, Taiwan, Hong Kong and Guangdong. These initiatives enhance employee awareness and preparedness in information security.

**Maintenance and Protection of Intellectual Property Rights**

The Group respects intellectual property rights and employees are not allowed to own or use copyrighted material without the permission of the copyright owner.

**Compliance**

During the Reporting Period, there was no confirmed violation or non-compliance incident relating to product and service responsibility that had significant impact on the Group and no complaint about violations of customer privacy, loss of customer information and intellectual property rights was received.

**3. RISK MANAGEMENT**

Risk management is integral to the Group's day-to-day operations and is carried out with a high level of discipline and consistency. The Internal Audit Department ("IAD") plays a key role in monitoring the Group's internal controls, conducting independent audits to evaluate the effectiveness of these systems in line with the Internal Audit Plan. With the support of the Audit Committee, the Board oversees the Group's risk profile, monitors management's procedures and ensures the ongoing effectiveness of these systems.

Group Management is responsible for setting the appropriate tone from the top, conducting risk assessments, and designing, implementing, and maintaining internal controls. These efforts are supported by a comprehensive framework of policies and procedures that form the basis of control standards for the Group's local management and business functions, with dedicated operation roles such as operations, finance & accounting, human resources, regulatory & compliance, delegation of authority.

Key business units are required to conduct annual control self-assessments to evaluate the effectiveness of internal controls. These assessments are carried out through structured questionnaires that identify key risks and corresponding controls for each critical business process. Upon completion, the management of each business unit reviews, confirms and signs the assessment. The IAD reviews the self-assessment results, providing recommendations and feedback for management's consideration and action. To further strengthen its risk management framework, the Group engaged a professional consulting firm supporting the management in conducting an annual assessment of major risks related to the Group's business operations.

#### 4. ANTI-CORRUPTION

Integrity, honesty, and fairness are fundamental values of the Group. We maintain a zero-tolerance policy toward all forms of corruption, bribery, and extortion. To ensure compliance with the "Criminal Law of the People's Republic of China" and "Anti-Money Laundering Law of the People's Republic of China" of Chinese Mainland and other countries' applicable laws and regulations, the Group has established code of conduct and internal whistleblowing policy, endorsed by the Board of Directors. Employees may submit formal reports through specified communication channels on an anonymous basis, either through a dedicated corporate email account or traditional mail correspondence. All submissions are

handled by the Company Secretary, who coordinates the review process and refers pertinent cases to the Internal Audit team for appropriate resolution. The Internal Audit Department function subsequently provides comprehensive reports to the governing Audit Committee on an annual basis or as required.

In its commitment to maintain organizational integrity, the Group enforces compulsory anti-corruption training for all personnel across all levels, including the directors. We distribute materials from the Stock Exchange regarding ethical conduct to all directors. During the Reporting Period, we delivered 1,924 hours to employees across all levels, including 17 hours to the senior management. The Group complies with all applicable laws and regulations relating to gifts, charitable contributions, and sponsorships. We strictly prohibit employees from using the Group's resources for personal political activities, and any breach of the policy will be subject to immediate internal investigation.

The Group regularly conducts tendering and bidding activities as part of its business operations, and has established robust internal rules and regulations to ensure fully adherence to "Law of the People's Republic of China on Tenders and Bids". These measures include a clear division of labor aligned with specific job responsibilities, with a strict prohibition against combining multiple responsibilities within a single position – all designed to uphold fairness, transparency, and impartiality throughout the process. During the Reporting Period, there were no concluded legal cases regarding corrupt practices or bribery brought against the Group or its employees. The Group strictly avoids conducting business activities that may result in conflicts of interest and does not engage in any practices that unlawfully restrict competition. During the Reporting Period, we are not aware of non-compliance incidents with relevant laws and regulations that have a significant impact on the Group relating to conflicts of interest, money laundering and insider trading.



## COMMUNITY INVESTMENT

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We are committed to advancing social responsibility through active participation in community development initiatives across our global operations. We integrate sustainable practices with people-centric corporate philanthropy to create lasting positive impacts in education, healthcare, disaster relief, and social welfare.

We demonstrated this commitment by joining the “ESG Pledge Scheme”, an initiative organized by the Chinese Manufacturers’ Association of Hong Kong in collaboration with the Hong Kong Brand Development Council to advance corporate sustainability. Pledgers select and report specific measures done in environmental, social or governance areas to the organizers annually to improve sustainability performance in different aspects.

We believe education empowers and strengthens communities. During the Reporting Period, we donated around RMB 1 million to support educational development, including over RMB 800,000 in Chinese Mainland for school awards and scholarships, and made significant contributions in Hong Kong for vocational training and community meals. Through our donations, students access better educational resources, giving them greater opportunities to realize their potential.

Our healthcare and emergency response initiatives focus on improving access to medical services and supporting critical research. In Italy, we continue our annual contribution to medical research supporting the cutting-edge treatments for rare diseases, including conditions affecting our own workforce. In addition, responding to the urgent community needs arising from the Hong Kong Tai Po Fire incident, Kunshan, Ningbo and Guangdong operation have donated over RMB 650,000 for emergency aid. These efforts demonstrate our commitment to both community health and employee wellbeing.



The charity bowling game in Hong Kong Blind Sports Federation 2025



We actively engage our employees in hands-on service to foster team spirit and strengthen community bonds. The Group has organized a variety of community events, for example we partnered with the Hong Kong Blind Sports Federation for the “Hong Kong Blind Sports Federation 2025”, as well as support for local government initiatives in Ningbo operations such as community basketball tournament, engaging volunteers and providing financial support. These activities not only benefit recipient organizations but also foster team spirit and strengthen our connection to the communities where we operate.

