



芜湖造船厂有限公司
WUHU SHIPYARD CO.,LTD

Centennial Wuhu Shipyard takes
the revitalization of the national
shipbuilding industry as its own
responsibility



Wuhu Shipyard

Environmental, Social and Governance Report

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2023

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About This Report

🕒 Introduction

This is the first Environmental, Social and Governance report (the "report") prepared by Wuhu Shipyard CO., Ltd. (the "Wuhu Shipyard" "Company") to disclose our progress on ESG management to stakeholders and others. The board of directors has reviewed this report and is responsible for its authenticity and validity.

🕒 Reporting Period

This report covers the period from January 1, 2023 to December 31, 2023, unless otherwise noted.

🕒 Reporting Period

This report takes Wuhu Shipyard as the main part, covering the company's headquarters, production base and its subsidiaries, unless otherwise noted.

🕒 Indicator Selection and Information Source

This report mainly considers the quantification, importance, balance and consistency of each specific indicator related to the performance disclosure of key topics. The report will make continuous adjustment and optimization to the disclosure indicators in future reports. The qualitative and quantitative information used in this report is derived from public information, internal documents and relevant statistical data of Wuhu Shipyard. Unless otherwise specified, the monetary amounts involved in the report are measured in CNY.

🕒 ESG Standards Applied

This report is prepared with reference to Shanghai Stock Exchange Self-Regulatory Guidelines No. 14 - Sustainability Reporting (Trial) issued by SHSE, the Environmental, Social and Governance Reporting Guidelines issued by SEHK, Corporate Sustainability Reporting Directive issued by the Council of the EU, the Climate-related Financial Disclosures Report issued by TCFD, and the Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI), ISO 2600-Social Responsibility (2010) issued by ISO, and other ESG and sustainability-related frameworks commonly used at home and abroad, with a focus on industry background and highlighting corporate characteristics.

🕒 Form of Release

This report is published in the form of an online version and can be downloaded from the official website of Wuhu Shipyard Co., Ltd at [HTTP://www.wuhu.com.cn/](http://www.wuhu.com.cn/).

🕒 Contact Information

If you have any questions, suggestions or comments about our ESG management and this report, please contact:

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Chairman's Speech

In 2023, with the joint efforts of all employees and strong support of global customers and partners, Wuhu Shipyard **has achieved a double increase in output value and profit, creating a new miracle in its 123-year history.**

In 2023, we decided to be more responsible. Firmly implemented the thought of socialism with Chinese characteristics in the new era, under the personal guidance of the Central Theme Education Inspection team, gathered the determination and confidence of the directors to start a business, and took on the mission and task of "building ships for the country", to build a national green factory and an enterprise with intellectual property advantages. Cultivating craftsmen of Great Powers in the new era, the employees of Wuhu Shipyard have successively won the provincial and municipal titles of "Worker Pioneer", "Model Worker" and "Advanced Collective and Individual in Labor Competition". The vessels built by Wuhu Shipyard have been highly recognized by ship-owners at home and abroad, among

which 7,000 tons pure car truck carriers and 5,800 tons multi-purpose vessels have been selected as the world famous ships, and 22,000 DWT hybrid chemical tankers have been selected as one of the top ten innovative products in China's shipbuilding industry.

In 2023, we made every effort to plan the layout.Built a "1+2+N" strategic system, expanded production lines to increase production capacity, and upgraded core production resources such as block fabrication, slipway, and dock, which will be officially put into operation in the first half of 2024; rapidly improved the R&D strength of Research Institution of Wuhu Shipyard, obtained the provincial Grade A ship design qualification and established the Shanghai Research Institute; quickly advanced the construction of Weihai base and it is expected to be put into operation in the first quarter; went abroad of Wuhu Shipyard's brand "Fujiheng" for the first time, and successfully delivered the Indian project.

In 2023, we expanded the Product Ecosystem.The Product Ecosystem of the "Wuhu Shipyard Manufacturing" brand has been further expanded, and the market recognition at home and abroad has reached a new level, with hand-held orders exceeding 30 billion CNY. Protecting energy security and building the world's first and largest fracturing ship; Help Chinese automobiles go international and build pure car truck carriers; To undertake the largest batch of 14+2 chemical tankers, and the orders for small and medium-sized chemical tankers (less than 50,000 tons) rank first in the world.

In 2023, we take lead in new-energy ship market. Actively participate in the design and production of global new energy green intelligent ships, build a new business ecology based on user-centered, and implement the customization of "one ship, one construction" in accordance with the requirements of the "four modernizations" such as platform, standardization, generalization, and intelligence.

In 2023, we took the initiative to change. Promote the equity reform and the ship management system, cultivate the sense of management of all employees, the company and individuals share goals, common interests, and seek the same desire, and achieved the goal of doubling this year's out profit with last year's resources.

Time passes and the journey restarts. In 2024, we will resolutely implement the principles of the Central Economic Work Conference, firmly follow the path of high-quality development, strengthen and consolidate the foundation, coordinate development, improve quality and efficiency, and achieve a further double output value and profit by 2024.

At a new starting point, we must insist on "borrowing strength to exert force." With the goal of share reform and listing, we will promote the work of "dual carbon" and ESG work, seek development through compliance management, and strengthen environmental

and social responsibility.

At a new starting point, we must adhere to the principle of "going out of the river and into the sea." We will continue promoting the layout of products and bases of "river, river and sea", and build a 10-billion-level ship industry cluster.

At a new starting point, we must adhere to "high-end manufacturing." Follow the requirements of "manufacturing industry to high-end" put forward by President Xi, we will promote the construction of green ships, green manufacturing and green supply chains, and establish a new energy ship ecosystem for the ships of Wuhu Shipyard.

At a new starting point, we must adhere to the "four major events." We will continue to do a good job in strategy-driven, organizational change, cultural reshaping and digital transformation, keep pace with the times, build digital intelligence capabilities, and stimulate organizational vitality.

At a new starting point, we must adhere to the "chain business." Anhui leads the shipbuilding industry in central China, while Wuhu Shipyard leads Anhui's shipbuilding industry. We will keep in mind the main mission of the Anhui shipbuilding industry chain, drive vertical integration with the leader, and create the ultimate cost, ultimate quality and ultimate efficiency.

In 2024, we firmly believe that effort creates miracles!

We look forward to working together with our global customers, partners and all employees to forge ahead in the new year to create a win-win situation and a better future !

Wuhu Shipyard Co., Ltd.
Chairman



About Us

Company Profile

Wuhu Shipyard Co., Ltd. was formerly known as Fu Ji Heng Machinery Factory, which was founded in 1900. The company's headquarters is located in the first echelon of the Yangtze River Delta region, one of the three major shipbuilding industry clusters in China, and its main business covers the R&D, construction and maintenance of various ships and offshore equipment, and the leading products are liquid cargo ships, multi-purpose ships, offshore ships, special ships and other ships and marine engineering equipment, with a construction area of 1.2107 million square meters, the total length of the shoreline is 1,355 meters, with two 80,000-ton slipways, one 740-meter outfitting wharf, and three single gantry cranes with a lifting capacity of 450 tons; The annual shipbuilding capacity is

800,000 deadweight tons. The company has the first-class class I construction qualification and defense equipment qualification of shipbuilding enterprises, and has built a complete system of quality, occupational health and safety, environmental management, energy management and integration of industrialization and industrialization.

In 2023, Wuhu Shipyard has won relevant certifications or titles such as National Green Factory, National Intellectual Property Advantage Enterprise, Provincial Technology R&D Center, Innovative Pilot Enterprise, and Customs Advanced Certification Enterprise, and has also won the honors of "Top 10 Enterprises with Tax Contribution", "Top 10 Enterprises with Tax Revenue per Mu", and "Annual Red Award-winning Enterprise" in the region.



Highlights of the Year

Wuhu Shipyard has achieved high-quality and accelerated development of production and operation

Year on Year Growth With Annual Output Value	Year on Year Growth With Profit	Year on Year Growth With Order	The Amount of Order Book
127 %	230 %	178 %	30 billion

According to Clarkson's statistics, the order of small and medium-sized chemical tankers **ranked first in the world.**

Realize the outflow from the rivers to the sea and establish Wuhu Shipyard (Weihai) Shipbuilding Co., Ltd.

Area	Dock	Floating Dock
460000 m ²	100000 Ton	100000 Ton

The Total Length of the Outfitting Dock	Annual Shipbuilding Capacity
1,800 m	600000 DWT

Refreshing the Delivery Record

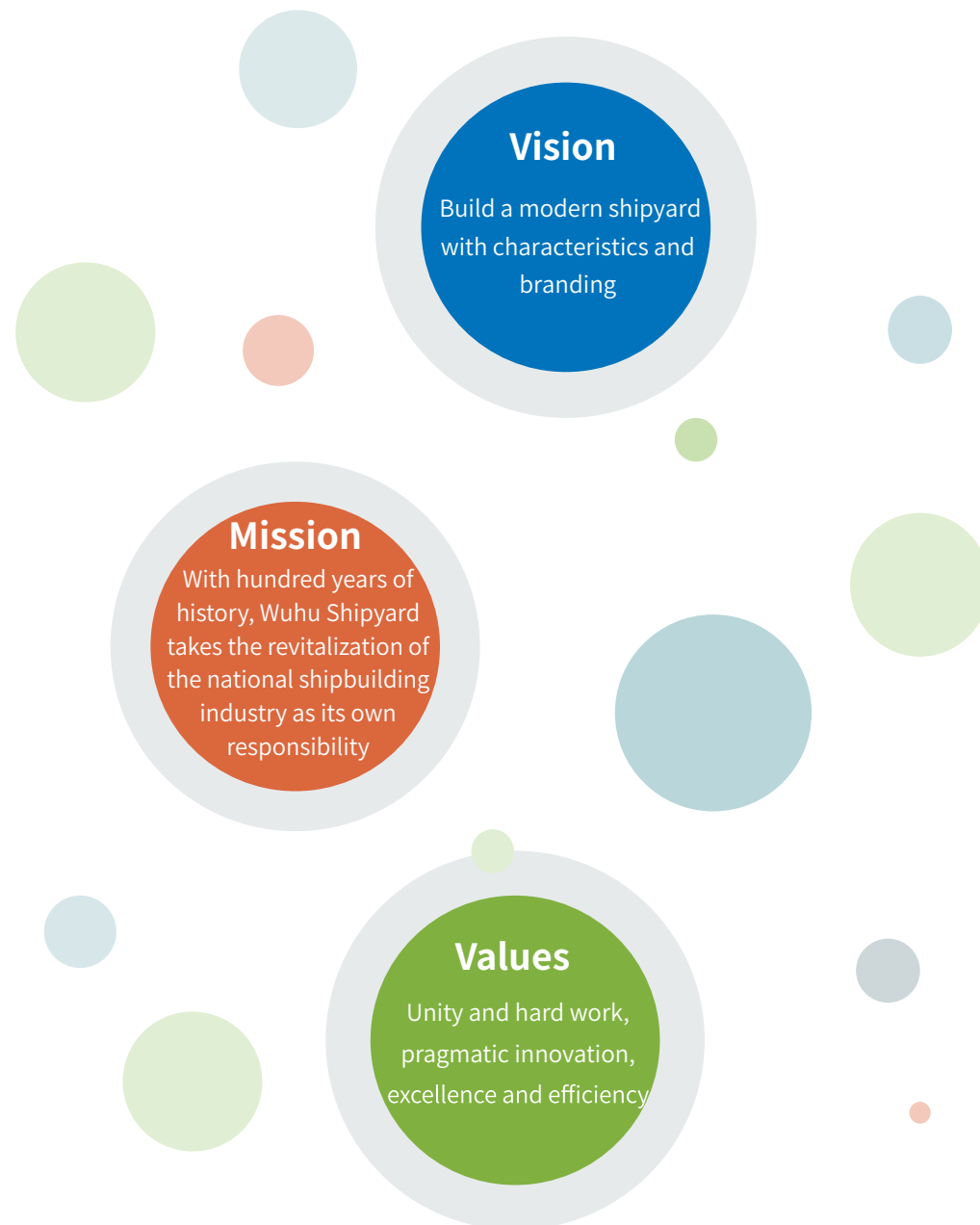
Delivery Quantity	31 Units	The Delivery of	21,500 Dwt Asphalt/Product Oil Tanker
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Once again establishing its leading position in the field of dual fuel oil tankers

Province marks that Wuhu Shipyard marked the official entered the era of pure natural gas main power.

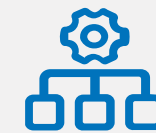
Anhui Province's First Pure Gas Powered Vessel	3,900 Dwt Self-Unloading Vessel
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Corporate Culture



Development Planning

Improve the Management System



Wuhu Shipyard has cross-border learning and multi-dimensional integration, continue to promote lean production, encourage all employees to participate in TPM improvement, divide small profit units, do fine management granularity, and establish Amoeba business entities in each track; Unswervingly implement the ship manager system, realize the whole life cycle management from ship order receiving to ship delivery and after-sales, and increase the production efficiency of all employees by 35%.

Promote Green Shipbuilding



Through the application of environmental protection technology research, green shipbuilding and other technologies, the company has improved the environmental protection responsibility system and environmental awareness, implemented the closed management of the whole process of solid and hazardous waste, and built a national green factory with intensive land use, harmless raw materials, clean production, waste recycling, and low-carbon energy. At the same time, the company undertakes the development plan of inland green and intelligent ships, leads the development of inland new energy ships with innovative models, and develops and applies the "electrified Yangtze River" new energy technology in accordance with platformization, standardization, generalization, and intelligence.

Innovative Intelligent Manufacturing



Wuhu Shipyard uses a new generation of information technology, focusing on the interconnection of people, machines and things, fully integrates production resources, and upgrades traditional processes and production processes; The use of industrial Internet technology has formed a closed loop of "distribution, receiving, completion and finish" project. Focusing on the whole life cycle management of intelligent design, flexible production and fast delivery, the company continues to promote the integration of information and industrialization, and has built the first domestic intelligent hull intelligent cutting center, pipe processing medium diameter pipe production line and other automated intelligent equipment.

History



Business Layout

Wuhu Shipyard has the ability to design and build all kinds of ships with a deadweight of less than 100,000 dwt that meet the requirements of the world's major classification societies. While actively serving the construction of the country, it undertakes all kinds of ships at home and abroad according to the three markets of "sea, great river and river", and the main products are chemical tankers, medium and large bulk carriers, and 7000 CEU PCTC, small and medium-sized multi-purpose vessels, new energy standardized ships and other products. The products delivered by the company are exported to Germany, the United Kingdom, Greece, Denmark, Singapore, Egypt, Tunisia and other countries. The company has maintained good cooperation and exchanges with many famous domestic and foreign ship-owners, and also provides high performance ship products for China Ocean Shipping Group, Yangtze River Shipping Group, shipping group and other leading enterprises in the shipping industry. As the backbone enterprise of China's ship export, the key enterprise of Anhui Shipbuilding (Wuhu), the largest and national large-scale first-class shipbuilding enterprise in Anhui Province, Wuhu Shipyard has the

first-class production capacity of ships and the third-level national defense measurement qualification in Anhui Province, and the comprehensive strength of the ship assembly plant is among the top ten in the country.

At present, the company's shipbuilding, steel structure keep pace with copper jacket business sector, and has formed liquid cargo vessels, pure car truck carriers, new energy ships, offshore ship, bulk carriers, special ships and multi-purpose vessels product format, among which the liquid cargo vessels have been selected as the world's top ten famous ships, China shipbuilding innovative products, etc. In the future, Wuhu Shipyard will continue to take the revitalization of the national shipbuilding industry as its own responsibility, continue to lay out the product strategy of "move towards the river, great river and the sea", expand externally, build a "1+2+N" development pattern, and strive to become an innovation leader in the shipbuilding industry, a revitalizer of China's traditional shipbuilding industry, and a practitioner of high-quality development.



Business Coverage Countries

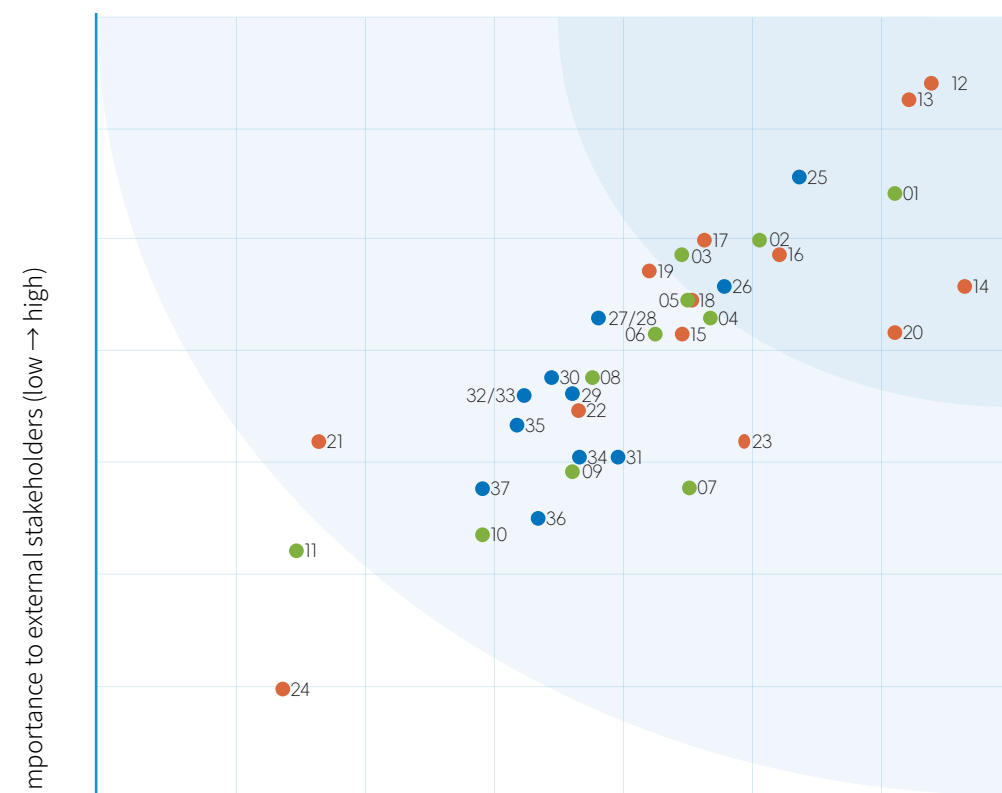
Stakeholder Communication

Wuhu Shipyard paid great attention to the expectations and feedback of stakeholders, and has set up a communication mechanism with key stakeholders based on the company's business characteristics and the needs of various sectors. In 2023, Wuhu Shipyard has actively engaged in communication and dialogue with eight stakeholders, including government and regulatory agencies, industry associations, shareholders and creditors, suppliers, clients and consumers, social organizations, local communities, and employees, to understand the needs of various stakeholders in various forms and respond in a timely manner.

Key Stakeholders	Common Goals	Communication Channels
Government/Regulatory Agencies	<ul style="list-style-type: none"> • Environment-related issues • Economic benefits • Internal Controls 	<ul style="list-style-type: none"> • Compliance Operation • Integrity construction • Regulatory assessment • Take the initiative to pay taxes • Special Sessions
Industry Associations	<ul style="list-style-type: none"> • R&D and intellectual property management • Product Liability Management 	<ul style="list-style-type: none"> • Promote the development of the industry • Fair competition • Stakeholder communication • Industry events • Telephone mail
Shareholders/Creditors	<ul style="list-style-type: none"> • Governance strategy and processes • Risk management system 	<ul style="list-style-type: none"> • Economic benefits • Internal Controls • Company reports or announcements • Roadshow • Special Sessions • Shareholders' Meeting • Investor Relations Website
Suppliers	<ul style="list-style-type: none"> • Product Liability Management • Supplier management 	<ul style="list-style-type: none"> • Integrity construction • Supplier training and communication meetings • Online platform for suppliers • On-site research • Exhibition
Clients/Consumers	<ul style="list-style-type: none"> • Data security and privacy protection • Quality of customer service 	<ul style="list-style-type: none"> • Product Liability Management • The company's social media operation platform • Complaint Hotline • Transparent factory
Social Organizations	<ul style="list-style-type: none"> • Environment-related issues • Product Liability Management 	<ul style="list-style-type: none"> • Promote the development of the industry • R&D and intellectual property management • Local support activities • On-site visits • Special Sessions
Local Communities	<ul style="list-style-type: none"> • Local Community Relations • Charity and common prosperity 	<ul style="list-style-type: none"> • Promote local economy-related meetings • Employment opportunity support • Public charity • Fixed-point assistance
Employees/Management	<ul style="list-style-type: none"> • Recruitment & Benefits • Business satisfaction • Integrity construction 	<ul style="list-style-type: none"> • Compensation management system • R&D and intellectual property management • Health & Safety • Workers' Congress • Internal communication platform • Call for Comments • Trade union

In 2023, the company carried out the analysis of key ESG issues, which was used as an important reference for ESG governance and information disclosure of Wuhu Shipyard. Through sustainable development background analysis, stakeholder identification, issue identification, questionnaire research and other processes, the company has identified a total of 37 ESG key issues, among 11 environmental aspects, 13 social levels and 13 governance levels issues. From the two dimensions of "the importance of economic, environmental and social impacts" and "the impact on stakeholder assessment and decision-making", 37 issues were scored according to their importance from a total of 113 questionnaires collected from various stakeholder representatives to form an ESG focus issue matrix.

Importance Distribution Map of Internal and External Stakeholders



Importance to internal Stakeholders (low → high)

Environmental

- ① Discharge of wastewater, exhaust gas, and solid waste
- ② Water resources
- ③ Energy management
- ④ Material
- ⑤ Environmental violations
- ⑥ Greenhouse gas emissions
- ⑦ Climate risk management
- ⑧ Environmental management system
- ⑨ Green and low-carbon certification
- ⑩ Environmental rights trading
- ⑪ Biodiversity

Social

- ⑫ Health & Safety
- ⑬ Product quality and safety
- ⑭ Compensation & Benefits
- ⑮ Employment and human rights
- ⑯ Supplier quality
- ⑰ Government Relations Management
- ⑱ Supply chain management processes
- ⑲ Customer Service & Benefits
- ⑳ Employee satisfaction
- ㉑ Development & Training
- ㉒ National strategic response
- ㉓ Community building
- ㉔ Social welfare and charity

Governance

- ㉕ Operate in compliance
- ㉖ Intellectual property management
- ㉗ Internal Controls
- ㉘ Corporate Culture
- ㉙ Corporate strategy and governance processes
- ㉚ R&D innovation management
- ㉛ Organizational structure and functional management
- ㉜ Fair competition
- ㉝ Risk management
- ㉞ Integrity construction
- ㉟ Executive compensation management
- ㊱ Information disclosure and transparency management
- ㊲ Investor Relations Management



Board Members

5 Person

Directors Elected By the Shareholders' Meeting

4 Person

ESG Management Trainees

350 Person-Time

Annual Risk Identifications of the Company

7 Times

The Company's Annual Non-compliance Events

0 From

Participants in the Company's Annual Warning Education Training

2,600 Person-Time

02 Compliance and Governance

Wuhu Shipyard firmly believed that sound operation is the core of the company's development. The company attached great importance to the management of enterprises in accordance with laws and regulations and honest management, constantly improved the governance structure, and innovated the company's management model. The company continuously strengthened the construction of the compliance system, enhanced the compliance awareness of all employees, improved the risk management and control system, established the cornerstone of the healthy development of the enterprise, and put an end to violations of rules and regulations and unfair competition. We uphold a scientific, healthy and efficient management model to inject new impetus into the high-quality development of the enterprise.

SDG Response:



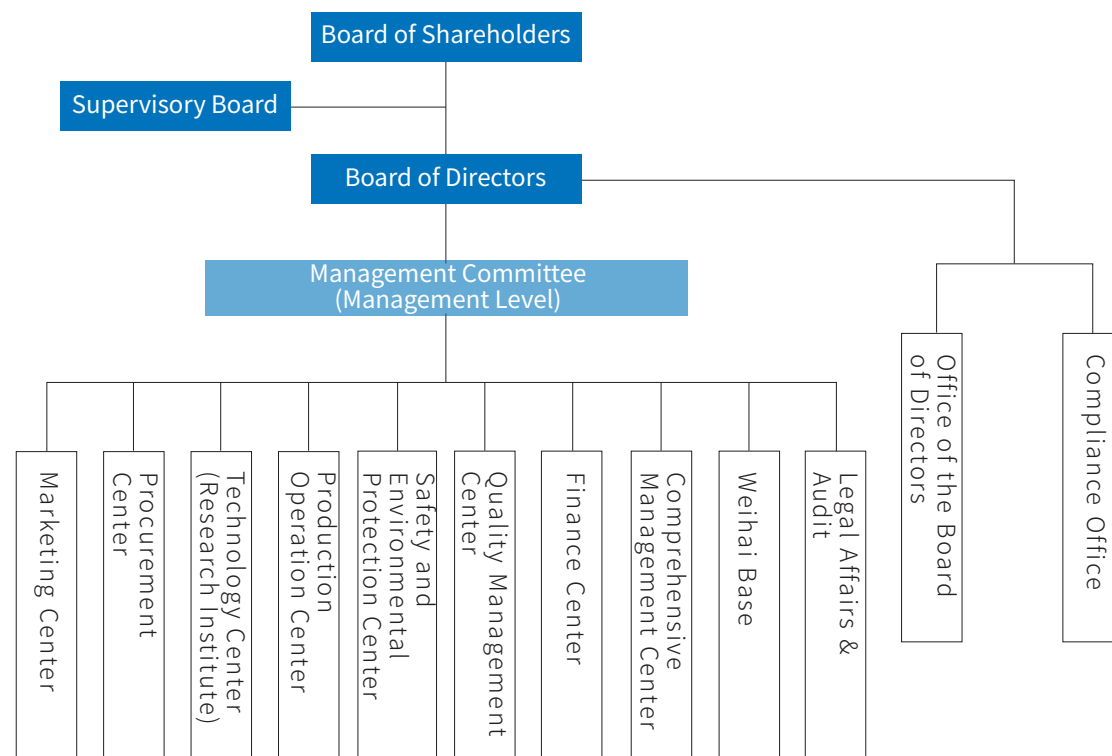
Improve Organization and Management

Wuhu Shipyard continuously improved the corporate governance structure and improved the internal management system. The company clearly divided the organizational structure of "three committees and one layer" with the shareholders' meeting, the board of directors, the board of supervisors and the management as the main structure, forming a corporate governance structure of "clear rights and responsibilities, each performing its own duties, effective checks and balances, and coordinated operation", and ensuring strict compliance with the "Company Law of the People's Republic of China" and other laws and regulations and the relevant provisions of the "Articles of Association". All levels

performed their duties in accordance with the law, jointly promoted the healthy and sustainable development of the company, and effectively safeguarded the legitimate rights and interests of the company and shareholders.

The directors, supervisors and senior management of Wuhu Shipyard are diligent and conscientious, and effectively exercise their rights and perform their obligations in accordance with the rules and regulations and relevant rules of procedure. During the reporting period, no relevant documents were received for administrative supervision measures taken by the regulatory authorities.

Governance Structure of Wuhu Shipyard



Governance structure of Wuhu Shipyard



Board Structure

The shareholders' meeting of Wuhu Shipyard is the company's highest business decision-making body, the board of directors makes business decisions under the authorization of the shareholders' meeting, and all members of the board of directors give full play to their professional skills, standardize the exercise of directors' powers, conscientiously implement the resolutions of the shareholders' meeting, and provide scientific decision-making for the company's development. The board of directors consists of 5 directors, including 4 directors nominated by shareholders elected by the shareholders' meeting and 1 employee director elected by the company's employee representative congress. In 2023, the company held 10 shareholders' meetings as scheduled, deliberated and passed 22 proposals, and effectively implemented 22 proposals; The board of directors held 9 meetings, deliberated 26 proposals, and effectively implemented 26 proposals, effectively promoted the deliberation, decision-making and implementation of major matters of the company, and effectively improved the level of internal control and governance efficiency.



