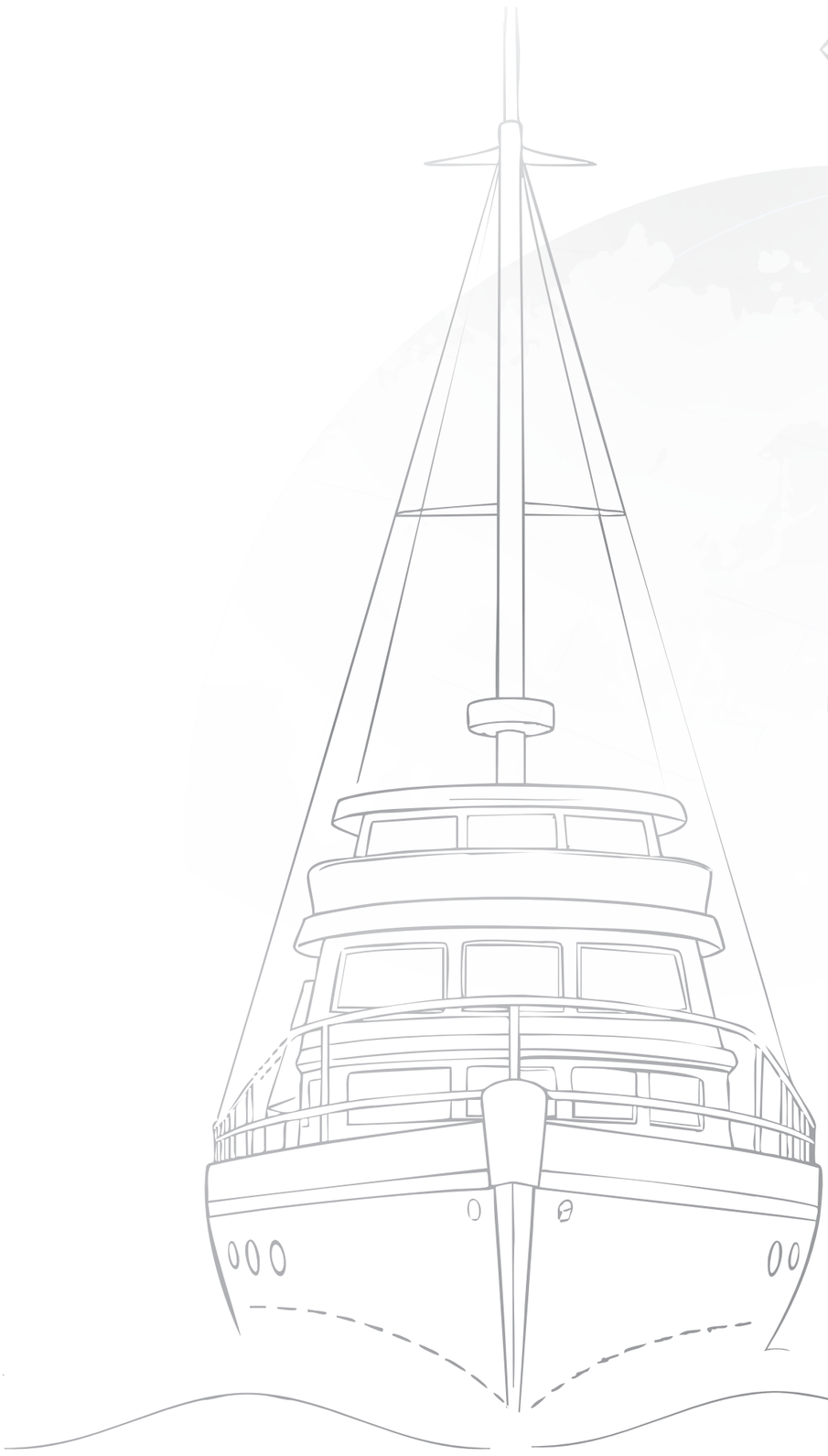
The Centennial Wuhu Shipyard takes revitalizing of the national shipbuilding industry as its own responsibility

芜湖造船厂有限公司
WUHU SHIPYARD CO,.LTD



2024

Environmental Social and Governance (ESG) Report

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Chairman's speech

Rivers surge as we compose a new chapter of our era.

As a shipbuilding enterprise with a 123-year legacy, Wuhu Shipyard has consistently responded to the call for developing the shipbuilding industry with Chinese characteristics. We are steadfastly dedicated to strengthening China's maritime capabilities and driving progress through green, smart, and sustainable development, thereby scripting a new chapter of high-quality growth in 2024.

In 2024, we courageously upheld our mission to build China into a maritime power.

We intensified R&D innovation to fuel our development with technological advancement. Adhering to our "River and Ocean-Oriented" product strategy, we established a new development paradigm. By developing and constructing innovative vessel types, we secured the world's largest order book for small and medium-sized chemical tankers, earning widespread recognition in domestic and global markets. Upholding integrity in operations, we provided shipowners with full lifecycle quality assurance and premium services, earning multiple honors including the Second Prize of Anhui Provincial Science and Technology Progress Award, Anhui AAA "Contract-Honoring and Creditworthy Enterprise" certification, Anhui Excellence Award for Patents, Gold Prize in the Anhui Industrial Design Competition, and Anhui Environmentally Credible Enterprise. This year, the Company achieved doubled growth in output value and profits, setting a new milestone in our century-long history.

In 2024, we expanded our new energy footprint.

We established a comprehensive green product management system spanning the entire lifecycle, positioning green vessels and green technologies at the core of our business. Notably, new-energy seagoing vessels accounted for over 60% of our orders, and we successfully built a comprehensive range of new-energy vessels for inland shipping, earning widespread acclaim in global markets. Indeed, our commitment to green shipbuilding had already yielded results: in 2023, revenue from various green, energy-saving, and eco-friendly vessels constituted 71.89% of our annual revenue; vessels like the Atlantic Narval and Baltic Narval, featuring multiple pioneering technologies, were honored with the "Green Initiative Award" by the Maritime and Port Authority of Singapore, fully demonstrating our leadership in green shipbuilding.

In 2024, we accelerated our pace of intelligent transformation.

By establishing smart factories, we created differentiated competitive advantages in intelligent manufacturing. Our Weihai Base successfully launched the world's first operational smart "lights-out factory" in the shipbuilding industry. Equipped with eight internationally advanced full-process automated production lines, the facility achieved an automation rate of 80%, reduced overall labor costs by 40%, and attained a 100% localization rate for automated manufacturing equipment. Simultaneously, we partnered with leading domestic enterprises to introduce advanced methodologies and infrastructure, successfully building a unified smart management platform covering the entire process from design and procurement to production and planning. This deep integration of information technology with manufacturing has solidified our core advantage of "leadership in intelligent manufacturing".

123 years
A Historical Shipbuilding Enterprise

60%+
New Energy Vessel Orders

revenue of the annual revenue from green, energy-saving and environmentally friendly vessels in 2023
71.89%

In 2024, we actively shared our development achievements.

Focusing on building a thriving Wuhu Shipyard community, we leveraged the creation of a harmonious enterprise to establish a workplace environment characterized by equality, diversity, and abundant growth opportunities. The Company rigorously ensured employee safety in both production and daily life by implementing a "Three 100%" health management mechanism (100% confirmation of abnormal absences; 100% tracking of employees returning home or seeking medical care after sudden illness-related leave; and 100% follow-up treatment and recovery support for ill employees living alone). We vigorously promoted employee skills training, conducting sessions for 14,768 participants throughout the year of 2024, significantly enhancing team expertise. Simultaneously, upholding gender equality principles and prioritizing the rights of minority groups, we currently employ 18 formal ethnic minority staff members, 551 ethnic minority employees from HR partners, and 1 foreign employee, fostering a secure, orderly, diverse, and inclusive workplace atmosphere alongside a robust learning-oriented corporate culture.

In 2024, we deepened corporate structural reforms.

Resolutely implementing the Party Central Committee's directives on comprehensive reform and advancing Chinese modernization, we continually refined corporate governance. An ESG Committee was established to steer integrated business development. The implementation of "dual-list management" and "three pillars and four lines" frameworks strengthened risk controls, elevated board operations, and enhanced the functionality of the board of directors and specialized committees. The Articles of Association were revised to align with development needs. Concurrently, institutional innovation and leadership rejuvenation infused vitality into the organization, enabling efficient completion of structural reforms and forging a new sustainable "Iron Army" at Wuhu Shipyard.

80%
Automation Rate Reaches

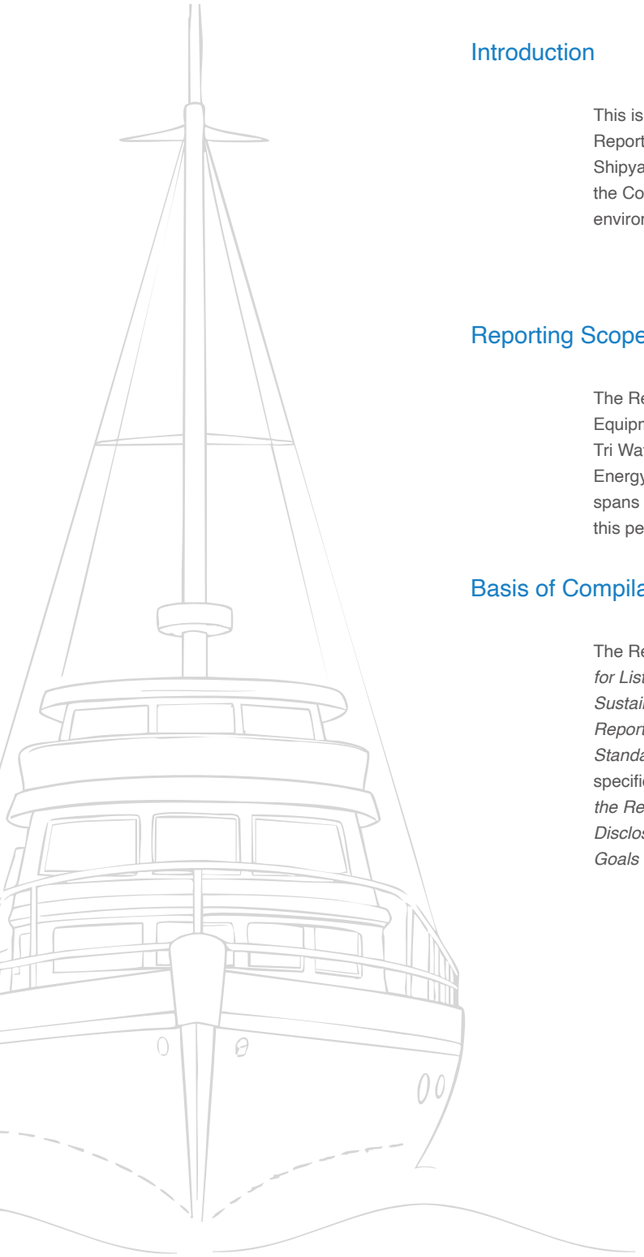
40%
Overall Cumulative Labor Savings

100%
Localization Rate of Automation Equipment

Standing at this new developmental threshold, we remain committed to "dual-carbon" goals and ESG strategy, building unique competitiveness through green vessels and technologies while advancing intelligence and digitization to continuously deepen structural reforms. As the inaugural Chair entity of Anhui Association of Shipbuilding Industry and Anhui's first national "green factory" in shipbuilding, we will leverage our industry leadership by contributing to drafting industry standards like ESG disclosure and evaluation guidelines, thereby driving high-quality sustainable development across the sector.

Looking ahead, we are eager to collaborate with global clients, employees, and ecosystem partners. Guided by our vision to become a world-class "Enterprise among Top 100 in Three Aspects", we will contribute wisdom and strength toward building a community with a shared future for mankind, co-creating a brighter future of sustainable development.

About this Report



Introduction

This is the second Environmental, Social, and Governance (“ESG”) Report released by Wuhu Shipyard Co., Ltd. (also referred to as “Wuhu Shipyard”, the “Company”, or “we/us”), designed to inform stakeholders of the Company’s strategies, management approaches, and achievements in environmental protection, social responsibility, and corporate governance.

Reporting Scope

The Report covers Wuhu Shipyard Co., Ltd. Headquarters, Anhui Haizhi Equipment Research Institute, Weihai Wuchuan Shipbuilding Co., Ltd., Tri Waters New Energy Technology (Anhui) Co., Ltd., and Tri Waters New Energy Technology (Hubei) Co., Ltd. As an annual report, its timeframe spans January 1 to December 31, 2024. Some contents extending beyond this period are explicitly noted where applicable.

Basis of Compilation

The Report is prepared with reference to the *Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 14 — Sustainability Report (Trial)*, the EU Council’s *Corporate Sustainability Reporting Directive (CSRD)*, the *Global Reporting Initiative (GRI) Standards* by the Global Sustainability Standards Board (GSSB), sector-specific criteria by the Sustainability Accounting Standards Board (SASB), *the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Final Report*, and the UN's *Sustainable Development Goals (SDGs): A Corporate Action Guide.*

Statement on Data Sources and Reliability

Data sources include publicly available government statistics, internal statistical records, third-party surveys, administrative documentation and reports, and independent evaluation interviews. All content and data disclosed in the Report have been reviewed and approved by the Board of Directors of Wuhu Shipyard Co., Ltd.

Wuhu Shipyard confirms that the Report contains no false records, misleading statements, or material omissions. The Company’s Board of Directors assumes individual and several liabilities for the authenticity, accuracy, and completeness of the content herein.

Terminology

Wuhu Shipyard, the Company, we/us	refers to	Wuhu Shipyard Co., Ltd.
Anhui Haizhi	refers to	Anhui Haizhi Equipment Research Institute Co., Ltd.
Shanghai Haizhi	refers to	Shanghai Haizhi Zhiyuan Technology Co., Ltd.
Weihai Base	refers to	Weihai Wuchuan Shipbuilding Co., Ltd.
Fujiheng	refers to	Wuhu Fujiheng Machinery Co., Ltd
Tri Waters (Anhui)	refers to	Tri Waters New Energy Technology (Anhui) Co., Ltd.
Tri Waters (Hubei)	refers to	Tri Waters New Energy Technology (Hubei) Co., Ltd.

Report Access

The Report is published in both printed and electronic formats.

The electronic version is accessible at the Company’s official website: http://www.wuhu.com.cn.