We are committed to creating positive social value through targeted contributions aligned with our core business principles, ensuring every contribution delivers meaningful impact. We measure our success not only by financial input, but also by improved outcomes achieved for individuals and communities we support.



## HONORS AND CERTIFICATIONS

In 2025/2026, the Group has obtained and held the following major awards and certifications:

| Aspects                  | Honors and Certifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental Management | GB/T 24001-2016/ISO 14001:2015 Certification in Environmental Management System<br><br>ISO 14001:2015 Certification in Environmental Management System                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Shenzhen Leadwell Technology Co. Ltd.</li> <li>Ningbo L.K. Technology Co. Ltd.</li> <li>Ningbo L.K. Injection Molding Machine Co. Ltd.</li> <li>Idra S.r.l.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Product Responsibilities | ISO 9001:2015 Certification in Quality Management System<br><br>ISO/IEC 17025:2017 GB/T 19001-2016/ISO 9001:2015 Certification in Quality Management System<br><br>RB/T048-2020; GB/T19001-2016/ISO 9001:2015 Upgrade Certification in Quality Management System<br><br>GB/T 29490-2013 Certification in Intellectual Property Management System<br><br>CNAS-CL01; ISO/IEC 17025:2017 Certification in General requirements for the competence of testing and calibration laboratories<br><br>Honor of “Intellectual Property Advantage Enterprise”<br><br>Honor of “High-tech Enterprise”<br><br>Various products were awarded “CE certification”<br><br>Honor of “Quality Casting Gold Award” | <ul style="list-style-type: none"> <li>Shenzhen Leadwell Technology Co. Ltd.</li> <li>L.K. Machinery (Shenzhen) Co. Ltd.</li> <li>LK Injection Molding Machine Co., Ltd.</li> <li>Shanghai Atech Machinery Co. Ltd.</li> <li>Ningbo L.K. Technology Co. Ltd.</li> <li>Ningbo L.K. Plastic Machinery Intelligent Manufacturing Co. Ltd.</li> <li>L.K. Machinery Corp.</li> <li>LK Precision Machinery (Kunshan) Co., Ltd.</li> <li>Fuxin Lida Steel Casting Co. Ltd.</li> <li>Idra S.r.l.</li> <li>Fu Xin L.K. Northern Machinery Co. Ltd.</li> <li>Fuxin Lida Steel Casting Co. Ltd.</li> <li>Ningbo L.K. Technology Co. Ltd.</li> <li>Chongqing L.K. Machinery Co. Ltd.</li> <li>Fuxin Lida Steel Casting Co. Ltd.</li> <li>Ningbo L.K. Plastic Machinery Intelligent Manufacturing Co. Ltd.</li> <li>Ningbo L.K. Technology Co. Ltd.</li> <li>Fuxin Lida Steel Casting Co. Ltd.</li> <li>Ningbo L.K. Technology Co. Ltd.</li> <li>Shenzhen Leadwell Technology Co. Ltd.</li> <li>LK Injection Molding Machine Co., Ltd.</li> <li>Shanghai Atech Machinery Co. Ltd.</li> <li>Ningbo L.K. Technology Co. Ltd.</li> <li>Ningbo L.K. Plastic Machinery Intelligent Manufacturing Co. Ltd.</li> <li>Fu Xin L.K. Northern Machinery Co. Ltd.</li> <li>Fuxin Lida Steel Casting Co. Ltd.</li> <li>LK Injection Molding Machine Co., Ltd.</li> <li>Fuxin Lida Steel Casting Co. Ltd.</li> </ul> |

HONORS AND CERTIFICATIONS

| Aspects           | Honors and Certifications                                                        | Companies                                                                                                                                                                                                                                                                  |
|-------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Health and Safety | ISO 45001:2018 Certification in Occupational Health and Safety Management System | <ul style="list-style-type: none"> <li>Shenzhen Leadwell Technology Co. Ltd.</li> <li>Ningbo L.K. Technology Co. Ltd.</li> <li>Ningbo L.K. Plastic Machinery Intelligent Manufacturing Co. Ltd.</li> <li>Fuxin Lida Steel Casting Co. Ltd.</li> <li>Idra S.r.l.</li> </ul> |
|                   | Honor of “Work Safety Standardization Level III Enterprise”                      | <ul style="list-style-type: none"> <li>Ningbo L.K. Technology Co. Ltd.</li> </ul>                                                                                                                                                                                          |