Board Diversity

The company's directors come from different industries in China, and are diversified in different dimensions such as age, knowledge level, and industry experience. Each director has his or her own strengths in corporate governance, shipbuilding, environmental management, etc., and is professionally supplemented by knowledge structure and professional fields to ensure the scientific decision-making of the board of directors.



Election of the Board of Directors

The election of the board of directors of Wuhu Shipyard is carried out in strict accordance with the provisions of laws and regulations and the Articles of Association. In accordance with the provisions of the Articles of Association, the company conducts a general election of the board of directors every three years, and the nominated directors are recommended by the shareholders and elected by the shareholders representing more than half of the voting rights.



Management Composition

The management of Wuhu Shipyard is the executive body of the board of directors, responsible for the implementation of resolutions and the daily operation and management of the company, including a general manager, two deputy general managers and a financial director. The appointment of all management personnel is open, transparent, legal and compliant. In the process of the company's production and operation management, the management conscientiously performs its duties to safeguard the overall interests of the company and the legitimate rights and interests of shareholders.



Integrate ESG Management

Wuhu Shipyard has strengthened the top-level design of ESG work and continuously improved the company's ESG governance system. The company has established an ESG governance structure composed of the ESG leading group and the ESG work promotion office, forming a multi-level ESG work system of "the leading group is responsible, the office is responsible for promoting the implementation, and all departments are coordinating and cooperating" to ensure the effective development of ESG work.

ESG Organizational Structure

The ESG leadership team formulates and makes decisions on the company's ESG strategy and internal ESG actions, and the ESG Work Promotion Office is responsible for paying attention to various ESG issues, optimizing the plan of ESG performance indicators and reporting to the leading group, assisting the preparation unit to carry out on-site interviews and research, and completing the collection of relevant case information, so as to promote the achievement of ESG goals.

Organization	Members		Description
Leading Groups	Leader	President of the Board of Directors	Responsible for the development of ESG strategy and ESG initiatives within the company, integrating ESG initiatives and concepts into the company's business
	Vice Leader	Executive Vice President	
	Team members	Director of Research Institute, Deputy Manager, Financial Director, General Manager of Weihai Base, Executive Vice President of Research Institute, Chief Technologist, Director of Safety and Environment Center, Director of Human Resources, Director of Production and Operation Center, Executive Vice President of FUJIHENG	
ESG Work Promotion Office	Director	Director of Safety & Environment Center	Responsible for focusing on various ESG issues, discussing plans to optimize ESG performance indicators in the future and submitting them to the Leading Group, assisting the preparation unit in conducting field interviews and research, and completing the collection of relevant cases and information
	Environment	Director of Safety and Environment Center, Manager of Manufacturing Technology Office, Manager of Finance Center, Manager of Equipment and Power Office, Manager of Logistics Office, Director of Compliance Office, Safety and Environment Manager	
	Social	Deputy Director of Comprehensive Management Center, Deputy Director of Purchasing Center, Deputy Director of Quality Management Center, Director of Information Technology Management Department, Administrative Manager, Human Resources Manager, Publicity Manager, Quality Management Manager, Quality Management Center Manager	
	Governance	Director of Operation and Management Department, Director of Director's Office, Manager of Marketing Center, Manager of Science and Innovation, Manager of Legal Affairs	
	Expanded Bases and Subsidiaries	Outward Expansion Base and Subsidiary Weihai Base Matchmaker, FUJIHENG Liaison Officer	

ESG Training

In order to effectively promote the company's ESG work, help the company's share reform and listing, and empower the company's products to stand firmly in the high-end market, Wuhu Shipyard actively practiced the concept of carbon peaking and carbon neutrality and ESG, organized various ESG training activities, and invited experts from third-party institutions to carry out systematic training on ESG theory and practice, and held a total of 4 trainings in 2023, covering 460 people. All departments actively participated in the training sessions to understand and practice ESG management, and Wuhu Shipyard took ESG training as its strategic work, mobilized all employees of the company to implement it, reshaped the value of corporate sustainable development, and helped promote continuous multiplicative development.

ESG Capacity Training

The company actively implemented the national dual carbon strategy of "carbon peaking and carbon neutrality", attached great importance to the cultivation of ESG talents, integrate ESG into the business with talents, and worked together to build a hundred years Wuhu Shipyard into the world-class enterprise. Wuhu Shipyard organized and carried out ESG-themed training, improved corporate ESG awareness and employee professional level, implemented the company's sustainable development tasks at a higher level, and provided professional support for the follow-up adaptation to the capital market and international market rules, comprehensively built the company's ESG management system and index system, and supported business fission and the "three hundred" goal.



International ESG Compliance Training

In order to better respond to the increasingly stringent policies and regulations in the European market, Det Norske Veritas has set up special theme lectures for the company in combination with the actual situation of Wuhu shipyard. The lecture focused on the interpretation of a series of laws and regulations such as Norway's "Transparent Industrial Chain Act", "EU Critical Raw Materials Act" and the EU "Sustainable Product Ecodesign Regulation", benchmarking EU standards, focusing on climate change and energy conservation and carbon reduction, combined with the development of labor rights and interests, to strengthen the company's green manufacturing, green products and green supply chain.



Det Norske Veritas experts analyze and interpret the EU ESG report preparation standards

Strengthen Risk Management

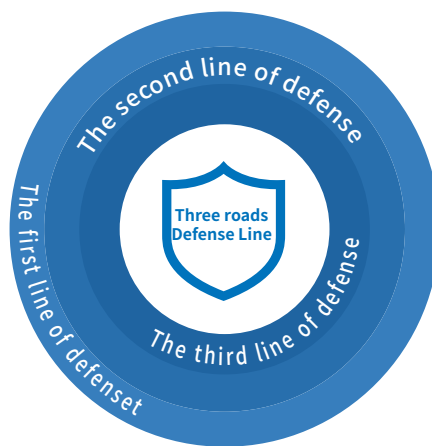
Wuhu Shipyard implemented the requirements of the company's risk management, continued to promote the in-depth development of comprehensive risk management, strengthened the integration of risk management and business, aimed to achieve early identification, early warning, early response and early disposal of risks, and continuously improved the company's risk prevention and response capabilities.

○ Risk Management Framework

The company has established a corresponding risk management system structure, including six dimensions, such as risk management organization, risk management content, risk information management, risk disposal, risk management tools and risk governance. Through the "three lines of defense" of subdivided risk management as the basis of internal control, risk audit was embedded in business processes and responsible entities are clarified. At the same time, the company strengthened the legal compliance review and formed a relatively complete risk management mechanism.

The First Line of Defense: Business Units

The person in charge of each front-line business unit is the first person responsible for the risk management of the unit, and is fully responsible for the risk management of the unit, and accepts the guidance and supervision of the company's vertical line risk management functional department and the audit department.



The Second Line of Defense: Risk Management Department

Responsible for the implementation and management of risks and conduct regular assessments, improve the corresponding internal control system, guide the risk management work of the vertical departments of each business unit, and perform risk management functions.

The Third Line of Defense: Audit and Oversight Department

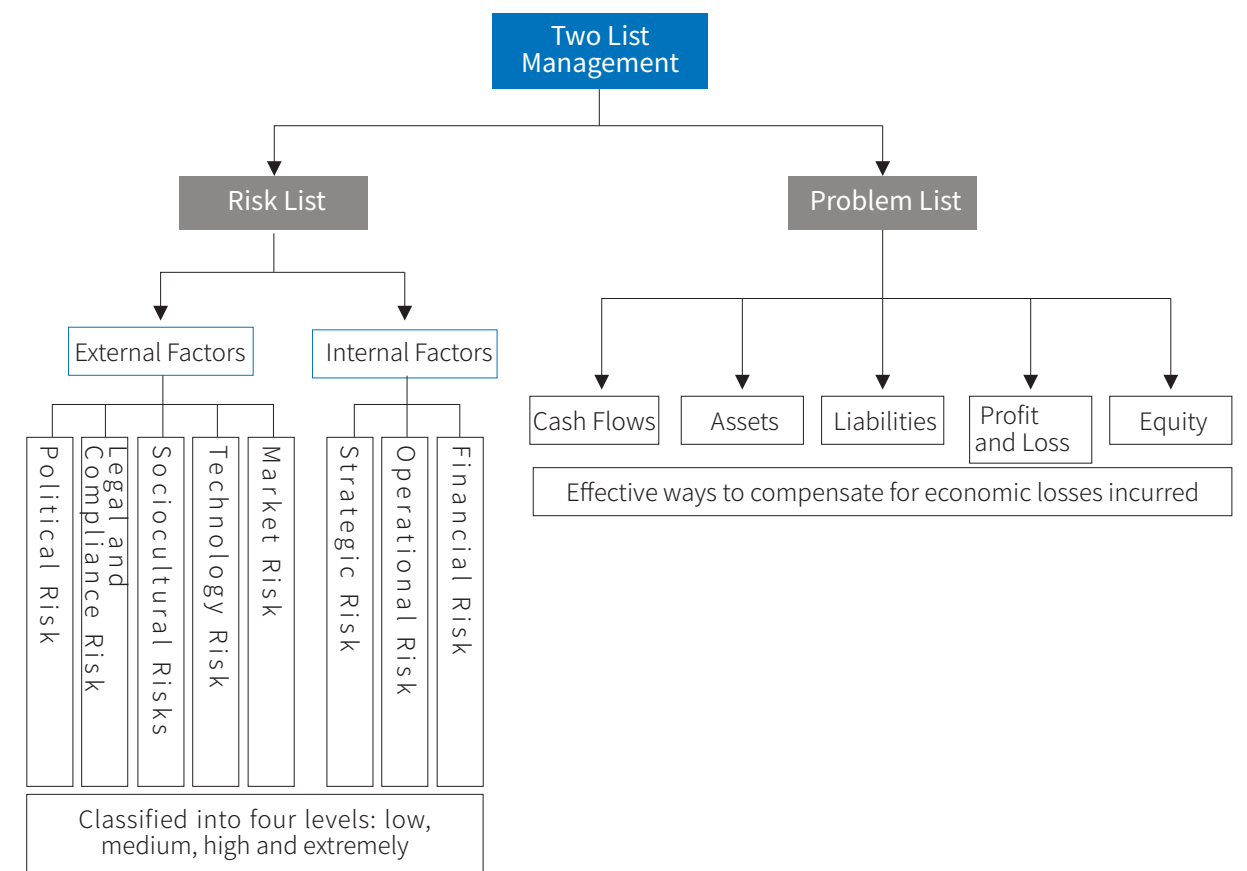
Responsible for taking the lead in identifying the list of major risks of the company and each business unit, organizing the revision of the internal control manual according to the risk assessment results, supervising the effective implementation of risk response measures, and organizing and carrying out internal control effectiveness evaluation and internal control assessment, so as to promote the realization of the goal of risk management system construction.

○ Risk Identification and Response

Wuhu Shipyard conducts risk identification from time to time every year, covering risks in different areas such as overall strategy, product construction, finance, operation, safety and environmental protection. The company carried out risk management activities in an orderly manner through five aspects: risk information collection, risk identification and analysis, risk assessment, risk management monitoring and risk management report, established risk investigation details, determined risk levels, and formulated targeted risk response measures to continuously improve risk prevention and mitigation capabilities. During the reporting period, the company carried out a total of 7 risk identifications.

"Two Lists" Risk Management

Wuhu Shipyard implemented risk management through the risk list and the problem list (referred to as "Two lists"), and established a comprehensive and effective risk and problem control system based on the principles of process management, grade management and responsibility management. The finance department updated and tracked "Two lists" every month to ensure that the information was true and traceable, and improved management efficiency and real-time response through the information system.



Two lists management processes

○ Risk Training

Wuhu Shipyard continues to strengthen the publicity and training of risk management knowledge, and incorporates the relevant regulations of risk management into the training plan for new employees and employees in key positions, so as to enhance employees' awareness of risk prevention and control and cultivate a good risk management culture. In 2023, the company has carried out a total of 32 training sessions on eight themes, including international legal affairs, contract management, labor law, anti-fraud, safety and environmental protection, integrity, confidentiality, and compliance, with a total of 3,863 people trained.

Legal Risks Special Training

The company invited well-known law firms in Hong Kong and the Asia-Pacific region to carry out training on "Legal Risks and Practical Operations of Shipbuilding Projects", and conducted training on laws and regulations and risk identification on unsafe port disputes, new-building disputes, overseas investment, mergers and acquisitions, trust investment, etc., to strengthen the legal risk awareness of management and employees.

"Limited Space" Special Training

The company carried out special training in six aspects of "limited space", including management system, accurate identification, personnel training, operation approval, safety measures and emergency protective equipment, established the concept of "life first", continuously improved the "red line awareness", constantly enhanced the awareness of safety production responsibility and self-protection of operators, compacted safety production responsibilities layer by layer, and resolutely curbed the occurrence of safety accidents in limited space.



Employees participate in limited space training

Anti-Fraud Special Training

In order to enhance the anti-telecom fraud awareness of all employees and improve the ability to prevent wire fraud, the company organized special activities for employees to fight against wire fraud, organized all employees to download and register the APP of the National Anti-fraud Center, organized the use of morning meetings to carry out anti-wire fraud publicity, and organized all units to study the "Anti-Fraud Law of the People's Republic of China" to enhance the awareness of anti-wire fraud and enhance the ability to prevent wire fraud.



On-site publicity and download of anti-fraud APP

Improve Compliance Management

Wuhu Shipyard adhered to the rule of law and compliant operation, and closely focuses on its core missions such as operation, development and reform. The company strictly abided by the relevant national laws and regulations, formulates integrity construction system standards, strengthened the construction of leading cadre system and work style, and fully implemented integrity practice in the company. During the reporting period, the company did not have any major violations of laws and regulations, and obtained the highest five-star evaluation from Chery Group in the annual compliance maturity evaluation. In the future, the company will also build an "eight-in-one" compliance supervision system to ensure the development of the company's compliance operation with all-round, full-process and full-coverage supervision and management.

Compliance Management System

Based on the improvement of the corporate governance system and the strengthening of legal and compliance operation and management, the company continuously strengthened risk prevention and control and compliance management, so as to improve the company's operation and management level and risk prevention capabilities, and promoted the sustainable development of the company. The company strives to build a compliance management system covering all business organizations, business areas and business processes. The company regularly reviewed and strictly abides by all applicable laws, regulations and industry norms, and continues to promote the in-depth integration of compliance management and business to ensure compliance operations.

Wuhu Shipyard has set up a compliance office, which is responsible for the company's compliance system, compliance culture, compliance evaluation, legal consulting, cost operation supervision and other compliance management. In terms of compliance

management, the company has established three compliance concepts: "compliance is the bottom line of operation", "compliance creates value" and "compliance is everyone's responsibility". Adhering to this concept, the company issued the "Corporate Compliance Management System", which clarified the management elements and strengthened the process of identification, assessment, response and reporting of compliance risks, and standardized the compliance management in the daily production and operation process. At the same time, in 2023, the Company issued the "Compliance Investigation Management System for the Shipping Sector", which further clarified the basic principles, procedures and handling of compliance investigations, as well as standardized the standards and processes for compliance investigations, continuously strengthened the Company's compliance management system, and ensured the smooth operation of the Company's various businesses.

Compliance Training

Wuhu Shipyard has attached great importance to compliance supervision and compliance publicity, and has built a complete compliance training system, aiming to continuously improve employees' legal awareness and compliance concepts, cultivate middle and senior management of the rule of law thinking and standardize operation awareness, and improve the performance ability and business level of the company's senior executives. According to the internal "Measures for the Management of Compliance Training", the company adhered to the combination of daily training and special training, and improved the awareness of integrity

and compliance of all employees in various fields and links through positive guidance and case-based warning.

The company organized the company's middle and senior leaders, key positions and other employees to carry out different forms of compliance theme training every quarter, and learned in the form of "inside out". During the reporting period, the company participated in more than 140 on-site teaching of "going out", more than 230 people of "please come in" special training, and more than 2,600 people of daily warning education.

During the Reporting Period

The Company has Participated in the On-site Teaching of "Going Out" Cumulatively

140 Person-time

Special Training

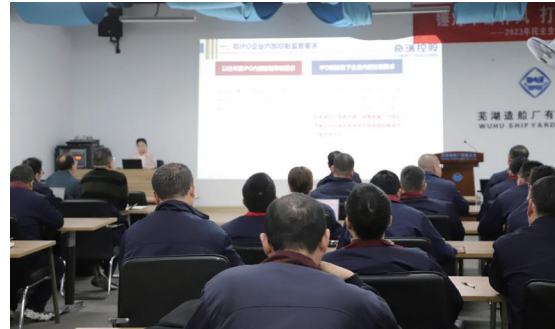
230 Person-time

Daily Warning Education Total

2600 Person-time

Holding Joint Compliance Meeting

The company organized all departments to carry out special training on "Compliance Escort, Steady and Long-term Success" around compliance and business, and learned the terms of the compliance system, the compliance organization system, and the compliance functions of business units, so as to achieve frequent publicity, daily warnings, and constant attention, so that the compliance business philosophy was deeply rooted in the heart, and the integration of compliance and business was promoted. The company's general supervision committee also introduced the composition and evaluation standards of the compliance evaluation system to standardize the relevant compliance specifications of various departments and business units, and at the same time focused on the compliance bi-monthly promotion plan, so that the compliance system of Wuhu Shipyard will move towards a complete, standardized and sound road.



Wuhu Shipyard consolidates compliance training in "key areas" on a daily basis

Anti-corruption and Clean Government

Wuhu Shipyard adhered to the principle of "treating both the symptoms and the root causes, comprehensively governing, and rewarding and punishing", strived to build a working mechanism of "can't be corrupted, dare not be corrupted, and don't want to be corrupted", formulated the "company's "Sunshine Project" management regulations" system, distinguished individual responsibility and collective responsibility in accordance with the principle of "due diligence and exemption, and accountability for failure to be responsible", and standardized the disciplinary requirements and punishment rules including "five strict", "nine prohibitions" and "five prohibitions".

In addition, according to the annual target responsibility letter and integrity commitment letter, the company conducted annual personal self-inspection at the end of each year. Employees were required to sign the "Sunshine Project" Integrity Practice Commitment and fill in the "Sunshine Project" Personal Self-check Form to ensure the transparency and fairness of key links and ensure the company's standardized operation. At the beginning of 2023, the company's Commission for Discipline Inspection organized all leading cadres and key positions to sign a "letter of commitment", reminding all signatories to make reasonable use of the eight powers in their hands and reasonably use them in their work.

During the Reporting Period

Sign a Letter of Commitment to Integrity
350 Copies

Sign a "Sunshine Agreement"
2100 Copies

Supervise Risk positions
30 Times

Hold "Sunshine Project" Working Meeting
13 Sessions

Integrity Publicity and Education
19 Sessions

Hold the Corporate Culture Lecture Hall
5 Times

Cumulative Cost Reduction of Compliance inspections
67 million RMB

Conduct Integrity Education

The company's discipline inspection committee made full use of the company's various channels to carry out online and offline special education, through traditional holidays, case publicity, spiritual learning and other forms, and used the company's electronic screens, OA intranets, banners, broadcasts, billboards, etc., to ensure full coverage of objects at this level. A total of more than 2,700 people have participated in education.



Wuhu Shipyard carried out integrity education activities

Organize Special Training for Middle and Senior Manager

Wuhu Shipyard convened the company's middle and senior leaders to learn about the "conflict of interest" and "integrity and compliance" theme training, and trained them on the actual or potential conflicts between the company's interests and private interests represented by employees in the performance of their duties, as well as how to deal with them. At the same time, the company organized and carried out special training on "integrity and compliance", which fully demonstrated the necessity and importance of preventing corruption and unhealthy trends.



Training on the theme of "conflict of interest" and "integrity and compliance" for middle and senior leaders of Wuhu Shipyard

Work Style Construction

According to the company's "tempering the style of cadres and building an iron army of Wuhu Shipyard" special style construction arrangement, Wuhu Shipyard adheres to the cultural guidance of "three hearts, three forces and two voices" and strengthens the construction of cadres' work style. The construction of work style requires cadres to maintain competitiveness, curiosity, and self-confidence at all times, improve leadership, communication, and learning ability, and strengthen their confidence that they can win battles. To this end, the company launched a series of measures such as "38 Articles for the Construction of Cadre Style and Strengthened Style Construction", which aims to eliminate the "six psychology" of cadres, prevent the abuse of power for personal gain, safeguard the vital interests of the company and employees, and effectively play the exemplary role of the cadre team, and drive the entire Wuhu Shipyard to maintain a good working atmosphere and corporate culture with strong charisma, attraction and driving force.

Strengthen the Construction of the Style of the Wuhu Shipyard and Escort the Development of the Century-old Wuhu Shipyard

To comprehensively enhance the learning ability, execution capability, and overall safety and environmental protection competence of EHS staff, Wuhu Shipyard has comprehensively promoted the special action of "eliminating six psychological transformation work styles" of the company's safety and environmental protection functional line. The purpose of the action is to require all safety and environmental management personnel to ensure the responsibilities of the "four bottom lines", strive to be the "people in the bureau" who escort the development of the company's "three hundred goals", and require all colleagues of the safety and environmental protection line to achieve "three refusals, three insistences, and three respects."



During the Reporting Period

Training on the Construction of Cadres' Work Style

360 Person-time



Symposium on the construction of safety management style

Build an Iron Army of Wuhu Shipyard and Fight for the "Three Hundred" Goal

Wuhu Shipyard held a democratic life meeting around the construction of cadres' work style. At the meeting, the company's senior management and management team members focused on eliminating the "six kinds of psychology" and changing the style of work, requiring the company's cadres at all levels to work hard, take the lead in setting an example, focus on cost and efficiency with the spirit of ownership, solve the problems that employees are concerned about with a heart-to-heart attitude, improve the execution of work at the speed of doing it immediately, improve efficiency and effectiveness with the strength of doing a good job, improve the work style to surpass themselves, win the battle with one heart, and move towards the company's "three hundred" goal with passion.



2023 Democratic Life Meeting and Style Construction Symposium

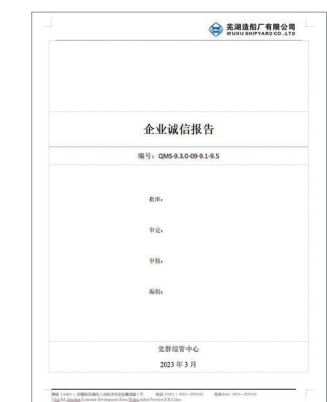
Whistleblower Policy

Wuhu Shipyard firmly opposes all forms of commercial bribery and any actions that disrupt business order and the principle of good faith. The company strictly adheres to the guidelines of "Sunshine Project Management", institutionalizes the process for reporting violations of laws and regulations, and offers various reporting channels such as mail, telephone, and mail, and strictly keeps the personal information of the whistleblower confidential throughout the process.

The company will reward verified reports to incentivize employees to engage in oversight and compliance management actively, thereby upholding the enterprise's normal business practices and integrity principles.

Implement Ethical Review

In order to continuously build corporate trust and reputation, improve compliance and risk management, enhance employee morale and loyalty, improve customer satisfaction and loyalty, achieve long-term sustainable development, and establish a healthy, sustainable, and competitive business model, the company conducts internal ethics reviews and publishes the annual "Corporate Integrity Report". The "Corporate Integrity Report" reviews and discloses the company's employment integrity, business integrity, safety and environmental integrity, and social responsibility integrity. The company adheres to ethical review actions, understands, supervises, and adjusts ethical implementation, decision-making and control, adheres to the compliance operation, actively assumes social responsibility, and leads the development of Anhui shipbuilding industry.



Corporate Integrity Report

Special Subject: Green intelligent manufacturing helps the high-quality development of the shipbuilding industry

Wuhu Shipyard actively implements the major national strategic deployment of "carbon peak and carbon neutrality", gives full play to the synergy between industry and finance, actively lays out the field of green shipping, translating ESG principles from concept to practice, and integrating them into the entire process of enterprise product development and construction. The company embraces the concept of "Green Shipbuilding and Building Green Ships" from the four directions of green development, green design, green construction and

green factory. The company has laid out the realm of new energy ships, innovated and developed ship technology upgrading and low-carbon transformation, launched 21,500DWT asphalt/product tanker Atlantic Narval, LNG dual-fuel multi-purpose ship, etc., achieved a number of technical initiatives and won awards at home and abroad. We will continue to promote the green and intelligent transformation and upgrading of the shipbuilding industry, and create a "blue" development and growth pole in Anhui Province.

Topic 1 Green Development

The company actively undertakes the national inland river new energy ship strategy, developing and constructing green ships powered by new and clean energy sources. This initiative aims to contribute to the "zero carbon" goal in marine equipment applications. Focusing on low-carbon technology, the company prioritizes the development of green, energy-saving, and environmentally friendly dual-fuel ships. It undertakes the construction of various new energy ships, including methanol, LNG, electric propulsion, and hydrogen energy vessels. The company plans to become a leading enterprise in the field of inland new energy ships by developing standard ship types from 2024 to 2028. The company continues to explore the innovation of green ship business model, implements the "green ship leasing" plan, allows shipowners to use new energy ships in the form of leasing, and cooperates with financial institutions to launch green ship financing solutions, so as to reduce the initial investment pressure of shipowners and solve the capital problem of shipowners.

The 21,500 Dwt Bitumen/Product Oil Tanker Won the Singapore Maritime Green Initiative Award

The 21,500 bitumen/praduct oil tanker Atlantic Narval and Baltic Narval, built by Wuhu Shipyard for the French COLAS group , have both received the "Green Initiative Award" from the Maritime and Port Authority of Singapore (MPA). The Green Initiative Award is part of Singapore's Maritime Green Initiative programme that encourages ships to adopt energy-efficient designs, reduce fuel consumption and reduce carbon dioxide and sulphur oxide (SOx) emissions. Many of the ship's technologies are first, and the ship's carbon emissions are far below the environmental regulatory standards set by the International Maritime Organization. At the same time, it was successfully selected as the first batch of major technical equipment in Anhui Province in 2023, becoming the largest tonnage asphalt/product oil tanker in the province.



Atlantic Narval

Topic 2 Green Design

Wuhu Shipyard has taken the lead in establishing the Anhui Province Green Intelligent Ship and Marine Engineering Equipment Industry Alliance. The company has formed a New Energy Ship R&D Group, a Master Workshop, and a Postdoctoral Research Station, focusing on developing alternative fuels and new energy-saving technologies to achieve emission reductions throughout the ship's life cycle.

Additionally, the company has developed and planned multiple green design standards, clearly defining the boundary conditions for green ships. Environmentally friendly processes are employed in various dimensions, including green manufacturing, green welding, green painting, green outfitting, and the use of low-pollution coatings. Green processing: the use of underwater plasma cutting, laser cutting and other technical equipment.

Green Processing

The use of underwater plasma cutting, laser cutting and other technical equipment.

Green Welding

Use high-efficiency welding power supply, MIG/MAG welding, laser MIG composite welding, friction stir welding, transverse butt welding, and gantry double-wire submerged arc welding equipment for identification.

Green Painting

Use mobile sectional painting booth and mobile sandblasting and rust removal equipment, ultra-high pressure water/laser/ultrasonic and other green surface paint removal/rust removal/stain removal technologies.

Green Outfitting

The introduction of pre-outfitting and unit assembly technology, outfitting design refinement and management of palletization, regional outfitting technology.