Contact Information

Wuhu Shipyard encourages all stakeholders to provide suggestions regarding the Company’s sustainable development, ESG initiatives, and social responsibility management. For inquiries, please contact us at ehs@wuhu.com.cn.

Company Profile

Wuhu Shipyard Co., Ltd. traces its origins to Fujiheng Machinery Factory established in 1900. Headquartered in the Yangtze River Delta—one of China's top three shipbuilding industry clusters—the Company specializes in R&D, construction, and maintenance of diverse vessels and offshore equipment. Its core products include liquid cargo carriers, multi-purpose vessels, offshore engineering ships, and specialty vessels.

The facility spans 1,210,700 m² (approximately 708,000 m² inside the levee and 502,700 m² outside), with 1,355 meters of shoreline. It operates four 50,000-ton shipbuilding berths (including newly constructed Berths #3 and #4), an 840-meter fitting-out wharf, and five gantry cranes with individual lifting capacities of 450 tons. Annual shipbuilding capacity exceeds 1 million deadweight tons, with additional production bases in Weihai and Zhoushan. The Company holds Class I Grade A shipbuilding certification and defense equipment qualifications. It has established comprehensive management systems covering Quality, Occupational Health and Safety, Environmental Management, Energy Management, and Industry-Information Integration.

1,210,700 m²
Construction area

708,000 m²
Construction area

502,700 m²
Area outside the levee

1,355 m
Total shoreline length

Introduction to Subsidiaries

Weihai Wuchuan Shipbuilding Co., Ltd.

Established by Wuhu Shipyard in Weihai Economic and Technological Development Zone, this subsidiary commenced operations on May 30, 2024, achieving over RMB1 billion in output value during the second half of the year. With a total investment of RMB2 billion, the Weihai Base occupies 657 mu (approximately 438,000 m²) and features planned construction area of 140,000 m². Specializing in vessel design, construction, repair, and R&D of offshore engineering/wind power equipment; it serves as a strategic pillar for Wuhu Shipyard's "River-to-Sea" expansion, aiming to become a globally leading green intelligent shipbuilding hub.

1 Billion
Output value exceeded in the second half of 2024

Tri Waters New Energy Technology (Anhui) Co., Ltd. & Tri Waters New Energy Technology (Hubei) Co., Ltd.

Wuhu Shipyard actively advances China's "Dual-Carbon Strategy", "Beautiful China Initiative", and green transformation along the Yangtze River Economic Belt by founding Tri Waters (Anhui) in October 2023, which was later expanded to Hubei Province. As China's pioneer dedicated to designing, developing, manufacturing, and promoting green intelligent vessels for inland waterways, Tri Waters (Anhui) delivers comprehensive solutions across six zero-carbon inland shipping scenarios.

Corporate Culture

Vision

Build a globally leading shipbuilding and marine equipment industry cluster

Mission

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

Values

Unity and hard work, Pragmatic Innovation, Excellence and Efficiency

History

1900

Hu Zhibiao, a native of Zhenhai, Zhejiang Province, opened.

1953

the factory held the "Launching Ceremony of the First Ship of the Grab Dredger", which officially opened the history of shipbuilding and was reported by the front page of Anhui Daily.

1954

The shipyard was named "Wuhu Shipyard of the Shipbuilding Industry Administration of the First Ministry of Machinery Industry" (referred to as "State-owned Wuhu Shipyard").

1958

Chairman Mao Zedong came to the factory for observation.

1992

The closure of the east and west factory areas was achieved, the process flow was upgraded, and the shipbuilding capacity was increased to 200,000 deadweight tons.

2003

Wuhu Xinlian Shipbuilding Co., Ltd. was registered and established in Wuhu Economic and Technological Development Zone.

2008

The foundation stone of the new plant in Sanshan was laid, and the shipbuilding capacity was increased to 800,000 deadweight tons.

2012

The company successfully built an 82,000-ton bulk carrier and successfully passed the Nanjing Yangtze River Bridge. It marks that the company has the technical level of building 80,000-ton ships.

2017

The company successfully built and delivered a 28, 000 dwt chemical tanker, marking the company's successful entry into the large and medium-sized liquid cargo ship market.

2019

The company has successfully built CCS classification society, the largest duplex stainless steel chemical tanker in China.

2020

The company led the design and construction of the first "Made in China" offshore wind power operation and maintenance mother ship, leading China's offshore wind power operation and maintenance business from

2021

The company successfully delivered the world's first 22, 000-ton hybrid chemical tanker, which fills the gap of dual-fuel ship type and ice area reinforced class ship type in Anhui Province.

2022

The company set up Anhui Haizhi Equipment Research Institute and established Anhui Green Intelligent Ship and Marine Engineering Equipment Industry Alliance.

2023

The company comprehensively created a new hard-core advantage of "intelligent manufacturing leading" to achieve a double increase in output value and profit.

2024

Established Weihai Wuchuan Shipbuilding Co., Ltd. in Weihai City, Shandong Province, marking the Company's first self-operated shipbuilding base.

ESG Milestones 2024

Early February

Delivered first vessel of 2024—7,800-ton multi-purpose carrier.

March 28

Elected as inaugural Chair entity of Anhui Association of Shipbuilding Industry.

April 26

Shanghai Haizhi Research Institute partnered with Bureau Veritas for joint chemical tanker development.

May 21

Young employees participated in Sanshan District Corporate Employee Fun Sports Meet.

May 30

Held operation commencement ceremony and ESG strategy launch event for Weihai Wuchuan Shipbuilding Co., Ltd.—"Centennial Wuhu Shipyard's" first shipbuilding base under its strategy of borrowing sea and land from overseas.

June 1

Launched Safety & Environmental Month under themes "Safety Awareness and Emergency Response—Ensuring Life Passage" and "Advancing Beautiful Wuhu Shipyard", with over 100 attendees.

June 14

Organized citywide shipbuilding industry emergency drill themed "Safety Awareness and Emergency Response".

July

Organized onboarding sessions and training for 2024 campus recruits.

July 25

Hosted the "Military-Civilian Unity, Jointly Building Dreams" performance honoring the PLA's 97th anniversary, co-organized with Wuhu Municipal Party Committee Publicity Department, Wuhu Art Theater, and Wuhu School Affiliated to Beijing Normal University. Attended by 200+ participants including stationed troops, active-duty military families, and company veterans.

July 27

Received a delegation from China Classification Society (CCS) to discuss cutting-edge topics including smart ship manufacturing, new energy vessel standardization, and technological pathways.

July 30

Held launch ceremony for the first 14,600-ton heavy-lift vessel built for a German shipping company.

August 1

Marked Army Day with veteran symposiums, retracing the Long March route, and other commemorative events, attended by leaders from the Municipal Veterans Affairs Bureau.

August 28

Secured recertification and scope expansion of the quality management system.

September

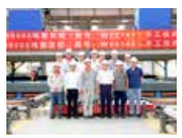
The Company's patent "Structure of a Watercraft and Its Control Method" was awarded the Anhui Excellence Award for Patents.

September 3

Made its debut at SMM Hamburg, Germany's international maritime exhibition, advancing global marketing efforts and promoting the "Wuhu Shipbuilding" brand internationally.

September 9

Held a steel-cutting ceremony at Weihai Base for two 89,000-ton methanol dual-fuel bulk carriers commissioned by Fujian Guohang Ocean Shipping.



September 14

The project "Key Technology Development and Industrialization of Green Energy-Saving Chemical/Product Tankers" received the Second Prize of Anhui Provincial Science and Technology Progress Award (Subject) for 2023.

September 18

Successfully commenced construction of the second 6,600-ton stainless steel chemical tanker (W2342) for a UK shipowner.

September 30

Hosted the 2024 "Academic Excellence Awards" ceremony, granting scholarships totaling nearly RMB40,000 to 17 children of employees who excelled in college entrance exams.

November 18

Awarded Anhui AAA "Contract-Honoring and Creditworthy Enterprise" certification.

November 28

Launched the "Hello Future" ESG campaign, putting a carbon-free floating owner/surveyor office complex built over three months into service.

December 9

Obtained certification for Intellectual Property Compliance Management System.

December 242

Signed a "Red Partner" strategic agreement with Baoding Subdistrict Party Working Committee and village committees of Sanshan Economic Development Zone, and Anhui Ruida Logistics Service Co., Ltd. to bolster rural economic development.

Corporate Honors

In 2024, the Company and its subsidiaries received the following honors:

- Anhui AAA “Contract-Honoring and Creditworthy Enterprise” certification
- Eleventh Anhui Excellence Award for Patents
- Wuhu “Top 50 Enterprises for R&D”
- Gold Prize in the Eleventh Anhui Industrial Design Competition
- 2024 Anhui Environmentally Credible Enterprise
- Second Prize of Anhui Provincial Science and Technology Progress Award for 2023
- National Honor Roll for Veteran Employment Collaboration (2023–2024)
- National Model Workers’ Home
- Anhui Haizhi Equipment Research Institute certified as a High-Tech Enterprise
- Tri Waters New Energy Technology (Anhui) Co., Ltd. obtained Class A Vessel Design Qualification
- Wuhu Fujiheng Machinery Co., Ltd. recognized as National Model Workers’ Home

Highlights of 2024

Economic Performance: Continuous High-Quality and Rapid Development of Production & Operations

2024

YoY Output Value Growth
54 %

YoY Per Capita Output Value Growth
10.01 %

YoY Net Profit Growth
62 %

YoY Order Growth
44 %

Amount of Order Backlog
43.6 RMB Billion

Vessels Built & Delivered
30 Units

Order Highlights in 2024

2024

Total secured new orders totaling RMB
19.84 Billion

Commercial vessel orders amounted to RMB
150.4 Billion

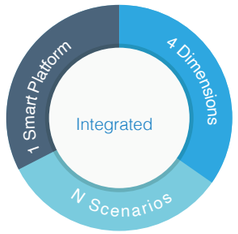
Chemical tankers new orders global market share of
16 %

Chemical tankers new orders global market share worldwide rank
1 st

Chemical tankers new orders global market share worldwide rank
17 %

Multi-purpose carriers new orders global market share worldwide rank
2 nd

Key Technologies in 2024



New-Energy Electric Vehicle Carrier R&D Project

Developed fire-resistant composite materials (for decks, bulkheads, etc.) and optimized ventilation system layouts.

Triphibious Smart Equipment Platform & Cross-Domain Emergency Law Enforcement System

Developed integrated triphibious equipment platform technology, establishing a “1 Triphibious Smart Equipment Platform + 4 Dimensions + N Scenarios” intelligent collaborative framework.

Polar Ice-breaking Research Vessel Key Technologies

Developed 10,000-ton PC1 ice-class hulls, with breakthroughs in DP3 dynamic positioning FMEA analysis, isolation between acoustic equipment and ice-breaking vibration , bionic hull structures, and agile deployment systems for large research apparatus.

Offshore Low-Permeability & Buried-Hill Oilfield Equipment

Developed integrated large-scale stimulation vessels, offshore production workflows, offshore production equipment supporting ultra-high-pressure/high-power/high-capacity demands, and reservoir stimulation media technology.

Maritime Intrinsic Safety, Long-Life Batteries & Smart Integrated Power Systems

Developed intrinsic-safe flow batteries for inland vessels (new-generation neutral aqueous organic flow batteries), wide-range high-efficiency DC microgrids with impedance measurement, optimized DC flexible power storage configuration, hybrid energy storage system optimization and energy management, and full-chain ship power system testing protocols.

Notable Patented Technologies in 2024

Key Vessel Highlights in 2024

Core Vessels

Large Fracturing Vessel “Offshore Oil 696”

Designed, constructed, and successfully launched in 2025 as China’s first large-scale fracturing vessel, the highly integrated, automated, and digitized “Offshore Oil 696” addresses critical needs for extensive fracturing operations across all maritime zones and offshore multi-well batch fracturing operations. Its completion significantly enhances China’s self-sufficiency in deep-sea oilfield development, making vital contributions to national energy security.

22,000-ton Hybrid Chemical Tanker

Equipped with advanced technologies including 1A ice-class reinforcement, LNG dual-fuel propulsion, DC variable frequency, battery propulsion management, computer-aided wake-adapted duct, and waste heat recovery systems. Compliant with EEDI Phase III requirements, its performance reaches internationally advanced standards.

18,500-ton Chemical/Product Tanker

Adopting a methanol dual-fuel-ready design compliant with IMO Tier III standards, it offers future upgradability to clean methanol fuel, delivering carbon-neutral solutions for clients. Vessels are configured for transporting IMO Type II chemicals, including methanol and biofuels. Designed to address owners’ operational needs through overall and FEM optimization, it features a lightweight-yet-robust structure and enhanced maneuverability with flap rudders.

21,500 m³ Asphalt Carrier

It features multiple pioneering technologies. The vessel incorporates an adjustable-pitch shaft generator system with optimized pitch and RPM control, LNG dual-fuel propulsion, sectional block assembly processes, and 3D ship design, driving the green and intelligent transformation of the shipbuilding industry.

Key Vessels Launched

7,800-ton Multi-Purpose Vessel

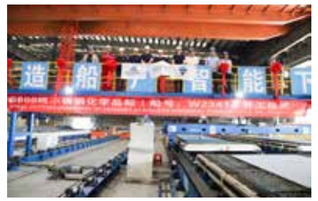
This newly built 7,800-ton multi-purpose vessel incorporates multiple cutting-edge features. It utilizes LNG (dual-fuel), light fuel, and marine diesel oil (MDO) as propulsion sources. Fully compliant with IMO Tier II and Tier III emission standards, it embodies the Company's strong commitment to environmental protection.

Three 14,600-ton Multi-Purpose Heavy-Lift Vessels Launched

These were constructed by Wuhu Shipyard for a German shipowner as part of a five-vessel series. This class features the largest single cargo hold among same-category heavy-lift vessels, meets cryogenic requirements for Arctic operations, and ensures safe polar navigation. Equipped with an intelligent energy management and recovery system, a compact high-efficiency main engine, and a hybrid diesel-electric propulsion system, it reduces daily fuel consumption by 20 tons at service speed.

Anhui Province's First Hydrogen-Powered Public Service Vessel

Utilizing advanced hydrogen fuel cell technology, it achieves zero emissions and low noise while enhancing law enforcement efficiency and minimizing environmental impact. Designed to balance operational needs with navigational stability, the vessel provides robust support for waterway management. As a pioneering project, it has been listed under Anhui's 2023 Provincial Major Industrial Innovation Plan for Green and Low-Carbon initiatives.