# ENVIRONMENTAL PERFORMANCE DATA SUMMARY<sup>1</sup>

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|                                                       |                                                                   | Plastic Injection    |            |                  |            |                      |           |                        |           |            |            |
|-------------------------------------------------------|-------------------------------------------------------------------|----------------------|------------|------------------|------------|----------------------|-----------|------------------------|-----------|------------|------------|
|                                                       |                                                                   | Die-casting Machines |            | Molding Machines |            | CNC Machining Center |           | Manufacture of Casting |           | Total      |            |
| Unit                                                  |                                                                   | 2025/2026            | 2024/2025  | 2025/2026        | 2024/2025  | 2025/2026            | 2024/2025 | 2025/2026              | 2024/2025 | 2025/2026  | 2024/2025  |
| <b>Greenhouse Gas ("GHG") Emission</b>                |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| <b>Scope 1<sup>2,4</sup>:</b>                         |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Total                                                 | Tonnes Carbon dioxide equivalent ("tCO <sub>2</sub> e") emissions | 1,403.01             | 2,846.80   | 705.46           | 745.67     | 139.79               | 181.40    | 908.40                 | 919.16    | 3,156.66   | 4,693.03   |
| Intensity <sup>5</sup>                                | tCO <sub>2</sub> e emissions per production volume                | 0.60                 | 1.14       | 0.17             | 0.13       | 0.32                 | 0.34      | 6.24                   | 7.24      | N/A        | N/A        |
| <b>Scope 2<sup>3,4</sup>:</b>                         |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Total                                                 | tCO <sub>2</sub> e emissions                                      | 8,936.10             | 8,686.73   | 6,985.46         | 6,444.42   | 452.58               | 505.01    | 55,404.31              | 48,322.99 | 71,778.44  | 63,959.15  |
| Intensity <sup>5</sup>                                | tCO <sub>2</sub> e emissions per production volume                | 3.84                 | 3.49       | 1.69             | 1.17       | 1.03                 | 0.94      | 380.29                 | 380.74    | N/A        | N/A        |
| <b>Air Emission<sup>6</sup></b>                       |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Nitrogen oxides                                       | Kilograms                                                         | 3,298.04             | 3,336.21   | 1,246.06         | 1,441.54   | 30.00                | 67.02     | 407.80                 | 627.51    | 4,981.90   | 5,472.29   |
| Sulfur oxides                                         | Kilograms                                                         | 78.04                | 87.38      | 18.00            | 20.60      | 3.07                 | 4.86      | 2.46                   | 3.80      | 101.57     | 116.64     |
| Particulate Matters                                   | Kilograms                                                         | 227.31               | 228.75     | 88.73            | 102.04     | 2.13                 | 4.70      | 16.67                  | 33.57     | 334.83     | 369.06     |
| <b>Hazardous Waste<sup>7</sup></b>                    |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| <b>Wastewater Discharged:</b>                         |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Total                                                 | Tonnes                                                            | 883.00               | 610.00     | 0                | 0          | 0                    | 0         | 0                      | 0         | 883.00     | 610.00     |
| Intensity <sup>5</sup>                                | Tonnes per production volume                                      | 0.38                 | 0.24       | 0                | 0          | 0                    | 0         | 0                      | 0         | N/A        | N/A        |
| <b>Waste Generated:</b>                               |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Total                                                 | Tonnes                                                            | 358.51               | 418.79     | 72.40            | 157.27     | 33.54                | 24.28     | 2.88                   | 30.45     | 467.33     | 630.79     |
| Intensity <sup>5</sup>                                | Tonnes per production volume                                      | 0.15                 | 0.17       | 0.02             | 0.03       | 0.08                 | 0.04      | 0.02                   | 0.24      | N/A        | N/A        |
| <b>Non-hazardous Waste<sup>7</sup></b>                |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| <b>Wastewater Discharged:</b>                         |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Total                                                 | Tonnes                                                            | 172,896.00           | 156,020.26 | 140,345.98       | 226,696.00 | 10,994.00            | 10,811.00 | 20,466.40              | 12,767.00 | 344,702.38 | 406,294.26 |
| Intensity <sup>5</sup>                                | Tonnes per production volume                                      | 74.33                | 62.63      | 33.99            | 41.02      | 25.10                | 20.02     | 140.48                 | 100.59    | N/A        | N/A        |
| <b>Waste Generated:</b>                               |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Total                                                 | Tonnes                                                            | 1,965.57             | 1,623.82   | 2,275.61         | 2,337.66   | 94.18                | 118.87    | 755.42                 | 398.79    | 5,090.77   | 4,479.13   |
| Intensity <sup>5</sup>                                | Tonnes per production volume                                      | 0.85                 | 0.65       | 0.55             | 0.42       | 0.22                 | 0.22      | 5.19                   | 3.14      | N/A        | N/A        |
| <b>Packaging Materials Used for Finished Products</b> |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Total                                                 | Tonnes                                                            | 50.17                | 78.95      | 10.42            | 7.21       | 38.51                | 53.15     | 153.34                 | 144.65    | 252.44     | 283.96     |
| Intensity <sup>5</sup>                                | Tonnes per production volume                                      | 0.02                 | 0.03       | 0.00             | 0.00       | 0.09                 | 0.10      | 1.05                   | 1.14      | N/A        | N/A        |
| <b>Energy and Water Consumption<sup>8</sup></b>       |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| <b>Liquefied Petroleum Gas:</b>                       |                                                                   |                      |            |                  |            |                      |           |                        |           |            |            |
| Total                                                 | Liters                                                            | 33,500.00            | 41,650.00  | 0                | 0          | 0                    | 0         | 69,112.80              | 61,736.98 | 102,612.80 | 103,386.98 |
| Intensity <sup>5</sup>                                | Liters per production volume                                      | 14.40                | 16.72      | 0                | 0          | 0                    | 0         | 474.38                 | 486.43    | N/A        | N/A        |