Green and Low-Pollution Coatings

Improve the level of efficient utilization of resources, reduce the consumption of various resources such as welding consumables, plates, pipes, water and electricity by improving material utilization rate and reducing rework rate.

Topic 3 Green Products

The company has successively developed and produced various innovative ships, including a series of 22,000dwt hybrid chemical tanker, a 3,900-ton pure natural gas self-unloading bulk carrier, a 7,000-ton dual-fuel Ro-Ro ship, a 5,800dwt dual-fuel multipurpose vessel, a 14,600-ton methanol-ready heavy lift vessel, a 7,000 CEU car carrier, and an all-electric container ship. The company has signed contracts with several international ship-owners for the construction of dual-fuel ships as we offer the Green, energy-saving, and environmentally friendly dual-fuel ships, which is one of the most favored low-carbon technology development directions in the shipping industry.

Percentage of Green Revenue

71.89 %

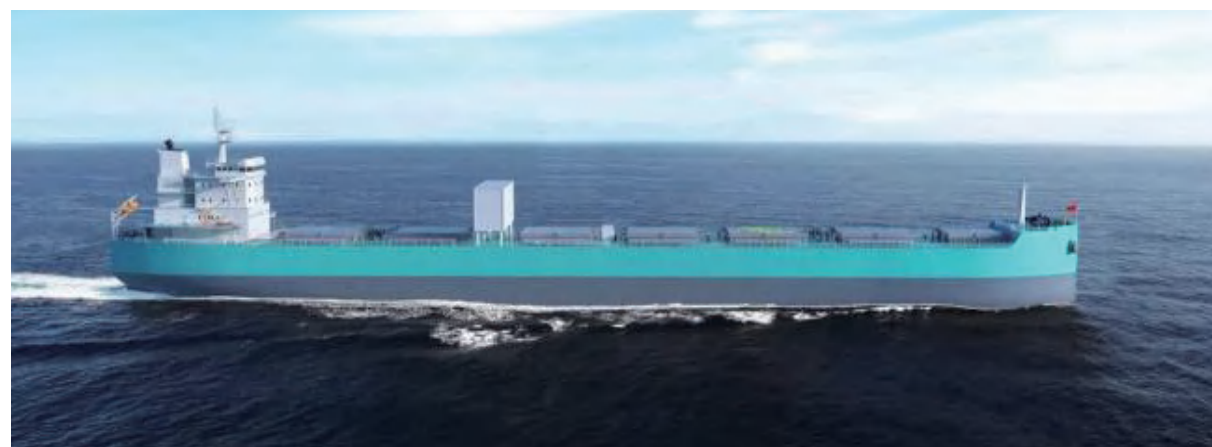
- Signed an LNG dual-fuel chemical tanker with Swedish ship-owner Donso shipping
- Signed an LNG dual-fuel multi-purpose Ro-Ro with BORE, a ship-owner of Spliethoff Group in the Netherlands
- Signed LNG dual-fuel multipurpose vessel with Wijnne Barends
- Signed LNG dual-fuel bitumen/product oil tanker with French ship-owner COLAS Group
- Signed an LNG dual-fuel multi-purpose vessel with Finnish ship-owner Langh ship

"Low-Carbon, Green and Intelligent" New Energy Bulk Carrier

Wuhu Shipyard has signed a contract at the China International Maritime Exhibition to build 4+6 89,000-ton new energy bulk carriers. These vessels are equipped with fuel optimization systems and energy consumption control systems, which can automatically plan routes, sailing speeds, and fuel consumption based on maritime navigation requirements, achieving energy and consumption savings. Compared to the 82,000-ton and 85,000-ton bulk carriers on the market, **these ships are expected to reduce daily fuel consumption by 0.54-1.39 tons** when carrying an additional 4,000-7,000 tons of cargo, effectively reducing fossil fuel consumption. Additionally, the ships feature shaft-generator systems and are equipped with a 450-kilowatt photovoltaic power system, with provisions for a methanol dual-fuel system, **enabling potential "zero-carbon" emissions in the future.**



Contract signing for new energy bulk carrier



New energy bulk carrier renderings

Leading the Main Force of International New Energy Power Ship Manufacturing - Multi-Purpose Ship

The total length of the "Bore Way" is 121.89 meters, 21 meters wide, design speed 13.5 knots, LNG storage tank capacity of 250 cubic meters, heavy oil/light diesel storage tank capacity of 295 cubic meters, equipped with a 34DF eight-cylinder dual-fuel engine produced by Wärtsilä. The boat is single propeller driven and has the Finnish/Swedish 1A ice reinforcement symbol. The ship is a methanol dual-fuel clean fuel ship, providing new power for product iteration, transformation and upgrading of the marine industry.



Bore Way

"Lady Marie Christine" is one of the first dual-fuel multipurpose vessels in Europe to use LNG as the main fuel for short-haul transportation. The vessel is equipped with LNG and conventional marine diesel dual-fuel engines, and has a waste heat recovery system. At the same time, the vessel uses an optimized hull design to minimize water resistance, combined with controllable pitch propellers, optimized propulsion and frequency-controlled drive shaft generators, allowing the main engine to run at optimal speed.



Lady Marie Christine

Methanol Dual-Fuel Ships Escort a Green Future

In 2023, the company signed contracts with foreign customers for the construction of four units of 6,600-ton methanol dual-fuel ships, which have excellent characteristics such as high degree of automation, intelligence, energy saving and environmental protection. The main power of the upgraded 6,600-ton methanol dual-fuel ship adopts methanol, diesel and DC distribution propulsion mode, and

the electric propulsion system is upgraded, with carbon oxides reduced by 96%, hydrocarbons reduced by 99%, and smoke reduced by 54%, and the emission values are better than the limits of the latest "Emission Limits and Measurement Methods for Exhaust Pollutants of Ship Engines", which has good economy and environmental protection.



Steel cutting of 6600 dwt chemical tanker



Effect diagram of methanol dual fuel ship

Topic 4 Green Factory

Wuhu Shipyard continues to deepen its commitment to green smart manufacturing in the shipbuilding sector. In 2023, it received the national "Green Factory" certification, becoming the first shipbuilding company in Anhui Province to achieve this status. As the leading industry player in Anhui, the company is dedicated to becoming a green factory characterized by land-use efficiency, harmless raw materials, clean production, waste resource utilization, and low-carbon energy. It is resolutely implementing and advancing these goals. The company adheres to the path of green manufacturing, positioning itself as both a research and development-oriented manufacturer and a service-oriented manufacturer. It actively explores the new energy sector, continuously promoting the green transformation and upgrading of the industry, and achieving a harmonious coexistence of economic development and environmental protection.

Build a National "Green Factory" and Implement the New Development Concept of "Green Shipbuilding"

Land Use Intensification

The company focuses on "efficiency and benefit improvement", integrity and innovation. Introduce digital intelligence equipment, improve the digital level of key core equipment, and continue to promote the standardization and standardization of process technology. Through the rational layout of the factory area, the way of distinguishing the living area, the working area, the inner and outer fields, the land allocation and utilization efficiency are improved, the green area reaches 30%, and the intensive degree of land use is higher than the average level of Wuhu City.

Raw Materials Are Harmless

In the process of production and manufacturing, the company strictly adheres to the environmental protection concept of "clean production and green shipbuilding", starts from the raw material procurement end, adopts green and pollution-free outfitting, interior, low-VOC coating raw materials, water-based or solvent-free ultraviolet coatings, etc., and gives full play to the role of industrial alliances, and gives priority to establishing close cooperative relations with green manufacturing industry chain enterprises. The 21,500 DWT asphalt/product tanker delivered in 2023 achieved a green raw material utilization rate of 94%, winning the Singapore Green Initiative Award.

Clean Production

The company regards source control as an important path to control pollutants. Invest a lot of money in system optimization and process control to reduce the generation of pollutants. Eliminate backward production capacity, pay attention to industrial technology upgrading, continue to introduce advanced production technology, improve the level of automation and intelligent production, newly build the second phase of the laser intelligent blanking center, introduce gantry wire submerged arc welding equipment, and introduce shipbuilding integration system, increase production design efficiency by 36%, and basically realize clean production. In 2024, it will continue to invest in high-pressure water gun rust removal equipment.

Decarbonization of Energy

In accordance with the construction requirements of "waste-free factory", the company adheres to the reduction, recycling, and harmlessness of hazardous waste, scientific co-ordination, and all-round promotion in multiple fields, and completes the technical transformation of steel pretreatment and indoor coating waste gas treatment device in April 2021, and adopts improved equipment such as dry filter, RTO device treatment, VOCs waste gas online monitoring system electrostatics, welding fume purifier, etc., with a waste gas collection efficiency of 90% and a waste gas treatment efficiency 98%, the solid waste treatment efficiency is 100%, and the relevant indicators are at the industry-leading level.

Decarbonization of Energy

In the context of carbon peak and carbon neutrality, the company has increased renewable energy investment on the energy supply side, adopted new energy sources such as distributed photovoltaics, maximized the use of surplus space in the workshop, and provided 5 million KWH of photovoltaic power per year.

Carry out the transformation of energy-saving equipment, use products with high efficiency, low energy consumption, low water consumption and low material consumption, establish a resource recovery and recycling mechanism, and improve the energy cascade utilization efficiency of equipment. By 2023, carbon emissions will be reduced by 43%.



Topic 5 Green Supply Chain

In 2023, the company will make relevant requirements for raw and auxiliary material suppliers in terms of transportation equipment, transportation routes, raw materials and supplier qualifications.

Transportation Equipment

All raw material transportation vehicles and vehicles entering the factory area must meet the emission standards: diesel vehicles China IV or above, gasoline vehicles China V or above standards.

Transportation Routes

Large-scale heavy raw materials and equipment are transported by water to reduce energy consumption.

Raw and Auxiliary Materials

Environmentally sensitive raw and auxiliary materials need to meet green certification, such as green certification for paints, EU standards, etc.

Supplier Qualification

Suppliers must have environmental system certification.



Electricity Consumption	Reduction in Electricity Use Intensity	Water Consumption	Reduction in Water Use Intensity
35,380,140 kWh	22.39 %	972.53 kiloton	15.18 %
Wastewater Discharge of the Company	Reduction in Wastewater Discharge Intensity	Natural Gas Consumption ¹	Fossil Energy Consumption ²
778.02 kiloton	32.57 %	856,771 in cubic meters	200.65 in cubic meters
Proportion of Renewable Energy Use ³	Energy Use Intensity	Reduced Energy Use Intensity	Total Investment in Environmental Protection
9.31 %	407,748,156	1.19 %	306.70 ten-thousand CNY
Carbon Emissions: (Scope 1)	Carbon Emissions: (Scope 2)		
12,770.50 tCO ₂ e	21,881.10 tCO ₂ e		

1 The total annual natural gas consumption of the enterprise
2 The company's total annual consumption of other fossil fuels
3 The Renewable Energy Law of the People's Republic of China stipulates that renewable energy refers to non-fossil energy sources such as wind energy, solar energy, hydro energy, biomass energy, geothermal energy, and marine energy. Proportion of renewable energy used = Renewable energy used / Total energy used.

03 Pursue the Green Concept

Wuhu Shipyard actively responds to the call of the national ecological civilization construction, integrates green and low-carbon into the enterprise development plan, attaches great importance to the impact level of climate risk, and establishes and improves the enterprise environmental management system. We will improve the industrial structure and energy structure and make innovative use of advanced technologies for energy conservation, low carbon and environmental protection. We will strengthen environmental protection, effectively protect biodiversity in surrounding areas, and take concrete actions to promote sustainable development and high-quality transformation of enterprises.

SDGs Response:

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

Respond to Climate Change

In response to the global shipping industry's trend towards "decarbonization", Wuhu Shipyard actively takes action to align with the national "dual carbon" goals and the International Maritime Organization's (IMO) "2023 Strategy for Reducing Greenhouse Gas (GHG) Emissions from Ships". The company embraces the low-carbon transformation trend in the shipping industry. It proactively conducts climate risk management, identifies potential risks and opportunities related to its shipbuilding and leasing operations, and assesses the financial impacts. The company is actively implementing internal carbon emission management measures in response to the dual carbon strategy and plans to further develop and implement carbon peak and carbon neutrality programs, striving to achieve the global temperature increase targets set by the Paris Agreement

Analysis of Climate Change Risks and Opportunities

Based on the framework recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Wuhu Shipyard integrates the characteristics of the shipping industry, the policy direction of operational locations, and geographical features to identify significant climate-related risks and opportunities. It conducts risk analysis and potential financial impact assessments focusing on transition risks and physical risks, and develops risk mitigation measures and strategies. This approach prepares the company for the low-carbon transformation of shipping and enhances its resilience to climate change.



Governance

The company attaches great importance to the impact of climate change, regularly identifies climate risks and opportunities, formulates risk prevention measures, implements the company's green development concept at all levels, and carries out targeted climate change mitigation and adaptation measures in the implementation process.



Strategy

The company adheres to the concept of "green shipbuilding and green shipbuilding", actively carries out the low-carbon transformation strategy of ships, formulates relevant documents such as the future planning and development direction of enterprise green factories, and integrates energy conservation and emission reduction into the company's business development and daily operations.



Risk Management

The company integrates climate risk into the overall risk work of the company, formulates emergency plans for natural disasters, and continuously promotes energy conservation and emission reduction by optimizing production processes, implementing green material procurement, and implementing energy conservation and emission reduction strategies.



Metrics and Targets

Production Will be Stopped Due to Environmental Incident 0 times	Environmental Administrative Penalties 0 times	The daily Average Value of Pollutants Exceeds the Standard ≤ 2 times
Environmental Protection Three Simultaneous Implementation Rate 100 %	Timely Submission Rate of Pollutant Discharge Permit Implementation Reports 100 %	The Hourly Value of Air Pollutants Exceeds the Standard ≤ 18 times
The number of enterprises that do not meet the standards in the evaluation of hazardous waste 0 times	The rectification rate of hidden dangers on schedule and the implementation rate of "four do not let go" of major hidden dangers 100 %	

The company's primary business including shipbuilding and ship leasing. To meet regulatory requirements such as the International Maritime Organization's (IMO) series of shipping carbon reduction policies and the European Union's "Fit for 55" package, the company actively carry out technological innovation, take the initiative to participate in the global practice of new energy ships, and develop and build new energy and clean energy as the power of green ships, energy-saving and environmentally friendly dual-fuel ships are the key development direction of low-carbon technology to cope with the transition risks brought about by climate change.

The shipyard is located in the middle and lower reaches of the Yangtze River, which is susceptible to summer tropical storms and strong convective weather, and may encounter waterlogging or typhoon disasters during the rainy season every year. In order to deal with potential natural disasters, the company has prepared the "Special Emergency Plan for Flood Control and Flood Control" and the "Special Emergency Plan for Typhoon and Severe Convective Weather" to ensure that emergency measures can be implemented quickly and orderly under extreme weather conditions, so as to ensure the stable operation of the enterprise and the safety of employees' lives and property.



Type	Analysis of Limate Change-Related Risks and Opportunities, and Countermeasures	Potential Financial Impact
Risk		
Transition Risk	<p>Policy and legal risks</p> <p>Shipping Leasing</p> <p>If the charterer of a ship charterer fails to meet the regulatory requirements of a series of shipping carbon emission reduction policies formulated by the International Maritime Organization (IMO) and the EU's "Fit for 55" package in terms of environmental management and carbon emission disclosure, its performance capacity may be reduced.</p> <p>Shipbuilding</p> <p>1. With the promulgation of the "Air Pollutant Emission Standards for the Shipbuilding Industry" and other regulations and the national standards for air pollutant emissions in the shipbuilding industry that may be promulgated, higher emission reduction requirements are put forward for the shipbuilding industry;</p> <p>2. The administrative areas to which the company and its production base belong are mostly concentrated in the Yangtze River Delta and other coastal areas, and most of them will face the pressure of carbon peak ahead of schedule, and the pressure will be transmitted to key energy-consuming industries, including manufacturing;</p> <p>3. Industries such as electric power and steel are facing strong supervision of carbon emissions, which may reduce their supply capacity, thereby affecting the supply of raw materials for shipbuilding.</p>	<p>1. Increased credit risk;</p> <p>2.The cost of environmental compliance has increased;</p> <p>3. Short-term profitability declines.</p>
	<p>Market Risk</p> <p>Shipping Leasing</p> <p>Climate change will cause uncertainties in routes and transportation safety, which may change consumer behavior in the market, and if customers reduce their choice of shipping as a mode of transportation, it will lead to a decline in ship leasing business;</p> <p>International regulatory pressures (IMO, EU, etc.), industry initiatives (Poseidon Principles, Sea Cargo Charter, etc.) and supply chain pressures (more and more shippers announcing decarbonization targets) will all affect consumer behaviour and customers may be more inclined to charter environmentally friendly and energy-efficient vessels to meet the shipping industry's carbon reduction goals.</p> <p>Shipbuilding</p> <p>Customers may include carbon emission indicators in the assessment and evaluation of suppliers, and if Wuhu Shipyard fails to provide products with low energy consumption and low emissions, it will face the risk of losing customers and reducing business needs.</p>	<p>Decrease in operating income.</p>

Type	Analysis of Limate Change-Related Risks and Opportunities, and Countermeasures	Potential Financial Impact
Transition Risk	<p>Technical Risks</p> <p>Shipbuilding</p> <p>VOCs control industry conventions and air pollution emission standards require the shipbuilding industry to upgrade its technology and use water-based paints and environmentally friendly coating technology.</p>	<p>Increased production costs.</p>
	<p>Reputational Risk</p> <p>Shipping Leasing</p> <p>Stakeholders have put forward higher information disclosure and management requirements for Wuhu Shipyard in response to climate change, and failure to respond will affect the company's reputation.</p> <p>Reputational Risk</p> <p>Failure to respond to and properly handle environmental pollution incidents in the manufacturing process will affect the reputation of Wuhu Shipyard, and failure to ensure the safety of employees in the face of extreme weather caused by climate change will affect the company's reputation.</p>	<p>1. Decrease in operating income;</p> <p>2. The cost of labor management has increased</p>
Physical Risk	<p>Acute Risk</p> <p>Shipping Leasing</p> <p>Extreme weather events are easy to cause damage to ships, resulting in an increase in the repair and maintenance costs of Wuhu shipyards.</p> <p>Extreme weather events can easily cause loss of ship assets, disrupt the business operations of charterers, and may lead to a decrease in the customer's ability to perform the contract.</p> <p>Shipbuilding</p> <p>Extreme weather events can easily cause losses of assets such as ships, workshops, slipways, and wharf equipment and facilities, and interrupt production activities;</p> <p>Employees work less efficiently in extreme weather (high temperatures, rain and snow);</p> <p>The supply and transportation of steel and timber are susceptible to extreme weather, resulting in supply chain stability and reduced productivity.</p>	<p>1. The value of fixed assets decreases;</p> <p>2. Reduced production capacity;</p> <p>3. Increased maintenance costs;</p> <p>4. Increased operating costs.</p>
	<p>Chronic Risk</p> <p>Shipping Leasing</p> <p>Long-term environmental changes such as persistent high temperatures and rising sea levels can easily affect shipping times, resulting in transportation delays, reducing short-term profitability, and may lead to a decline in customer fulfillment.</p> <p>Shipbuilding</p> <p>Long-term environmental changes such as rising temperatures can easily lead to an increase in electricity consumption in the manufacturing process, an increase in energy consumption costs, and an increase in prevention costs and premiums to enhance the resilience of ships and other equipment.</p>	<p>1. Increased operating costs;</p> <p>2. Increased production costs;</p> <p>3. Increased credit risk.</p>

Type	Analysis of Limate Change-Related Risks and Opportunities, and Countermeasures	Potential Financial Impact
Opportunity Countermeasures		
Resource Efficiency	Shipbuilding Improve the energy efficiency in the process of shipbuilding, management and maintenance through technological innovation, supplementation and upgrading, reduce the consumption of resources such as electricity, natural gas, and production water, and reduce production costs; Adopt more efficient production and distribution processes.	1. Reduce operating costs; 2. Increase production capacity and increase operating income.
Energy	Shipbuilding The transition to low-emission alternative energy sources, increasing the use of decentralized clean energy in manufacturing and operational activities, and reducing dependence on traditional energy sources can help address the risk of higher energy prices or increased energy consumption in the future.	1. Increase the return on investment of low-emission technologies; 2. Increase in the value of fixed assets; 3. Reduce the risk of rising energy prices in the future.
Products and Services	Shipping Leasing As the demand for green, low-carbon and environmentally friendly ships increases, Wuhu Shipyard carries out research and investment in this field and provides financial leasing services for green, low-carbon and environmentally friendly ships, which will help improve customer retention rate and attract potential customers, and improve the growth space of operating income. Shipbuilding Provide new green and environmentally friendly marine products, which will help improve customer retention and attract potential customers; Emphasizing the carbon footprint in marketing, promotions and product labelling can meet the changing preferences of customers for low-carbon products.	1. The increase in operating income brought about by the increase in demand for products and services; 2. Improve competitive position to reflect shifts in consumer preferences and increase revenues.
Market	Shipping Leasing With the promotion of carbon emission reduction policies in the shipping industry, the investment demand for second-hand ships and the demand for funds for energy-saving equipment transformation may increase in the future. Green and low-carbon has become the main development direction of the development of the shipping industry, and the demand for energy-saving and low-carbon ships may rise in the future. Shipbuilding The use of environmentally friendly materials for energy-saving ships will have a broader market in the long run, and Wuhu Shipyard can improve market competitiveness by adjusting the product structure of ships in advance; There is an increasing demand for functional vessels that serve the environmental protection industry.	1. Entering emerging markets to promote income growth; 2. Appreciation of fixed assets; 3. Expand market share and increase revenue.

Type	Analysis of Limate Change-Related Risks and Opportunities, and Countermeasures	Potential Financial Impact
Adaptability	Shipping Leasing Increase the proportion of green ships, participate more in green shipping projects, and prepare to cope with policy and market uncertainties.	1. Increase revenue and asset appreciation through more adaptable new products and services;
	Shipbuilding Choose to work with environmentally friendly and energy-saving suppliers to reduce carbon emissions in the supply chain and improve the long-term ability of Wuhu shipyards to cope with climate change.	2. Improve the reliability and flexible operation capacity of the supply chain.

Carbon Emission Management

Greenhouse Gas Emissions

In accordance with the requirements of ISO 14064-1:2018, ISO 14064-3:2019, and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories", the company has undertaken its first greenhouse gas calculation and third-party verification for the year 2023. According to the company's business activities, the carbon emission sources were sorted out[The main sources of greenhouse gas emissions include: gasoline combustion emissions from official vehicles, diesel combustion emissions from forklifts and flatbed trucks, natural gas combustion emissions from boilers, natural gas combustion emissions from exhaust gas treatment systems, natural gas combustion emissions from canteen stoves, natural gas combustion emissions from cutters, carbon dioxide shielding gas emissions from gas shielding welding, septic tank emissions from employees, purchased electricity, and indirect emissions from renting shuttle buses and raw material transportation.], and other indirect emissions, that is, Scope 3 carbon emissions, were calculated, and the corresponding carbon emissions generated by rental shuttles and raw material transportation were calculated. The calculations revealed that the total greenhouse gas emissions for the company in 2023 amounted to 41,808.31 tCO₂e.

Scope 1: Direct Greenhouse Gas Emissions

12,770.50 tCO₂e

Scope 2: Indirect Greenhouse Gas Emissions From Energy

21,881.10 tCO₂e

Total Scope 1 and 2 Emissions 34,651.60 tCO₂e

Energy Management

The company strictly follows domestic and foreign standards, controls energy consumption, and has obtained international energy management system certification. In order to achieve more environmentally friendly and sustainable development, the company has adopted

various means such as technological upgrading, alternative energy and energy-saving measures to effectively achieve energy conservation and consumption reduction. In 2023, the company purchased two electric forklifts, weighing 3 tons and 5 tons respectively, to replace traditional fuel forklifts and reduce fossil energy consumption. The first phase of the company's project was installed with 4.88MW of photovoltaic power generation equipment, the company uses up to 4,376,440 kWh of photovoltaic power throughout the year, which strongly promotes the sustainable development of the company.

⁴The main sources of greenhouse gas emissions include: gasoline combustion emissions from official vehicles, diesel combustion emissions from forklifts and flatbed trucks, natural gas combustion emissions from boilers, natural gas combustion emissions from exhaust gas treatment systems, natural gas combustion emissions from canteen stoves, natural gas combustion emissions from cutters, carbon dioxide shielding gas emissions from gas shielding welding, septic tank emissions from employees, purchased electricity, and indirect emissions from renting shuttle buses and raw material transportation.

⁵The consumption of various energy types (e.g., oil, gas, coal, electricity, etc.) in joules is summarized.

Total energy consumption⁵

1,716,228.30 Gigajoules

Energy Management System Certification

In order to mitigate the process of climate change, the company has formulated the relevant documents of "Future Planning and Development Direction of Enterprise Green Factory", and is committed to improving the level of resource management and efficiency by means of management and technology, and the company optimizes energy strategy, adopts cleaner and more efficient energy, such as solar energy, wind energy, etc., reduces the use of fossil energy, reduces greenhouse gas emissions, and strives to minimize the impact of production and operation on the environment.



Energy Management System Certification

Energy-Saving Transformation of Air Compressor

In 2023, the company will organize energy-saving transformation of air compressors, and the unit consumption (gas-electricity ratio) of compressed air before the transformation will be $0.130\text{kw} \cdot \text{h} / \text{m}^3$, the unit consumption (gas-electricity ratio) of compressed air after transformation is $0.09675\text{kw} \cdot 9675\text{kw}^3$, saving 26% of energy consumption, is expected to save 5.4 million kW/h of electricity a year.



Renovation of the air compressor

Photovoltaic Power Generation

Wuhu Shipyard adheres to safe carbon reduction, gradually expands the scale of distributed photovoltaic power stations, and uses solar power to reduce the demand for traditional electricity and reduce greenhouse gas emissions and carbon footprint. The company has laid photovoltaic panels on the roofs of a number of workshops, and the first phase of the project has been put into construction 4.88MW photovoltaic power generation equipment, 4,376,440 kWh of photovoltaic power will be used in 2023, reducing the company's electricity expenditure by about 1.094 million



Distributed photovoltaic power generation panel

Energy Saving and Consumption Reduction Management Methods

Energy Optimization Strategy

Energy-saving LED lamps are used to achieve green lighting;
Gradually purchase electric forklifts to replace traditional fuel forklifts;
Use clean energy power generation devices and invest in the construction of photovoltaic power generation equipment.

Implement Retrofitist

Updating or retrofitting old and energy-intensive equipment, and introducing high-efficiency and low-consumption equipment;
Implement light control transformation of street lights, and automatically turn on and off according to illumination;
The workshop lighting control circuit was transformed to realize the sub-regional switch.

Production and Operation Regulations

Staggered peak power consumption. The steel pretreatment line and the painting workshop use off-peak electricity, and use valley power from 22:00 p.m. to 3:00 a.m.;
The power supply equipment matches the number of people working. When the number of people on duty in the evening area is less than 10, a mobile small air compressor is used;
Power off in time. Implement the use of the responsible person to cut off the power supply of the welding machine after work to avoid power consumption;
Control the use of air conditioners in winter and summer.

Optimize Production Processes

Reduce unnecessary production steps, reduce energy consumption and resource consumption.