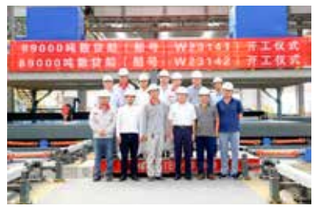


Commencement of 6,600-ton Stainless Steel Chemical Tanker

This vessel series combines exceptional cargo adaptability with multiple functional highlights. It is equipped with intelligent navigation, smart engine room systems, intelligent energy efficiency management, automated cargo operations, and an integrated information platform, and features the world's pioneering DC electric propulsion technology. The vessel demonstrates superior characteristics including high automation, intelligent capabilities, energy efficiency, and environmental sustainability.

22,000-ton Product Oil/Chemical Tanker Placed on Berth

This vessel achieves multiple green technology breakthroughs by adopting LNG dual-fuel propulsion combined with an electric drive system and waste heat recovery. This integration enables energy-efficient and eco-friendly operation while delivering excellent fuel economy, operational flexibility, and onboard comfort. Its performance fully complies with the international environmental associations' greenhouse gas standards and the International Maritime Organization's low-carbon requirements, demonstrating the Company and its clients' joint commitment to global shipping decarbonization and transformation goals.



Commencement of 89,000-ton Methanol Dual-Fuel Bulk Carrier

This vessel features a methanol dual-fuel power system compatible with biodiesel and an optimized methanol fuel tank capacity. Through hull form optimization, lightweight design, and integrated propeller-energy-saving device configuration, it achieves approximately 2% steel weight reduction compared to similar-class ships while enhancing energy efficiency. Simultaneously, it is equipped with advanced intelligent systems. This vessel realizes net-zero greenhouse gas emissions and delivers enhanced economic efficiency in vessel operations and management.

02

Sustainable Development Management

Wuhu Shipyard strengthened top-level ESG design, continuously refining the corporate ESG governance system. The Company formulated a long-term ESG development strategy, establishing and optimizing its ESG governance architecture. A multi-tiered ESG framework has been developed, featuring “Board oversight, leadership group accountability, dedicated office execution, and cross-departmental collaboration”. In 2025, the Company plans to institute a permanent Board-level mechanism for ESG supervision, ensuring effective implementation of ESG initiatives.

1

ESG Strategy and Vision

Aiming to become “World-Class Wuhu Shipyard”, the Company anchors its ESG strategy in building a green, high-end, thriving, and responsible Wuhu Shipyard. On May 30, 2024, during the launch ceremony for Weihai Wuchuan Shipbuilding Co., Ltd., the Company formally unveiled its ESG strategy, committing to: Upholding robust compliance by establishing an ESG Compliance Committee; advancing “Clean Production, Green Shipbuilding” to elevate operational standards beyond its status as Anhui’s first national “green factory” in shipbuilding; creating a thriving Wuhu Shipyard community by enhancing safety protocols and safeguarding employee well-being; building smart factories through integrated automation, digital design, and unified process-data-workshop management systems; and as Chair entity of Anhui Shipbuilding Industry Alliance, driving deep integration of upstream/downstream resources and leading sector-wide growth. Ultimately, this strategy fosters sustained commercial success and societal value, propelling China’s maritime and manufacturing prowess.

Weihai Wuchuan Base Launch Ceremony & ESG Strategy Release Event

2

ESG Governance Framework

Wuhu Shipyard continuously refines its ESG governance framework and reporting mechanisms to ensure compliant decision-making and effective execution of ESG initiatives. The Company plans to establish a permanent oversight and decision-making mechanism at the Board level for comprehensive supervision of ESG strategies, key projects, and disclosure practices.

Organizational Structure	Member		Responsibilities
Oversight Layer	Strategy and ESG Management Committee	The Strategy and ESG Management Committee, established at the Board level, is accountable to the Board, comprising three directors and chaired by the Chairman of the Board	Responsible for setting ESG vision/goals; reviewing ESG strategy, annual plans, major ESG disclosures; monitoring key project execution; and reporting regularly to the Board
Leadership Group	Leader	Chairman	Responsible for overseeing ESG strategy, disclosures, risk/opportunity identification, and internal ESG project formulation and decision-making; and reporting regularly to the Strategy and ESG Committee.
	Deputy Leader	Executive Deputy General Manager	
	Group Member	Financial Director, Head of Safety & Environmental Center, Head of Human Resources Department, Head of Production & Operations Center, Chief Engineer, Head of Research Institute, Head of Weihai Base, and Head of Fujiheng	
ESG Advancement Office	Director	Head of Safety & Environmental Center	Responsible for monitoring ESG topics and performance, formulating future plans for leadership group's approval, coordinating field research with external experts, and executing ESG projects.
	E (Environment)	Head of Safety & Environmental Center, Liaison of Manufacturing Technology Division, Liaison of Finance Center, Liaison of Equipment & Power Division, Liaison of Logistics Division, and Liaison of Safety & Environmental Division	
	S (Social Responsibility)	Head of Party-Mass & Integrated Management Center, Head of Procurement Center, Head of Quality Management Center, Head of IT Management Department, Liaison of Party-Mass Administration,Liaison of Human Resources, Liaison of Public Relations, Liaison of Quality Management, and Liaison of Quality Management Center	
	G (Governance)	Head of Operations Management Department, Head of Board Office, Liaison of Marketing Center, Liaison of Technology Innovation, Liaison of Legal Affairs, and Liaison of Compliance Office	
	External Bases & Subsidiaries	Liaison of Weihai Base and Liaison of Fujiheng	

3

ESG Capacity Training

The Company prioritizes ESG training for leadership and employees, recognizing that embedding sustainable concepts across the organization enhances ESG awareness and identifies projects that genuinely benefit operations and growth.

A systematic specialized ESG enhancement training framework and plan were established. Monthly ESG topic-driven initiatives include training programs covering compliance, integrity, quality, safety, and environmental matters. In 2024, compliance training engaged 856 key personnel; quality control training involved 1,710 participants; 366 safety training sessions reached 56,752 participants; and 85 environmental protection training engaged 7,248 participants. In 2024, Wuhu Shipyard launched the Wuhu ESG Academy, offering monthly learning modules for all cadres and employees.

Number of participants in compliance training for key

856
Participants

Number of employee safety training sessions

366
Sessions

Number of environmental training sessions

85
Sessions

Number of participants in quality control training

1710
Participants

Number of employees participating in safety training

56752
Participants

Number of participants in environmental training

7248
Participants

4

Stakeholder Engagement

This section outlines stakeholder expectations in 2024 and the Company's response channels.

Primary Stakeholders	Common Interests	Engagement Channels
Government/ Regulatory Agencies	Economic benefits Internal controls Compliance Integrity building Environmental issues	Regulatory assessments Proactive tax filing Thematic meetings
Industry Associations	R&D/IP management Product responsibility Industry advancement Fair competition	Conferences Industry events Phone/emai
Shareholders/ Creditors	Governance strategy and process Risk management system Economic benefits Internal controls	Corporate reports/ announcements Thematic meetings Board of Shareholders Phone/email
Suppliers	Product responsibility Supplier management Integrity building	Supplier training/ meetings Supplier online platforms On-site visits Trade exhibitions
Clients/Consumers	Data security/privacy Service quality Product responsibility	Social media platforms Complaint hotline Project management department Exhibitions/industry events
Social Organizations	Environmental issues Product responsibility Industry advancement R&D/IP management	Local CSR activities Site visits Thematic meetings
Local Communities	Community relations Charity & common prosperity	Local economic development meetings Job opportunity support Philanthropy Targeted assistance programs
Employees/ Executives	Recruitment and benefits Health & safety Employee satisfaction Integrity building Compensation management system R&D/IP management	platforms Feedback collection Labor union

5

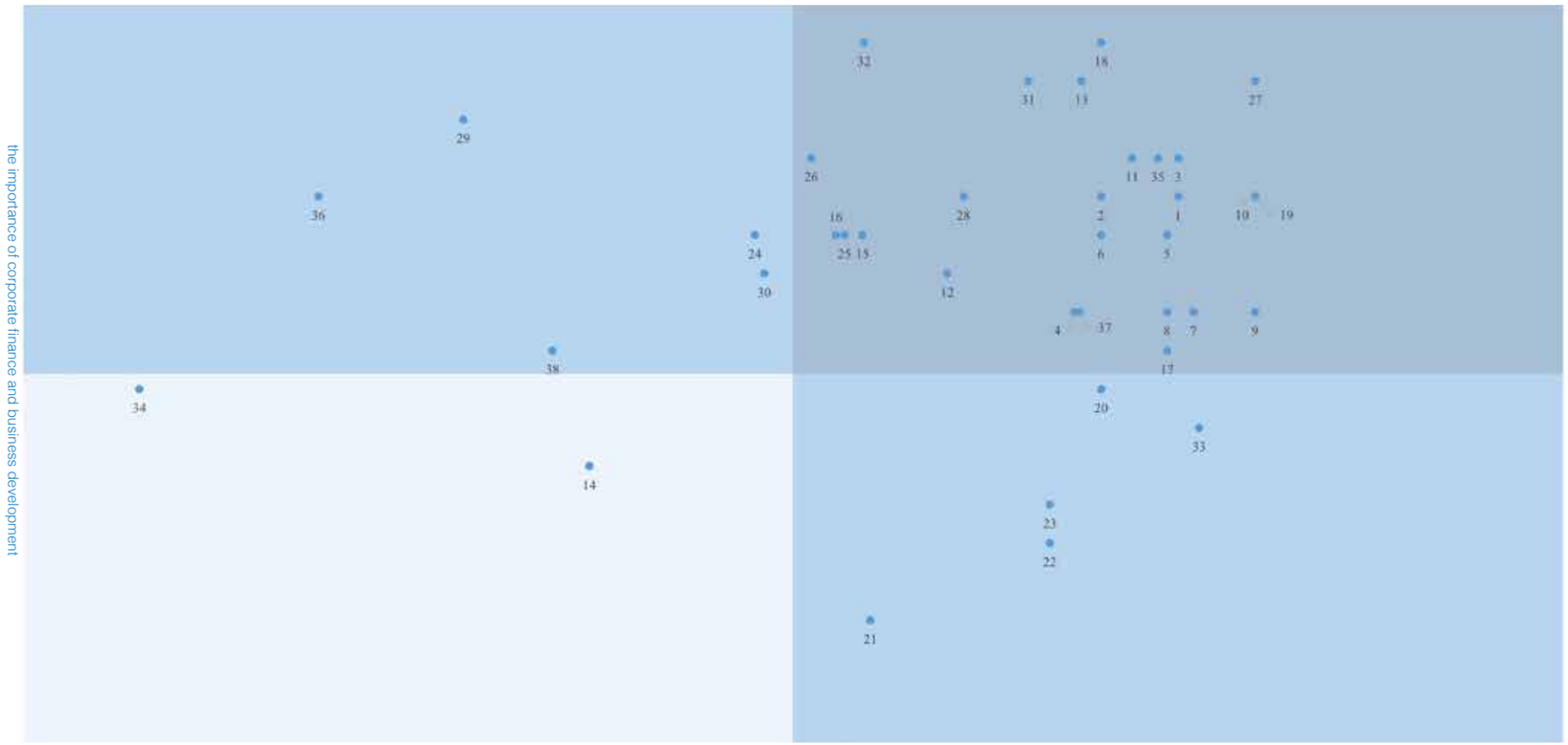
Material Topic Identification

Logic Diagram: Material Topic Identification, Assessment, and Review Process

Process	Content
Topic Identification	Analyze the sustainable development context in which the Company operates; Systemize stakeholder expectations and demands based on business development; Refer to policies and disclosure guidelines including *Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 17 — Sustainability Report (Trial), Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 14 — Sustainability Report (Trial), Continuous Supervision Guidelines for Listed Companies of the Beijing Stock Exchange No. 11 — Sustainability Report (Trial), Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 3 — Sustainability Report Preparation, Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 4 — Sustainability Report Preparation,* and EU Council's Corporate Sustainability Reporting Directive (CSRD). Apply disclosure standards such as the *Global Reporting Initiative (GRI) Standards* by the Global Sustainability Standards Board (GSSB), sector-specific criteria by the Sustainability Accounting Standards Board (SASB), and the UN Sustainable Development Goals (SDGs); Benchmark material topics from peers' sustainability/social responsibility strategies, management systems, and reporting practices.
Topic Assessment	Prepare the *Questionnaire on Material Topics of Wuhu Shipyard to* survey seven internal/external stakeholder groups (shareholders, investors, clients, employees, etc.); Analyze questionnaire results, conduct stakeholder interviews, and consult experts to identify and prioritize core topics, with details disclosed in reports.
Topic Review	Company leadership reviews assessment outcomes against corporate strategy, while functional departments evaluate alignment with management practices; external expert recommendations are incorporated to finalize Wuhu Shipyard's core material topics and their significance.

Material Topics

In 2024, the company has continued to conduct 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 38 ESG key issues, among 12 environmental aspects, 11 social levels and 15 governance levels issues. From the two dimensions of "the importance of economic, environmental and social impacts" and "the importance of corporate finance and business development ", 38 issues were scored according to their importance from a total of 115 questionnaires collected from various stakeholder representatives to form an ESG focus issue matrix.



Environmental

1. Industrial waste emissions
2. Water resources
3. Energy
4. Materials
5. Green transformation
6. Environmental compliance management
7. Environmental management system
8. Greenhouse gas emissions
9. Climate risk management
10. Green & low-carbon certification
11. Environmental rights trading
12. Biodiversity

Social

13. Employee health & safety
14. Recruitment & interests
15. Compensation & benefits
16. Development & training
17. Supply chain management
18. Product quality & safety
19. Customer service & benefits
20. Government relations management
21. Rural revitalization
22. Community development
23. Social welfare and charity

Governance

24. Integrity construction
25. Intellectual property management
26. Internal controls
27. Operate in compliance
28. Corporate strategy & governance processes
29. R&D innovation management
30. Organizational structure & functional management
31. Fair competition
32. Risk management
33. Corporate Culture
34. Executive compensation management
35. Information disclosure transparency management
36. Investor relations management
37. Digital transformation
38. Intelligent manufacturing

03

Focus Area I: Green Vessel Leadership

Wuhu Shipyard proactively implements China's "Dual Carbon (carbon peaking and carbon neutrality)" strategy, aiming to enhance sustainable development and value creation. Firmly adhering to the core brand philosophy of "Green, Smart, and Sustainable Development", the Company strategically advances green shipping and new-energy vessels while innovating in vessel technology upgrades and low-carbon retrofits. In 2024, 60%-70% of its seagoing vessel orders comprised new-energy green vessels; while all inland waterway orders were exclusively for new-energy green vessels.