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|                                             |                                      | Plastic Injection    |            |                  |            |                      |           |                        |            |            |              |
|---------------------------------------------|--------------------------------------|----------------------|------------|------------------|------------|----------------------|-----------|------------------------|------------|------------|--------------|
|                                             |                                      | Die-casting Machines |            | Molding Machines |            | CNC Machining Center |           | Manufacture of Casting |            | Total      |              |
| Unit                                        |                                      | 2025/2026            | 2024/2025  | 2025/2026        | 2024/2025  | 2025/2026            | 2024/2025 | 2025/2026              | 2024/2025  | 2025/2026  | 2024/2025    |
| <b>Natural Gas:</b>                         |                                      |                      |            |                  |            |                      |           |                        |            |            |              |
| Total                                       | m <sup>3</sup>                       | 225,606.00           | 255,722.00 | 93,264.00        | 93,538.00  | 32,414.00            | 53,374.00 | 0                      | 0          | 351,284.00 | 402,634.00   |
| Intensity <sup>5</sup>                      | m <sup>3</sup> per production volume | 96.99                | 102.66     | 22.59            | 16.92      | 74.00                | 98.84     | 0                      | 0          | N/A        | N/A          |
| <b>Gasoline:</b>                            |                                      |                      |            |                  |            |                      |           |                        |            |            |              |
| Total                                       | Liters                               | 284,307.09           | 536,727.49 | 211,461.91       | 220,073.58 | 37,755.46            | 47,077.30 | 318,571.74             | 298,990.40 | 852,096.20 | 1,102,868.77 |
| Intensity <sup>5</sup>                      | Liters per production volume         | 122.23               | 215.47     | 51.21            | 39.82      | 86.20                | 87.18     | 2,077.53               | 2,066.92   | N/A        | N/A          |
| <b>Diesel:</b>                              |                                      |                      |            |                  |            |                      |           |                        |            |            |              |
| Total                                       | Liters                               | 244,112.50           | 688,902.08 | 130,913.10       | 141,054.30 | 9,132.90             | 9,900.72  | 336,103.80             | 323,335.28 | 720,262.30 | 1,163,192.38 |
| Intensity <sup>5</sup>                      | Liters per production volume         | 104.95               | 276.56     | 31.71            | 25.52      | 20.85                | 18.33     | 2,306.96               | 2,547.57   | N/A        | N/A          |
| <b>Welding and Cutting Gas<sup>6</sup>:</b> |                                      |                      |            |                  |            |                      |           |                        |            |            |              |
| Total                                       | Tonnes                               | 123.22               | 64.71      | 0                | 0.00       | 0.04                 | 0.05      | 34.86                  | 3.85       | 158.12     | 68.60        |
| Intensity <sup>5</sup>                      | MWh per production volume            | 0.05                 | 0.03       | 0                | 0.00       | 0.00                 | 0.00      | 0.24                   | 0.03       | N/A        | N/A          |
| <b>Electricity:</b>                         |                                      |                      |            |                  |            |                      |           |                        |            |            |              |
| Total                                       | MWh                                  | 21,116.27            | 19,384.75  | 18,798.81        | 15,152.58  | 783.41               | 874.17    | 95,904.98              | 83,647.20  | 136,603.47 | 119,058.70   |
| Intensity <sup>5</sup>                      | MWh per production volume            | 9.08                 | 7.78       | 4.55             | 2.74       | 1.79                 | 1.62      | 658.28                 | 659.06     | N/A        | N/A          |
| <b>Water Resources:</b>                     |                                      |                      |            |                  |            |                      |           |                        |            |            |              |
| Total                                       | m <sup>3</sup>                       | 155,492.83           | 149,811.17 | 162,181.30       | 226,696.00 | 12,626.00            | 12,024.00 | 39,002.00              | 13,265.00  | 369,302.13 | 401,796.17   |
| Intensity <sup>5</sup>                      | m <sup>3</sup> per production volume | 66.85                | 60.14      | 39.28            | 41.02      | 28.83                | 22.27     | 267.70                 | 104.52     | N/A        | N/A          |

## Notes:

- The figures in 2024/2025 data are restated to better reflect the Group's ESG performance.
- Scope 1 refers to the Group's business direct GHG emissions, including the use of liquefied petroleum gas, natural gas, gasoline, diesel, welding and cutting gas.
- Scope 2 refers to the Group's business indirect GHG emissions, including consumption of purchased electricity from renewable and non-renewable sources.
- The abovementioned carbon emissions are calculated under operational control approach with reference to the emission factors in "China Regional Grid Baseline Emission Factors" issued by the Climate Change Department of the Ministry of Ecology and Environment of the PRC and the "Reporting Guidance on Environmental Key Performance Indicators" issued by the Stock Exchange.
- The emission/production/consumption intensity of the business of manufacturing die-casting machine, plastic injection molding machine and CNC machining center are calculated based on the number of production units. The emission/production/consumption intensity of the manufacturing of casting business are calculated in terms of production per kilo-tonne.
- Air emissions are calculated based on the combustion of fuels including liquefied petroleum gas, gasoline and diesel.
- The Group monitors the metrics for optimizing waste management strategies and performances. In 2025/2026, the overall waste diversion rate is 44%. For the plants without flow meter installed in wastewater discharge ports, the amount of non-hazardous wastewater produced is estimated based on 80%-90% of the volume of water consumed.
- There was no consumption of coal, town gas, or refrigerants in either reporting year.
- Consumption data include acetylene, carbon dioxide, and propane used for welding and cutting in both reporting years.