Strengthen Environmental Protection

Wuhu Shipyard implements the overall requirements of national ecological civilization construction and plays a leading role in environmental protection of shipbuilding in Anhui Province. The company ensures the smooth development of the company's environmental protection work by establishing a complete environmental management system and formulating environmental protection indicators and specifications. During the reporting period, the company won a number of honorary awards for green environmental protection, reflecting the company's outstanding performance in the field of environmental protection with actual performance. In 2023, the company spent more than 3.06 million CNY on environmental protection [The data on environmental protection expenditure are collated. It includes environmental protection tax, hazardous waste disposal fee, environmental testing fee, sewage treatment plant, and VOCS equipment related expenses. In 2023, no new environmental protection equipment assets were recorded.], participated in the drafting of a number of environmental protection related standards, and demonstrated the company's firm commitment to environmental protection with practical actions.

⁶ The photovoltaic electricity fee is 0.6 CNY per kilowatt-hour, and the national grid electricity fee is about 0.85 CNY per kilowatt-hour

⁷ The data on environmental protection expenditure are collated. It includes environmental protection tax, hazardous waste disposal fee, environmental testing fee, sewage treatment plant, and VOCS equipment related expenses. In 2023, no new environmental protection equipment assets were recorded.

Environmental Management

Environmental Governance and Management Objectives

The company strictly abides by international and domestic laws and regulations, formulates and improves the company's internal environmental protection related systems, strictly abides by the bottom line of environmental protection, and standardizes the company's operation and development with higher requirements. The company revised and improved the "Regulations on the Management of Environmental Protection of the Company" and the "Emergency Plan for Environmental Emergencies of Wuhu Shipyard

Co., Ltd. (2023)", further standardizing the environmental protection and daily management of the company's infrastructure, production site and office life. It also strengthened the ability to prevent and deal with environmental emergencies promptly,ensuring that environmental protection work in the company's operation process is fully and effectively implemented. In 2023, the company achieved the goals of zero environmental penalties, zero environmental protection incidents, and zero hazardous waste evaluations.

Environmental Management Policy

Compliance with laws and regulations, risk control; Clean production, green shipbuilding

Environmental Management Objectives

No production will be stopped due to environmental incidents	Target 0	Completion 0	Environmental administrative penalties	Target 0	Completion 0
The daily average value of pollutants exceeds the standard	Target ≤2	Completion 0	Environmental protection three simultaneous implementation rate	Target 100%	Completion 100%
Timely submission rate of pollutant discharge permit implementation reports	Target 100%	Completion 100%	The hourly value of air pollutants exceeds the standard	Target ≤18Times	Completion 4
The number of enterprises that do not meet the standards in the evaluation of hazardous waste	Target 0	Completion 0	The rectification rate of hidden dangers on schedule and the implementation rate of "four do not let go" of major hidden dangers	Target 100%	Completion 100%

Environmental Management System Certificate

The company adheres to the concept of green and harmonious development, strictly abides by international and domestic standards, has built a comprehensive internal environmental management system, and has obtained the ISO14001:2015 environmental management and ISO45001:2018 occupational health and safety management dual system certification. Thoroughly implement the national and local standards and policies on green factories, and in 2023, it will be awarded the title of national "green factory" by the Ministry of Industry and Information Technology. In November 2023, it won the year of 2022 Anhui Provincial Environmental Protection Integrity Enterprise.



2022 Anhui Province Environmental Protection Integrity Enterprise



ISO14001: 2015
Environmental Management
System Certification



ISO45001: 2018 Occupational
Health and Safety Management
System Certification

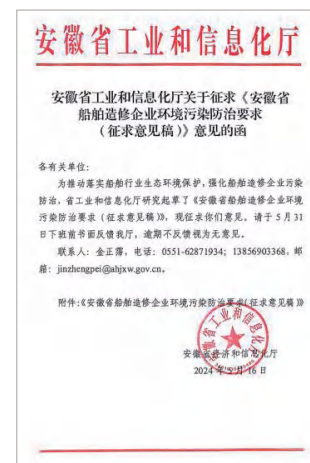


Energy Management System
Certification

Participate in the Standard System and Lead the Development of the Industry

Based in Anhui Province, the company radiates the Yangtze River Delta, plays a leading role in environmental protection, and participates in the drafting of relevant standards such as the "Anhui Province Ship Repair Enterprise Environmental Pollution Special Rectification Requirements" and the "Anhui Ship Repair Enterprise Environmental Pollution Special Rectification Requirements Standards".

Wuhu Shipyard was invited to respond to the "Requirements for Environmental Pollution Prevention and Control of Shipbuilding Enterprises in Anhui Province (Draft for Comments)"



Environmental Emergency Management to Build a Solid Guarantee

Adhering to the people-oriented concept, Wuhu Shipyard has formulated and improved the Emergency Plan for Environmental Emergencies in 2023, committed to controlling, mitigating, and eliminating pollution, coordinating with the production safety accident plan, and jointly building a solid defense line for preventing and responding to environmental emergencies. According to the severity and urgency of the company's possible environmental emergencies, according to the possible hazards, scope, development trend prediction, and analysis of environmental emergencies, as well as the classification of environmental events, the early warning level is divided into four levels. The emergency response plan is formulated according to the event level to ensure that all kinds of events are dealt with in a timely and efficient manner.

Emergency Management of Environmental Incidents

Internal Management: The general manager of the company as the emergency commander, coordinating and directing the company's emergency response work, according to the emergency area, type, and department responsibilities, the company has set up 10 emergency rescue teams to handle environmental emergencies in different regions, so that the rights and responsibilities of various departments and related personnel are clear, efficient and rapid response to command, effectively and effectively solve environmental problems, and jointly build a solid guarantee for the company's emergency work.

External Linkage: An emergency linkage mechanism has been established with the Wuhu Sanshan District Ecological Environment Bureau, Wuhu Sanshan District Emergency Management Bureau, Sanshan District Fire Brigade, and other departments to share regional emergency resources with external relevant departments and improve the ability and level of joint response to environmental emergencies.

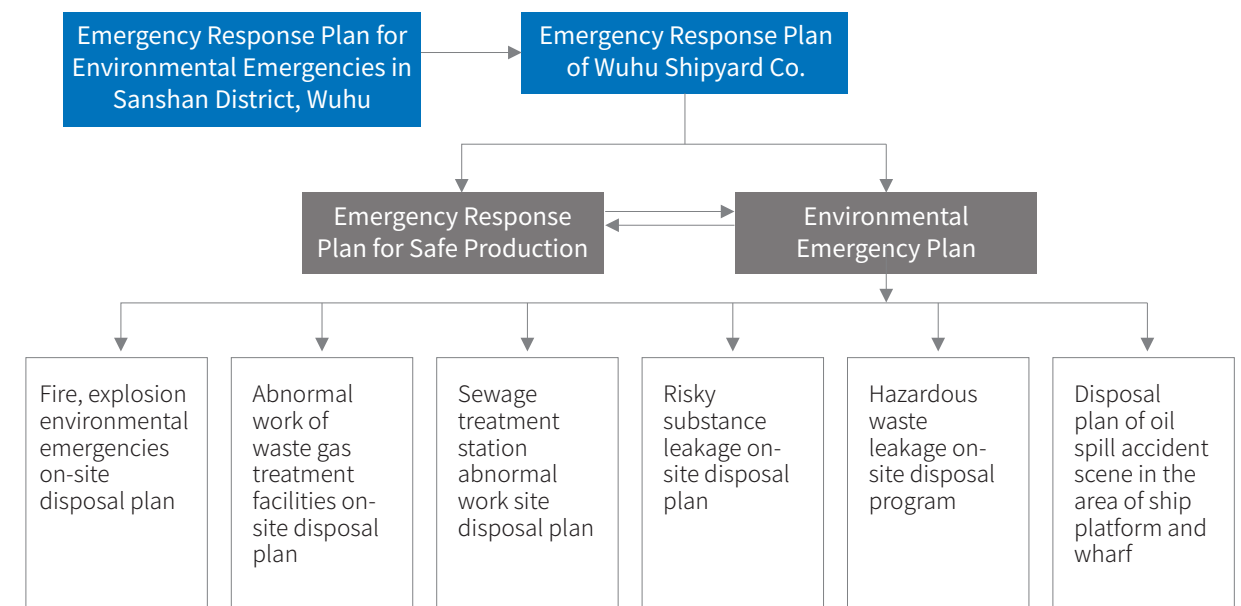


Diagram of the emergency plan

Resource and Waste Discharge Management

The company strictly abides by the "Water Pollution Prevention and Control Law", "Solid Waste Environmental Pollution Prevention and Control Law", "Air Pollution Prevention and Control Law" and other laws and regulations, and formulates an effective internal management system for wastewater, waste gas, and solid waste generated in the process of production and operation, and implements classified management of pollutants. Improve the efficiency of resource management and three wastes management through equipment upgrading, waste recycling, monitoring and disclosure in accordance

with the law, etc. Upgrade water pollution disposal equipment and exhaust gas discharge facilities to reduce pollutant emission concentrations and effectively reduce the content of non-methane total hydrocarbons and xylene in exhaust gas. The company monitors and discloses information in accordance with the law, monitors various emission indicators according to national and regional emission standards, carries out strict emission management, and formulates environmental self-monitoring plans to ensure compliance treatment and discharge.

Water Resources

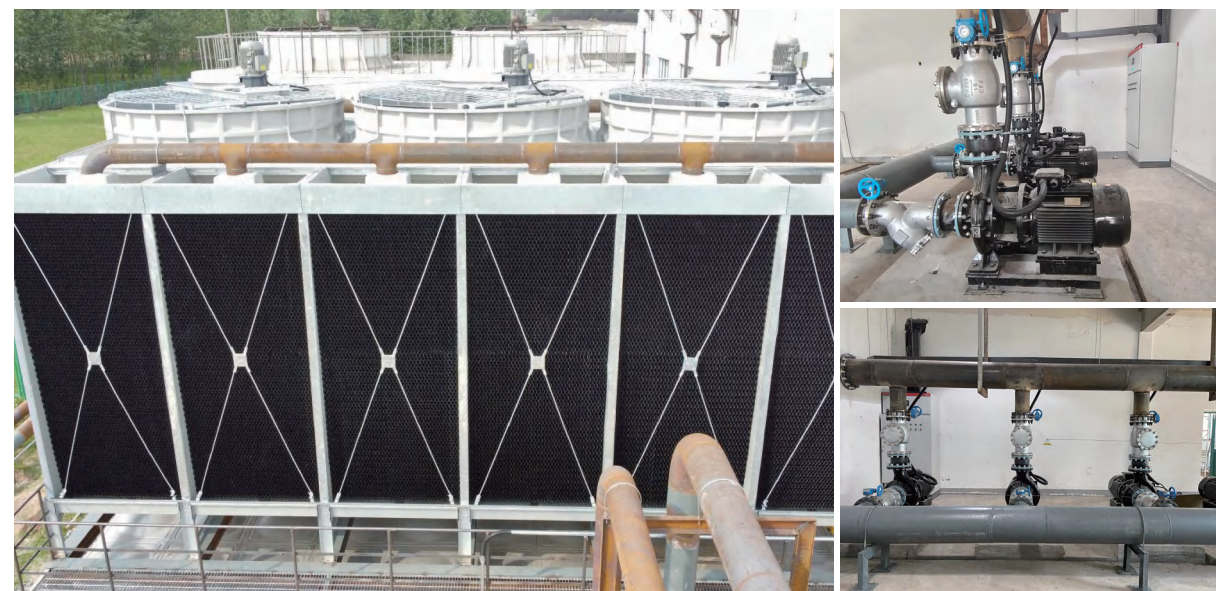
Water Consumption in 2023

Total water Consumption	Water Consumption in Living Quarters	Water Consumption in the Workspace	Recycling Water Consumption
972,526 Tons	302,400 Tons	670,126 Tons	58,650 Tons

The company ensures the normal usage of various water facilities through a variety of measures, prevents occurrences of water running, overflowing, dripping and leaking, thereby reduces the waste of water resources, regularly overhauls the fire hydrant of the slipway wharf, insulates outdoor water supply facilities before the arrival of winter, and replaces the water tank of the public toilet in the factory to induction solenoid valve control.

Energy Saving Renovation of Air Compressors to Improve Water Resource Recycling Efficiency

Wuhu Shipyard has established a resource recovery and recycling mechanism, and the cooling water for the air compressor equipment of the No. 1 and No. 2 air compressor stations adopts reused water, so that the water pump pressurizes the air compressor cooling water to the cooling tower for cooling, and then recycles it into the pool for recycling. By adopting measures such as recycling the cooling water from air compression stations and air compressor equipment, By 2023, 58650 tons of water have been recycled, greatly enhancing the recycling of water resources



No. 1 and No. 2 air compressor station

Wastewater Management

Wastewater Discharge in 2023

Water	Ammonia Nitrogen	COD	BOD ₅
778,021 Tons	4,979 Tons	25,674 Tons	6,613 Tons
Animal and Vegetable Oils	Petroleum	Suspended Solids	
202 Tons	303 Tons	6,224 Tons	

In order to thoroughly implement the idea of ecological civilization, implement the spirit of the general secretary's important speeches and instructions on water-saving work, promote the construction of a water-saving society, and comprehensively improve the efficiency and effectiveness of water resource utilization, the company adheres to the principle of "source control, prevention first, and comprehensive treatment", clarifies the rights and responsibilities and work tasks, and formulates the "Company's Water Pollution Prevention and Control Management Regulations". Classify wastewater formulate corresponding treatment measures, regularly carry out sewage treatment stations, VOC, and other inspections, to achieve timely detection and immediate rectification. The company installs online monitoring devices to the requirements of environmental impact assessment, laws, regulations, standards and specifications,

monitors in accordance with the self-monitoring plan of the pollutant discharge permit every year, and actively accepts social supervision, and timely fills in and discloses water pollutant prevention and control information in accordance with the "Administrative Measures for Legal Disclosure of Enterprise Environmental Information".

The company has adopted advanced wastewater treatment facilities and continuously optimized and upgraded them. The newly added sewage treatment station and dock rainwater collection system in the factory have effectively reduced the negative impact on the environment and protected the surrounding ecological environment. In 2023, the company's sewage discharge volume was 778,021 tons, and the discharge concentration of various pollutants such as animal and vegetable oils and suspended solids were far below than the national discharge standard.

Classification and Treatment of Company Wastewater			
Name	Sources of Wastewater	Category	Processing
Ships 'three waters' without oily wastewater	shipping	Production wastewater	After collection, and processing, the emissions meet the standard
Ships 'three waters' with oily wastewater	shipping	Production wastewater	After unified collection, it will be handed over to a qualified unit for processing
Wastewater from X-ray flaw detection, film washing, etc	Ships or infield	Production wastewater	Collected by the quality center and handed over to hazardous waste management, it will be received and disposed of by a qualified unit

Classification and Treatment of Company Wastewater			
Waste liquid containing toxic and harmful, dirty oil or chemical substances	Ships or infield	Production wastewater	Unified collection and delivery of hazardous waste for storage, received by qualified units
Oily sewage such as equipment maintenance, leakage, etc	Ships or infield	Production wastewater	After collection, it will be handed over to the hazardous waste repository and received by a qualified unit
Oily wastewater from the canteen	Infield	Domestic wastewater	After passing through the grease trap, it enters the sewage pipe network
Water for office, dormitory, bath and washing	Infield	Domestic wastewater	After passing through the septic tank, it enters the sewage network
Wastewater from landscaping and road washing	Infield	Domestic wastewater	It enters the sewage pipeline network and is discharged after treatment at the sewage treatment station
Flush toilet water	Infield	Domestic wastewater	After passing through the septic tank, it enters the sewage network
Initial rain	Infield	rainwater	It is collected through the pipeline network and discharged into the sewage treatment station after being collected into the rainwater collection tank
Domestic and production wastewater generated by the construction of the infrastructure party	Infield	Domestic and production wastewater	The construction party deal with it in accordance with the relevant regulations

Optimize Water Pollution Disposal Equipmentt

The company continues to upgrade the wastewater treatment process through a series of technical designs and equipment support. By upgrading and transforming sewage treatment stations, the company has further improved the compliance rate of sewage discharge in scenarios such as production in the plant, office in the factory area, and docks. They have also established reclaimed water reuse points for greening and road cleaning in the plant area. In 2023, a total of 2.315 million tons of sewage were treated. At the same time, the company has improved the rainwater collection system of the wharf to achieve "no rainwater entering the river in the initial stage", avoiding direct discharge of rainwater into the river and causing pollution to the water body and soil in the environment.

The Name of the Contaminant	Emission Standard (mg/L)	Actual Emission Concentration (mg/L). (Q4 of 2023 Monitoring Report)
Animal and vegetable oils	100	0.26
Ammonia nitrogen (NH3-N).	/	6.4

The Name of the Contaminant	Emission Standard (mg/L)	Actual Emission Concentration (mg/L). (Q4 of 2023 Monitoring Report)
Five-day biochemical oxygen demand	300	8.9
pH	6-9	7.5
Petroleum	20	0.47
Suspended solids	400	8
Chemical oxygen demand	500	33



Sewage treatment station



Sewage dock rainwater collection pool

Exhaust Gas Management

Exhaust Gas Volume	Xylene	Total Non-Methane Hydrocarbons	Particulate Matter
191,244.5 Ten-Thousand Cubic Meters	0.05 Tons	3.8 Tons	10.4 Tons

The company continuously optimizes the waste gas treatment system, setting target for waste gas treatment (the number of waste gas monitoring exceeds the standard ≤ 16 times per year). It adopted advanced waste gas treatment devices and treatment processes, and continuously improving the level of air pollutant treatment. At present, the company's steel plate pretreatment line painting exhaust gas adopts 1 set of dry filter + RTO device, and the painting exhaust gas of the coating room adopts 1 set of dry filter + zeolite runner adsorption

concentration + catalytic combustion device, which effectively reduced the content of xylene and non-methane total hydrocarbons in the exhaust gas compared with before the transformation. The company entrusted a third-party testing company to regularly test the exhaust gas in the plant area to achieve the goals set by the project, effectively ensuring the air quality of the surrounding environment of the plant and the safety of employees and nearby residents.

Reduce Exhaust Emissions by Retrofitting the Exhaust Gas Collection Measures in Workshops 3 # and 4 # for Painting

In 2023, the company transformed the waste gas collection measures of 3# and 4# painting workshops, which were used for outfitting painting and paint repair operations, and supported VOCs waste gas treatment facilities, so that the original unorganized direct exhaust waste gas to be collected and discharged by the chimney after being treated by zeolite runner + RCO, so as to collect all the waste gas that should be collected and continuously improve environmental quality. According to the evaluation, the exhaust gas treatment efficiency of the original zeolite runner + RCO catalyst VOCs is 98.8%. After the completion of the transformation, it was expected that the unorganized exhaust emissions would be reduced by more than 90%, reducing the surrounding air pollution.

◉ Solid Waste Management

Types of Solid waste		Disposal Method	Transfer Volume
Hazardous Solid Waste	Waste mineral oil	Waste oil refining or other waste oil reuse	60.2
	Waste paint	Cement kiln co-disposal	2.4
	Waste oil sludge		23.1
	Waste cleaning agents		0.1
	Waste activated carbon		0.3
	Paint shavings		31.3
	Waste paint buckets		163.3
	Oil-containing labor insurance		1.0
	Waste filter material		6.4
	Waste oil drums		23.0
	Waste chemical reagents		0.2
	Sewage treatment station sludge		0
	Contaminants		73.4
	total		384.6
General Solid Waste	total		12,298.8

The company has formulated the "Regulations on the Management of Solid Waste of the Company" to standardize the collection, classification, transportation, temporary storage, transfer and disposal of solid waste, so as to ensure that the environment of the company and the waters along the river meet the requirements of laws, regulations and other regulations. Implement the principle of classified collection, storage and disposal of solid waste, and paste obvious, clear and reliable marks on classified waste, so as to facilitate the classified disposal of solid waste in the later stage. At the same time, safety and environmental protection education and solid and hazardous waste classification training are carried out for all employees. The company implements waste control measures that meet the actual production needs, implements waste reduction and recycling from waste generation and material use, reduces waste treatment pressure and improves resource utilization efficiency, and ensures that all solid waste is treated in a timely and proper manner.

In 2023, the company recycled scrap steel shots, waste solders, welding slag, steel cutting waste, welding wire spools and waste wood, etc., with a total of 5,31758 tons; In addition, a hazardous waste management plan was formulated for coating hazardous waste, and the amount of hazardous waste generated per unit area in 2023 was 02982kg/m², a decrease of 4.6% compared with 2022.

Solid Waste Classification identification

Wuhu Shipyard divides solid waste into recyclable waste, non-recyclable waste, and hazardous waste, and identifies it with different colors. It cleanses, classifies, collects, and disposes of them in accordance with relevant regulations.

Recyclable Waste	Recyclable waste bins are marked in blue at job sites and living offices;
Non-recyclable Waste	Non-recyclable waste bins are marked in yellow;
Hazardous Wastes Polluted by Oil, Paint, Etc.	Oily wastes should be marked with "oily garbage bins" in black letters, and lacquered wastes should be marked with "lacquered garbage bins" in red letters.

◉ Resource Conservation

In response to the call for low-carbon environmental protection, Wuhu Shipyard formulated the "Green Development Plan for Packaging Materials". The company's main packaging materials are special appliances, metal boxes, material boxes, pallet boxes, cartons, and wooden boxes. Under the premise of ensuring the quality of parts, giving priority to the selection of environmentally friendly, low-toxicity and recyclable materials to reduce environmental pollution, realize the purchase of parts and components and the production of raw and auxiliary materials packaging green and recyclable, thereby reducing production costs and realizing efficient utilization of resources.

The Four Principles of Packaging Materials

The packaging of purchased parts upon arrival adopts reusable and reusable materials, such as iron tools, iron boxes, plastic turnover boxes, pallet boxes, or recyclable cardboard boxes.

Ensure the quality of parts and components packaging in the process of transportation, handling, etc.



Ensure the quality and safety of personnel, packaging, and parts in the logistics links such as transportation and handling.

Ensure the lean packaging of parts and reduce production costs.

Practice Green Operations

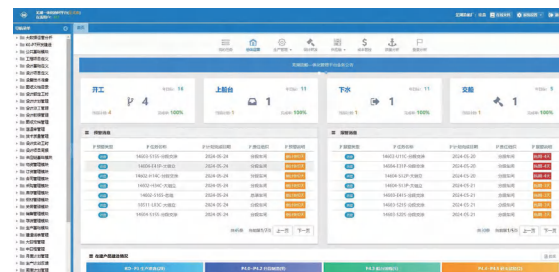
The company adheres to the concept of energy conservation and environmental protection, and actively promotes green and low-carbon development in production and operation. **Actively promote the green office model**, fully realize paperless office environment, and seamlessly energy conservation and environmental protection into our daily operations.. At the same time, the company actively organizes employees to participate in environmental protection activities, including voluntary tree planting, and practices the concept of green development through practical actions. In 2023, the company organized more than 140 environmental protection knowledge training activities to convey the management norms of environmental protection to employees and encourage employees to actively participate in ecological and environmental protection activities.

Green Office

The company has always adhered to the concept of green and low-carbon, is committed to realizing green office, implementing a comprehensive paperless office, encouraging the use of electric vehicles and bicycles for green travel, and reducing the impact of office on the environment by installing voice-activated lights in the company's office buildings and talent apartment corridors to save energy.

Green Workplace

Combined with "Made in China 2025", the company clearly proposes to focus on improving quality and efficiency, green development, and based on the "modern shipbuilding model 2.0" Introduce and implement digital platforms such as the Integrated Shipbuilding Platform (ERP) and Manufacturing Execution System (MES). The transformation of the operation process from offline to online promotes the implementation process of paperless office, so that the enterprise business can achieve integrated operation and efficient collaboration.



All-in-one platform



MES system platform

Green Transportation

Wuhu Shipyard practices the concept of green travel through practical actions and responds to green office. In 2023, the company replaced some shuttle buses with new energy electronic cars and leased more than 130 new energy electric vehicles for employee and respective department regular use.



The company leases more than 130 new energy electronic cars for employees

Environmental Actions

In order to implement the implementation path of "double carbon" and deeply implement the concept of green manufacturing and green enterprise, Wuhu Shipyard actively carries out various green environmental protection actions, promotes a series of environmental protection measures, cooperates with all sectors of society, responds to the group's green development concept with a series of actions, and promotes the positive impact of the group's environment.

Voluntary Tree Planting Promotes Green Development

The company cooperates with Local government units, and social organizations, etc. to organize voluntary tree-planting activities. These activities actively practices the concept of ecological civilization, stimulates employees' enthusiasm for forests and afforestation, promotes the greening of

the plants, and protects the ecological environment. Through this move, the company and various institutions jointly promote the green development of enterprises and society, practice the concept of low-carbon recycling, and strengthen the protection of the green ecological environment.



voluntary tree planting activities

Green Training

Based on the original intention of "green turnip", in order to meet the overall requirements of the country for green development, in 2023, the company organized 147 environmental protection related trainings, with a total of 5,343 person-times.

Participating, including environmental protection laws and regulations training, three wastes management training, environmental protection warning education, environmental protection training for new employees, and professional skills training. Through systematic environmental management training, improve employees' environmental protection skills, optimize internal management processes, and ensure the greening of the production process.



The company organizes green theme training activities

Conservation of Biodiversity

The company is located on the banks of the Yangtze River, which nurtures countless rare species and serves as a treasure trove of ecological resources in China.

In order to protect the biodiversity of the Yangtze River, Wuhu Shipyard has actively taken multiple measures to reduce the negative impact of the production process on the ecological environment, and has contributed to the protection of the biodiversity of the Yangtze River by implementing a series of environmental protection measures such as reducing emissions of exhaust gas, wastewater, and noise.

The company refers to the "Kunming-Montreal Global Biodiversity Framework" and the "China Biodiversity Conservation Strategy and Action Plan (2023-2030)" and the "Yangtze River Biodiversity Conservation Implementation Plan (2021-2025)" and the Yangtze River Protection Law issued by the Ministry of Ecology

and Environment. The company implement the strategic deployment of the Provincial Committee and the Provincial Government of the Yangtze River Economic Belt to "Optimize the Green Industry on the Clear Shore of Water", and fulfill the responsibility of biodiversity conservation. In the Yangtze River Basin, the Company has identified and assessed the risks to aquatic and terrestrial biodiversity from its business activities such as building ships, and has carried out a series of conservation activities to actively protect biodiversity. The company implements the concept of "not letting a drop of oil enter the Yangtze River", and strictly implements it in ship construction and daily operation to protect the water environment of the Yangtze River basin. At the same time, the company planted trees, shrubs and flowers suitable for local growth characteristics to restore the ecological environment affected by the construction of the plant.

Aquatic Biodiversity Conservation Measures

Take Measures to Avoid, Slow Down, and Stop Driving

In order to avoid affecting and harming aquatic animals, the company strictly supervises the dock docking and ships under construction, restricts the speed of ships docking and leaving the dock, and immediately takes emergency avoidance, slowing down or stopping measures when rare aquatic animals are found.

Additional Equipment was Installed to Prevent Pollutants from Entering the River

The company has established the "Regulations on the Management of Solid Waste", "Regulations on the Prevention and Control of Water Pollution of the Company" and "Regulations on the Management of the Company's Oil Boom", set up a fully enclosed garbage hopper and rainwater collection system at the wharf, implemented the protection of the Yangtze River, blocked all the outlets into the river, prevented garbage and initial rainwater from entering the river, and set up oil booms through all ships under construction to prevent ship pollutants from entering the river. Resolutely "not let a drop of oil enter the Yangtze River".



Pull oil booms for the underconstruction vessels

Strengthen Publicity and Education for Personnel

Educate construction personnel, slipway and wharf staff on the importance of protecting rare animals, enhance employees' environmental awareness, consciously cherish and strengthen the protection of rare animals, organize daily inspections of personnel, strictly prohibit fishing and other behaviors along the wharf, and establish a reporting mechanism.