Throughout 2024, the Company refined LNG/MDO dual-fuel[LNG refers to liquefied natural gas; MDO refers to matine diesel oil] propulsion technology, developed novel clean solutions, and launched energy-efficient models including the 18,000-ton dual-fuel chemical tanker and the 3,000-ton battery-swapping multi-purpose vessel. Recognized with domestic and international awards in green shipping, Wuhu Shipyard further strengthened its green ecosystem and collaborated with supply chain partners to co-create sustainable products.

LNG refers to liquefied natural gas; MDO refers to matine diesel oil

60%-70%

New Energy Green Ship

1

Green Vessels and Technologies

Wuhu Shipyard has successfully built a comprehensive green vessel product matrix covering diverse ship types and application scenarios, delivering sustainable shipping solutions to clients. This signifies Wuhu Shipyard's advanced technological capabilities and reliable product offerings in driving the industry's low-carbon transition, effectively responding to increasingly stringent global environmental regulations and market demands. Through years of innovation, Wuhu Shipyard now possesses multiple leading and recognized clean technologies, earning accolades from domestic and international organizations for its achievements in green development, energy conservation, and carbon reduction.

Featured Green Vessel Products

Case

7,000 CEU Dual-Fuel Pure Car and Truck Carrier (PCTC)

The 7,000 CEU PCTC series utilizes LNG as fuel, equipped with WinGD's 7X62DF-2.1 two-stroke engine. Its low-pressure dual-fuel technology serves as a sustainable propulsion solution, enabling efficient and safe LNG operation. Integrated with WinGD's latest-generation intelligent-controlled Exhaust Gas Recirculation (iCER) system, it is able to have dual-fuel main engine propulsion and reduce methane slip and total greenhouse gas emission, which makes it comply with IMO's stringent Tier III standards.

7,000 CEU Dual-Fuel PCTC "Yellow Swan"

Case

50,000-ton Chemical Tanker

This vessel series employs a high-pressure selective catalytic reduction (HPSCR) system for the main engine and a low-pressure selective catalytic reduction (LPSCR) system for generator sets, strictly adhering to IMO Tier III emission standards. While delivering robust power output, it significantly reduces pollutant emissions. Aerodynamic principles are applied through two sail-assisted propulsion devices that effectively convert wind energy into propulsion. This design enhances efficiency while further cutting greenhouse gas emissions, offering superior environmental performance compared to conventional fuels.

50,000-ton Chemical Tanker

Case

37,000-ton Asphalt Carrier

This upgraded vessel exemplifies green, intelligent, and energy-saving design. Its entire cargo tank system utilizes two thermal oil boilers to maintain a constant temperature of 180°C, ensuring asphalt safety while minimizing heat dissipation. Incorporating multiple eco-friendly and smart technologies, it represents a future-ready evolution in maritime transport.

37,000-ton Asphalt Carrier

Green Vessel Technology R&D

Logic Diagram

New-Energy Electric Vehicle Carrier R&D Project:

Led by Wuhu Shipyard, this initiative pioneers fire-resistant composite materials for decks and bulkheads while optimizing ventilation layouts. The goal is to establish industry standards for EV carriers by enhancing safety, reducing operational costs, and securing competitive freight rates.

Logic Diagram

Intrinsic Safety for Vessels, Long-Life Batteries & Smart Integrated Power Systems:

Led by Tri Waters New Energy Technology (Anhui) Co., Ltd., this project focuses on intrinsically safe flow batteries for inland vessels, wide-range high-efficiency DC microgrid DC/DC technology, optimized DC flexible power storage configurations, hybrid energy storage management, and full-chain ship power system testing protocols. The project focuses on intrinsically safe flow batteries for vessels, featuring non-toxic electrolytes, high safety, high energy density, extended lifespan, and broad material availability), which may overcome thermal runaway and short-circuit risks of lithium systems. Through next-gen neutral aqueous organic flow batteries, it accelerates green, safe, and efficient transformation in shipping.

Anhui Provincial Science and Technology Award Certificate

The Company's green vessel products and technologies have garnered broad recognition from government and industry. On September 14, 2024, the Department of Science and Technology of Anhui Province announced the results of the 2023 Anhui Provincial Science and Technology Progress Award. Wuhu Shipyard's R&D project "Key Technology Development and Industrialization of Green Energy-Saving Chemical/Product Tankers" was awarded the Second Prize of Anhui Provincial Science and Technology Progress Award (Subject) for 2023. That same year, the research institute's "New Energy-Efficient 18,000-ton Chemical Tanker" won the Excellence Award in the Green Intelligent Vessel category at the 13th China Innovation and Entrepreneurship Competition. These accolades underscore the Company's "green technological prowess".

2

Comprehensive, Full-Lifecycle Green Management

Wuhu Shipyard has established a comprehensive, full-lifecycle green product management mechanism covering product design, raw materials, production technologies, and equipment. By implementing eco-friendly processes across all production stages, the Company achieves emission reduction and environmental protection throughout vessels' lifecycles. In 2024, green revenue accounted for 23.96% of total revenue.

23.96%

Share of green revenue in total revenue

Green Design	Developed multiple green design specifications defining boundary conditions for green vessels;
Green Raw Materials	Utilized low-pollution eco-coatings and implemented procurement plans for green materials like "green steel";
Green Production Equipment	Adopted laser cutting and other advanced technologies;
Green Welding	Employed high-efficiency welding power sources, MIG welding, laser-MIG hybrid welding, friction stir welding, transverse butt seam welders, and gantry-type twin-wire submerged arc welding equipment to reduce electricity consumption and pollutant emissions;
Green Coating	Implemented laser/ultrasonic surface cleaning (paint/rust/contaminant removal) and upgraded to energy-saving spraying equipment to minimize power usage;
Green Outfitting	Introduced pre-outfitting and modular assembly processes, refined outfitting design with palletized management, and adopted zone outfitting techniques to decrease energy/resource consumption during outfitting.

04

Focus Area II . Intelligent Manufacturing Transformation

Wuhu Shipyard embraces China's "Digital Transformation" strategy, adhering to the operational principles of "balanced production, quality enhancement, transformation and upgrading, and mechanism optimization". The Company is dedicated to building smart factories, continuously exploring a digital-physical integrated management model, and advancing intelligent and lean shipbuilding processes. By implementing lean production systems and integrated shipbuilding platforms, leveraging local robotics industry advantages, and deepening the convergence of information technology with manufacturing, Wuhu Shipyard accelerates its intelligent transformation, which has forged a core advantage of "leadership in intelligent manufacturing", strengthening corporate competitiveness. In 2024, the Weihai Base commissioned the world's first operational smart "lights-out factory" in the shipbuilding industry. By early 2025, the Company had deployed a series of intelligent production lines and products, achieving nationally leading standards.

1

Intelligent Manufacturing Strategic Layout

Wuhu Shipyard has formulated an intelligent manufacturing strategic plan to maintain its leading position in domestic shipbuilding intelligence. During 2024–2025, the Company fully established a lean manufacturing system, applying IoT technology across all production stages to progressively transition from automation to intelligence and digitization. The Company plans to achieve its smart shipyard goals through phased implementation over the next three years.

Three-Phase Implementation Plan for Future

2025-2026

Establish smart hull workshops and intelligent pipe processing workshops; initiate preliminary operation of MES systems;

2027-2028

Expand automated production lines toward full intelligence; build a unified data platform for interconnected operations;

2029-2030

Achieve “autonomy” in individual manufacturing units and “self-organizing capability” across the entire production process.

Progress of Long-Term Planning Projects

Informationalized Steel Plate Preprocessing	Features automatic marking to reduce manual transcription and thus cutting down labor costs; records plate types/data directly, enabling smart distribution to cutting workshops, minimizing handling, and allowing precise capacity calculation.
Intelligent Steel Plate Yard & Cutting	Established China’s first fully automated hull plate cutting center for shipbuilding, achieving automated steel transport, smart stacking, and full-process tracking. Utilizes electronic tags, upgrades cranes to intelligent systems, integrates with a centralized yard control system, and connects to processing workshops. Achieves 95% small-part auto-sorting rate with AI system supporting 2,000+ electronic tags.
Intelligent Hull Workshop	Fully established China’s first intelligent cutting workshop, featuring 4 domestically leading panel line welding roller lines and 2 profile steel cutting production lines. Profile steel cutting operators reduced to 2 personnel, boosting production efficiency by 80%.
Intelligent Pipe Processing Workshop	Built 3 advanced production lines incorporating pipe flange assembly, robotic welding, and pre-weld bending processes. Welding robots replaced manual labor for pipe bracket outfitting components. Developed China’s first outfitting welding robot, enabling automated welding for 60% of pipe bracket types.
Section Shop Intelligence	Fully implemented planar section intelligent assembly lines enabling automated operations including plate joining, longitudinal stiffener installation/welding, and grid framework robotic welding. Pioneered China’s first T-bar welding system with 8 synchronized gantry robots, utilizing laser-hybrid single-side welding with double-side formation technology, increasing welding speed by 2.5 times.
Intelligent Vertical Warehouse	Utilizes smart vertical cabinets, automated stacker cranes, AGV robots, and WMS systems to intelligently store raw materials, spare parts, flammable/explosive items, achieving informationalized and digital warehouse management.
CSS System	Consolidates end-to-end applications including design management, production planning, supply chain, quality control, and finance, breaking down information and process silos for informationalized management. In the next step, the Company will implement Phase II of the intelligent manufacturing system to enable 5D virtual simulation. Leveraging existing lightweight models of sections and blocks, it will intelligently generate production/assembly plans while automatically tracking material availability, resource allocation, and design status.

2

Transformation Exploration & Practice

Guided by its intelligent manufacturing strategy, the Company has implemented intelligent systems and equipment across all production stages, which enhances automated production capabilities, reduces manual labor, and drives continuous progress in intelligent manufacturing transformation.

80%
Base automation rate

100%
Localization of automated manufacturing equipment rate

40%
Reduced overall labor by

Focused on transitioning traditional shipbuilding to intelligent, digital, and green practices, the Weihai Base introduced eight internationally advanced fully automated production lines. Pioneering five major systems—including full-surface marking/etching, automated cutting/sorting, and single-gantry 8-robot T-bar welding—it integrated cutting-edge dynamic vision technology and thin-plate laser hybrid welding, which enabled end-to-end automation from marking to sorting, cutting, and welding, achieving seamless human-machine collaboration. The base attained 80% automation, reduced overall labor by 40%, and achieved 100% localization of automated manufacturing equipment, marking the world’s first operational breakthrough in shipbuilding “lights-out factory” implementation.

3

Digital Upgrade Pathway

The Company launched a digital-intelligent transformation project to align with lean production models. It established a unified management system standard based on material management, covering design, procurement, production, and planning to achieve full lifecycle management across product development and construction processes. By integrating modern shipbuilding management systems with Yonyou BIP, the Company realized end-to-end material supply chain integration. This advancement further enhances collaboration, transparency, standardization, informatization, and intelligence across design, procurement, and production operations.

The Company advances internal software development centered on “empowering operations through digital technology”. Utilizing BI systems, it created dashboards for steel management and project diagnostics to enhance transparency in shipbuilding processes and data visibility. By revamping the office collaboration platform, workflows were digitized while integrating OA, contract management, financial sharing and settlement systems, which enables end-to-end collaborative operations, boosting management and operational efficiency. Cloud and AI technologies are reshaping industrial software, while a secure, trusted technical foundation and open ecosystem provide core engines for manufacturing digitization. In 2024, the Company developed 10 software copyrights, enabling online asset management via self-built systems for paperless equipment requests and data-driven asset analysis.

A strategic partnership with Huawei leverages its world-leading cloud technologies, digital transformation frameworks, and Enterprise Architecture (EA) methodology to accelerate the Company’s large-scale digital initiatives.

Upon completing its intelligent manufacturing strategy, the Company aims to achieve three goals: interconnectivity, data reliability, and flexible production. This will comprehensively enhance digital and intelligent manufacturing, optimize auxiliary management capabilities, enable data-driven lean production through efficient collaboration, and foster high-quality sustainable development.

05

Compliance Governance Foundation

1

Corporate Governance Structure

Wuhu Shipyard strictly complies with the Company Law of the People's Republic of China and other applicable laws and regulations, while continuously optimizing its corporate governance framework and enhancing internal management systems to ensure standardized governance. During the reporting period, directors, supervisors, and senior management diligently fulfilled their duties and exercised their functions and powers in strict accordance with relevant rules, regulations, and procedures.

Corporate Governance Structure[2]

The Company has established an organizational structure centered around the Board of Shareholders, Board of Directors, Board of Supervisors, and Executive Management. Each tier performs its duties in accordance with the law, collectively promoting the Company's healthy and sustainable development while safeguarding the legitimate rights and interests of the Company and ite shareholders. Elections of directors of Wuhu Shipyard strictly comply with laws, regulations, and the Articles of Association, occurring every three years. Candidates nominated by shareholders are elected through voting by shareholders holding over 50% of voting rights.

In 2025, to further standardize governance and enhance Board decision-making, three specialized committees were established under the Board: Strategy and ESG Management Committee, Nomination and Remuneration Committee, and Audit and Risk Control Committee. Their specific responsibilities and operating procedures are defined by the Board and submitted to the Board of Shareholders for review[3]

The Board of Directors, Wuhu Shipyard's core decision-making body, operates under the Board of Shareholders' authorization. It comprises six members: ZHANG Zhao, WANG Yuquan, WU Yunfei, XU Hui, BAO Xiaoli, and CHEN Anming. ZHANG Zhao, WANG Yuquan, WU Yunfei, XU Hui, and BAO Xiaoli were nominated by shareholders and elected by the Board of Shareholders; CHEN Anming was elected by the Employee Representative Assembly as the Employee Director.