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| Unit                                    |            | 2025/2026     | 2024/2025     |
|-----------------------------------------|------------|---------------|---------------|
| <b>Employment<sup>2</sup></b>           |            |               |               |
| <b>Gender</b>                           |            |               |               |
| Male                                    | People (%) | 5,152 (85%)   | 3,825 (83%)   |
| Female                                  | People (%) | 877 (15%)     | 783 (17%)     |
| <b>Employment Category</b>              |            |               |               |
| Senior Management                       | People (%) | 106 (2%)      | 55 (1%)       |
| Middle Management                       | People (%) | 442 (7%)      | 374 (8%)      |
| Junior Management                       | People (%) | 689 (11%)     | 523 (11%)     |
| General Staff                           | People (%) | 4,752 (79%)   | 3,656 (79%)   |
| <b>Share of Women in Management</b>     |            |               |               |
| Senior Management                       | %          | 25%           | 20%           |
| Middle Management                       | %          | 17%           | 20%           |
| Junior Management                       | %          | 13%           | 12%           |
| <b>Employment Type</b>                  |            |               |               |
| Full-time                               | People (%) | 6,023 (99.9%) | 4,600 (99.8%) |
| <b>Age Group</b>                        |            |               |               |
| 18-30                                   | People (%) | 1,971 (33%)   | 1,514 (33%)   |
| 31-45                                   | People (%) | 2,735 (45%)   | 2,126 (46%)   |
| 46-60                                   | People (%) | 1,262 (21%)   | 928 (20%)     |
| >60                                     | People (%) | 61 (1%)       | 40 (1%)       |
| <b>Geographical Region</b>              |            |               |               |
| Chinese Mainland                        | People (%) | 5,819 (96.5%) | 4,390 (95.3%) |
| Hong Kong                               | People (%) | 53 (0.9%)     | 49 (1.1%)     |
| Taiwan                                  | People (%) | 51 (0.8%)     | 59 (1.3%)     |
| Italy                                   | People (%) | 99 (1.6%)     | 104 (2.3%)    |
| Others <sup>2</sup>                     | People (%) | 7 (0.1%)      | 6 (0.1%)      |
| <b>Ethnicity</b>                        |            |               |               |
| Chinese                                 | People (%) | 5,911 (98.0%) | 4,489 (97.4%) |
| Italian                                 | People (%) | 99 (1.6%)     | 104 (2.3%)    |
| Others <sup>2</sup>                     | People (%) | 19 (0.3%)     | 15 (0.3%)     |
| <b>Hiring</b>                           |            |               |               |
| Total Number of new Hires               | People     | 1,600         | 908           |
| Positions filled by internal candidates | People     | 55            | 58            |
| <b>Gender</b>                           |            |               |               |
| Male                                    | People     | 1,372         | 744           |
| Female                                  | People     | 228           | 164           |
| <b>Employment Category</b>              |            |               |               |
| Senior Management                       | People     | 12            | 6             |
| Middle Management                       | People     | 24            | 15            |
| Junior Management                       | People     | 37            | 18            |
| General Staff                           | People     | 1,527         | 869           |

## SOCIAL PERFORMANCE DATA SUMMARY

|                                                        | Unit               | 2025/2026 | 2024/2025 |
|--------------------------------------------------------|--------------------|-----------|-----------|
| <b>Employee Turnover Rate</b>                          |                    |           |           |
| <b>Gender</b>                                          |                    |           |           |
| Male                                                   | %                  | 23%       | 24%       |
| Female                                                 | %                  | 25%       | 24%       |
| <b>Age Group</b>                                       |                    |           |           |
| 18-30                                                  | %                  | 34%       | 37%       |
| 31-45                                                  | %                  | 21%       | 19%       |
| 46-60                                                  | %                  | 13%       | 13%       |
| >60                                                    | %                  | 18%       | 15%       |
| <b>Geographical Region</b>                             |                    |           |           |
| Chinese Mainland                                       | %                  | 24%       | 24%       |
| Hong Kong                                              | %                  | 13%       | 6%        |
| Taiwan                                                 | %                  | 65%       | 54%       |
| Italy                                                  | %                  | 5%        | 7%        |
| Others                                                 | %                  | 29%       | 0%        |
| <b>Voluntary Turnover</b>                              |                    |           |           |
| Voluntary Turnover                                     | %                  | 21%       | 21%       |
| <b>Percentage of Employees Trained<sup>3</sup></b>     |                    |           |           |
| <b>Gender</b>                                          |                    |           |           |
| Male                                                   | %                  | 87%       | 89%       |
| Female                                                 | %                  | 77%       | 77%       |
| <b>Employee Category</b>                               |                    |           |           |
| Senior Management                                      | %                  | 55%       | 80%       |
| Middle Management                                      | %                  | 100%      | 72%       |
| Junior Management                                      | %                  | 99%       | 100%      |
| General Staff                                          | %                  | 83%       | 87%       |
| <b>Average Training Hours<sup>4</sup> per Employee</b> |                    |           |           |
| <b>Gender</b>                                          |                    |           |           |
| Male                                                   | Hours per employee | 9.60      | 15.13     |
| Female                                                 | Hours per employee | 10.72     | 14.31     |
| <b>Employee Category</b>                               |                    |           |           |
| Senior Management                                      | Hours per employee | 3.80      | 8.63      |
| Middle Management                                      | Hours per employee | 11.24     | 13.80     |
| Junior Management                                      | Hours per employee | 12.04     | 60.21     |
| General Staff                                          | Hours per employee | 9.43      | 8.74      |
| <b>Health and safety</b>                               |                    |           |           |
| Lost days due to work injury <sup>5</sup>              | Days               | 3,035     | 4,877     |
| Employee work-related fatalities <sup>6</sup>          | People             | 1         | 0         |
| Contractor work-related fatalities                     | People             | 0         | 0         |

## SOCIAL PERFORMANCE DATA SUMMARY

| Unit                                           |        | 2025/2026 | 2024/2025 |
|------------------------------------------------|--------|-----------|-----------|
| <b>Suppliers (by Geographical Regions)</b>     |        |           |           |
| Chinese Mainland                               | Number | 2,017     | 2,001     |
| Hong Kong                                      | Number | 80        | 81        |
| Taiwan                                         | Number | 170       | 195       |
| Italy                                          | Number | 292       | 334       |
| Others <sup>7</sup>                            | Number | 51        | 88        |
| <b>Products and Service-related Complaints</b> |        |           |           |
| Complaints received                            | Number | 377       | 320       |
| Product recall for health and safety reasons   | Number | 0         | 0         |

### Notes:

- 1 The figures in 2024/2025 data are restated to better reflect the Group's ESG performance.
- 2 Including Staff from England, Finland, Germany, Ghana, India, Japan, Macau, Pakistan, the Philippines, Poland, Senegal, Spain, Turkey, and Vietnam.
- 3 "Percentage of the Employees trained" refers to the number of Group's employees trained under the category within the Reporting Period divided by the total number of Group's employees trained within the Reporting Period.
- 4 "Average Training Hours per Employee" refers to the number of training hours provided by the Group to its employees within the Reporting Period divided by the sum of Group's number of employees at the end of the Reporting Period and the number of departing employees within the Reporting Period.
- 5 Covering the lost days due to work injury of own employees. For the contractors, we recorded 10 lost days due to work injury within the Reporting Period.
- 6 The work-related fatality number in 2023/2024 was 0.
- 7 Including suppliers from Austria, Germany and Switzerland