The existing ecosystems in the vicinity of the company's factories cover a variety of ecosystems, including woodland, shrubland, wasteland, farmland ecosystems, and artificial ecosystems such as roads and rural settlements. To mitigate the reduction in vegetation productivity and weakened ecological functions of the ecosystem caused by the company's construction, the company conducted a comprehensive assessment of the existing ecosystem and formulated relevant work arrangements for ecosystem improvement. Trees, shrubs, and flowers are planted around buildings, on both sides of roads, and in open areas, effectively balancing the ecosystem. In 2023, the total green area of the site reached 163,000 square meters, with a green space rate of more than 10%.



Number of New Employees
in the Company
277 Person

Number of Public
Welfare Activities Held
50⁺ Times

Number of Employees
by Graduate Program
79 Person

Total Number of
Employee Volunteers
1000⁺ Person-Times

Cumulative Participation in
Vocational Training Projects
13543 Person-Times

Mortality Rate in Millions
of Dollars of Output
0 %

04 Equal Society

Wuhu Shipyard adheres to the principle of "social value is higher than enterprise value", pays attention to the long-term development and sustainability of the enterprise, and actively practices corporate social responsibility. Responsible for employees and enterprises, the company fosters an equal, diverse and full of opportunities working environment, ensures the safety of employees' production and life, and creates a positive learning company atmosphere. The company is responsible for the community and society, giving back to society through practical actions, creating more social value, and promoting the common progress of the company and society. Taking the common development of all stakeholders as its own mission, it creates a broad platform for employees ,collaborates to build a value industry chain, and contributes to Wuhu Shipyard's strength to building a better society.

SDGs Response:



Build a Harmonious and Diverse Team

Wuhu Shipyard has always adhered to the development concept of "people-oriented" and regards employees as the company's valuable assets. Continuously improve the company's human resource management system and process to protect the rights and interests of employees. The company adheres to the concept of "talent must be promising, and promising must have a place", and in order to

achieve sustainable development, it pays attention to recruiting talents from diverse majors, different cultural backgrounds and different age groups, thereby injecting vitality and innovation into the company's development. The trade union also regularly organizes activities such as employee congresses to effectively protect and improve the rights and interests of employees.

Employment

Wuhu Shipyard is committed to creating an equal and inclusive working environment. Respect and encourage the diversity of employees, stimulate the innovation through employee cooperation, and enhance the attractiveness of the company, thereby fostering a harmonious and positive working atmosphere. During the recruitment process, the company welcomes talents from different backgrounds such as different ages, genders,

ethnicities, and education levels. In the face of labor employees, the company embraces human resources partners with the attitude of "co-management, sharing, and win-win", and creates an enterprise scope with a sense of belonging and happiness for all employees.

In its dealings with labor employees, the company adopts an attitude of 'co-management, sharing, and win-win' with its human resources partners

Employment Methods			
Age distribution	Labor employees	Regular employees	Total
≤ 30	278	317	595
31-49	1,514	669	2,183
≥ 50	971	131	1,102

Employment Methods			
Gender	Labor employees	Regular employees	Total
man	2,184	981	3,165
woman	579	136	715

Educational Attainment					
Employment methods	Master	Undergraduate	College	High School/Technical Secondary School	Junior high school
Labor employees		22		103	2,638
Regular employees	22	379		716	

Ethnic Group			
Ethnic group	Labor employees	Regular employees	Total
Han	2,422	1,095	3,517
Other nationalities	341	22	363

Formal Employee Title Level		
Junior	Intermediate	Senior
78	121	54

Recruitment

Wuhu Shipyard adheres to the concept of "talent must be promising, and there must be a position for talent", and regards talents as the core competitiveness in the company's development. The company continuously enhances the human resources management system, strictly complies with the "Labor Law of the People's Republic of China", "Labor Contract Law of the People's Republic of China" and other relevant laws and

regulations, and issues a series of documents such as the "Collective Contract" and the "Regulations on the Management of Skilled Workers (Expatriates) of the Company", aiming to introduce talents scientifically and efficiently, select talents fairly and reasonably, release the potential and creativity of employees, and promote the sustainable development of the company.

2023				
The Number of New Employees in the Company	School Recruitment	Social Recruitment	Percentage of New Hires is Female	Regular Employee Turnover
277 Person	79 Person	98 Person	18.41 %	4 %
Labor Contract Signing Rate			Labor Contract signing Rate	
100 %			100 %	

Recruit New Power, Ride the Waves and Sail the Boat

As Wuhu Shipyard has entered a leapfrog development stage, the company has carried out propaganda in colleges and universities across the country, opened high-level talent recruitment channels, and carried out recruitment activities with the theme of "Riding the Waves and Sailing the Ship, Welcoming You with Ideals". Adhering to the talent concept of "high-level talents with technology, talent, action and achievements are indispensable elements in the company's development strategy", we carry out social recruitment through multiple channels to attract capable and ideal talents to join the Wuhu Shipyard family. In the same year, the company also carried out recruitment activities in Weihai to attract outstanding talents with potential and creativity for the Weihai base that will be put into operation soon.



Welcome Meeting for the College Student

Action of Labor Union

The company encourages freedom of association in accordance with the law, and constantly improves the trade union system to advocate democratic management of employees and safeguard the legitimate rights and interests of employees. Standardize the implementation of democratic procedures, continue to play the role of democratic management platforms such as the employee congress, improve the labor protection supervision mechanism of the trade union, and smooth the communication channels between the enterprise and employees, aiming to enhance the rights and interests of employees, improve the level of employee welfare, and create a good environment for the long-term prosperity and development of the company.

Engaging in Business Development

In 2023, the company's employees put forward a total of 146 opinions on the company's improvement and progress at the Workers Congress, and 138 were rectified and implemented. At the Third Session of the Third Meeting, the company announced that through equity reform, extension and promotion of company management, employees would be empowered as operators and encouraged to double their income. During the conference, the company expressed its active support for the trade union to build Wuhu Shipyard into a "Home of Honor", "Home of Safety", "Home of Warmth" and "Home of Growth"

for employees. This congress officially opened a new chapter in the development of Wuhu Shipyard as a joint-stock enterprise.



Staff Symposium of Wuhu Shipyard Co., Ltd. Staff Symposium

Cultivate a Happy and Warm Shipyard

Wuhu Shipyard is committed to improving the happiness and sense of belonging of employees, creating a convenient working environment and worry-free living conditions for each employee, and receiving full care and support in their work. By providing generous salaries and benefits, the company strives to create a harmonious and warm working environment, so that every employee can fully develop and realize their self-worth here.

Pay Equity

Wuhu Shipyard upholds gender equality and fair treatment, eliminates the pay gap between male and female employees, and achieves equal pay for equal work. The company continues to improve the employee performance reward mechanism and career development opportunities, and creates a positive and energetic working environment, so that every employee feels fair and respected. At the same time, the company promotes the common development of employees and the company through the

implementation of pay equality, optimization of performance rewards and other behaviors, improves the satisfaction and happiness of employees, establishes a good reputation of the company, and lays a solid foundation for the company's long-term development. In 2023, the income of all employees will increase by 50%, and on the basis of "five insurances and one housing fund", commercial insurance will be purchased for each employee.

2023

Average compensation for employees

10.9 ten thousand/year

Ratio of basic salary for male and female employees

1.29:1

Six insurances and one housing fund coverage

100 %

Employee Care

Wuhu Shipyard held the Spring Festival welfare condolences, golden autumn student assistance, condolences to old employees and other "Warm in Wuhu Shipyard" theme activities to improve the living conditions of employees in difficulty, conveying the company's humanistic care, enhancing the happiness and sense of belonging of employees, and striving to create a harmonious and beautiful employment environment. These activities are not only related to the material life of employees, but also care for the spiritual and emotional needs of employees, give employees comprehensive care and support, and play an auxiliary role in the steady development of the company.

2023

Condolences to Employees in Difficulty

100 People

Condolence Money

68000 CNY

Employee Mutual Insurance Coverage

100 %

Cumulative Number of Purchases of Mutual Protection Guarantees

3000 People

The Company Bears the Cost of Mutual Insurance

12 Ten thousand CNY

Apply for Insurance Benefits

30 Ten thousand CNY

Caring for Employees, Providing Financial Assistance in the Golden Autumn

Wuhu Shipyard uses practical actions to help employees improve their lives and rewards employees who contribute to the company. By providing a stable development platform, the company attaches great importance to the education of employees' children, providing them with a material foundation and fostering a positive learning atmosphere. The company rewarded more than 60 employees whose children were admitted to university in recognition of their contributions to building a "learning-oriented enterprise".

Golden Autumn Bursary Scholarship

80000 CNY

Women's Rights and Benefits Raining

The company pays great attention to the protection of women's rights and benefits. At the same time, experts from the Women's Labor Department of the Municipal Federation of Trade Unions or the Legal Department of the National Defense Trade Union are invited to give lectures or go to professional departments and associations to learn rights protection knowledge and cultivate women's awareness of rights protection.



Head to Shucheng, Anhui Province to participate in the study and training of female workers' rights protection

Housing Security

In order to solve the problem of difficult housing and commuting for non-local employees, the company established Moon Bay Talent Apartment in Sanshan District. The apartment is equipped with independent bathroom, air conditioning, water heater and other facilities, and 3 dormitory buildings have been built, which has greatly improved the accommodation environment for employees.



Talent Apartment

Young Employees Show Their Vitality

Wuhu Shipyard successfully held the theme activity of "Welcoming the New Year and Increasing Motivation", including badminton matches, billiards matches and visits to Wuhu Museum, aiming to cultivate the sentiment of young workers, unite the strength of young workers, and give full play to the creative potential of young workers. The Youth League Committee of the company took advantage of the theme group day to fully carry forward the excellent quality of contemporary young people who dare to dare to fight, inject young blood into the development of the company, show new achievements and new achievements in the new journey, and inject youth momentum into the output value target task.



Theme activity for the New Year

Youth Shows Their Style, Sports to the Future

Wuhu Shipyard organized a team building activity for the company's college students at the Xinde Tuju Campground Development Base. The participants played group games such as orbital dribbling, which enhanced friendship, enhanced team collaboration and cohesion, and realized the importance of detailed division of labor, unity and cooperation, and pioneering and enterprising in work. The activity increased their collective sense of honor and sense of belonging, so as to better integrate into the enterprise and the team, and create a more harmonious working atmosphere.



Theme activity

Events & Activities Activities

The company follows the established tradition and combines national statutory holidays to provide welfare protection for employees. The company regularly holds company sports meetings, in the Spring Festival, Lantern Festival, International Labor Women's Day, Dragon Boat Festival, Mid-Autumn Festival and other festivals, the company actively organizes various theme activities, and distributes benefits and gifts, and at the same time establishes a staff home, staff book bar and other activities to meet the spiritual and cultural needs of employees, enhance the vitality and happiness of employees, and create a harmonious working environment.

• 2023 •

All Kinds of Cultural and Sports Activities are Held

20 Pimes

Participate in Festive Events

3000 Person-times

The trade union of Wuhu Shipyard carried out a series of activities around the "March 8" International Labor Women's Day, organized female employees to go out to visit and study, and held activities such as the selection of "women pacesetters". At the same time, the company also organized female employees to carry out family activity days, inviteing female employees and their children to visit the company and participate in parent-child baking activities, fostering a warm working atmosphere and createing a "Happy Wuhu Shipyard".



women" theme activity

Protect the Health and Safety of Employees

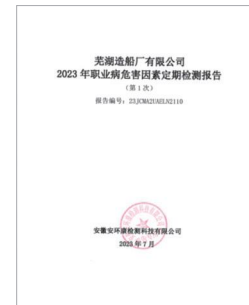
Wuhu Shipyard treats employee health and production safety as the cornerstone of development, thoroughly implements General Secretary Xi Jinping's important exposition on safety production, closely follows the deployment requirements of the State Council on safety development, actively coordinates development and safety, supply and efficiency, compacts responsibilities at all levels, strengthens team building, deepens special rectification, strictly controls risks and hidden dangers, takes multiple measures to improve safety level, and creates a safe and healthy working environment. The company actively implements health and safety management measures and continuously improves emergency plans to ensure the health and life safety of employees, improve the job satisfaction and happiness of employees, and achieve the goal of sustainable development of employees and the company.

Occupational Health

In order to continuously test the environmental quality and improve the working environment of employees, Wuhu Shipyard has actively carried out a series of health and safety management measures. The company regularly conducts occupational disease hazard factor testing and employee health examinations to detect and solve potential health risks in the working environment in a timely manner to ensure the health of employees. In addition, the company has carried out targeted epidemic prevention activities in autumn and winter and publicity activities related to the Occupational Disease Prevention and Control Law.

Occupational Disease Risk Monitoring

Wuhu Shipyard specially invited a third-party testing agency to conduct a comprehensive test on the risk points of key occupational disease hazards in the production workshop, process flow and product raw materials to ensure that smoke, radiation, nitrogen oxides and various derivatives retained in the air, acetone, etc. meet the national standards. Based on the test results, the company focused on optimizing the dust and noise problems in the factory operating environment to ensure the safety and health of the workplace.



"Wuhu Shipyard Co., Ltd. 2023 Occupational Disease Hazard Factors Regular Inspection Report".

Campaign of Occupational Disease Prevention and Control

In order to protect the health rights and interests of employees, Wuhu Shipyard held a publicity week with the theme of "Improving the Working Environment and Conditions and Protecting the Physical and Mental Health of Workers". The company sent key personnel to participate in Wuhu occupational health management training, produced publicity billboards, organized employees to study the "Occupational Disease Prevention and Control Law", conducted health examinations and other activities to enhance employees' health awareness, ensure a good working environment, and pay attention to the detection and prevention of occupational diseases.



Watch and learn the "Occupational Disease Prevention and Control Law" online



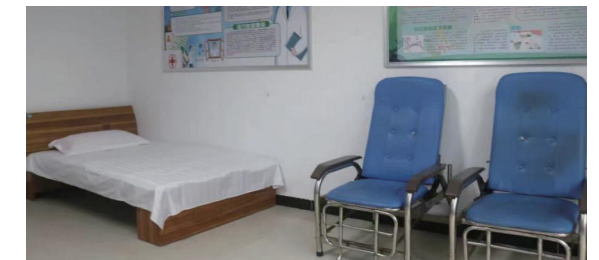
Occupational disease hazard notice board

Mental Health Counseling Room

The company continuously improves employee health management measures, enhances employees' physical and mental health concern, and creates a better working environment and conditions for employees. In addition to regularly organizing employee physical examinations, the company has established a health service center of Wuhu Shipyard, and cooperated with Waannan Medical College to carry out health consultation, so as to understand the health status of employees in a timely manner, take necessary measures to improve and protect the health of employees, and establish a psychological counseling room to provide mental health consulting services to employees.



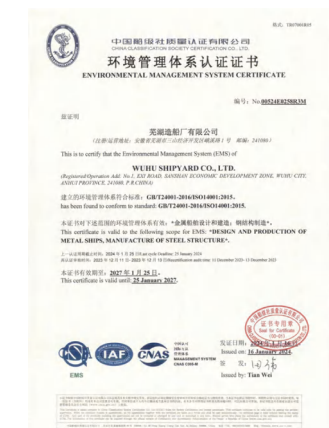
Wuhu Shipyard Health Service Center



Psychological counseling room

Production Safety

Strictly implement the requirements of the "15 Hard Measures" of the Office of the State Council Safety Committee, and carry out in-depth investigation and rectification of production safety; We should pay close attention to the "Five Prominent Rectifications", strictly grasp and strictly manage, and strengthen the implementation of safety production responsibilities and the construction of capacity and work style. Wuhu Shipyard actively constructs and continuously improves the employee and production health and safety management system, and has been certified by China Classification Society Quality Certification Co., Ltd. to meet the certification standards of employee and production health and safety management systems, including ISO 14001 and 45001.



Environmental Management System Certification

Wuhu Shipyard has formulated a comprehensive "Comprehensive Emergency Plan for Production Safety Accidents" and "Special Emergency Plan for Production Safety Accidents" to enhance the ability to respond to emergent production safety accidents and the safety awareness of employees. The various plans cover the emergency organization and functions, the disposal process of various production safety accidents, etc., and the response plans for various production safety accidents have been supplemented in detail during the reporting period. The plan effectively improves the company's ability to respond to sudden production safety accidents, ensures the safety of employees' lives and property, and minimizes accident losses.



2023

The Number of Work-Related Injuries and Injuries of Employees	Death Rate of 1,000 People from Production Safety Accidents	The Injury Rate of 1,000 People in Production Safety Accidents	Million-Dollar Output Mortality Rate
0 people	0 %	1.7 %	0 %
The Number of Minor Safety Production Accidents	Number of Employee Safety Trainings	The Total Number of People Trained in Safety	Total Length of Security Training
7 +	193 Times	45,570 Person-Time	265 Hours

Support the Sustainable Development of the Team

Wuhu Shipyard actively responds to the major task of "building a team of high-quality cadres worthy of the important task of national rejuvenation", insists on treating talents as the core resources and core competitiveness of the company, defines the development path of employees, systematically manages the career development training, of employees, stimulates the potential of employees, enhances employees the sense of belonging and enthusiasm of employees, and creates value and shares results with employees.

Employee Development Path

Wuhu Shipyard actively unimpeded the development channel of employees, expanded the development space of employees, and gradually improves the "Regulations on the Career Development Planning of the Employees" to clarify the promotion and development path of employees. By strengthening and standardizing the prescribed management methods, we actively guide employees to find their own development direction in their career. The regulations give a detailed explanation of the skills, conditions, and selection processes required by employees, and ensure the principles of fairness, openness, justice, competitive recruitment, merit-based recruitment, and step-by-step promotion, while ensuring that each employee has a fair opportunity to be promoted, and achieve the goal of personal career development according to their own abilities and contributions.



Criteria and Processes Related to Selection and Promotion

- "Employee Promotion Application Form"
- "Proposal for the Appointment of Professional and Technical Personnel"
- "Professional and Technical Personnel Job Matching Evaluation Form"
- "Skilled Worker Job Matching Evaluation Form"
- "Minimum Appointment Standards for All Levels of Professional and Technical Expertise"
- "Minimum Entry Standards for Skilled Workers at All Levels"
- "Standard Table of Professional and Technical Score Tables"
- "Skilled Worker Scoring Scale"
- "Employee Promotion Process"

Staff Training

Wuhu Shipyard deeply implements the strategy of strengthening the enterprise with talents, and coordinates and promotes the construction of various talent teams. In order to help employees improve their professional skills and knowledge, improve work efficiency and quality, and promote their personal development and promotion, the company provides a variety of training courses for employees from different departments and positions, which are divided into four types: company-specific training, special skill improvement, qualification system maintenance training, and statutory/forensics, with a total of 194 courses.



To ensure the quality and diversity of training, in addition to internal employees, the company also invites external professionals such as teachers from universities, lecturers from Chery Group, and EHS specialists as training instructors. Through an open learning and exchange environment, the company enables employees to interact with experts in different fields and backgrounds, access to more diversified thinking modes, rich experience, cutting-edge knowledge and technology, and better adapt to the changing working environment. In 2023, the company won collective and individual honors such as Major Rationalization Proposal of Anhui Province, the Pioneer of Anhui Provincial Workers, the Cross-Strait Third Prize of the Welder Skills Competition, the Pioneer of the Labor Competition of the Provincial National Defense Posts and Telecommunications Union, and the Model Worker of Wuhu City Model Worker to improve the technical capabilities of the employees.

2023

Company-Specific Training	Specialization and Skill Enhancement	Qualification System Maintenance Training
12 Sessions	152 Sessions	8 Sessions
Legal/Forensic Type	A total of Vocational Training Projects have been Carried Out	Vocational Training Program for New Employees
22 %	173 Sessions	12 Sessions
The total Number of Hours of the Vocational Training Program	Accumulated Participation in Vocational Training Programs	New Employees have Participated in Vocational Training Programs in Total
2,850 Hours	13,543 People	270 People
Duration of Vocational Training Per Person	Certification Training for Special Types of Work	Senior Professional Title Declaration
16.5 Hours	149 People	2 People
Declaration of Senior Professional Titles	Intermediate Title Declaration	The Pass Rate of this Year's Professional Title Declaration
7 People	17 People	100 %



Professional Skills Training for Employees

During the reporting period, the company arranged four intensive training activities for the professional skills training of employees, which covered such courses as "Workshop 5S", "Basic Theoretical Knowledge of Human Resources", "Basic Knowledge of Shipbuilding Cost" and "Workshop Safety Management". More than 130 people

participated in the training, and the total class time of the training program was 17 hours. These training courses help employees improve their professional skills, enhance their theoretical knowledge, strengthen their awareness of safety management, and promote the improvement of work efficiency and product quality.



"Workshop 5S" training course



"Basic Theoretical Knowledge of Human Resources" training

Build an Altruistic and Win-Win Society

Wuhu Shipyard actively participates in local community construction and public welfare and charity, carries out volunteer services, responds to social expectations, and increase people's sense of happiness and fulfillment. While vigorously promoting the development of the enterprise, the company firmly assumes the responsibility of giving back to society, improves the local cultural construction and people's life through continuous investment in community projects and public welfare activities, realizes the resonance of enterprise development and people's livelihood improvement, ecological and environmental protection, earnestly fulfills its social responsibilities, and adds a harmonious and win-win power to the society.

Community Building

Wuhu Shipyard not only strives for excellence in ship construction, but also actively participates in the development of the community and the inheritance of culture, devotes itself to the construction of the local community, and contributes to the development of local culture. From 2020 to 2023, the company has successively participated in community construction work such as flood control and disaster relief, and dredging of the Yangtze River.

Flood Control and Disaster Relief

We donation the self-propelled bridge and steel plates for the Zhanghe embankment and Wuwei embankment

Dredging of the Yangtze River

The members of the senior management participated in the dredging work

Donation

We donation six vessels models for the memorial hall of the battle of crossing the Yangtze River in Sanshan District

Serve the Local Community and Implement the Spirit of Lei Feng

In order to further inherit the spirit of Lei Feng and the volunteer service spirit of "dedication, friendship, mutual assistance and progress", and promote the in-depth and long-lasting development of Lei Feng's volunteer service activities, Wuhu Shipyard organized employees, youth league members and volunteers from various departments and production lines of the company to participate in learning Lei Feng activities in various places.

The activities mainly focus on maintaining the community environment and serving the vulnerable groups in the community, and the Wuhu Shipyard people interpret the "Lei Feng spirit" of hard work, diligence and thrift, and dedication by cleaning up community waste, condolences to the elderly in difficulty in the community, haircuts for the disabled, and tidying up rooms.



Visited the elderly in difficulty in the community of Tuanzhou Village



Cooperate with the municipal government to carry out volunteer services to learn from Lei Feng

Charity and Public Welfare

Wuhu Shipyard actively participates in social charity and public welfare activities such as voluntary blood donation, afforestation, and difficulty assistance. The diversified public welfare activities demonstrate the company's social responsibility, make positive contributions to community development and people's well-being, and fully reflecting its humanitarian spirit and sense of social responsibility. The company's charity and public welfare undertakings have been well received by the government and various social organizations.

The Number of Public Welfare Activities

50 Times

The Total Number of Employee Volunteers

1,000 Person-time

⁸ The data in the table are for the period from 2020 to 2023.

Charitable Donations Such as Wuhu Shipyard Women's and Children's Fund and Project Hope

25,000 CNY

The total Duration of Volunteer Activities

700 Hours⁸



Letter of thanks from the Tuanzhou Village Committee of Baoding Street, Sanshan Economic Development Zone, Wuhu, Anhui Province



Number of Authorized Patents 27 Pieces	Number of Invention Patents 13 Pieces	Number of Design Patents 1 Pieces
Number of Utility Model Patents 13 Pieces	R&D Personnel of the Institute 325 Person	

05 Technical Innovation

Shipbuilding industry is an important support for the national economy, foreign trade and social development. Wuhu Shipyard adheres to the guiding ideology of "seeking change while maintaining stability" and adheres to the operating principle of "balanced production, quality and efficiency improvement, transformation and upgrading, and optimization mechanism". In terms of scientific and technological innovation, we will comprehensively promote the implementation of intelligent manufacturing planning, and adhere to machine substitution to promote intelligence. In terms of digital transformation, the company has transformed traditional processes into efficient and environmentally friendly digital processes through innovation and the introduction of advanced technologies, opening up a new path for enterprise development. In terms of R&D and innovation, the company firmly implements industrial policies and scientific and technological management, pays attention to scientific and technological innovation, enhances core competitiveness, makes unremitting efforts to practice the strategies of manufacturing power, quality power and transportation power, and contributes to the glory of Wuhu Shipyard with hundred years of history.

SDGs Response:

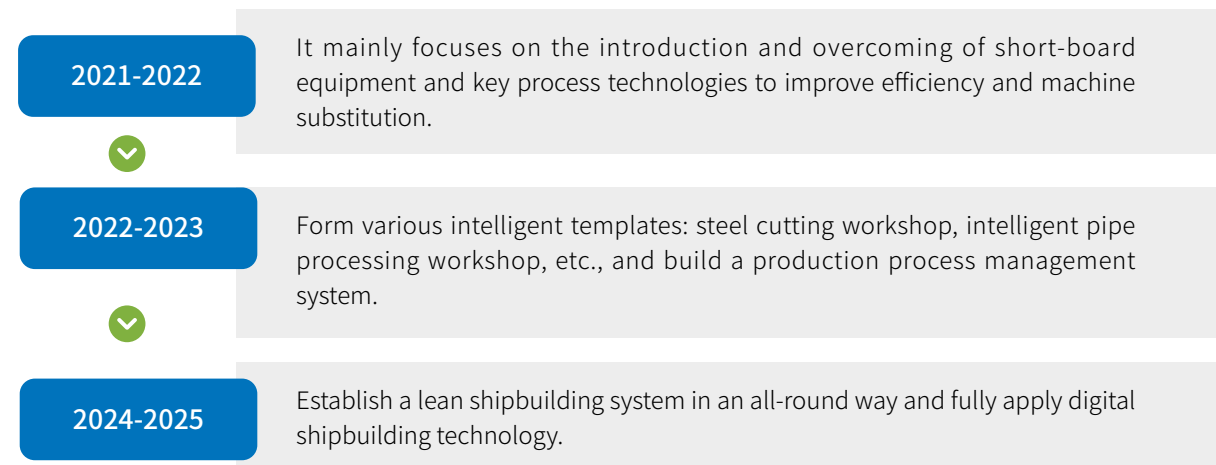


The Core Advantages of Intelligent Manufacturing

Wuhu Shipyard has always been committed to serving the national strategy as its mission, committed to building an intelligent factory, giving full play to the role of the main force of scientific and technological innovation, continuing to explore the management mode of precision and digital integration, actively promoting the development of intelligent ship assembly and intelligent ships, and fully releasing the power of innovation vitality. The company introduces a lean production system and an integrated shipbuilding system, fully integrates the leading advantages of the local robot industry, deeply promotes the integration of information technology and manufacturing, accelerates intelligent transformation, and comprehensively creates the core advantages of "intelligent manufacturing" to enhance the core competitiveness of the enterprise.