The Board composition reflects diversity with complementary knowledge and expertise. Each director has respective expertise across corporate governance, shipbuilding technology, and environmental management. For instance, WANG Yuquan's finance background aligns with risk management needs, WU Yunfei specializes in investment management, and XU Hui's intellectual property law expertise supports legal compliance. This professional synergy ensures scientifically sound Board decisions. All directors diligently exercise their duties, implement shareholder resolutions, and commit to strategic decision-making for the Company's growth.

6 Person
Directors

1 Person
General Manager

3 Person
Deputy General Managers

1 Person
Financial Director

The Executive Management of the Company comprises one General Manager, three Deputy General Managers, and One Financial Director. As of the Report's publication, the General Manager is CHEN Weiping; the Deputy General Managers are PAN Yuhong, ZHENG Tianbao, and KANG Qiulian; and the Financial Director is SHEN Xinshi[4] . Executives are appointed in accordance with the Articles of Association, possessing robust knowledge, industry experience, and managerial competence. Notably, multiple members of the leadership team fall within the 30–40 age bracket, reflecting the Company's commitment to infusing vitality through executive rejuvenation.

[2]Corporate governance structure and management personnel appointments underwent changes in 2025. The latest actual circumstances are disclosed herein.
[3]Corporate governance structure and management personnel appointments underwent changes in 2025. The latest actual circumstances are disclosed herein.
[4]Corporate governance structure and management personnel appointments underwent changes in 2025. The latest actual circumstances are disclosed herein.

Qualifications of Executives

Knowledge Structure

Executives are required to hold bachelor's degrees or higher with diverse specializations. Currently, three possess postgraduate degrees in fields including Naval Architecture & Ocean Engineering, Business Administration, Finance, Economics, and Public Administration, addressing the Company's needs in ship production, operations, and financial management.

Professional Competence

All executives have extensive experience in shipbuilding, with profound understanding and foresight regarding macroeconomic trends, industrial policies, maritime dynamics, and market principles. They demonstrate strategic planning and decision-making capabilities, risk management, compliance awareness, and the ability to formulate clear development path while mitigating risks. In addition, they are able to keep abreast of the development trends within the industry in a timely manner and make scientific decisions in complex environments.

Continuous Developmen

Regular executive training programs expand knowledge reserves and enhance leadership and managerial capabilities across the team, ensuring the executive team's expertise aligns with operational demands.

4 Times
Shareholders' Meetings

8 Times
Board Meetings

1 Times
Supervisory Board Meetings

Wuhu Shipyard consistently regards the refinement of corporate governance mechanisms as the cornerstone for achieving long-term value creation and sustainable development. The Board of Directors diligently fulfills its dual functions of strategic guidance and risk oversight, the Board of Supervisors strengthens checks and balances, and the Shareholders' Meetings safeguard the exercise of shareholder rights, all of which ensures corporate strategy aligns with national policy objectives, thereby solidly underpinning enhanced operational efficiency and the protection of multi-stakeholder interests.

In 2024, the Board convened 4 Shareholders' Meetings (including 3 interim meetings), reviewing 20 proposals and implementing all resolutions accordingly. The Board itself held 8 meetings, deliberating and approving 23 proposals/reports (including 1 resubmitted amended item), with full execution of all 23 items. The Board of Supervisors convened once, reviewing and executing 9 proposals. Throughout the reporting period, both the Board of Directors and the Board of Supervisors diligently fulfilled their respective duties in operational decision-making and oversight.

2

Compliance Operations

Based on a robust corporate governance framework, the Company prioritizes lawful and compliant operations management. It continuously strengthens risk prevention and compliance management to elevate operational management standards and risk mitigation capabilities, thereby fostering sustainable development.

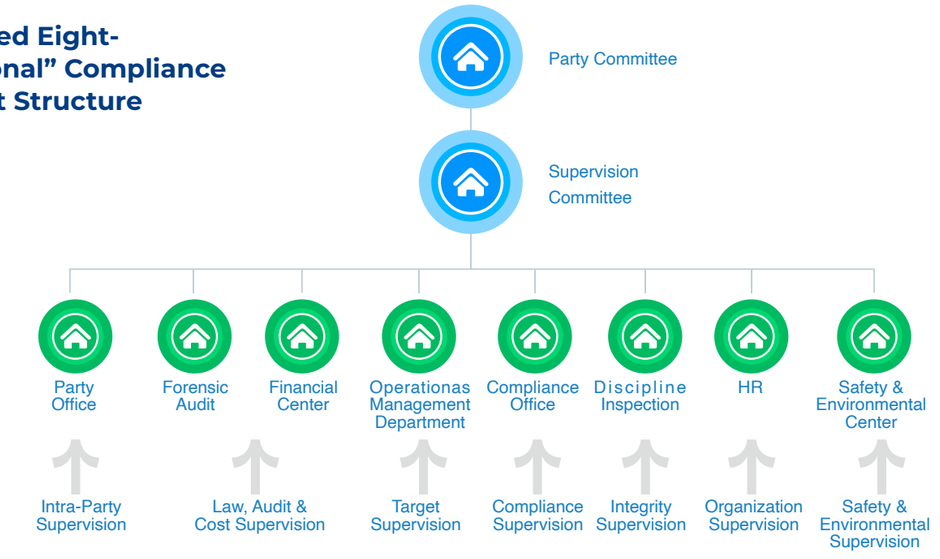
2-1 Ensuring Compliance Operations

Wuhu Shipyard prioritizes compliance management in strategic planning, adhering to the principles that "compliance is the operational bottom line", "compliance creates value", and "compliance is everyone's responsibility". The Company is committed to building a comprehensive compliance management system covering all business departments, domains, and processes. The Company regularly reviews and strictly complies with laws, regulations, and industry standards, driving deep integration of compliance management with business operations. *The Corporate Compliance Management System* was established to define governance elements, strengthen compliance risk identification, assessment, response, and reporting procedures, and standardize daily compliance oversight. Additionally, the *Shipbuilding Sector Compliance Investigation Management System* further standardizes investigation principles, criteria, and workflows. By implementing the "Three Lines of Defense" framework for compliance risk management as the foundation of internal controls, the Company embeds compliance risk reviews into business processes with clearly defined accountability.

1)Compliance Management Framework

The Company established a multi-dimensional compliance management framework based on the "Three Lines of Defense". The Compliance Office oversees various matters related to compliance management, such as compliance systems, culture, evaluations, legal advisory services, and cost operation supervision. In 2024, an "Integrated Eight-Dimensional Compliance Oversight Committee" was formed, comprising eight departments: Party Affairs Office, Legal & Audit, Finance, Operations, Compliance, Discipline Inspection, HR, and Safety. This committee performs intra-Party supervision, administrative oversight, and operational monitoring, embedding scrutiny throughout business management processes.

"Integrated Eight-Dimensional" Compliance Oversight Structure



Compliance authorities fulfill primary responsibilities by coordinating functional departments under the “Integrated Eight-Dimensional Compliance Oversight Committee”, which ensures all business entities, departments, and employees adhere to laws, regulations, and internal policies. Regular oversight activities forge synergy across “prevention, inspection, accountability, rectification, and governance”, progressively refining internal supervision mechanisms.

Case

Compliance Review and Assessment

During the reporting period, the Company focused on “human, financial, and material source” management as the core framework, prioritizing risk oversight, operational decision-making, and economic activities. Evaluations covered compliance in outsourcing processes, bidding/procurement procedures, project settlement, asset management, and internal duty fulfillment, spanning 251 internal control processes.

In 2024, the Company received a Group Compliance Maturity Assessment “Grade A” rating, effectively safeguarding corporate and employee interests from violations and preventing fraud or misconduct.

2)Compliance Culture Building & Training

The Company’s compliance culture development follows principles of full-staff coverage and tiered management. Senior executives lead by example through mandatory training; departments cultivate compliance trainers and host diverse activities (e.g., knowledge contests, video campaigns, case studies, compliance pledges) to enhance legal awareness; and partner-focused advocacy programs extend compliance culture externally, thereby expanding its influence. In 2024, training participants reached 286 for mid/senior leaders, 856 for key personnel, and 856 for new employees. And thematic warning session attendees reached 2,650 for all employees.

During the reporting period, the compliance department issued monthly briefings aligned with compliance management system guidelines, synthesized best practices, and mobilized business units to fulfill frontline defense duties. Initiatives like field visits and expert lectures leveraged case studies to drive improvements, internalizing compliance concepts into action.

Mid/Senior Leadership Trained

286 Person-time

Key Personnel Trained

856 Person-time

New Employees Trained

856 Person-time

Thematic Warning Sessions Attendance Over

>2650 Person-time

Company Compliance Culture Activities



Business Partner Compliance Advocacy


2-2 Strengthening Risk Management

Centered on its overarching strategic objectives, Wuhu Shipyard implements risk management across all operational processes. The Company establishes and refines its risk management framework while cultivating a robust risk management culture. This systematic approach provides reasonable assurance for achieving risk management goals and continuously enhances the Company’s capabilities in risk prevention and response.

1)Risk Management Organizational Structure

The Company established the Risk *Assessment Management System and corresponding risk management structure.* A Risk Control Committee serves as the central risk management body, evaluating diverse risks and mitigation strategies to provide basis for Board decisions. Departments and subsidiaries assess operational risks and corresponding measures within their domains. The legal representative holds ultimate accountability, with department heads serving as Risk Management Committee members.

2)Risk Identification and Response

To systematically identify and analyze risks impacting internal control objectives in its business activities, the Company, taking into account market factors such as the macro environment and laws and regulations, conducts opportunities and risks identification at mid-year and year-end when organizing departments to formulate strategic objectives and annual work plans. The scope of identification covers overall strategy, product construction, finance, operations, and HSE domains. Identified risks are documented in risk registers reported to the Risk Control Committee, with each department responsible for assessing and addressing risks within its operations.

Four-Step Risk Identification and Response

To ensure effective risk assessment, the Company established a “Four-Step” compliance framework, providing robust operational safeguards.

01 Establish Risk Identification Mechanisms. Identify potential risks through research, consultation, and analysis; build domain-specific risk databases.

02 Develop Risk Assessment Criteria. Create tailored qualitative/ quantitative evaluation standards aligned with business characteristics and practical conditions.

03 Execute Risk Assessments. Conduct integrated qualitative and quantitative analyses to prioritize critical risks requiring immediate action.

04 Implement Response Strategies. Formulate and deploy risk management strategies based on assessment outcomes to mitigate or avoid adverse impacts.

Centralized Risk Identification Activities

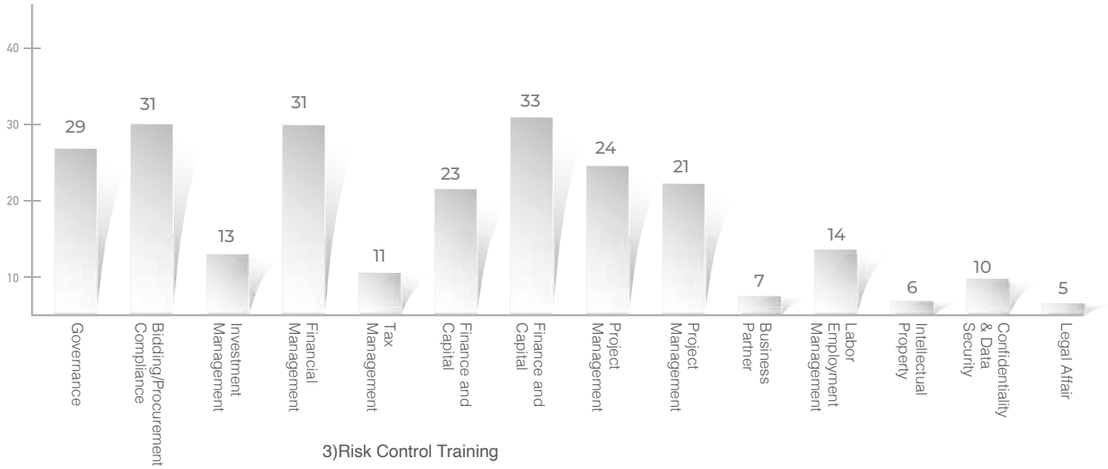
2 Times

Risk Management Reports

2 Copies

Subsidiaries and internal departments conducted risk assessments to identify potential risks for the upcoming year and formulate response measures. In 2024, 3 subsidiaries and 4 departments collectively identified 16 risks, including delayed tool/software deployment, hazardous operations, unresponsive supplier coordination, foreign exchange fluctuations, and commodity price volatility. The Company regularly convened strategic target workshops and review meetings to coordinate risk management and mitigation efforts based on operational objectives and practical conditions, breaking down risk management barriers.

Compliance Risk Reminder (item number)



3)Risk Control Training

To strengthen risk prevention awareness, the Company institutionalizes the identification of key legal requirements, industry-specific risks, critical process vulnerabilities, unfair competition, and anti-corruption risks. Continuous training across risk categories enhances employees' capabilities in risk identification, assessment, and response.

Corporate Governance Risk Training

Confidentiality Management Risk Training & Financial/ Tax Risk Training

2-3 Integrity and Anti-Corruption Development

53.16 RMB Million
Cumulative Cost Savings from Compliance Inspections

Wuhu Shipyard resolutely opposes all forms of commercial bribery and activities undermining operational integrity. The Company established systems including the *Integrity Risk Prevention Manual, Sunshine Project Management Regulations*, and *Code of Business Conduct,* implementing tiered accountability mechanisms and dual responsibility ("one position with dual duties") to make integrated efforts to ensure that personnel does not have the audacity, opportunity, or desire to become corrupt.

A dedicated "Sunshine Project Office" oversees disciplinary inspections, reporting to the Party Committee, with specialized personnel managing disciplinary affairs. This office rigorously monitors high-risk areas, identifies corruption-prone departments/positions for targeted oversight, mandates employee "Integrity Pledges", strictly penalizes violations, and reinforces an "incorruptible" environment with zero tolerance for the "Four Undesirable Work Styles" (formalism, bureaucracy, hedonism, extravagance). Compliance inspections generated cumulative cost savings of RMB53.16 million.