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| General Disclosure/KPIs | Reporting Guideline                                                                                                                                                                                                                                                           | Page  |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>A. Environmental</b> |                                                                                                                                                                                                                                                                               |       |
| <b>Aspect A1</b>        | <b>Emissions</b>                                                                                                                                                                                                                                                              |       |
| General Disclosure      | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 09-20 |
| KPI A1.1                | The types of emissions and respective emissions data.                                                                                                                                                                                                                         | 43-44 |
| KPI A1.2                | [Repealed 1 January 2025]                                                                                                                                                                                                                                                     |       |
| KPI A1.3                | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                                                                              | 43-44 |
| KPI A1.4                | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                                                                          | 43-44 |
| KPI A1.5                | Description of emissions target(s) set and steps taken to achieve them.                                                                                                                                                                                                       | 13-20 |
| KPI 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.                                                                                                                              | 10-15 |
| <b>Aspect A2</b>        | <b>Use of Resources</b>                                                                                                                                                                                                                                                       |       |
| General Disclosure      | Policies on the efficient use of resources, including energy, water and other raw materials.                                                                                                                                                                                  | 15-20 |
| KPI A2.1                | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility).                                                                                                             | 43-44 |
| KPI A2.2                | Water consumption in total and intensity (e.g. per unit of production volume, per facility).                                                                                                                                                                                  | 43-44 |
| KPI A2.3                | Description of energy use efficiency target(s) set and steps taken to achieve them.                                                                                                                                                                                           | 15-18 |
| KPI 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.                                                                                                                          | 19-20 |
| KPI A2.5                | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.                                                                                                                                                      | 43    |
| <b>Aspect A3</b>        | <b>The Environment and Natural Resources</b>                                                                                                                                                                                                                                  |       |
| General Disclosure      | Policies on minimizing the issuer's significant impact on the environment and natural resources.                                                                                                                                                                              | 20-21 |
| KPI A3.1                | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.                                                                                                                                           | 20-21 |
| <b>Aspect A4</b>        | <b>Climate Change</b>                                                                                                                                                                                                                                                         |       |
| General Disclosure      | [Repealed 1 January 2025]                                                                                                                                                                                                                                                     | -     |
| KPI A4.1                | [Repealed 1 January 2025]                                                                                                                                                                                                                                                     | -     |

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|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| <b>B. Social</b>        |                                                                                                                                                                                                                                                                                                                               |        |
| <b>Aspect B1</b>        | <b>Employment and Labor Practices</b>                                                                                                                                                                                                                                                                                         |        |
| General Disclosure      | Information on:<br>(a) the policies; and<br>(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. | 26-33  |
| KPI B1.1                | Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.                                                                                                                                                                                                               | 45, 47 |
| KPI B1.2                | Employee turnover rate by gender, age group and geographical region.                                                                                                                                                                                                                                                          | 46     |
| <b>Aspect B2</b>        | <b>Health and Safety</b>                                                                                                                                                                                                                                                                                                      |        |
| General Disclosure      | Information on:<br>(a) the policies; and<br>(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.                                                                               | 26-29  |
| KPI B2.1                | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.                                                                                                                                                                                                             | 46-47  |
| KPI B2.2                | Lost days due to work injury.                                                                                                                                                                                                                                                                                                 | 46     |
| KPI B2.3                | Description of occupational health and safety measures adopted, and how they are implemented and monitored.                                                                                                                                                                                                                   | 26-29  |
| <b>Aspect B3</b>        | <b>Development and Training</b>                                                                                                                                                                                                                                                                                               |        |
| General Disclosure      | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.                                                                                                                                                                                                     | 31-33  |
| KPI B3.1                | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).                                                                                                                                                                                                              | 46-47  |
| KPI B3.2                | The average training hours completed per employee by gender and employee category.                                                                                                                                                                                                                                            | 46-47  |
| <b>Aspect B4</b>        | <b>Labor Standards</b>                                                                                                                                                                                                                                                                                                        |        |
| General Disclosure      | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.                                                                                                                                     | 33     |
| KPI B4.1                | Description of measures to review employment practices to avoid child and forced labor.                                                                                                                                                                                                                                       | 33     |
| KPI B4.2                | Description of steps taken to eliminate such practices when discovered.                                                                                                                                                                                                                                                       | 33     |

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| <b>Aspect B5</b>        | <b>Supply Chain Management</b>                                                                                                                                                                                                                                                          |              |
| General Disclosure      | Policies on managing environmental and social risks of the supply chain.                                                                                                                                                                                                                | 34-36        |
| KPI B5.1                | Number of suppliers by geographical region.                                                                                                                                                                                                                                             | 46-47        |
| KPI 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.                                                                                                                     | 34-36        |
| KPI B5.3                | Description of practices used to identify environmental and social risks.                                                                                                                                                                                                               | 34-36        |
| KPI B5.4                | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.                                                                                                                         | 34-36        |
| <b>Aspect B6</b>        | <b>Product Responsibility</b>                                                                                                                                                                                                                                                           |              |
| General Disclosure      | Information on:<br>(a) the policies; and<br>(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. | 36-38        |
| KPI B6.1                | Percentage of total products sold or shipped subject to recalls for safety and health reasons.                                                                                                                                                                                          | 36-38, 45-47 |
| KPI B6.2                | Number of products and service related complaints received and how they are dealt with.                                                                                                                                                                                                 | 47           |
| KPI B6.3                | Description of practices relating to observing and protecting intellectual property rights.                                                                                                                                                                                             | 38           |
| KPI B6.4                | Description of quality assurance process and recall procedures.                                                                                                                                                                                                                         | 38           |
| KPI B6.5                | Description of consumer data protection and privacy policies, and how they are implemented and monitored.                                                                                                                                                                               | 38           |
| <b>Aspect B7</b>        | <b>Anti-corruption</b>                                                                                                                                                                                                                                                                  |              |
| General Disclosure      | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.                                                                                  | 39           |
| KPI 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.                                                                                                                      | 39           |
| KPI B7.2                | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.                                                                                                                                                                          | 39           |
| KPI B7.3                | Description of anti-corruption training provided to directors and staff.                                                                                                                                                                                                                | 39           |
| <b>Aspect B8</b>        | <b>Community Investment</b>                                                                                                                                                                                                                                                             |              |
| 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.                                                                                                  | 40           |
| KPI B8.1                | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).                                                                                                                                                                              | 40           |
| KPI B8.2                | Resources contributed (e.g. money or time) to the focus area.                                                                                                                                                                                                                           | 40           |