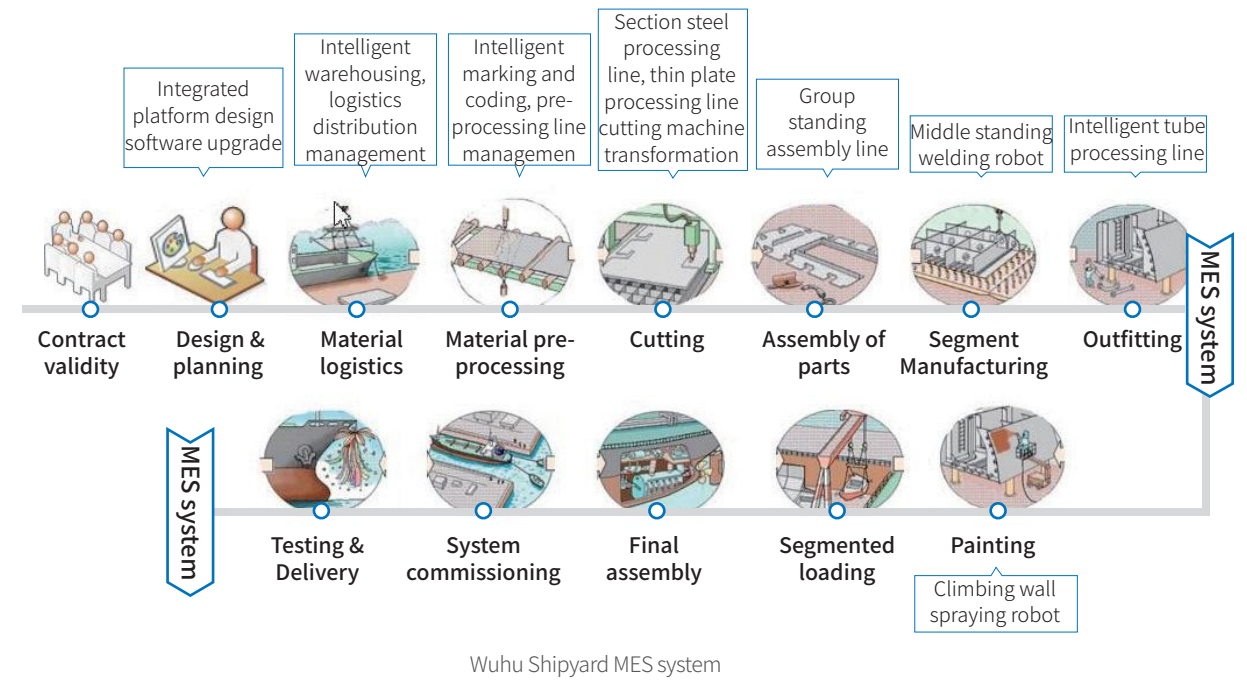
The Overall Layout of Intelligent Manufacturing

The intelligent manufacturing of Wuhu Shipyard aims to comprehensively improve production efficiency, with the promotion of robot technology as the leading, the in-depth management of production as the core, and the overall design, production, logistics, quality, site and other links. Through the integration of automation equipment, digital design, process data and workshop management and control integrated information system, the organic integration and efficient collaboration of design, production and management are realized. This move significantly improves shipyard costs, quality and cycle times, and effectively enhances competitiveness.



The Path of Intelligent Transformation Exploration

Wuhu Shipyard has successfully built a number of intelligent production lines in 2022-2023 with the goal of forming various intelligent modules. Reduce the company's operating costs through manual reduction and paperless office, improve the company's integrated production degree through intelligent equipment such as robots, and improve the lean degree of production through advanced technologies such as visual recognition technology. At the same time, it has achieved many firsts in the domestic shipbuilding industry and made a breakthrough in the assembly line.



Automatic Welding Line for the Small Assembly

From manual and semi-automatic welding to automatic welding, the combination of automatic identification technology and robots is realized, the design model is connected with the assembly line, and the production line can directly receive MES instruction information, which improves processing efficiency.



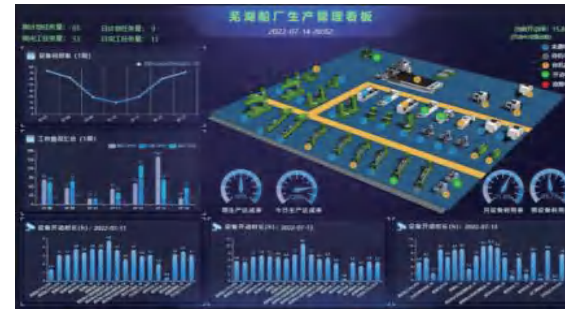
Automatic Cutting Line for the Profile Steel

From manual cutting of section steel to automated, assembly line cutting, grinding and sorting, a production line of automatic feeding, cutting, unloading, grinding and sorting actions has been completed, and the production efficiency has been increased by 80%.



Digitalization of the Machining Working Shop

Realize the networking, monitoring, data collection and data analysis of 39 equipment in the machining workshop, and the whole process of design, quota and production department management and production is paperless, to save 10% of energy and increase production efficiency by 10%.



Outfitting Welding Robot

The first domestic outfitting welding robot was developed, and the welding robot replaced the manual welding of the pipe support outfitting parts, and one person replaced the assembly, welding, and grinding of three stations, which greatly improved the level of intelligence.



Intelligent Steel Cutting Line

Build the first fully automatic hull steel plate cutting center in the shipbuilding industry in China, and integrate the hull blanking production line of inkjet marking, cutting, chamfering, beveling and sorting, to achieve a significant increase in production capacity.



Intelligent Pipe Processing Production Line

Adopting the policy of comprehensive planning and step-by-step implementation, we focus on the deployment of medium-diameter production lines and build production lines for pipe flange assembly, robot welding, front welding and back bending, with a monthly output of 3,000 medium-diameter pipes.



High-End Intelligent Equipment Industrial Park

In February 2023, the groundbreaking ceremony of the first phase of the high-end intelligent equipment industrial park of Wuhu Shipyard was held. The project implements the spirit of the "Double Recruitment and Double Introduction" conference in Sanshan District and jointly invests in the construction of a high-end intelligent equipment industrial park with a company. The project is conducive to the integration of the superior resources of both sides, through the introduction of automated, intelligent and digital factories, the construction of 5G + ecological factories, and the improvement of the development layout of Wuhu's high-end intelligent equipment industrial chain.



The groundbreaking ceremony of the first phase of the high-end intelligent equipment industrial park of Wuhu Shipyard Co., Ltd

Creation of Green Intelligent Ship and Marine Engineering Equipment Industry Alliance

To serve the strategic needs of national manufacturing, maritime power, and transportation power, Wuhu Shipyard, under the promotion of the provincial government, has joined forces with companies, universities and institutes inside and outside the province to create the Anhui Green Intelligent Ship and Marine Engineering Equipment Industry Alliance. The alliance aims to promote the docking of production and demand in the shipbuilding industry and support the shipbuilding company with Wuhu Shipyard as the core to build the "Anhui Ship" brand.



The inaugural meeting of Anhui Green Intelligent Ship and Marine Engineering Equipment Industry Alliance

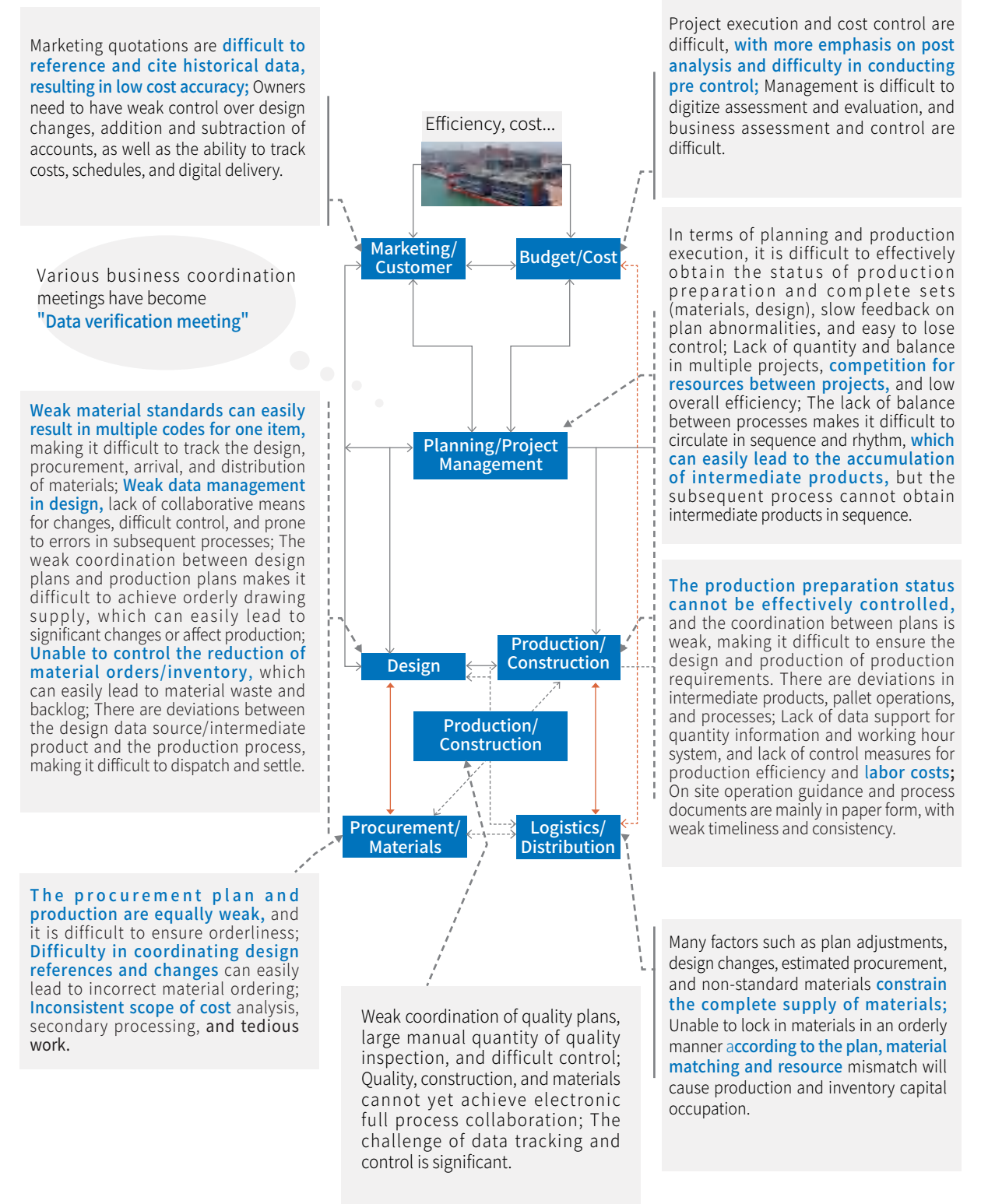
Support the Digital Transformation of the Industry

Wuhu Shipyard strengthens the research and judgment of industry development trends, actively embraces the era of big data, and promotes the digital transformation and development of enterprises and industries. Combined with "Made in China 2025", the company takes quality and efficiency improvement as the core, promotes the full coverage of informatization and digitalization by accelerating the deep integration of the new generation of information technology and manufacturing, realizes the efficient, integrated, collaborative and transparent lean management of the whole business chain, optimizes and improves the ability of production-related auxiliary management, realizes efficient collaboration of data empowerment, and continuously injects new kinetic energy and new advantages into the company.

Shipbuilding Platform Integration

Based on the "Modern Shipbuilding Model 20", the company has introduced and applied the shipbuilding integration platform, and promoted the digital management to be plan-oriented, process-based, and standard-oriented. Through the integrated operation and efficient collaboration of each link, we can create an orderly process combination and achieve an efficient shipbuilding production line. At the same time, we will establish an information management system that connects and guarantees each other, promote the collaborative, agile, and intelligent development of shipbuilding work, and lay a solid foundation for the company's digital transformation.

Business Collaboration Can Enhance Efficiency: By Leveraging Integrated Collaborative Support, We Aim to Enhance Efficiency and Benefits



Digital transformation will shift from traditional **wall style work coordination** to a specialized and integrated **agile collaboration** model, **effectively addressing the above management challenges**

Technology Lead Innovation and Development

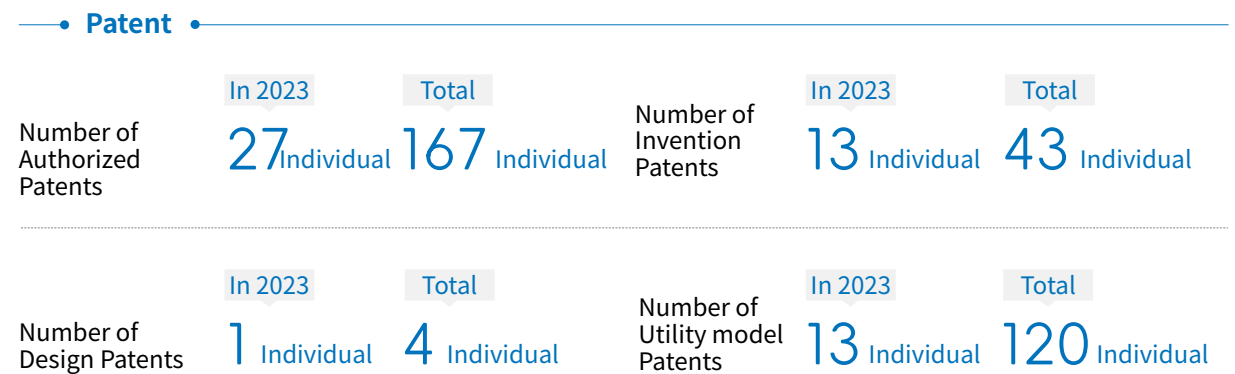
Guided by the national strategy and user needs, Wuhu Shipyard continuously improves its innovation ability and level, realizes the deep integration of science and technology and industry, and injects a strong impetus into the development of the industry. In terms of R&D investment, the company adheres to technological innovation to drive development, continuously strengthens basic research and application development, and promotes the transformation of scientific research achievements into productivity. In terms of innovation management, Wuhu Shipyard has established a sound intellectual property protection system, continuously expanded innovation resources, optimized the R&D environment, and laid a solid foundation for sustainable R&D and innovation.

Research and Development

Wuhu Shipyard has concentrated its efforts, adhered to innovation-driven development strategy, scientifically distribute "great river, sea and river" products, and actively promoted the key work of the company's patent management, scientific and technological achievements transformation, innovative technology platforms construction, postdoctoral workstations and standardized projects construction, and stimulated the originality and enthusiasm of various innovative subjects, and empowers the development of the company with science and technology.

• New Patents of the Company

Wuhu Shipyard continues to improve its product R&D and innovation capabilities. Focusing on continuous innovation and research breakthroughs in ships and amphibious products, it has strong strength in high-tech ships, offshore equipment and amphibious equipment-related technologies, and has obtained a total of 27 authorized patents during the reporting period, which made a new breakthrough in history.



• New Scientific and Technological Achievements Transformation of the Company in 2023

The transformation of scientific and technological achievements is an important channel for Wuhu Shipyard to implement innovation and technology. Relying on scientific and technological innovation, it cultivates incremental business, consolidates existing business, and obtains competitive advantages while creating new growth points.

In 2023, the company's ship construction technology has won five high-tech product certifications. Drafted the national standard document "Aluminum Buried Watertight Hatch Cover Specification", Jiangsu Province Specification"Marine Water Lubrication Bearing Cooling Water Purification Water Supply Device ", etc., to provide instructions for the use, test and inspection of the transformation of scientific and technological achievements.



Standardization Engineering

As a leader in the industry, Wuhu Shipyard actively participates in the formulation of standards, promotes the development of the industry with its own practical experience, and shows the company's responsible image. At the same time, the company has played a positive role in standardizing the shipbuilding industry, leading the technological innovation of production and assembly enterprises, and production quality standards, leading the industry to develop in the direction of high standards and strict requirements.

In 2023, the company participated in the compilation of the national standard "Performance Test Requirements for High-pressure Pumps of Marine and Offshore Technology LNG Gas Supply System (FGSS)", formulated the company's standard "Special Ship Development Process Standard", helped the development of ship technology with high standards, drafted 2 national safety industry standards, and won 7 major rationalization proposal awards in Anhui Province.

Production, Education and Research Construction

In 2023, Wuhu Shipyard, as a national high-tech company, promoted the integration of the company's production, education and research and lead the development of the industry. The company has carried out industry-university-research cooperation agreements with many universities, and has achieved long-term and comprehensive cooperation in the form of project cooperation, joint construction of professional (joint) laboratories, and doctoral workstations. In the future, the company will also cooperate with Harbin Engineering University, Hefei University of Technology, Jiangsu University of Science and Technology, National University of Defense Technology and other universities to attract high-level postdoctoral talents and provide excellent talent resources for the company.

Partner Universities (Partial)	Project Content
	Control system development and controller implementation
Hefei University of Technology	Research, development and application of modular reconstruction algorithm and platform technology for energy, communication and sensor domain control systems
Wuhan University of Technology	Mooring, gate bridge pool test contract
Hust (Huazhong University of Science and Technology)	Bridge span basin test contract
COSCO (Wuhan) Ship Research Institute	Contracts for the calculation of finite elements for berthing, gate bridges and spans
Tianjin Institute of Water Transport Engineering, Ministry of Transport	Wind and wave flow model test

During the reporting period, the company was recognized as the 14th batch of provincial postdoctoral workstations, with excellent scientific research conditions and innovative technology advantages. The postdoctoral workstation and the company's R&D team work together to overcome key problems, carry out cutting-edge research, and gather scientific research wisdom. The research focuses on new energy ships and green inland waterway vessels, covering projects such as "reconfigurable motor module energy", "dual-fuel multi-purpose ships", and "key technologies for water power operation platform equipment for breach plugging". This initiative uses external wisdom to help carry out core technology research and development, and improve the company's overall R&D innovation level and key technology research strength.

Science and Technology Lead Innovation and Development

Wuhu Shipyard adheres to the innovation-driven development strategy, combines the characteristics of the industry, sets up an R&D team, and actively promotes the construction of the company's scientific and technological innovation platform. Empower shipbuilding with science and technology, enhance the company's combat effectiveness and competitiveness, and help the company's shipbuilding and operation management to achieve high-quality development.

• 2023 •			
Developing New Products	New Technology	Apply for a Patent for Invention	
3 Items	6 Items	45 Items	
Authorized Invention Patent	Participate in the Formulation of National Standards	Carry out Industry University Research Cooperation	
13 Items	1 Items	6 Items	
Conduct Technical Exchanges, Training, and Consultation	Introduce Foreign Capital Bring in Talented People	Postgraduate	Senior Engineer
13 Items	3 People	2 People	1 People

Annual Scientific and Technological Innovation Research Progress of the Company

In 2023, the company continued to follow up on key common technology research, major achievements engineering and system integration, major equipment prototypes and key components development, and reliability development and construction, and constantly make optimize and adjustment, overcomed difficulties, developed new technologies, new projects and new designs, built a complete industrial chain, improved the basic conditions for shipbuilding, and promoted the long-term development of key scientific and technological innovation projects.

Key Common Technology Research

Focus on breakthroughs in common technologies such as diesel-powered direct current electric propulsion technology, air-water separation technology of ship oil tank breathable pipe, simulation construction technology, steam high-temperature pipeline system technology, steel pipeline in liquid cargo tank and special coating treatment technology for outfitting parts.

Engineering and System Integration of Major Achievements, Prototypes of Major Equipment and Development of Key Components

- Development of 3900-ton self-unloading ship
- 5,000-ton crude oil tanker
- Construction of offshore oilfield fracturing engineering vessels

Reliability Development and Construction

We will start infrastructure construction such as the transformation project of intelligent processing production line of heavy crane ships and the upgrading and transformation project of chemical tanker production line, plan the digital transformation of existing R&D technology, improve the basic R&D conditions, and further strengthen the R&D and testing capabilities of the center.

Unified Integration of Core Technical Resources

The 6600DWT DC electric propulsion duplex stainless steel intelligent chemical tanker jointly built by Wuhu Shipyard and Shanghai Dingheng Shipping Technology Co., Ltd. ended perfectly. The ship is the world's first large-scale intelligent chemical tanker using DC electric propulsion technology system, through the three core technologies of duplex stainless steel cargo tank, DC electric propulsion technology system, and intelligent configuration, combined with the concept of Dingheng ISHIP, to achieve innovative development and high-quality development of the shipbuilding industry, and jointly establish a new benchmark for green and intelligent ships.



The vessel "Dingheng 21" was successfully delivered

Built the First Fracturing Ship in China

Entrusted by CNOOC, Wuhu Shipyard signed and is responsible for the construction of the world's largest and China's first offshore oilfield fracturing vessel, which is scheduled to be delivered in 2025. After the completion of the ship, it will break the monopoly of a few countries on offshore oilfield fracturing technology, meet the needs of large-scale fracturing operations in China's whole sea area, offshore multi-well batch fracturing operations, as well as gas wells and ultra-deep fracturing operations, and fill the gap in China's offshore oilfield fracturing technology and engineering fields.



Renderings of fracturing vessels

Reform and Innovation of Institutional Mechanisms

To promote the standardized development of scientific and technological innovation platforms, the company will make institutional support for scientific and technological innovation in terms of institutional mechanisms, and strengthen institutional construction in 2023 in terms of industry-university-research collaboration, talent incentives, and operation management, standardize the development of the company's scientific and technological innovation field, provide overall ideas and implementation paths for further scientific and technological innovation, promote the high-quality development of innovative R&D, and further promote the transformation of innovative achievements.

Industry-University-Research Collaboration

Cooperate with universities to carry out collaborative research work of industry, university and research, set up provincial postdoctoral workstations, actively connect with cutting-edge technologies of universities, and further promote the transformation of scientific research achievements.

Talent Incentives

Practicing the concept of "lean production", carrying out TPM management and "cost reduction and efficiency increase" activities, encouraging employees to make up for shortcomings, strengths and weaknesses, going deep into the front line to carrying out more than 70 high-level diagnoses, releasing more than 900 improvement topics, saving more than 800,000 CNY.

Operational Management

We are committed to building a team of chief engineers who understand technology, can manage and collaborate efficiently, and set up a training course for chief engineers of Wuhu Haizhi Research Institute to meet the needs of phenomenal growth of handheld orders.

Future Planning

The company's R&D center, combined with the company's factors such as development stage, industry, R&D level, market characteristics, etc., plans to focus on major R&D projects, talent team construction, and basic R&D construction conditions to carry out work and strive to do a good job in tackling cutting-edge technologies in the field of marine engineering equipment and high-tech ships.

Major

Focusing on the two projects of "R&D and industrialization of 14,600-ton heavy crane ship" and "R&D and industrialization of 7000PCT dual-fuel car carrier", we strive to reach the domestic advanced design level with technological breakthroughs, precision control and green environmental protection as the R&D goals.

Talent Team Construction

Recruit/train no less than 6 talents at the intermediate level and above or master's degree or above, further expand the R&D talent team, and increase the R&D talent reserve.

In terms of Improving the Conditions for Basic R&D Construction

Carry out the construction of R&D infrastructure such as the comprehensive upgrading and transformation project of the production park and the first phase of the high-end intelligent equipment industrial park, improve the infrastructure, and improve the level of intelligent, digital and software-based manufacturing.

Property Rights Management

Wuhu Shipyard attaches great importance to the protection of intellectual property rights, ensures the legitimate rights and interests of innovative achievements, and promotes the continuous development of the company. The company has taken a series of measures to establish a rigorous intellectual property protection process and build a sound protection system. This measure not only effectively standardizes the management of intellectual property rights, but also promotes a virtuous cycle of investment and return on science and technology, and injects a strong impetus into the company's sustainable development.

Institutional

The company incorporates the protection of intellectual property rights into the company's regular management system, formulates the "company's patent management regulations", "the company's scientific and technological achievements management measures" and other relevant system terms, and clarifies the management responsibilities, application procedures, awards and other process specifications of property rights such as patents, trademarks, academic papers, standard documents, operating procedures, etc.

Responsibilities

The company has set up special patent management positions and is equipped with full-time intellectual property staff. The management of intellectual property rights is managed by the Integrated Management Center, which actively protects the company's property rights from infringement by others, establishes and improves the patent management process, and establishes a patent assessment mechanism. The establishment of the management department and full-time personnel is conducive to promoting the normalization, standardization and efficiency of the company's intellectual property management.

Employee Appraisal

The company incorporates intellectual property protection into the company's evaluation indicators, combines the company's development stage, industry, R&D level, market characteristics and other factors, and takes the quality of application and patent authorization as the main assessment criteria, to realize the guiding role of intellectual property management in the company's R&D, production, sales and other links. For collectives and individuals who have made outstanding contributions to intellectual property rights, the company implements the intellectual property reward and punishment system concerning national standards, mobilizes the enthusiasm of inventors, and forms an atmosphere of attaching importance to intellectual property rights within the company.



06 Sustainable Supply Chain

Wuhu Shipyard regards sustainable development as the development goal of the supply chain system, works hand in hand with partners, such as suppliers, customers, and enterprises and other stakeholders for win-win cooperation, adheres to responsible procurement, sunshine procurement, green procurement, and safe procurement, and jointly writes a new chapter in the high-quality development of China's shipbuilding industry. Through systematic management, the company clarifies the concept of responsibility and win-win cooperation, actively promotes the deep integration of the supplier and the company, promotes the common growth of both parties in the market competition, and realizes complementary advantages. At the same time, the company continues to improve production monitoring and disposal procedures, strictly control product quality, optimize the cooperation experience of ship-owners, and create a comfortable delivery process.

SDGs Response:



Respond to the Government's Call to Build a Robust Supply Chain

Wuhu Shipyard actively responds to the call of the Provincial Party Committee and the Provincial Government on the industrial chain and supply chain of production resources of the shipbuilding company to "build a chain, strengthen the chain and consolidate the chain", actively introduces high-quality supporting suppliers, and accelerates the deep integration of upstream and downstream production resources in the shipbuilding industry to build a new cooperation pattern. The company plans to complete the goal of "Strengthen" in 2027 and achieve "Consolidation" in 2029, aiming to build an ecosystem with Wuhu shipyard as the core around the ship industry chain, create a new supply chain model, and form a new development support system.



Signed a strategic cooperation agreement to jointly innovate and develop potential energy

In July 2023, a signing ceremony was held between Wuhu Shipyard and a group in Wuhu, and the two sides formally signed a strategic cooperation agreement upholding the principles of strategic synergy, strengthened cooperation, complementary advantages, and mutual benefit and win-win. Through close communication and coordination, this cooperation promotes resource sharing, information flow, and efficient operation of the supply chain. The two parties will jointly explore new business models and innovative mechanisms, continuously enhance the depth and breadth of the partnership, and jointly promote the green and sustainable development of the industry.



The signing ceremony between Wuhu Shipyard and XX group

Clarify the Responsibilities of the Department and Build a Management system

Focusing on the business policy of "balanced production, quality and efficiency improvement, transformation and upgrading, and optimization mechanism", the company has formulated the 2023 edition of the "Regulation on the Management of Civil Suppliers of the company " to systematically control the supplier management from various aspects, build a stable, mutually beneficial and long-term supply cooperative relationship, and create a sustainable supply chain system.

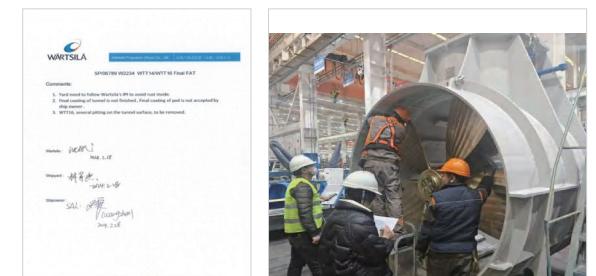
In order to strengthen the management and control

of the supplier system, Wuhu Shipyard divided the main responsibility and set up an evaluation team to clarify the specific responsibilities of each department in the management of the suppliers. By clarifying the division of responsibilities, stimulating the sense of responsibility, and giving full play to the professional advantages of each department, we can ensure the orderly development of supplier management and promote the overall improvement of the supplier management level.