26 Sessions
Party-Building Compliance Forums

915 Copies
Integrity Pledges Signed

2648 Copies
"Sunshine Agreements" Signed

3 Times
High-Risk Position Audits

12 Sessions
"Sunshine Project" Meetings

48 Sessions
Integrity Education Sessions

The Company extends integrity requirements to its supply chain, mandating suppliers to sign the Sunshine Project Integrity Agreement. Violators are subject to "blacklist" management, fostering a transparent and ethical business ecosystem. To date, over 550 partners have received the Integrity Compliance Notice, with 100% signing and committing to compliance, reinforcing the principles of "ethical operations and regulatory adherence" to deepen the "Sunshine" supply chain initiative.

The Company sets multidimensional whistleblowing channels, including but not limited to dedicated email, hotline, and General Manager's mailbox (7 types total), operate under a "unified acceptance - categorized handling - time-bound resolution" process. Employees and external stakeholders are encouraged to actively engage in oversight. The Company grants rewards in accordance with laws and regulations for verified real-name reports to encourage the joint supervisory efforts of all employees. The anonymous reporting protection mechanisms established by the Company strictly safeguard whistleblower confidentiality without public disclosure or recognition.

Case

Integrity Investigation

In 2024, the Company organized 81 executives, 856 personnel in key positions enjoying "eight key rights", and 225 Category A/B partners to sign compliance and integrity operation pledges and complete conflict-of-interest declarations. During the reporting period, the Company received two anonymous tip-offs. Upon factual investigation, both cases were promptly addressed in accordance with internal control regulations, safeguarding normal business operations and corporate integrity.

Under the leadership of the Party Committee, Wuhu Shipyard's Compliance Office deepened integrity education and training to fortify employees' ideological resilience against corruption and foster a culture of integrity. Key business units in critical areas conducted bimonthly compliance risk and integrity awareness sessions, totaling 6 sessions in 2024. The Company organized company-wide compliance and integrity knowledge campaigns, leveraging both online and offline formats to systematically enhance employees' understanding of anti-corruption principles and compliance consciousness. Throughout 2024, the Company delivered 48 educational activities, including integrity workshops, site visits, warning sessions, integrity reminders, and heart-to-heart talks, reaching 6,300 participants. It disseminated 13 articles, 16 videos, and 8 course materials on the "Sunshine Project" via its website, *Wuhu Shipbuilding* newspaper, LED displays, WeChat, and bulletin boards. Six integrity-themed cultural products were launched, such as "Integrity Bulletin Boards" and "Monthly Discipline Briefings".

To reinforce learning outcomes, the Company's official WeChat account "ESG Academy" column serialized Q&A interpretations of the *Communist Party of China Disciplinary Regulations.* Serving as a core component of integrity culture development, these resources provide ongoing learning for all Party members, cadres, and employees, cultivating a strong atmosphere of "learning, contemplating, and practicing integrity".

Case

Warning Education Activities

The Company organized over 30 Party members, leaders, and key personnel to visit Wuhu First Detention Center for a themed warning session on “Holding in Awe and Veneration and Upholding the Bottom Line”, followed by a disciplinary integrity assembly. Participants included members of the Party Committee, along with leaders and key personnel from HR, production, procurement, quality, and finance departments. This immersive experience deepened participants’ understanding of corruption’s consequences, further solidifying their conviction and determination to uphold ethical operations and compliance.

Warning Education Activities

2-4 Upholding Fair Competition

Adhering to principles of integrity and compliant operations, the Company established systems including the *Code of Business Conduct, Bidding/Bid Negotiation Management Regulations,* and *Procurement Management Regulations* based on international/domestic compliance requirements and global best practices. It strictly safeguards client trade secrets while promoting adherence among suppliers and partners to company regulations and guidelines to collectively maintain a fair market environment.

The Company established a mechanism that ensures rigorous compliance review prior to key business activities and decisions, with detailed documentation of review outcomes and corrective actions. During the reporting period, the Company incurred no penalties for unfair competition, false advertising, or monopolistic practices.

3 Data and Information Security

Amid rapid digital economic development, Wuhu Shipyard recognizes information and data as core strategic assets. The Company resolutely advances digital, automated, and intelligent transformation while establishing a systematic information security framework to safeguard critical data assets. We firmly believe that robust information security mechanisms are not only foundational to sustainable operations but also a core competitive advantage in earning long-term client trust.

The Company adheres to laws and regulations including the *Data Security Law, Network Data Security Management Regulations*, and *General Data Protection Regulation (GDPR).* It has established policies such as the *Corporate Information Security Management System, Corporate Terminal Security Management Regulations*, and *Code of Conduct for Information Security*. The Information Management Department oversees standardized information security governance, strengthens endpoint device security, and ensures secure, stable operation of IT systems and network resources within controlled risk parameters to protect network and data integrity.

While enhancing network and server infrastructure upgrades, the Company intensified information security measures. Alongside private cloud deployment, it implemented server antivirus protection, WAF (Web Application Firewall), bastion hosts, log auditing, and database auditing systems to ensure data security, controllability, and manageability.

The Company conducts quarterly comprehensive information security audits covering terminals, servers, network devices, and data management processes. It performs vulnerability scans on terminals, servers, and critical business systems, alongside log audits for relevant systems such as firewall, log system, and database. Concurrently, the Information Management Department organizes specialized training, incorporating information security modules into new employee onboarding to strengthen awareness and reduce human-induced vulnerabilities. A closed-loop vulnerability remediation mechanism ensures timely fixes for high-risk issues. In 2024, the Company completed 4 full-scope security audits and 4 vulnerability scans as planned, implementing targeted risk management measures for identified vulnerabilities.

In 2024, the Company centralized dedicated server configurations to enhance hardware infrastructure. Concurrently, it strengthened internal information security across office network security, server security, perimeter security, and holistic security management. No major information security events occurred during the reporting period. The Company will continue elevating overall security through technological reinforcement and process optimization, incorporating internal feedback for independent software development while collaborating with external experts and institutions to advance development capabilities. In 2024, the Company secured 10 new software copyrights. Plans are underway to pursue ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System certifications.

4 Second
full-scope security audits

4 Second
vulnerability scans

10 Item
new software copyright

06

Smart Innovation for High-Quality Supply Chains

Guided by national strategies and customer needs, Wuhu Shipyard continuously enhances innovation capabilities to achieve deep integration of technology with industry-academia-research collaboration, which drives product quality and service excellence while collaborating with upstream and downstream suppliers to build high-quality supply chains, advancing sustainable development across the industry.

1

Technological Innovation Driving Development

Wuhu Shipyard steadfastly implements an innovation-driven development strategy. With the scientific layout of its “river, lake, and ocean” product matrix as the goal, guided by national strategies and user demands, the Company continuously refines its technological innovation system. It increases investment in technological innovation, strengthens R&D talent development, promotes the construction of innovation platforms, and leads industry standard-setting, thus injecting strong momentum into sector-wide progress.

1-1 Innovation R&D System

Wuhu Shipyard continuously refines its technological innovation framework, enhances R&D management, strengthens talent development, and invests in innovation platform construction to achieve sustainable enhancement of the Company’s R&D capabilities.

Multi-Dimensional Enhancement of R&D Innovation Capabilities

Institutional Framework

In 2024, the Company established the Research Project Management Regulations and the Management Measures for Technological Innovation Improvement by Research Institutes, strengthening the scientific management system and laying a solid foundation for innovation through standardized R&D processes.

Talent Incentives

The Company implemented mechanisms to encourage employees to propose and implement innovative suggestions, rewarding those who made innovations and breakthroughs to stimulate creativity.

R&D Investment

281.715 RMB Million

R&D Personnel

>500 Persons

New R&D Employees

240 Persons

R&D Investment

The Company continuously increased funding for technological innovation and R&D, expanded talent recruitment, and ensured consistent and regulated investment through comprehensive budget management. In 2024, R&D personnel exceeded 500, with 240 new employees; R&D expenditure reached RMB281.715 million.

Digital Transformation

The Company leveraged big data, simulation capabilities, and other technologies to optimize product design workflows and enhance R&D efficiency.

Through sustained investment, the Company has accumulated robust technological capabilities in high-tech vessels, offshore equipment, new-energy ships, and amphibious equipment sectors. It continues to achieve breakthroughs by developing industry-leading technologies, maintaining its long-term leadership position within the industry and securing core competitive advantages in the market.

Case

Application and Iteration of New Technologies

In 2025, the Technology Center initiated 59 R&D projects—8 ongoing and 51 new. Projects focused on vessel propulsion systems, high-end ship design, and intelligent platform support systems, including: “Design and Application R&D of Electric Propulsion System for 6,600-ton Chemical Tanker”, “Side-Loader Design Application Study for 27,650T Multi-Purpose Vessel”, “Design and Development of Dual-Header System and Intelligent Cargo Control for 40,800-ton Oil/Chemical Tanker”, “18,000-ton Chemical Tanker”, and “Development of Deck Rapid Hoisting Equipment for 7,000-Car Carrier”. These projects incorporate multiple industry-leading technologies and advanced design concepts.

To sustain R&D capabilities and technical proficiency, the Company has built a competitive R&D team. Leveraging century-old craftsmanship expertise as its foundation, it ensures stability and continuity in technology and processes. Through initiatives like postdoctoral workstations and talent incentives, the Company attracts top-tier industry researchers—recruiting 1 PhD and 58 master’s graduates in 2024. Scientific talent is strategically assigned to projects, with a mentorship system enabling knowledge transfer and continuous skill enhancement. These measures maintain the team’s long-term competitiveness and high R&D standards.

Wuhu Shipyard’s sustained innovation investment has earned national recognition. The Company holds Class A Vessel Design Qualification, while subsidiary Tri Waters (Anhui) obtained the same certification in November 2024. Key R&D institution Anhui Haizhi has been designated a National High-Tech Enterprise. In July 2024, it was listed among “Anhui Sci-Tech SMEs”, signifying standardized R&D operations. By November 2024, Anhui Haizhi gained recognition as a Wuhu Innovative SME.

1-2 Intellectual Property Management

Wuhu Shipyard focuses on key industry domains and cutting-edge technologies, increasing R&D investment to protect innovations through patent applications and secure independent intellectual property rights. The Company prioritizes IP management and commercialization, accelerating the transformation of IP achievements by targeting high-value patents and future operational directions alongside policy analysis.

The Company formulates the *Corporate Patent Management Regulations and Scientific Achievement Management Measures* to standardize IP governance, establishing a comprehensive IP management system. The Technology Innovation Department oversees IP application, control, and maintenance, while the Legal Department handles infringement litigation and risk mitigation. Subsidiary Anhui Haizhi Research Institute, the primary R&D entity of the Company, treats IP as a core strategic resource for innovation, obtaining Intellectual Property Compliance Management System certification on December 9, 2024. No IP infringement events occurred during the reporting period.

To enhance employees' awareness of intellectual property protection and encourage the creation of patents, academic papers, and software copyrights, the Company implements an intellectual property reward and disciplinary system. The development, application, and management of intellectual property are incorporated into the corporate evaluation framework as key indicators of innovation capability.

Intellectual Property Compliance Management System Certification

New Intellectual Property Achievements

In 2024, Wuhu Shipyard and its subsidiaries made significant strides in technological innovation, with 317 patent applications filed and 30 patents granted. Notably, invention patents represented a substantial portion, with 20 granted, demonstrating the Company's focus on pioneering breakthroughs in core technologies. Academically, employees published 4 new research papers. By the end of 2024, Wuhu Shipyard and its subsidiaries held a cumulative total of 203 granted patents. This achievement fully reflects the Company's technological accumulation and strong emphasis on patent management.

2024

Cumulative Granted Patents **203** Items	New Patent Applications Filed **317** Items	New Invention Patent Applications Filed **73** Items	New Utility Model Patent Applications Filed **197** Items
New Design Patent Applications Filed **37** Items	New Software Copyright Applications Filed **14** Items	New Granted Patents **30** Items	New Granted Invention Patents **7** Items
New Granted Design Patents **1** Items	New Granted Utility Model Patents **12** Items	New Granted Software Copyrights **10** Items	

During the reporting period, five products received high-tech product certification, including: 7,000-car dual-fuel Pure Car and Truck Carrier (PCTC), 14,600-ton heavy-lift vessel, 18,500-deadweight-ton chemical tanker, 37,000-ton asphalt carrier, and large-scale fracturing vessel .

In 2024, the Company's patent "Structure of a Watercraft and Its Control Method" was awarded the Eleventh Anhui Excellence Award for Patents, fully demonstrating its R&D capabilities and patent management proficiency.

High-Tech Product Certification

Anhui Excellence Award for Patents

1-3 Leading Industry Innovation

Wuhu Shipyard remains committed to spearheading industry innovation and fostering collaborative growth with partners. On March 28, 2024, the inaugural meeting of the Anhui Association of Shipbuilding Industry was held in Wuhu, where Wuhu Shipyard was elected as the inaugural Chair entity, and Chairman ZHANG Zhao was appointed as the President. Initiated by Wuhu Shipyard and six other entities, the Association unites 125 stakeholders across the province, including ship outfitters, general shipyards, design institutes, research institutions, and inspection agencies, to consolidate inland vessel resources, drive synergistic development, and build an ecosystem cluster centered around Wuhu Shipyard. This initiative accelerates the cultivation of new productive forces for high-quality development in Anhui's shipbuilding sector. As an anchor enterprise, Wuhu Shipyard steadfastly shoulders the responsibility of advancing the province's maritime industry progress.

1 Industry-Academia-Research Collaboration

s a leader in the shipbuilding industry, Wuhu Shipyard spearheads industry-academia-research collaboration to integrate advanced theoretical knowledge with frontline practical experience, driving sector-wide progress. In 2024, the Company collaborated with multiple universities and research institutions, including but not limited to Wuhan University of Technology, Hefei University of Technology, Jiangsu University of Science and Technology, Anhui Polytechnic University, No. 701 Research Institute, No. 708 Research Institute, and Shanghai Merchant Ship Design & Research Institute, to accelerate technology transformation.