**PART D: CLIMATE-RELATED DISCLOSURES**

| Disclosure Description |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Page         |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>Governance</b>      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |
| (19)                   | An issuer shall disclose information about:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              |
| (a)                    | <p>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:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(ii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</li> <li>(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;</li> <li>(iv) How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and Responding to Climate Change – Governance; and</li> </ul> | 03-05, 21-22 |
| (b)                    | <p>Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities, including information about:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 03-05, 21-22 |

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| Disclosure Description                         |                                                                                                                                                                                                                                                                                               | Page                                                                                                                                                                 |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strategy</b>                                |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                      |
| <b>Climate-related risks and opportunities</b> |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                      |
| (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;                                                                                       | 23-25                                                                                                                                                                |
|                                                | (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;                                                                                                         | 23-25                                                                                                                                                                |
|                                                | (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                                             | 23-25<br><br>We are taking initial steps to assess the feasibility of this disclosure requirement and will provide relevant disclosures in future Reporting Periods. |
|                                                | (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.                                                                                                | 23-25<br><br>We are taking initial steps to assess the feasibility of this disclosure requirement and will provide relevant disclosures in future Reporting Periods. |
| <b>Business model and value chain</b>          |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                      |
| (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                                                                                                                                       | 23-25                                                                                                                                                                |
|                                                | (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).                                                                                         | 23-25                                                                                                                                                                |

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|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strategy and decision-making</b>                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                             |
| (22)                                                            | 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:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                             |
|                                                                 | <p>(a) 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:</p> <ul style="list-style-type: none"> <li>(i) Current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</li> <li>(ii) Current and anticipated adaptation and mitigation efforts (whether direct or indirect);</li> <li>(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;</li> <li>(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; and</li> </ul> | <p>23-25</p> <p>We will explore the feasibility of developing a transition plan in future Reporting Periods.</p>                                                            |
|                                                                 | (b) Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 23-25                                                                                                                                                                       |
| (23)                                                            | An issuer shall disclose information about the progress of plans disclosed in previous Financial Years in accordance with paragraph 22(a).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 23-25                                                                                                                                                                       |
| <b>Financial position, financial performance and cash flows</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                             |
| (24)                                                            | An issuer shall disclose qualitative and quantitative information about:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                             |
|                                                                 | (a) How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Financial Year; and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>23-25</p> <p>We are taking initial steps to assess the feasibility of this disclosure requirement and will provide relevant disclosures in future Reporting Periods.</p> |
|                                                                 | (b) 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 Financial Year to the carrying amounts of assets and liabilities reported in the related financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | There is no significant risk of material adjustment within the next annual Reporting Period.                                                                                |

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|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (25)                      | The issuer shall provide qualitative and quantitative disclosures about:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                      |
|                           | (a) 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:<br>(i) Its investment and disposal plans; and<br>(ii) Its planned sources of funding to implement its strategy; and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | We will explore the feasibility of developing investment and disposal plans in future Reporting Periods.                                                             |
|                           | (b) How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 23-25<br><br>We are taking initial steps to assess the feasibility of this disclosure requirement and will provide relevant disclosures in future Reporting Periods. |
| <b>Climate resilience</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                      |
| (26)                      | 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:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                      |
|                           | (a) The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:<br>(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;<br>(ii) The significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and<br>(iii) The issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | We will explore the feasibility of conducting climate-related scenario analysis in future Reporting Periods.                                                         |
|                           | (b) How and when the climate-related scenario analysis was carried out, including:<br>(i) Information about the inputs used, including:<br>(1) Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;<br>(2) Whether the analysis included a diverse range of climate-related scenarios;<br>(3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;<br>(4) Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;<br>(5) Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;<br>(6) Time horizons the issuer used in the analysis; and<br>(7) What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis);<br>(ii) The key assumptions the issuer made in the analysis; and<br>(iii) The Financial Year in which the climate-related scenario analysis was carried out. | We will explore the feasibility of conducting climate-related scenario analysis in future Reporting Periods.                                                         |