Department	Key Responsibilities
Representatives of managers	Responsible for the approval of the supplier's access assessment, evaluation and elimination.
Purchasing Department	Responsible for formulating the relevant management system of the supplier; Initiation of the supplier access process; Centralized management of suppliers, dynamic management of supplier directory and supplier file management.
Marine/Large Ship R&D Institute	Responsible for initiating, hiring and related management of the process of temporary supplier access to new fields and new technologies in new research projects.
Civilian quality room	Responsible for the process initiation of the access of temporary suppliers in the experimental cooperation category; Supplier quality information management.
Production and operation center	Responsible for initiating the access application process of temporary suppliers outside the process of the department.
Civilian business office	Responsible for initiating the application process for temporary supplier access to new fields and suppliers designated by the shipowner in new research projects; Deliver the "List of Qualified Suppliers" suppliers to the customer.
Equipment power room	Responsible for initiating the access application process for temporary suppliers in new fields in new research projects.
Finance Department	Responsible for deducting the illegal supplier according to the "Supplier Penalty Sheet".

Supplier Quality Management and Training

The company has established a supplier quality management and service level training mechanism. Under the premise of signing a technical agreement for the supplier's products, the company will carry out FAT procedures on the supplier's deliverables, and the supplier, the shipowner and the company need to be present at the same time and issue an inspection report based on the test results. At the same time, for the supplier's on-site service engineers, Wuhu Shipyard will systematically provide safety and professional operation



FAT inspection is carried out for the supplier's products

training for the supplier, and be equipped with specific marked operation equipment to regularly check its service quality and safety operation standards.

Prudent Supplier Selection and Recommendation of Excellent Suppliers

Wuhu Shipyard developed process specifications from supplier access, performance monitoring and regular evaluation to optimize the whole life cycle management of the supply chain. Wuhu Shipyard helps the company to achieve long-term cooperative relations with qualified suppliers and promote the sustainable development of qualified suppliers with

temporary and periodic supply-side management methods. As of 2023, Wuhu Shipyard has a total of 743 qualified suppliers for long-term cooperation, which provides supply chain guarantee for the company's steady and long-term development and laying a solid foundation for achieving the goal of stable and long-term development.

Temporary Supplier Access Evaluation

- Data evaluation
- Inspection or test evaluation
- On-site evaluation

Annual Evaluation of Temporary Suppliers

- Temporary suppliers are categorized into three groups based on their overall evaluation scores:
- Qualified suppliers
 - Temporary suppliers
 - Eliminated suppliers

Re-evaluation, Admission, Downgrading, Elimination of Qualified Suppliers

- Qualified suppliers are categorized into three groups according to the branch corresponding to the score of the evaluation group:
- Maintained as a qualified supplier
 - Degraded to Temporary Supplier
 - Converted to a phase-out supplier

At the same time, in order to effectively select suppliers with stable supply, timely delivery, cost-effective products and after-sales service guarantee, Wuhu Shipyard conducts hierarchical management of suppliers, evaluates the credibility rating of suppliers every year, and the reputation standards are divided into four categories: excellent, good, medium and unqualified. Among them, the company emphasizes the blacklist system and maintains a never-cooperative attitude towards violations of business ethics or serious violations of contract provisions. At the same time, the annual assessment of the "annual excellent supplier", to give the license and related awards, under the same conditions have the right to be preferentially selected, the ingenious mechanism to achieve a win-win cooperation, maximize the use of the value-added potential of the supply chain, effectively promote the construction of a sustainable supply chain system, for the company and suppliers to work together, to create a more prosperous and sustainable cooperation environment.

Safety and Environment Agreement and Implement the Responsibilities of Both Parties

To enhance the importance of safety production and environmental management, Wuhu Shipyard strictly requires the supplier to sign the "Agreement on Production Safety and Environmental Management of Wuhu Shipyard" in accordance with the "Safety Production Law of the People's Republic of China", "Environmental Protection Law of the People's Republic of China", "Construction Law of the People's Republic of China", "Civil Code of the People's Republic of China" and other laws and regulations, as well as the relevant provisions of Party A's safety and environmental protection rules and regulations. This Agreement requires Party B to abide by the factory rules and regulations, accept Party A's unified coordination and supervision of production safety, strengthen production safety and environmental management measures, and clearly define the responsibilities, rights and obligations of all parties in production safety and environmental protection, so as to further consolidate the basic bottom line of safety and environmental protection.

Ensure Product Quality and Optimize Customer Management

Wuhu Shipyard continuously improves quality management and defective product treatment programs to ensure that products meet international standards. The quality management of the ships produced by the company has passed various international certifications, and the list of harmful substances has been certified. Through strict product quality and safety management, the company continuously improves the production process to provide a high level of quality assurance and safety assurance.

Quality Management

Wuhu Shipyard has been awarded the "Quality Management System Certification" for its strict control and efficient operation in quality management. In addition, the ships produced have also passed the tripartite certification of product quality and health and safety assurance such as ISO9001, DNV, Bureau Veritas, etc., such as 21501 asphalt ships, 7801 multi-purpose ships, etc. The certification of these ships is not only a recognition of the quality of the ship but also a full trust in the company's production process, management system and service level. The certificate also marks that Wuhu Shipyard has reached an internationally recognized level in terms of product quality and safety, won the praise and trust of customers, and provided strong support for building sustainable cooperation.



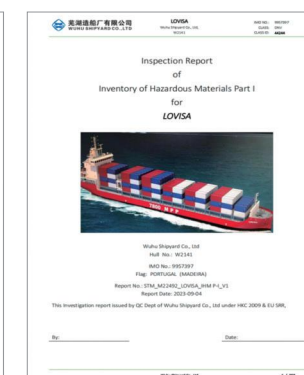
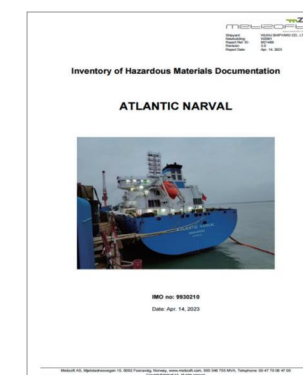
Quality management system certification



Product quality and health and other safety assurance and tripartite certification



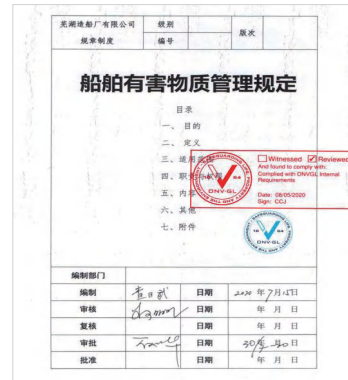
In addition to the quality certification of the vessel, Metizoft was commissioned by Wuhu shipyard to provide the certification of the hazardous material list for Atlantic Narval vessels, while the OLIVIA, LOVISA and VIGDIS marine hazardous material lists provided were also approved by DNV. This certification is not only a re-verification of the quality of ship construction, but also an emphasis on environmental protection and crew safety. The company strictly follows the requirements of the International Maritime Organization to ensure that the materials used in the construction process of the ship are carefully screened and tested to ensure that the harmful substances in the materials do not harm the environment and human health. Such a move not only demonstrates the company's commitment to environmental responsibility and sustainability but also provides greater safety and sustainability for the future operation of the vessel.



Third-party hazard list certification for some vessels

Control of Hazardous Substances

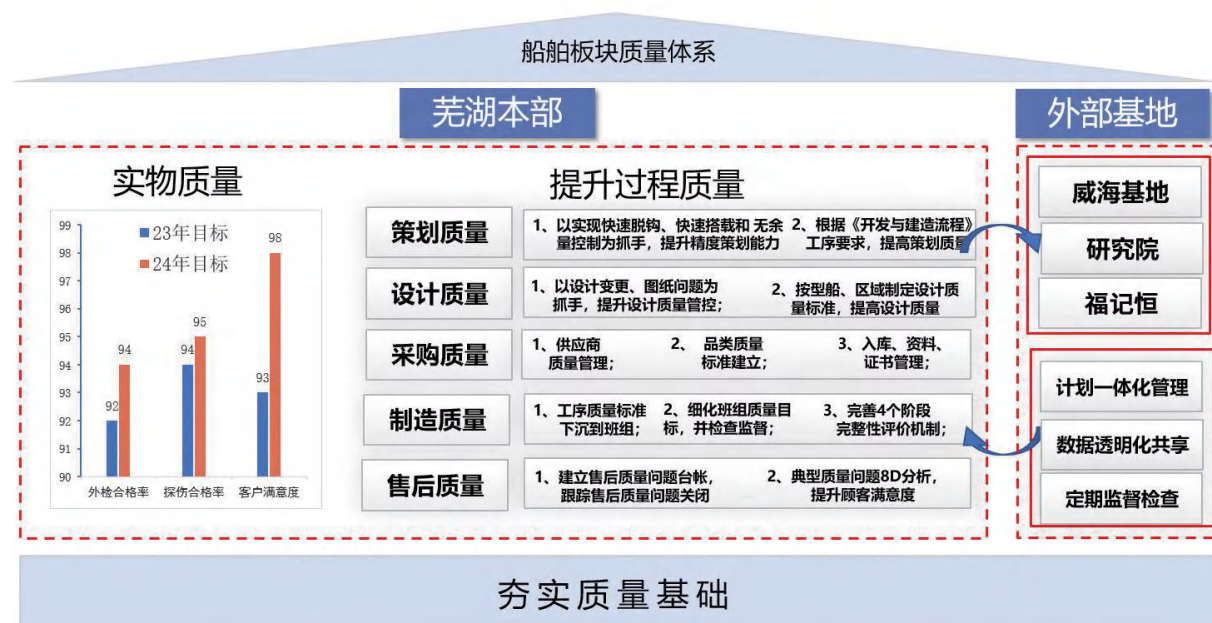
In order to comply with the shipbuilding specifications and meet the requirements of international conventions such as the 2009 Hong Kong International Convention on Safety and Environmental Friendliness and the EU Ship Recycling and Modification Regulations, Wuhu Shipyard has formulated the Regulations on the Management of Hazardous Substances on Ships to carry out comprehensive and effective control and management of hazardous substances in all newly classified ships of the company. Wuhu Shipyard strictly controls harmful substances in the shipbuilding process through this regulation, ensures that the quality and safety of ships meet international standards, and makes a positive contribution to environmental protection.



Regulations on the Management of Hazardous Substances in Ships

Enhanced Quality Management

Wuhu Shipyard has set up a 2024 quality strategic plan to build a new generation of quality management system, aiming to consolidate the foundation, improve the quality of the physical object, the quality of the construction process, improve the quality of the system, the quality of the covered foundation, and the quality of transparent costs. By improving the process quality of the Wuhu headquarters in five aspects, including planning, design, procurement, manufacturing, and after-sales, the company has achieved the improvement of quality and quantity, and at the same time, the external base provides assistance and supervision and management support to ensure the continuous improvement of product quality and customer satisfaction.



Quality strategic planning (5+1) quality management system

Defective Product Treatment

In order to ensure that the shipbuilding of Wuhu Shipyard reaches a high-quality level and improve the company's management mechanism, the company has formulated the "Wuhu Shipyard Co., Ltd. Enterprise Standard - Nonconforming Product Control Procedures". The procedure focuses on the quality of high-standard supervised products, and identifies, divides, controls and records the process of product production through the use of the "Nonconforming Product Trial Form" and the "Nonconforming Product Statistical Table", and strictly manages the processing process of non-conforming products. In order to avoid the mixing of good and bad products, the company will take effective countermeasures promptly for products that need to be reworked, repaired or downgraded; For products that cannot be repaired or do not meet the requirements, they will be directly scrapped to ensure the rigor of the production process and the stability of product quality.

Quality Assurance Training

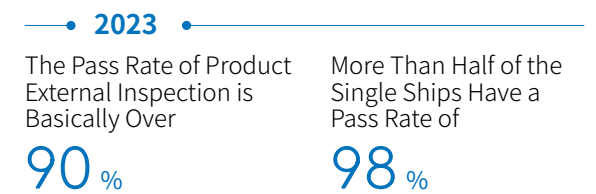
In order to continuously improve product quality and reduce the number of unqualified products, Wuhu Shipyard has taken relevant actions such as making welding standard models, improving welding quality, welding expert training, and electrical professional knowledge quality training. By standardizing the welding process, grasping the quality of welding consumables, analyzing the causes of welding defects, learning welding skills and experience on the spot, and cultivating multi-functional talents with electrical knowledge, we can effectively improve the quality of products, meet the needs of customers, and help the sustainable development of the company.



Det Norske Veritas' welding experts in Greater China conduct thick plate welding training

External Inspection of Products

Wuhu Shipyard invites external third-party organizations to conduct quality inspections to verify that products comply with relevant standards and regulations to ensure product quality and safety. During the reporting period.

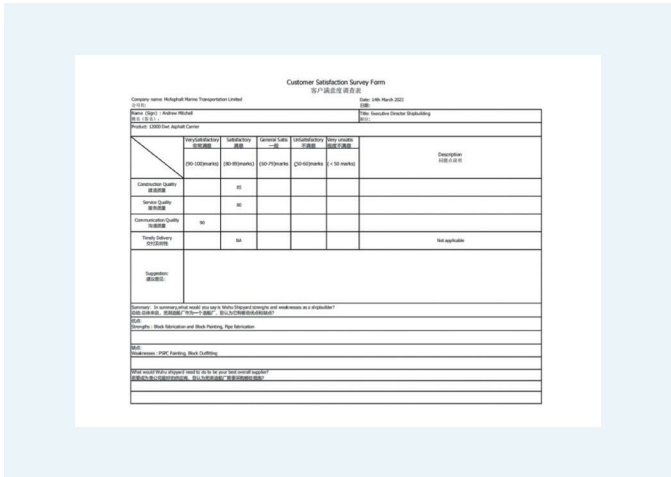


Customer Satisfaction

In order to help the sustainable development of Wuhu Shipyard and continuously improve the comprehensive level, the company actively invites customers to fill in the "Customer Satisfaction Questionnaire", and calculates the scores of various indicators of customer satisfaction semi-annually, which is linked to the performance of the responsible person. By listening carefully to customer feedback, the company steadily improves the quality of ship construction, service quality and communication, and actively strengthens the timely delivery ability of ships. Wuhu Shipyard will continue to improve the high level of work quality to ensure that the needs and expectations of customers are met or even exceeded, and the long-term development and sustainable success of the company are promoted.



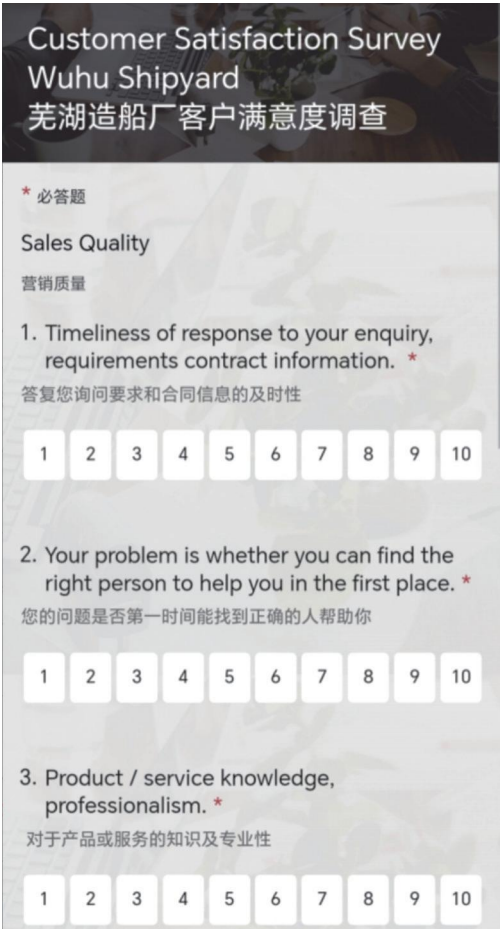
Successfully delivered two 22,000 DWT chemical tankers, and the shipowner DONSOTANK awarded the shipyard a total of US\$85,000



Example of a customer satisfaction survey



The owner of AHTS gifted 800 bicycles to his employees as a reward for the successful completion of the newbuilding projec



Customer Satisfaction Survey Questionnaire (Partial)

Appendix

Appendix 1: ESG Key Performance

Dimension	Performance Name	Quantitative Data
Environmental	Total water consumption	972.53 thousand tons
	Water intensity	1.94 tons / ten thousand CNY
	Water resource use intensity decreases	15.18%
	Water consumption in living areas	3,02,400 tons
	Work area water consumption	6,70,126 tons
	Cycle water consumption	58650 Tons
	The proportion of circulating water	6.03%
	Total electricity consumption	3,5,3,80,140 KWH
	Electricity intensity	70.62 KWH / ten thousand CNY
	Reducuse of is reduced	22.39%
	gas consumption	8,56,771 m 3
	Consumption of fossil energy sources	200.65 tons
	Clean energy usage	4,3,76,440 KWH
	The proportion of renewable energy use	9.31%
	Total energy usage	1716228.30 J
	Comprehensive energy consumption of ten thousand CNY of output value	40,7748,156 tons of standard coal / ten thousand CNY
	Waste water discharge	778.02 thousand tons
	ammonia nitrogen	4979 Tons
	COD	25674 Tons
	BOD	6613 Tons
	Animal and plant oil	202 Tons
	Oil class	303 Tons
	suspended matter	6224 Tons
	Total exhaust emissions	1912445 million cubic meters
	dimethylbenzene	0.05 Tons
	Total non-methane hydrocarbon emissions	3.8 Tons
	Particulate emissions	10.4 Tons
	General solid waste discharge total amount	12,298.80 tons
	Total amount of hazardous solid waste discharged	384.6 Tons
	used mineral oil	60.2 Tons
	Waste paint	2.4 Tons
	Waste dirt	23.1 Tons
	Waste cleaning agent	0.1 Tons
	Waste activated carbon	0.3 Tons
	Paint	31.3 Tons



Dimension	Performance Name	Quantitative Data
Environmental	Waste filter material	6.4 Tons
	Waste paint bucket	163.3 Tons
	Waste oil bucket	23 Tons
	Waste chemical reagents	0.2 Tons
	Hazardous waste production volume per unit area	0.2982kg/ m ²
	The production of hazardous waste per unit area decreased year on year	4.6%
	Range 1: greenhouse gas emissions	12,770.50 tons of CO 2 equivalent
	Scope 2: greenhouse gas emissions	21,881.10 tons of CO 2 equivalent
	Scope 3 for greenhouse gas emissions *	7,226.71 tons of CO 2 equivalent
	New energy bus	130 ⁺ units
	Total investment in environmental protection	3.67 millionCNY
	The proportion of green income	71.89%
	Production was stopped due to environmental incidents	0 Times
	Environmental administrative punishment	0 ⁺
	The hourly value of air pollutants exceeds the standard	≤ 18 times
	Environmental protection training held	147 Tests
	Environmental protection training participation	5343 People
	The proportion of the factory green space area	10% ⁺
	National "green factory"	1
Social	Total number of employees	3880 People
	Number of official employees	1117 People
	The percentage of employees of other ethnic groups	9.36%
	The proportion of female employees	18%
	Number of new employees	277 People
	Number of employees recruited by the school	79 People
	Regular staff turnover rate	4%
	Labor contract signing rate	100%
	Signing rate of labor contract	100%
	Average employee salary	109,000 / year
	The basic salary ratio of male and female employees	129%
	Participation in the vocational training programs	13,543 person-times
	A total of vocational training programs have been carried out	173 Times
	Vocational training programs for new employees	12 Times
	Total class hours of the vocational training program	2850 Hours
	New employees will participate in the vocational training programs in total	270 ⁺ people
	Vocational training time per person duration	16.5 Hours
	Senior professional title declaration	2 people
	Senior title declaration	7 people

Dimension	Performance Name	Quantitative Data
Social	Intermediate title declaration	17 People
	One million CNY of output value mortality rate	0%
	The number of minor safety production accidents	7 times
	The rate of injuries in production safety accidents	2%
	Number of staff safety training sessions held	193 Times
	Total number of safety training personnel	45,570 persons
	Total duration of safety training	265 Hours
	Drafting of national security industry standards	2 items
	Provincial major rationalization proposal award	7 itiems
	Industry-university-research cooperation was added	6 itiems
	The number of authorized patents was increased	27 Pieces
	The number of invention patents was increased	13 Pieces
	The number of appearance design patents was increased	1 piece
	The number of utility model patents has been increased	13 Pieces
	Number of suppliers	743
	Qualified rate of product external inspection	≥ 90%
	Sympathy to employees in need	24 People
	solatium	68000CNY
	Public welfare investment	105000 CNY
	Total number of staff volunteers	1,000 ⁺ people
Governance	Public welfare activities	50 ⁺ times
	Volunteer service	1,000 ⁺ people
	Total length of volunteer activities	700 ⁺ hours
	operating receipt	5.01billion CNY
	Build delivery ships	31 Ships
	board officer	5 people
	The shareholders' meeting	10 Times
	board meeting	9 times
	ESG cultivate	4 times
	And ESG management training	350 People
	risk identification	7 Times
	Violations	0 Times
	Clean publicity and education were held	19 times
	Accumulated cost reduction of compliance inspection	67 ⁺ million CNY
	Participation in warning education and training	2600 People
	Risk management training is held	32 Fields
	Participation in the risk management training	3863 People

*The data only includes the carbon emissions generated by leasing shuttle buses and transporting raw materials

Appendix 2: Index of Reporting Standards

Index of the Global Reporting Initiative's Sustainable Development Reporting Standards (2021 Edition)

Guideline	Number	Content	Report Corresponding Chapter
GRI 2 Series:, General Disclosure	GRI 2-1	Organization details	About this report
	GRI 2-2	Entity incorporated in organizational sustainability reports	Walk into the Wuhu Shipyard
	GRI 2-3	Reporting period, reporting frequency, and contacts	Walk into the Wuhu Shipyard
	GRI 2-4	Information restatement	Walk into the Wuhu Shipyard
	GRI 2-5	External authentication	Undisclosed
	GRI 2-6	Activities, value chains, and other business relationships	Sustainable supply chain
	GRI 2-7	staff	Build a harmonious and diversified team
	GRI 2-8	Workers outside of the staff	Build a harmonious and diversified team
	GRI 2-9	Governance architecture and composition	Improve organizational management
	GRI 2-10	Nomination and selection of the highest governing body	Improve organizational management
	GRI 2-11	Chairman of the highest governing body	Improve organizational management
	GRI 2-12	In terms of management impact, the supervisory role of the top governing agency	Improve organizational management
	GRI 2-13	Authorizing the responsibility for managing the impacts	Improve organizational management
	GRI 2-14	Role of the top governance agency in sustainability reporting	Fusion of the ESG management
	GRI 2-15	conflict of interest	Stakeholder communication
	GRI 2-16	Communication of important concerns	Stakeholder communication
	GRI 2-17	Common understanding of the highest governing institutions	Improve organizational management and integrate ESG management
	GRI 2-18	Performance evaluation of the highest governing organization	Undisclosed
	GRI 2-19	Compensation policy	Cultivate a happy and warm shipyard
	GRI 2-20	Procedures for determining the compensation	Undisclosed
	GRI 2-21	Total annual compensation ratio	Cultivate a happy and warm shipyard
	GRI 2-22	Statement on the sustainable development strategy	development planning
	GRI 2-23	Policy commitment	Fusion of the ESG management
	GRI 2-24	Integration policy commitment	Fusion of the ESG management
	GRI 2-25	Procedure to remedy the negative effects	Coping with climate change

Guideline	Number	Content	Report Corresponding Chapter
GRI 2 series:, General Disclosure	GRI 2-26	Mechanisms for seeking advice and raising concerns	Undisclosed
	GRI 2-27	Abide by laws and regulations	Improve compliance management
	GRI 2-28	Membership of the Association	Undisclosed
	GRI 2-29	Method of stakeholder engagement	Stakeholder communication
	GRI 2-30	Collective negotiation agreement	Build a harmonious and diversified team
GRI 3 Series: Substantial Issues	GRI 3-1	The process of identifying substantive issues	Stakeholder communication
	GRI 3-2	A list of substantive issues	Stakeholder communication
	GRI 3-3	The management of the substantive issues	Stakeholder communication
GRI 200 Series: Economic Disclosure GRI 200 Series: Economic Disclosure	GRI 201-1	The economic value directly generated and distributed	company profile
	GRI 201-2	The financial impact of climate change and the other risks and opportunities	Coping with climate change
	GRI 201-3	Fixed benefit plan obligations and other retirement plans	Cultivate a happy and warm shipyard
	GRI 201-4	Financial subsidies given by the government	Undisclosed
	GRI 202-1	The ratio of starting wage to local minimum wage	Cultivate a happy and warm shipyard
	GRI 202-2	Proportion of senior executives employed from the local communities	Build compliance governance
	GRI 203-1	Infrastructure investment and supportive services	Building an altruistic and win-win society
	GRI 203-2	Significant and indirect economic impact	Sustainable supply chain
	GRI 204-1	Proportion of purchases from local suppliers	Undisclosed
	GRI 205-1	Operations point where a corruption risk assessment has been conducted	Improve compliance management and implement ethical review
	GRI 205-2	Communication and training of anti-corruption policies and procedures	Improve compliance management
	GRI 205-3	Confirmed corruption incident and actions taken	Improve compliance management
	GRI 206-1	Legal action against anticompetitive behavior, antitrust, and antitrust practices	Undisclosed
	GRI 207-1	Tax policy	Undisclosed
	GRI 207-2	Tax governance, control, and risk management	Fusion of the ESG management
	GRI 207-3	Involvement and management of stakeholders related to tax concerns	Stakeholder communication
	GRI 207-4	Country report	Undisclosed
GRI 300 Series: Environmental Disclosure	GRI 301-1	Weight or volume of the material used	Undisclosed
	GRI 301-2	The recycled feed used	Resources and three-waste discharge management
	GRI 301-3	Reclaimed products and their packaging materials	Resources and three-waste discharge management

Guideline	Number	Content	Report Corresponding Chapter
GRI 300 Series: Environmental Disclosure	GRI 302-1	Energy consumption within the organization	Coping with climate change
	GRI 302-2	Energy consumption outside of the organization	Coping with climate change
	GRI 302-3	energy intensity	Coping with climate change
	GRI 302-4	Reduce energy consumption	Coping with climate change
	GRI 302-5	Reduce energy demand for products and services	Coping with climate change
	GRI 303-1	Interinteraction of tissue and water as a common resource	Resources and three-waste discharge management
	GRI 303-2	Manage the effects associated with drainage	Resources and three-waste discharge management
	GRI 303-3	water intaking	Resources and three-waste discharge management
	GRI 303-4	drain off water	Resources and three-waste discharge management
	GRI 303-5	water deprivation	Resources and three-waste discharge management
	GRI 304-1	Organizations have owned, leased, managed operating points in biodiversity-rich areas located outside or adjacent reserves and protected areas	the conservation of biological diversity
	GRI 304-2	Significant impact of activities, products, and services on biodiversity	the conservation of biological diversity
	GRI 304-3	Protected or restored habitat	the conservation of biological diversity
	GRI 304-4	Species in operational affected habitats that have been listed in the World Conservation Union (IUCN) Red List and the National Conservation Register	the conservation of biological diversity
	GRI 305-1	Direct (range 1) greenhouse gas emissions	Coping with climate change
	GRI 305-2	Energy is indirect (range 2) to greenhouse gas emissions	Coping with climate change
	GRI 305-3	Other indirect (range 3) greenhouse gas emissions	Coping with climate change
	GRI 305-4	Greenhouse gas emission intensity	Coping with climate change
	GRI 305-5	Greenhouse gas emission reduction	Undisclosed
	GRI 305-6	Dismission of ozone depleting substances (ODS)	Resources and three-waste discharge management
	GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other major gas emissions	Resources and three-waste discharge management
	GRI 306-3	A major leak	Resources and three-waste discharge management