Collaborating Institutions (Partial)	Project Content
Huazhong University of Science and Technology	Berthing platform model testing and numerical simulation research
Wuhan University of Technology	Bridge-spanning platform and transfer pontoon model testing and numerical simulation research
	Intelligent navigation system development for new-energy vessels
Hefei University of Technology	19t amphibious transport vehicle control system development and vehicle domain controller implementation
	Ship Flexible Power Supply System R&D
	Marine Flow Battery Technology R&D
	Modular reconfiguration algorithm and platform technology R&D for energy, communication, sensing, and control systems of future expeditionary task force combat vehicle family

Case

Building R&D Talent Base—Postdoctoral Workstation

Approved as an Anhui Provincial Postdoctoral Research Workstation in 2023, the Company achieved a milestone in attracting high-level talent and advancing technological innovation. Through the Postdoctoral Workstation, the Company continuously draws exceptional researchers. In December 2024, Wuhu Shipyard signed a doctoral recruitment agreement with Hefei University of Technology. Its first postdoctoral fellow focuses on the project of *R&D and Experimental Validation of the Vehicle Control System for New-Energy Amphibious All-Terrain Transport Vehicles*, supporting the Company's new product development.

In 2025, the Company plans to introduce two PhDs specializing in Vehicle Engineering and Naval Architecture & Ocean Engineering. This initiative will maximize the workstation's impact by strengthening R&D capabilities in amphibious equipment and vessel technology, deepening industry-academia-research-application collaboration, and accelerating the transformation of scientific research achievements into industrial applications.

2 Industry Standards and Collaboration

The Company collaborates with renowned enterprises in the industry to jointly develop cutting-edge technologies and projects. In 2024, Wuhu Shipyard focused on the development and design of the 18,000-ton chemical tanker, adopting an "independent innovation + open collaboration" approach. Partnerships included Japanese firm Fluid Techno Co., Ltd., Sushi Zhishi Management Consulting (Shanghai) Co., Ltd., and Wuhan Puruopu Marine Technology Co., Ltd. By leveraging top technical expertise both domestically and internationally through phased, multi-dimensional cooperation, the Company overcame core bottlenecks to achieve a closed-loop technological solution. This initiative not only accomplished R&D objectives but also drove industry-wide collaboration and collective advancement.

Cumulative Standards Developed/Participated

22 Items

The Company implements its ESG strategy by presiding over or participating in the formulation of industry standards, leading sustainable development in the shipbuilding sector. It contributed to drafting the *Shipbuilding Industry Environmental, Social, and Governance (ESG) Disclosure Guidelines and Shipbuilding Industry Environmental, Social, and Governance (ESG) Evaluation Guidelines*, establishing norms for industry ESG practices. As a primary drafting entity, the Company participated in developing multiple safety standards under the Ministry of Industry and Information Technology (MIIT) to advance shipbuilding toward high-end manufacturing, including the *Safety Requirements for Steel Brackets in Ship Production (CB/T 4488-2018), Management Requirements for Performance Evaluation of Safety Standardization in Ship Industry (CB/T 4499-2019), Safety Prodution Management Institutions and Personnel Management Requirements in Ship Industry (CB/T 4503-2019)*, and *Management Regulations for Hidden Danger Handing in Ship Industry (CB/T 4537-2022)*. In 2024, it newly compiled and released four standards, such as the *Work Safety Incident Management Requirements for Shipbuilding Enterprises (CB/T 4555-2024)* and *Safety Management Requirements for Cabin Ventilation Operations in Shipbuilding Enterprises (CB/T 4554-2024)*, which fills critical industry gaps. Commissioned by the Anhui Provincial Department of Economy and Information Technology, the Company led the development of the *Environmental Pollution Control Management Requirements for Anhui Shipbuilding Enterprises* and *the On-Site Management Specifications for Anhui Ship Manufacturers*. These documents provide provincial standards aligned with the Ministry of Industry and Information Technology's enterprise upgrade requirements, promoting standardized production and enhanced safety management across Anhui's shipbuilding industry.

The Company's outstanding innovative products have gained widespread recognition within the industry and serve as benchmarks guiding sector innovation. In 2024, its New Energy-Efficient 18,000-ton Chemical Tanker received the Excellence Award in the Green Intelligent Vessel category at the 13th China Innovation and Entrepreneurship Competition, earning broad recognition in green and smart shipping fields.

2

Premium Quality and Service

Wuhu Shipyard consistently prioritizes product quality as the core of its market competitiveness. Shipbuilding quality forms the foundation of the shipyard's survival, while premium customer service extends the commitment to quality management. The Company cultivates a quality culture, refines quality control and customer service systems, optimizes production workflows and processes, and implements lifecycle quality oversight, ultimately delivering superior products and services that meet client needs.

2-1 Product Quality Management

The Company fosters a quality culture of "Responsibility in Heart, Quality in Hand, Meticulous Craftsmanship, Excellence in Every Vessel", supported by systems such as the *Product Quality Inspection Regulations and Ship Hazardous Substance Management Regulations* to standardize quality procedures. Having established a quality management system certified under ISO 9001, the Company's vessels undergo third-party quality, health/safety, and hazardous substance testing by DNV, Bureau Veritas, and Metizoft. These internationally recognized certifications demonstrate global validation of the Company's quality standards, laying a solid foundation for client trust and sustainable partnerships.

During the reporting period, Wuhu Shipyard successfully passed ISO 9001 recertification and scope expansion audits, confirming the sustained effectiveness of its quality management system and further strengthening client confidence in its quality management capabilities.

Quality Certificate

ISO 9001 Quality Management System Certification

Vessel Obtaining Product Quality Certification and Passing Hazardous Substance Testing

Wuhu Shipyard formulated its 2024 Quality Plan, establishing a new "1+5" Quality Management System centered on product physical quality. This system spans five stages—planning, design, procurement, manufacturing, and after-sales—enabling coordinated management across internal and external bases. Departments responsible for each stage implement core management measures and quality indicators, with the Company regularly evaluating performance against these indicators. Annual quality risk assessments are conducted using the LCE method to identify risks, followed by internal audits and management reviews to determine risk levels and align corresponding management actions and quality indicators.

Case

Weihai Base Quality System Development

In the second half of 2024, Wuhu Shipyard's Weihai Base commenced operations. During its construction, the Company implemented comprehensive quality management systems, laying a solid foundation for efficient and standardized operations. In terms of hardware infrastructure, designed based on modern shipbuilding standards, the Weihai Base features advanced vessel construction equipment, intelligent production lines, and supporting facilities. It covers end-to-end processes from component processing and block manufacturing to final assembly, equipped with the capacity and technical capabilities for high-quality vessel production, including 100% identification accuracy via low-feature high-precision recognition and positioning technology, and 99% sorting accuracy through AI-vision integrated intelligent sorting systems. In terms of quality management system, aligned with international shipbuilding standards and internal quality requirements, the base established a full-chain quality process spanning raw material inspection, production monitoring, and finished product testing/delivery, and it obtained CCS Quality Management System certification.

By clarifying quality responsibilities at each stage, standardizing operational procedures, and implementing digital traceability systems, the base achieves precise control over the entire production cycle, which ensures adherence to corporate quality standards, guarantees vessel reliability and safety, and provides robust support for sustainable development.

Quality Control Training Participants

1710 Person-time

Total Quality Control Training Hours

51714 Hours

In addition to refining its quality management system and enhancing management capabilities, the Company equally prioritizes employees' quality awareness and technical proficiency. Throughout the reporting period, the Company conducted continuous quality training covering all aspects of quality control, including product inspection training, professional skill enhancement training, software training, and systems training. During this period, quality control training engaged 1,710 participants, totaling 51,714 training hours. This comprehensive training equips employees to execute production tasks with high quality and align with the Company's quality control management.

Quality Training Session

Quality Month Launch Ceremony

Building on the establishment of the quality management system and the implementation of quality training, the Company creates "Quality Excellence Teams" at the production team level. This initiative enhances quality management capabilities and cultivates outstanding teams with strong professional skills, high quality awareness, and excellent teamwork as the core strength of the Company's quality control efforts.

Case

Quality Culture Built in "Quality Month"

In September 2024, aligning with China's 47th National Quality Month themed "Strengthening Quality Foundation, Jointly Building a Nation Strong on Quality", the Company launched its "Quality Month" activity under the theme "Enhancing Product Quality, Co-Shaping Quality Systems". This event reinforced quality awareness, optimized management processes, and elevated quality standards.

Guided by the "Quality Wuhu Shipyard" concept, activities included company-wide quality knowledge competitions, welding skill contests, and a "Ship Inspection Knowledge Forum". These multidimensional initiatives enhanced employees' quality management capabilities through cultural, educational, and technical engagement.

Case

Quality Excellence Team Development

In 2024, the Company actively advanced the establishment of quality excellence teams, achieving a 100% team compliance rate. Among these, the Haosen team stood out as a benchmark for quality control. The team is composed of 18 members, including seasoned technical experts, rigorous quality inspectors, and skilled frontline workers. The team developed detailed, actionable standardized workflows aligned with shipbuilding processes, covering every stage from raw material pretreatment, component processing, and block assembly to full-vessel integration. Each step defined clear operating specifications, quality standards, and accountable personnel, ensuring strict adherence and minimizing human-induced variations. For instance, welding procedures precisely regulated current, voltage, speed, and seam formation criteria, significantly improving quality and making the team achieve a first-pass welding qualification rate exceeding 98%.

Inspection Work Instructions and Process Cards

The Company established a Non-Conforming Product Review Office and formed a Non-Conforming Product Review Committee to implement categorized management of defective items, preventing unintended use or delivery that could compromise product quality. Non-conforming products at different levels undergo distinct processing procedures. Effective measures, such as rework, repair, or downgrading, are promptly applied where feasible, while irreparable items are scrapped to ensure rigorous production processes and stable product quality.

Product inspections are differentiated: commercial vessels undergo sampling inspections, while military vessels receive full inspections. The Company collaborates closely with client-designated inspectors to monitor the entire production process. As an industry leader, it adheres to the "Four-Party Confirmation" protocol—joint final quality verification by maritime authorities, shipowners, classification societies, and the shipyard—mandating that only confirmed vessels may launch. During the reporting period, internally developed inspection work instructions and process cards further refined product inspection standards and workflows. Strict quality inspections underscore the Company's unwavering commitment to product excellence.

Site of "Four-Party Confirmation" Protocol

2-2 Delivering Premium Services

Wuhu Shipyard views premium customer service as a natural extension of product quality management. The Company continuously optimizes its customer service system to provide end-to-end support spanning pre-sale, during-sale, and after-sale stages. Adhering to an "integrity-based" philosophy, it delivers high-quality, transparent services that are "visible, identifiable, and recognizable". The formulation and refinement of the *After-Sales Quality Issue Management Measures* integrates post-delivery support into the customer service framework in an innovative manner, underscoring Wuhu Shipyard's commitment to customer experience and long-term effective service.

The Company established an end-to-end customer service management system covering pre-sale, during-sale, and after-sale stages. A dedicated customer service team addresses client needs while ensuring full-process confidentiality to protect privacy and business information. During the reporting period, the Company received no complaints regarding client privacy breaches or data loss.

In 2024, aligned with its strategic goals of building an international brand and advancing the "Centennial Wuhu Shipyard" vision, the Company actively expanded global operations: enhancing brand influence through benchmark products while strengthening international competitiveness through two-drive initiatives.

Establishment of the Customer Satisfaction Measurement Control Procedure

Customer Service Management System

Pre-Sale

The Company introduces technical experts to provide consultation and support to clients.

During Sale

Project management teams oversee end-to-end quality control and client feedback integration, ensuring product compliance and full implementation of client requirements.

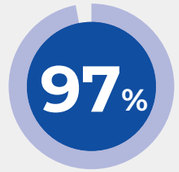
After-Sale

The Company sets a one-year service period, including regular client follow-ups. The Company establishes CSI after-sales service system. European representative offices provide localized after-sales support.

Building on refined systems and management frameworks, the Company has established a fully-staffed, highly capable customer service team. Dedicated departments and specialized positions were created to regularly report operational status to the Executive Management. This comprehensive team structure and reporting process endows the customer service team with the core capability to deliver premium services.

The Company maintains close and collaborative relationships with shipowners and customers, prioritizing client feedback and needs. It established the *Customer Satisfaction Measurement Control Procedure and Customer Satisfaction Survey Form*, implementing a standardized satisfaction assessment mechanism to systematically collect client feedback, covering quality performance across five stages: marketing, design, procurement, production, and after-sales. Comprehensive surveys are conducted quarterly, with annual consolidation of satisfaction metrics tied to relevant personnel performance evaluations. Based on client feedback, targeted service enhancement plans are developed to fully meet or even exceed expectations, positioning customer service as a driver of sustainable growth. In 2024, the Company achieved a customer satisfaction rate of 97%.

During the reporting period, clients highly praised the Company's vessel design and construction capabilities. Shipowners such as CNOOC and Sweden's Donso Tanker stated: "Wuhu Shipyard has thoroughly considered environmental and sustainability requirements in vessel design and construction, adopting advanced green technologies and materials to reduce energy consumption and pollutant emissions during operations. This aligns perfectly with our corporate philosophy." Such recognition from clients regarding product quality and service serves as a powerful driving force for the Company to continuously enhance service standards and deepen ESG practices.



Customer Satisfaction

Foreign Project Complaint Closure Rate

3

Sustainable Supply Chain Management

Wuhu Shipyard strategically prioritizes building a stable and sustainable supply chain system as a core pillar for modern shipbuilding enterprises. The Company drives green transformation across the supply chain, establishing an end-to-end resilient network spanning raw material sourcing, manufacturing, logistics, and final delivery. Through collaborative development with ecosystem partners, it collectively advances high-quality growth in China's shipbuilding industry.

3-1 Supply Chain Development Strategy

Wuhu Shipyard regards building a green, efficient, stable, and compliant supply chain system as a strategic cornerstone for sustainable growth. Actively responding to Anhui Provincial Party Committee and Government's call for "supply chain construction, strengthening, and consolidation", the Company continuously enhances supply chain quality to foster an industry ecosystem. To this end, it established systems such as the Supplier Management Regulations and Civil Supplier Management Rules, systematically standardizing supplier introduction, management, and evaluation processes. Comprehensive supplier oversight aims to establish stable, mutually beneficial, long-term partnerships, ultimately constructing a sustainable supply chain framework.

Supply Chain Development Plan

2025	2026-2027	2028-2029
Construction	Strengthening	Consolidation

To enhance the overall quality of the supply chain, the Company provides online and offline training and guidance to suppliers and partners, helping them improve quality control capabilities and service levels, which drives collective advancement across the supply chain to meet end-client demands. The Company plans to host a Supplier Conference in 2025 to further strengthen ecosystem cohesion, leverage its leadership role, and collaborate with suppliers and partners to achieve sustainable development.