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|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk management</b>          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                    |
| (27)                            | An issuer shall disclose information about:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                    |
|                                 | (a) how and when the climate-related scenario analysis was carried out, including:<br>(i) The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);<br>(ii) Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;<br>(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);<br>(iv) Whether and how the issuer prioritizes climate-related risks relative to other types of risks;<br>(v) How the issuer monitors climate-related risks; and<br>(vi) Whether and how the issuer has changed the processes it uses compared with the previous Financial Year; | 23-25<br><br>We will explore the feasibility of conducting climate-related scenario analysis in future Reporting Periods.                                                                                                                          |
|                                 | (b) The processes the issuer uses to identify, assess, prioritizes 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); and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 23-25<br><br>We will explore the feasibility of conducting climate-related scenario analysis in future Reporting Periods.                                                                                                                          |
|                                 | (c) 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 21-25<br><br>Responding to Climate Change – Risk Management                                                                                                                                                                                        |
| <b>Metrics and targets</b>      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                    |
| <b>Greenhouse gas emissions</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                    |
| (28)                            | An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Financial Year, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |
|                                 | (a) Scope 1 greenhouse gas emissions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 43                                                                                                                                                                                                                                                 |
|                                 | (b) Scope 2 greenhouse gas emissions; and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 43                                                                                                                                                                                                                                                 |
|                                 | (c) Scope 3 greenhouse gas emissions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | We are currently collecting the information for the calculations of Scope 3 greenhouse gas emissions. We will explore the feasibility of disclosing the emissions in future Reporting Periods when more reliable and reasonable data is available. |

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| Disclosure Description                  |                                                                                                                                                                                                                                                                                                                                                       | Page                                                                                                                                                                                                                                               |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (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;                                       | 43-44                                                                                                                                                                                                                                              |
|                                         | (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;                                                                                                                                                                                                                                         | 43-44                                                                                                                                                                                                                                              |
|                                         | (ii) The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and                                                                                                                                                                                                       | 43-44                                                                                                                                                                                                                                              |
|                                         | (iii) Any changes the issuer made to the measurement approach, inputs and assumptions during the Financial Year and the reasons for those changes;                                                                                                                                                                                                    | The measurement approach has not been changed in the Reporting Periods.                                                                                                                                                                            |
|                                         | (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                                     | 43-44                                                                                                                                                                                                                                              |
|                                         | (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). | We are currently collecting the information for the calculations of Scope 3 greenhouse gas emissions. We will explore the feasibility of disclosing the emissions in future Reporting Periods when more reliable and reasonable data is available. |
| <b>Climate-related transition risks</b> |                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                    |
| (30)                                    | An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.                                                                                                                                                                                                                   | We will explore the feasibility of assessing business activities vulnerable to climate-related transition risks in future Reporting Periods.                                                                                                       |
| <b>Climate-related physical risks</b>   |                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                    |
| (31)                                    | An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.                                                                                                                                                                                                                     | We will explore the feasibility of assessing business activities vulnerable to climate-related physical risks in future Reporting Periods.                                                                                                         |
| <b>Climate-related opportunities</b>    |                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                    |
| (32)                                    | An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.                                                                                                                                                                                                                       | We will explore the feasibility of assessing business activities vulnerable to climate-related opportunities in future Reporting Periods.                                                                                                          |

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25  
26

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

| Disclosure Description  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Page                                                                                                                                                                       |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital deployment      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                            |
| (33)                    | An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | We will consider the amount of capital deployment towards climate-related risks and opportunities in future Reporting Periods.                                             |
| Internal carbon prices  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                            |
| (34)                    | An issuer shall disclose:<br><br>(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<br><br>(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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | We did not apply an internal carbon price in decision-making currently.                                                                                                    |
| Remuneration            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                            |
| (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).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | We did not incorporate climate-related consideration into remuneration policy currently.                                                                                   |
| Industry-based metrics  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                            |
| (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 characterize 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | We will explore the feasibility of applying industry-based metrics in future Reporting Periods.                                                                            |
| Climate-related targets |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                            |
| (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:<br><br>(a) The metric used to set the target;<br>(b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);<br>(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);<br>(d) The period over which the target applies;<br>(e) The base period from which progress is measured;<br>(f) Milestones or interim targets (if any);<br>(g) If the target is quantitative, whether the target is an absolute target or an intensity target; and<br>(h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. | 25<br><br>We are currently evaluating the GHG emissions reduction targets. We will establish more granular and formal targets for disclosures in future Reporting Periods. |

THE STOCK EXCHANGE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE  
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| Disclosure Description                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Page                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (38)                                                                      | An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                |
|                                                                           | <ul style="list-style-type: none"> <li>(a) Whether the target and the methodology for setting the target has been validated by a third party;</li> <li>(b) The issuer’s processes for reviewing the target;</li> <li>(c) The metrics used to monitor progress towards reaching the target; and</li> <li>(d) Any revisions to the target and an explanation for those revisions.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>25</p> <p>We are currently evaluating the GHG emissions reduction targets. We will establish more granular and formal targets for disclosures in future Reporting Periods.</p>                                                                                              |
| (39)                                                                      | An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity’s performance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>25</p> <p>We are currently evaluating the GHG emissions reduction targets. We will establish more granular and formal targets for disclosures in future Reporting Periods.</p>                                                                                              |
| (40)                                                                      | For each greenhouse gas emissions target disclosed in accordance with paragraphs 37–39, an issuer shall disclose:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                |
|                                                                           | <ul style="list-style-type: none"> <li>(a) Which greenhouse gases are covered by the target.</li> <li>(b) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.</li> <li>(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.</li> <li>(d) Whether the target was derived using a sectoral decarbonization approach.</li> <li>(e) The issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. The issuer shall disclose information including: <ul style="list-style-type: none"> <li>(i) The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</li> <li>(ii) Which third-party scheme(s) will verify or certify the carbon credits;</li> <li>(iii) The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</li> <li>(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).</li> </ul> </li> </ul> | <p>25</p> <p>We are currently evaluating the GHG emissions reduction targets. We will establish more granular and formal targets for disclosures disclosed in future Reporting Periods.</p> <p>At present, we did not apply carbon credits to offset the carbon emissions.</p> |
| <b>Applicability of cross-industry metrics and industry-based metrics</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                |
| (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).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>43-44</p> <p>We will explore the feasibility of disclosing cross-industry metrics and industry-based metrics in future Reporting Periods when more reliable and reasonable data is available.</p>                                                                           |



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