Guideline	Number	Content	Report Corresponding Chapter
GRI 300 Series: Environmental Disclosure	GRI 308-1	New vendors screened using the environmental evaluation dimension	Safety and environment agreement, the implementation of both parties' responsibilities,; green supply chain
	GRI 308-2	Negative environmental impacts of the supply chain and the actions taken	Safety and environment agreement, to implement the responsibilities of both parties
GRI 400 Series: Social Disclosure	GRI 401-1	New employee hiring rate and employee turnover rate	Build a harmonious and diversified team
	GRI 401-2	Benefits offered to full-time employees (excluding temporary or part-time employees)	Cultivate a happy and warm shipyard
	GRI 401-3	Parenting leave	Cultivate a happy and warm shipyard
	GRI 402-1	Minimum notification period for operational changes	Stakeholders communicate and integrate ESG management
	GRI 403-1	Occupational health and safety management system	Protect the health and safety of employees
	GRI 403-2	Hazard identification, risk assessment, and accident investigation	Protect the health and safety of employees
	GRI 403-3	occupational health services	Protect the health and safety of employees
	GRI 403-4	Occupational health and safety affairs: worker participation, consultation and communication	Protect the health and safety of employees
	GRI 403-5	Occupational health and safety training for workers	Protect the health and safety of employees
	GRI 403-6	Promoting the workers' health	Protect the health and safety of employees
	GRI 403-7	Prevent and mitigate occupational health and safety impacts directly related to business relationships	Protect the health and safety of employees
	GRI 403-8	Workers covered by the occupational health and safety management system	Protect the health and safety of employees
	GRI 403-9	injury suffered on the job	Protect the health and safety of employees
	GRI 403-10	Work-related health issues	Protect the health and safety of employees
	GRI 404-1	Average hours of training per employee per year	Support the sustainable development of the team
	GRI 404-2	Staff skills improvement programs and transition assistance programs	Support the sustainable development of the team
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Support the sustainable development of the team
	GRI 405-1	Diversity of governance institutions and employees	Build a harmonious and diversified team
	GRI 405-2	The proportion of basic wages and remuneration for men and women	Cultivate a happy and warm shipyard
	GRI 406-1	Events of discrimination and corrective actions taken	Build a harmonious and diversified team
	GRI 407-1	Freedom of association and collective bargaining rights may be at risk	Build a harmonious and diversified team

Guideline	Number	Content	Report Corresponding Chapter
GRI 400 Series: Social Disclosure	GRI 408-1	Operating sites and suppliers with the risk of major child labor events	Carefully select the suppliers, and recommend excellent suppliers
	GRI 409-1	Operating points and suppliers with significant risk of forced or forced labor events	Carefully select the suppliers, and recommend excellent suppliers
	GRI 411-1	Events involving violations of indigenous rights	uninvolved
	GRI 415-1	Political donations	Undisclosed
	GRI 416-1	To assess the health and safety impact of the product and service categories	Ensure product quality, optimize customer management, green intelligent manufacturing to help the high-quality development of the shipbuilding industry
	GRI 416-2	Violations involving the health and safety implications of the products and services	Ensure product quality, optimize customer management, green intelligent manufacturing to help the high-quality development of the shipbuilding industry
	GRI 417-1	Requirements for product and service information and identification	Ensure product quality, optimize customer management, green intelligent manufacturing to help the high-quality development of the shipbuilding industry
	GRI 417-2	Violations involving the information and identification of products and services	Ensure product quality, optimize customer management, green intelligent manufacturing to help the high-quality development of the shipbuilding industry
	GRI 417-3	Violations involving marketing communications	Undisclosed
	GRI 418-1	Confirmed complaints involving violations of customer privacy and loss of customer information	Ensure product quality, optimize customer management, green intelligent manufacturing to help the high-quality development of the shipbuilding industry

Index of the Hong Kong Stock Exchange's Environmental, Social and Governance Disclosure Guidelines

Main Categories, Levels, General Disclosures, and Key Performance Indicators		Report Corresponding Chapter
A. Environment		
Level A1: Effluent	General disclosure Related to waste gas and greenhouse gas emistions, sewage discharge into water and land, harmful and harmless waste generation of: (A) Policy; and (B) Information on compliance with the relevant laws and regulations that have a significant impact on the issuer.	

Main Categories, Levels, General Disclosures, and Key Performance Indicators			Report Corresponding Chapter
Level A1:Effluent	Key performance indicator A1.1	Emission types and related emission data.	Coping with climate change
	Key performance indicator A1.2	Direct (range 1) and energy indirect (range 2) greenhouse gas emissions (calculated in tons) and (if applicable) density (if calculated in per unit of production, per facility).	Coping with climate change
	Key performance indicator A1.3	Total amount of hazardous waste generated (in tons) and (if applicable) density (in unit per yield, facility per item).	Resources and three-waste discharge management
	Key performance indicator A1.4	Total amount of harmless waste generated (in tons) and (if applicable) density (as per unit, per facility per yield).	Resources and three-waste discharge management
	Key performance indicator A1.5	Describe the emissions targets set and the steps taken to achieve them.	Coping with climate change
	Key performance indicator A1.6	Describe the methods of disposing of hazardous and harmless waste, and describe the waste reduction objectives and the list of ESG policies / systems adopted to achieve the objectives.	Resources and three-waste discharge management
	To generally disclose policies for the effective use of resources (including energy, water, and other raw materials).		
Level A2: Resource Use	Key performance indicator A2.1	Total consumption of direct and / or indirect energy (e. g. electricity, gas, or oil) (in thousand kWh) and density (as in unit per output, per facility) by type.	We will practice green principles and address climate change
	Key performance indicator A2.2 Total water consumption and density (as calculated at per yield unit, per facility).		Resources and three-waste discharge management
	Key performance indicator A2.3 describes the energy efficiency targets set out and the steps taken to achieve them.		We will address climate change and practice green operations
	Key performance indicator A2.4	Describe any problems with the applicable water source, the water benefit objectives set out and the steps to achieve them	Resources and three-waste discharge management
	Key performance indicator A2.5 Total amount of packaging materials (in ton) and (if applicable).		Resources and three-waste discharge management
	General disclosure of policies to reduce the significant impact of issuers on the environment and natural resources.		
Level A3: Environment and Natural Resources	Key performance indicator A3.1	Describe the significant impact of operational activities on the environment and natural resources and actions taken to manage the impact.	Resources and three waste emission management, the practice of green operation
Level A4: climate change	General disclosure of policies to identify and respond to major climate-related matters that have and may affect the issuer.		
	Key performance indicator A4.1	Describe significant climate-related matters and actions that have already and may affect the issuer.	Coping with climate change
B. Society			
Employment and Labor Practices			



Main Categories, Levels, General Disclosures, and Key Performance Indicators			Report Corresponding Chapter
Level B1: Employ	General disclosure of compensation and dismissal, recruitment and promotion, work hours, holidays, equal opportunities, diversification, anti-discrimination, and other benefits and benefits: (A) Policy; and (B) Information on compliance with the relevant laws and regulations that have a significant impact on the issuer.		
	Key performance indicator B1.1	Total number of employees by gender, type of employment (e. g. full or part-time), age group, and region.	Build a harmonious and diversified team
	Key performance indicator B1.2	The ratio of employee turnover by sex, age group, and region.	Build a harmonious and diversified team
	Key performance indicator B2.3	Describe the occupational health and safety measures adopted, and the relevant implementation and monitoring methods.	Protect the health and safety of employees
Level B2: Health and Safety	Generally disclosing the provision of a safe working environment and protecting employees from occupational hazards: (A) Policy; and (B) Information on compliance with the relevant laws and regulations that have a significant impact on the issuer.		
	Key performance indicator B2.1	Number and ratio of work deaths in each year for the past three years (including the reporting year).	Protect the health and safety of employees
	Key performance indicator B2.2	Number of working days lost due to industrial injury.	Protect the health and safety of employees
	Key performance indicator B2.3	Describe the occupational health and safety measures adopted, and the relevant implementation and monitoring methods.	Protect the health and safety of employees
Level B3: Development and Training	Generally disclose policies to enhance employees' knowledge and skills in performing job duties. Describe the training activities.		
	Key performance indicator B3.1	Percentage of trained employees by gender and employee category (e. g., senior, intermediate management).	Support the sustainable development of the team
	Key performance indicator B3.2	Average hours per employee completing training by gender and employee category.	Support the sustainable development of the team
Level B4: Labor Guidelines	General disclosure of the prevention of child labor or forced labor: (A) Policy; and (B) Information on compliance with the relevant laws and regulations that have a significant impact on the issuer.		
	Key performance indicator B4.1	Describe measures to review recruitment practices to avoid child and compulsory labor.	Support the sustainable development of the team
	Key performance indicator B4.2	Describe the steps taken to eliminate them when violations are discovered.	Support the sustainable development of the team
Operating conventions			
Level B5: Supply Chain Management	General disclosure of environmental and social risk policies for managing the supply chain.		

Main Categories, Levels, General Disclosures, and Key Performance Indicators			Report Corresponding Chapter
Level B5: Supply Chain Management	Key performance indicator B5.1	Number of suppliers by region.	
	Key performance indicator B5.2	Describe practices for hiring suppliers, the number of suppliers to whom practices are performed, and relevant methods of execution and monitoring.	Sustainable supply chain
	Key performance indicator B5.3	Describe practices for identifying environmental and social risks at each link of the supply chain, as well as relevant implementation and monitoring methods.	Sustainable supply chain
	Key performance indicator B5.4	Describe the use of environmentally friendly products and services when selecting suppliers and relevant implementation and monitoring methods.	Green supply chain, sustainable supply chain
Level B6: Product Liability	General disclosure of the health and safety, advertising, labeling and privacy of the products and services provided and remedies: (A) Policy; and (B) Information on compliance with the relevant laws and regulations that have a significant impact on the issuer.		
	Key performance indicator B6.1	Percentage of total sold or shipped products to be recovered for safety or health reasons.	Ensure product quality and optimize customer management
	Key performance indicator B6.2	Number of complaints received about products and services and response methods.	Ensure product quality and optimize customer management
	Key performance indicator B6.3	Describe the practices related to the maintenance and protection of intellectual property rights.	Science and technology lead innovation development and platform construction for science and technology innovation
	Key performance indicator B6.4	Describe the quality verification process and the product recovery procedures.	Ensure product quality and optimize customer management
	Key performance indicator B6.5	Describe consumer information protection and privacy policies, as well as related implementation and monitoring methods.	Ensure product quality and optimize customer management
	Generally disclose about the prevention of bribery, extortion, fraud and money laundering: (A) Policy; and (B) Information on compliance with the relevant laws and regulations that have a significant impact on the issuer.		
Level B7: Anticorruption	Key performance indicator B7.1	The number and results of corruption cases filed and concluded against the issuer or its employees during the reporting period.	Improve compliance management
	Key performance indicator B7.3	Describe preventive measures and reporting procedures, as well as relevant execution and monitoring methods.	Improve compliance management
	Key performance indicator B7.3	Describe the anti-corruption training provided to directors and employees.	Improve compliance management

Main Categories, Levels, General Disclosures, and Key Performance Indicators			Report Corresponding Chapter
community			
Level B8: community investment	It generally reveals policies on community participation to understand the needs of the operating community and to ensure that its business activities consider the interests of the community.		
	Key performance indicator B8.1	Focus on contribution areas (e. g., education, environmental matters, labor needs, health, culture, sports).	Building an altruistic and win-win society
	Key performance indicator B8.2	Resources (such as money or time) used in the focus area.	Building an altruistic and win-win society

Sustainability Reporting Standards (ESRS)

ESRS Theme	Index	Report Corresponding Chapter
ESRS E1 (Climate Change)	E1-1 Transition plan for climate change mitigation	Coping with climate change
	E1-2 for policies related to climate change mitigation and adaptation	Coping with climate change
	E1-3 for actions and resources related to climate change policy	Coping with climate change
	E1-4-targets related to mitigation and adaptation to climate change	Undisclosed
	E1-5-Energy consumption and combination	Coping with climate change
	E1-6-Range 1,2,3 and total greenhouse gas emissions	Coping with climate change
	E1-7-Greenhouse gas removal and greenhouse gas mitigation programs funded through carbon credits	Undisclosed
	E1-8-Internal carbon pricing	Undisclosed
	E1-9-Expected financial impact of significant entity risks and transition risks and potential climate-related opportunities	Coping with climate change
ESRS E2 (Contamination)	E2-1-Policies related to pollution	We will strengthen environmental protection, resource management, and three waste emissions
	E2-2-Pollution-related actions and resources	We will strengthen environmental protection, resource management, and three waste emissions
	E2-3-Pollution-related targets	We will strengthen environmental protection, resource management, and three waste emissions
	E2-4- -air, water, and soil	Resource management and the three-way waste discharge
	E2-5-substances requiring concern and substances of high concern	Resource management and the three-way waste discharge
	E2-6-Estimate the financial impact arising from pollution-related impacts, risks, and opportunities	We will strengthen environmental protection
	E3-1-Policies related to water resources and marine resources	Resource management and the three-way waste discharge
ESRS E3 (Water Resources and Marine Resources)	E3-2-Actions and resources related to water resources and marine resources	Resource management and the three-way waste discharge
	E3-3 for targets related to water and marine resources	Resource management and the three-way waste discharge

ESRS Theme	Index	Report Corresponding Chapter
ESRS E3 (Water Resources and Marine Resources)	E3-4 Water consumption	Resource management and the three-way waste discharge
	E3-5 Expected financial impacts of water and marine resource-related impacts, risks, and opportunities	Undisclosed
ESRS E4 (Biodiversity and Ecosystem)	Transition planning in E4-1 strategies and business models and consideration of biodiversity and ecosystems	the conservation of biological diversity
	E4-2 for policies related to biodiversity and ecosystems	the conservation of biological diversity
	E4-3 for actions and resources related to biodiversity and ecosystems	Stakeholders should communicate, practice green operations, and protect biodiversity
	E4-4 for targets related to biodiversity and ecosystems	the conservation of biological diversity
	E4-5 impact indicators associated with biodiversity and ecosystem changes	Undisclosed
	E4-6 Expected financial impact of biodiversity and ecosystem-related risks and opportunities	Undisclosed
ESRS E5 (Resource Utilization and Circular Economy)	E5-1 policies related to resource utilization and circular economy	Resource management and the three-way waste discharge
	E5-2 Actions and resources related to resource utilization and the circular economy	Resource management and the three-way waste discharge
	E5-3 for targets related to resource utilization and the circular economy	Resource management and the three-way waste discharge
	E5-4 resource inflow	Resource management and the three-way waste discharge
	E5-5 resource outflow	Resource management and the three-way waste discharge
	E5-6 Expected financial impact of resource use and circular economy-related impacts, risks, and opportunities	Resource management and the three-way waste discharge
ESRS S1 (Owned Labor Force)	S1-1 for employee-related policies	Create a harmonious and diversified team to protect the health and safety of employees
	S1-2 Process for discussing discussion with workers and worker representatives	Build a harmonious and diversified team
	S1-3 The process to remedy the negative effects and the channels where employees ask questions	Undisclosed
	S1-4 Actions on a significant impact on your own workforce, ways to mitigate significant risks and seek significant opportunities relevant to your own workforce, and the effectiveness of these actions	Undisclosed
	S1-5 goals related to managing significant negative impacts, advancing positive impacts, and managing significant risks and opportunities	Undisclosed
	S1-6 Characteristics of enterprise employees	Build a harmonious and diversified team
	S1-7 Characteristics of non-employees in an enterprise's own workforce	Undisclosed
ESRS S1 (Owned Labor Force)	S1-8 Scope of collective bargaining and social dialogue	Build a harmonious and diversified team
	S1 – 9 for indicators of diversity	Undisclosed
	S1-10 An adequate salary	Cultivate a happy and warm shipyard

ESRS Theme	Index	Report Corresponding Chapter
ESRS S1 (Owned Labor Force)	S1-11 for Social Security	Cultivate a happy and warm shipyard
	S1-12 for disabled persons	Build a harmonious and diversified team
	S1-13 Training and skill development indicators	Support the sustainable development of the team
	S1-14 health and safety indicators	Protect the health and safety of employees
	S1 – 15 indicators of work and life balance	Cultivate a happy and warm shipyard
	S1-16 Employee compensation indicator (compensation gap and total compensation)	Cultivate a happy and warm shipyard
	S1-17 Events, complaints, and serious human rights impacts	Undisclosed
ESRS S2 (Staff in the Value Chain)	S2-1 Policies related to value chain staff	Undisclosed
	S2-2 The process of discussing impacts with value chain staff	Undisclosed
	S2-3 The process to remedy the negative effects and the channel where value chain employees ask questions	Undisclosed
	S2-4 Actions on the significant impact on value chain staff, ways to mitigate significant risks and seek significant opportunities relevant to the value chain workforce, and the effectiveness of these actions	Undisclosed
	S2-5 goals related to managing significant negative impacts, advancing positive impacts, and managing significant risks and opportunities	Undisclosed
ESRS S3 (Affected Communities)	S3-1 Policies related to the affected communities	Building an altruistic and win-win society
	S3-2 The processes affected by the discussions with the affected communities	Building an altruistic and win-win society
	S3-3 Process to remedy negative effects and the channels through which affected communities ask questions	Undisclosed
	S3-4 Actions on the significant impact of affected communities, and ways to mitigate significant risks and seek significant opportunities relevant to affected communities, and the effectiveness of these actions	Undisclosed
	S3-5 goals related to managing significant negative impacts, advancing positive impacts, and managing significant risks and opportunities	Building an altruistic and win-win society
ESRS S4 (Consumer and End User)	S4-1 Policies related to consumers and end-users	Ensure product quality and optimize customer management
	S4-2 Process for discussing impact with consumers and end-users	Ensure product quality and optimize customer management
	S4-3 The process to remedy the negative effects and the channel where consumers and end-users ask questions	Ensure product quality and optimize customer management
	S4-4 actions on the significant impact of consumers and end-users, as well as ways to mitigate significant risks and seek significant opportunities relevant to consumers and end-users, and the effectiveness of these actions	Ensure product quality and optimize customer management
	S4-5 goals related to managing significant negative impacts, advancing positive impacts, and managing significant risks and opportunities	Ensure product quality and optimize customer management

ESRS Theme	Index	Report Corresponding Chapter
ESRS G1 (Business Ethics)	G1-1 Corporate culture and business behavior policies and corporate culture	Enter the wu ship, improve compliance management
	G1-2 Management of the relationship with suppliers	Sustainable supply chain, green supply chain
	G1-3 Prevention and detection of corruption and bribery	Improve compliance management and implement ethical review
	G1-4 for confirmed incidents of corruption or bribery	Improve compliance management and implement ethical review
	G1-5 political influence and lobbying activities	Undisclosed
	G1-6 corporate credit	Undisclosed

Sustainability Disclosure Issues

议题	议题描述	种类	索引
energy Management	Total energy use	quantity	We will practice green principles and address climate change
	The proportion of electricity used	quantity	We will practice green principles and address climate change
	The proportion of renewable energy sources	quantity	We will practice green principles and address climate change
Work Health and Safety	Production accident incidence rate, mortality rate and hazard incidence rate for regular employees and contract employees	quantity	Protect the health and safety of employees
Environmental Impact of the Product Life Cycle	Fuel usage intensity for medium and heavy vehicles	quantity	Undisclosed
	Fuel use intensity of non-road equipment	quantity	Undisclosed
	Emission intensity of nitrogen oxides (NOx) and particulate matter (PM): statistics include Marine diesel engines, locomotive diesel engines, pavement medium and heavy duty engines, and other non-pavement diesel engines.	quantity	Resources and three-waste discharge management
Raw and Processed Material	Risk management instructions related to the use of critical materials	Discussion and analysis	Resources and three-waste discharge management
Recycling Manufacturing Design and Service	Revenue from recycled manufacturing products and recycled manufacturing services	quantity	Undisclosed

Activity Indicators

Topic Description	Type	Indexes
Quantity of Production By Product Category	quantity	company profile
Number of Employees	quantity	Build a harmonious and diversified team

Appendix 3: Reader's Opinion Form

Dear readers:

Hello!

Thank you for reading this report. We highly value and look forward to your feedback on this report. Your opinions and suggestions are an important basis for us to continuously improve the level of corporate ESG information disclosure, promote corporate ESG management and practice. We welcome and sincerely appreciate your valuable feedback!

1.What is your overall evaluation of our ESG performance

☐ very good

☐ good

☐ same as

☐ range

☐ differ from

2.Your overall evaluation of this report is:

☐ very good

☐ good

☐ same as

☐ range

☐ differ from

3.How do you think we have done in terms of stakeholder communication?

☐ very good

☐ good

☐ same as

☐ range

☐ differ from

4.How do you think we have done in terms of corporate governance?

☐ very good

☐ good

☐ same as

☐ range

☐ differ from

5.How do you think we are doing in terms of environmental management?

☐ very good

☐ good

☐ same as

☐ range

☐ differ from

6.How do you think we are doing in terms of social responsibility?

☐ very good

☐ good

☐ same as

☐ range

☐ differ from

7.How do you think we are doing in terms of ESG?

☐ very good

☐ good

☐ same as

☐ range

☐ differ from

8.What are your opinions and suggestions on our compliance with ESG and this report:

9.If convenient, please leave your contact information:

name:

Work unit:

e-mail:

career:

zip code:

Telephone:

Appendix 4:

Independent Assurance Statement

The target stakeholders of this statement:

☒Government

☒Non-Government Organization

☒Clients

☒Suppliers

☒Investors

☒Customers

☐Other stakeholders

Responsibilities of the reporting organization and assurance provider:

CTI Certification Co., Ltd. (hereinafter referred to as "CTI") is entrusted by Wuhu Shipyard Co.,Ltd. (hereinafter referred to as the "Reporting Organization") to assure the sustainable development information disclosed in its 2023 Environmental, Social and Governance Report(hereinafter referred to as the "Report") .The purpose of this process is to provide reasonable assurance for the sustainable information disclosed by the reporting organization, and to provide confidence for stakeholders to make decisions based on the information provided by the reporting organization.

Assurance Standard:

AA1000 AS (v3)

Scope:

Assure the content, background, and application of the report, as well as the quality of sustainable development information presented during the reporting period;

Evaluate the compliance of the report with the AA1000 Accountability Principles (2018) in terms of inclusivity, materiality, responsiveness, and impact;

Review the sustainability initiatives, practices, implementation, maintenance, and performance information described in the report;

Assess the reporting mechanism of sustainability information and its consistency with applicable reporting standards;

Assess the applicability and appropriateness of data collection, quantification and management for inclusion in the report.

Assurance type:

Type 2

Subject matters and depth of review:

Subject matters	Level of Assurance
Degree of compliance with AA1000 Accountability Principles (2018)	Moderate Level
Quality of sustainability performance	Moderate Level

Reference to criteria used:

☒ISO 26000

☒GRI

☐SASB

☐ISO 14064

☐IFRS

☒UNSDG

☒TCFD

☐IIRC

☒HKEX ESG

☒Others: Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Report (Trial)
Corporate Sustainability Reporting Directive

Sources of Disclosures Covered:

Name of report: Wuhu Shipyard Co.,Ltd. 2023 Environmental, Social and Governance Report

Source: Reporting Organization

CTI 华测认证

AA1000

Licensed Assurance Provider

000-869

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Methodology: CTI formulated an engagement plan based on the assurance process and conducted the engagement according to the plan. CTI conducted inspections with a professional skepticism attitude, and the assurance activities included the following procedures:

- Based on the process of sampling, understanding, testing and judging the degree to which the reporting organization adheres to the AA1000 Accountability Principles, an evaluation is made of the degree to which the reporting organization adheres to the AA1000 Accountability Principles;
- Conducting management interviews on the effectiveness of the processes that have an impact, including the top management, department managers and managers responsible for sustainable development;
- Based on sampling, reviewing and inspecting the management practices, business processes and evidence-collection processes of the reporting organization;
- Collecting and assessing documentary evidence and management representations that support adherence to the AA1000 Accountability Principles.

Conclusions: According to the AA1000 Assurance Standard (v3), CTI conducted a Type 2 assurance on the sustainable development information disclosed in the 2023 Environmental, Social and Governance Report prepared by the reporting organization. According to the requirements of the AA1000 Accountability Principles (2018), the conclusions are as follows:

The conformity of reporting organization and the report against AA1000 Accountability Principles (2018)

- Inclusivity:** CTI did not find any deviation between the report and the inclusive principle of AA1000 Accountability Principles (2018). The reporting organization regularly identifies and participates stakeholders, incorporating the concerns of key stakeholders into important considerations for the company's sustainable development. The report meets the requirements of inclusivity.
- Materiality:** According to the AA1000 Accountability Principles (2018), CTI conducted a substantive evaluation of various aspects of the reporting organization, both internally and externally. CTI believes that the report proposes various issues and boundaries of different business operations of the reporting organization, and that the report meets the requirements of materiality.
- Responsiveness:** After the assurance of CTI, it is believed that the reporting organization's response to major issues has been defined and reflected in the report. The report meets the responsiveness requirements of the AA1000 Accountability Principles (2018).
- Impact:** The reporting organization has clear procedures to regularly monitor and measure their sustainable development impact, and has professionals to effectively promote the sustainable development agenda. CTI did not find any situations or issues that had an impact on the ecosystem and surrounding infrastructure, and the reporting organization meets the impact requirements of the AA1000 Accountability Principles (2018).

The quality of sustainability information disclosed in the report

For the sustainability performance in 2023 disclosed in the report, no material errors found by CTI, as described below:

GHG emission (Scope 1): 12,770.50 tCO ₂ e	GHG emission (Scope 2): 21,881.10 tCO ₂ e
Electricity consumption: 35,380,140 kWh	Renewable energy use proportion: 9.31%
Employee of other ethics proportion: 9.36%	

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Limitations and mitigation methods

The limitations and mitigation methods of CTI in the assurance process:

- CTI did not conduct assurance on economic performance indicators, and only confirmed the accuracy of economic performance indicators through the verification of audited financial reports;
- CTI did not verify sustainability performance indicators. It only confirmed through interviews and factual evidence that all sustainability performance indicators have clear data sources;
- CTI was unable to provide assurance opinions on the opinions, beliefs, inferences, wishes, expectations, future intentions, and other viewpoints described in the report. However, CTI conducted assurance and issued assurance opinions on both quantitative and non-quantitative factual evidence supporting the above viewpoints;
- CTI will further focus on improving and enhancing the disclosure and management of ESG report information based on the purpose of continuous improvement in future assurance engagement.

Competence and Independence of CTI

Founded in 2004, CTI is a professional certification body approved by the Certification and Accreditation Administration of China (CNCA) and accredited by the China National Accreditation Service for Conformity Assessment (CNAS), enjoying an independent third-party impartial status. We have extensive experience in conducting third-party audits for management system certifications in quality, environment, safety, occupational health, energy, as well as environmental information such as greenhouse gases.

Except for the assurance and verification of sustainability data and the report, no member of the assurance team has any business relationship with Wuhu Shipyard Co.,Ltd., its directors, executives, or department managers. After the internal impartiality assessment conducted by CTI, we believe that there is no conflict of interest in this assurance engagement.

Assurance Team Leader

Su Ying

苏颖

Technical Reviewer

Li Qi

李祁

Signed by

General Manager: Zhou Lu

周路



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CTI Certification Co., Ltd
Issued on: July 30, 2024
Place of issuance: Beijing

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