Case

Intelligent Green Transformation Strategy for Supply Chain Logistics

The Company prioritizes green supply chain transformation. In January 2025, it issued the *Initiative on Advancing Intelligent Green Transportation* to long-term suppliers and partners, calling for collaborative efforts to promote intelligent green logistics models.

Partnering with suppliers, the Company advances intelligent route and frequency management by implementing smart transportation management systems to optimize routes, enhance efficiency, and reduce energy consumption. It advocates for adopting new energy vehicles in logistics operations to minimize carbon emissions across the supply chain.

3-2 Prudent Procurement Management

Wuhu Shipyard upholds the principles of responsible, transparent, green, and safe procurement. It established a well-defined supply chain quality management structure with an evaluation team that leverages departmental expertise through clear role delineation, fostering accountability. The Company implements comprehensive supplier introduction, evaluation, and elimination mechanisms, selecting high-quality partners via rigorous screening to enhance product quality stability.

Total Suppliers

1338 Units

Blacklisted uppliers

99 Units

Suppliers Eliminated in 2024

33 Units

Supplier Introduction, Evaluation, and Elimination

Supplier Introduction

The process comprises four stages—application, review, approval, and onboarding—classifying suppliers into temporary and qualified categories. Temporary suppliers are industry-leading enterprises required to submit compliance licenses and quality management system certificates to ensure operational legitimacy and product quality. Temporary suppliers may advance to qualified status based on performance metrics and compliance records, ensuring sustained alignment with product quality standards. Beyond compliance and quality, the Company evaluates suppliers' production capacity and medium-to-long-term plans, including corporate environment, production workflows, and personnel status. During the reporting period, the total registered suppliers numbered 1,338.

Supplier Evaluation

The Company values suppliers' comprehensive capabilities and conducts annual evaluations. An evaluation team consists of the Technology Center, Procurement Center, Quality Management Center, and other departments. The evaluation dimensions include technical capability, delivery timeliness, product quality, and after-sales service. Suppliers are categorized into A, B, C, D, and E classes based on scoring criteria (e.g., ≥85 points for Class A). Annual performance ratings: ≥90 points: "Excellent", <60 points: "Poor". Core suppliers must achieve ≥90 points annually while offering high cost-effectiveness and stable delivery.

Supplier Elimination

Suppliers enter the elimination process if they: score < 60 in annual performance;experience major quality issues during supply; fail evaluations three consecutive times; or are blacklisted. Blacklisted suppliers are barred from collaboration for 3 years and require on-site verification for removal. During the reporting period, the Company eliminated 33 suppliers and added 99 to the blacklist.

Wuhu Shipyard's entire production process involves no procurement of "conflict minerals", and the Company firmly opposes their use.

3-3 ESG Supplier Evaluation

During the reporting period, the Company progressively integrated ESG elements into supplier qualification criteria and evaluation systems. It systematically screened suppliers with ESG qualifications and guided long-term partners toward advancing sustainable development. Concurrently, supplier selection emphasized capacity alignment, medium-to-long-term development potential, and ESG performance, with a specific focus on core factors such as production environment compliance, process standardization, and labor rights protection.

Supplier ESG Assessment

Environmental Compliance & Social Responsibility

Suppliers must submit ESG performance reports alongside environmental management system certifications and occupational health/safety system certifications to ensure regulatory compliance. They are required to sign the Company's *Work Safety and Environmental Management Agreement*.

Governance Requirements

Suppliers must maintain sound financial systems, tax/social security records, pass verification via China's Credit Information System, participate in the "Sunshine Project", and sign/abide by the Company's *Integrity Pledge*.

In 2024, the Company formulated an ESG-integrated supply chain strategy, including the Intelligent Green Transportation Initiative, procurement plans for green materials (e.g., "Green Steel") and processes, and collaborative circular parts collection methods with long-term agreement suppliers. This approach aims to build a green and efficient supply chain while enhancing product competitiveness.

Case

Green Materials (e.g., Green Steel) and Process Procurement Plan

Against the backdrop of global "dual-carbon" goals and the green transformation of the shipbuilding industry, the Company implements green procurement by sourcing eco-friendly materials like green steel and adopting supporting production processes to reduce carbon emissions during vessel construction. This approach not only meets environmental regulations but also aligns with market demand for green products, enhancing the Company's competitive edge.

Aligned with international shipbuilding standards and environmental requirements, the Company procures green materials from suppliers subject to stringent qualification controls. Suppliers must hold quality management system certifications, safety production certifications, and green product certifications, with products passing environmental testing and achieving 100% material compliance. Additionally, all green materials are verified through official certifications to effectively mitigate "greenwashing" risks.

07

Coordinating and Sharing Development Achievements

As a pillar enterprise in China's shipbuilding industry, Wuhu Shipyard consistently upholds a development philosophy centered on "people-oriented, shared responsibility". We firmly believe that corporate achievements extend beyond economic performance to encompass enhancing employee well-being and creating societal value. To this end, we resolutely safeguard employees' legitimate rights and interests while fostering a safe production environment; establish comprehensive training systems to promote holistic employee development; and actively engage in social welfare initiatives and advance rural revitalization.

1

Safeguarding Employee Rights

Adhering to a “people-oriented” philosophy, the Company regards employees as its most valuable asset. It strictly complies with laws including the Labor Law and Labor Contract Law, upholding principles such as equal employment and equal pay for equal work. Through regular communication channels, including internal platforms and employee representative assembly, the Company safeguards workers’ democratic management rights, fosters harmonious labor relations, and enhances employee motivation.

1-1 Compliant Employment

Wuhu Shipyard consistently respects and protects the fundamental legal rights of every employee, upholding principles of fairness, impartiality, and diversity in employment practices. Across recruitment, compensation, career advancement, incentives, and disciplinary actions, decisions are strictly based on objective facts to ensure equal treatment. No form of discrimination is tolerated based on nationality, ethnicity, origin, gender, age, physical condition, personal interests, or religious beliefs.

The Company prohibits all forms of forced labor and modern slavery. In accordance with law s and regulations, it has established institutional documents such as the *Recruitment Management Regulations, Collective Contracts, and Regulations on the Employment Management of Technical Workers (Expatriates)*. The recruitment management system strictly prohibits child labor. Employment contracts are signed with all employees based on principles of equality and voluntariness, while collective agreements are executed through the labor union. Union representatives sign collective contracts with company representatives every three years following collective negotiations, with the most recent signing on April 30, 2023.

The *Employee Relations Management Regulations* standardize procedures for onboarding, resignation, and retirement, ensuring new employees sign labor contracts and undergo probation periods as stipulated. The Company legally contributes to the “five social insurances and one housing provident fund” for all employees and additionally purchases commercial insurance covering personal medical expenses, critical illnesses, and accidental injuries, providing comprehensive protection. Annual expenditures for such benefits range from RMB500,000 to RMB2,000,000.

Key Performance: Labor Contracts & Social Security Compliance

100%

Labor Contract Signing Rate

100%

Six Insurances and One Fund Coverage

In 2024, the Company consistently solidified foundational employee protections, maintaining 100% labor contract signing rate and 100% coverage for “six social insurances and one housing provident fund”.

Through robust institutional frameworks, the Company standardizes employee management and recruitment practices, safeguarding rights and promoting sustainable workforce development.

2024

Total Regular Employees	Male Employees	Female Employees	Contract-Based Employees
2348 Persons	2006 Persons	342 Persons	2342 Persons

Employees from HR Partners	Age ≤ 30	Age 31–50	Age ≥ 51
4245 Persons	873 Persons	1214 Persons	261 Persons

Master/PhD Candidates	Bachelor’s Degree Holders	Holders of College Diploma or Below
81 Persons	785 Persons	1482 Persons

The Company adheres to the principle that “talent must contribute, and contribution warrants recognition”. In recruitment, it imposes no restrictions based on age, gender, ethnicity, or cultural background. Academic and professional requirements are tailored to position needs, with flexible criteria for exceptional candidates. This capability-oriented and diversified approach has built a competitive, dynamic, and innovative workforce.

Case

Wuhu Shipyard Campus Recruitment

Wuhu Shipyard views campus recruitment as a vital channel to invigorate its workforce and unleash innovation potential. In 2024, the Company proactively hosted specialized campus seminars and established a green channel for high-level talent, attracting 281 outstanding graduates passionate about shipbuilding and maritime careers.

Wuhu Shipyard University Welcome Ceremony

To accelerate newcomer integration, the Company organized the “Set Sail and Build Dreams at Wuhu Shipyard” 2024 New Employee Welcome Ceremony, followed by a three-day systematic onboarding program. This initiative helps new employees swiftly adapt to the work environment, deeply embrace corporate culture, and strengthen their sense of belonging, responsibility, and mission to contribute to China’s maritime power.

1-2 Compensation and Incentives

The Company implements the principles of equal employment and equal pay for equal work. It has established the *Corporate Compensation Management System and Corporate Performance Management System* to ensure employee remuneration aligns with their roles.

Total New Employees
7307 Persons

Campus Recruitment Employees
281 Persons

Social Recruitment Employees
822 Persons

Onboarded Employees from HR Partners
6204 Persons

Resigned Employees from HR Partners
4730 Persons

Compensation & Performance Mechanism

1 Goal Setting

Implements strategy-oriented performance management. Position-specific targets are derived from annual corporate objectives, jointly confirmed by Human Resources Department, business units, and employees to ensure challenging yet achievable goals.

2 Assessment Mechanism

Combines quantitative metrics with multi-tiered evaluations across monthly, quarterly, and annual cycles. Results are mandatorily disclosed and directly linked to performance-based pay, bonuses, and promotion opportunities.

3 Process Management

Enforces performance review meetings and grievance mechanisms with strict data timeliness. Employees may appeal results to superiors, their department, or the Integrated Management Center.

4 Multi-Level Incentives

Beyond standard compensation, the Company offers an internal equity incentive plan and an annual awards program to recognize core employees for exceptional contributions in critical roles or technical fields.

The Company has established a compensation management system based on position-based pay, competency-based pay, and performance-based pay. This system, combined with a mandatory yet dynamic performance appraisal mechanism and supplementary incentive programs, motivates employees and enhances production efficiency. The performance appraisal coverage rate reached 100%, while employee wages grew by over 50% in the last two years.

100%
Performance appraisal coverage rate

>50%
Employee wages increasing in the past two years

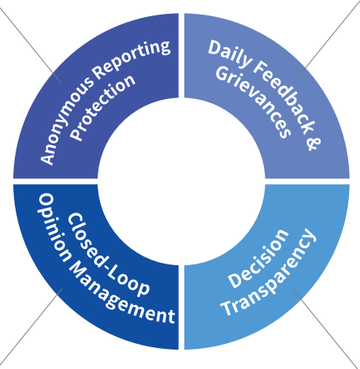
1-3 Democratic Communication

Wuhu Shipyard facilitates open communication channels between management and employees through multiple avenues, safeguarding employees' right to information and feedback, which empowers employees to actively participate in production and operational plans, enabling joint planning, discussion, and advancement. The Company lawfully established a labor union and continuously refines its structure to effectively promote democratic employee governance and protect workers' legitimate rights. It standardizes democratic procedures by leveraging platforms such as the Employee Representative Assembly for democratic decision-making, while enhancing the labor union's labor protection supervision mechanism. By the end of the reporting period, employee union membership reached 100%.

Multi-Dimensional Communication Feedback System

Anonymous email/letter channels with strict whistleblower safeguards. Valid anonymous reports are incentivized confidentially (e.g., salary/bonus) while ensuring whistleblowers' safety.

Employee feedback is formally recorded, escalated to management via official channels, and implemented upon responsible-party approval.



Internal platforms and the General Manager's mailbox ensure employees (including cross-level) can easily report issues, file complaints, or submit whistleblowing.

Appointment/dismissal information for senior, managerial, and mid-level cadres is published internally to guarantee employee awareness.

2024 Employee Representative Assembly Organized by the Labor Union

Staff Forums
During the reporting period, the Company held 3 targeted forums—Women Employees Symposium, Union Chairperson Luncheon, and Veterans Symposium—collecting over 230 feedback items with a 90% resolution rate.

Employee Representative Assembly
In 2024, the labor union proposed 157 improvement suggestions on behalf of employees, with 113 implemented to date.

1-4 Management of Employees from HR Partners

Given the nature of shipbuilding, Wuhu Shipyard engages employees from HR partners through them to meet production demands. Since 2023, the Company has vigorously reformed its labor dispatch system. In 2024, guided by the principle of “co-management, mutual benefit, and shared development”, it advanced integrated HR management, collaborating with all HR partners to oversee 6,204 employees from HR partners.

The Company provides essential welfare for employees from HR partners, including shared cafeteria access and work uniforms. Prioritizing skill enhancement and quality assurance, it offers systematic job training alongside pre-placement assessments and periodic evaluations to ensure continuous competency. Employees from HR partners receive equitable treatment and humane care. They are included in the annual award system, enjoy equal participation in holiday events and recuperation benefits as regular employees. Outstanding performers may transition to regular roles.

In 2024, to align with shipbuilding industry dress standards and corporate branding requirements, the Company designed new uniforms distributed to all regular employees and employees from HR partners. The rollout of these uniforms not only strengthened team identity and belonging but also unified employees’ sense of mission and responsibility, forging tremendous collective strength toward Wuhu Shipyard’s development goals.

Through these measures, the Company has effectively established mutual trust with employees from HR partners, stimulating their sense of responsibility and quality awareness, which not only enhances work efficiency but also collectively promotes the enterprise’s steady operations and sustainable development.

Employees from HR Partners in New Uniforms

2

Empowering Talent Development

Talent is the core driver of enterprise growth and industrial advancement. Wuhu Shipyard has built a competitive talent pool through external recruitment, internal cultivation, and rotational development. The Company implements multidimensional initiatives to enhance employees’ professional knowledge, vocational skills, and management capabilities, fostering career growth.

2-1 Employee Development Pathway

The Company established systems such as the *Employee Career Development Planning Regulations and Employee Promotion Procedures* to standardize career progression. Through structured design, it continuously refines employee development pathways by creating three distinct career tracks based on roles: Administrative Management, Professional/Technical, and Skilled Workers. This framework helps employees establish clear development plans and motivates proactive skill enhancement.

Employee Promotion Pathways

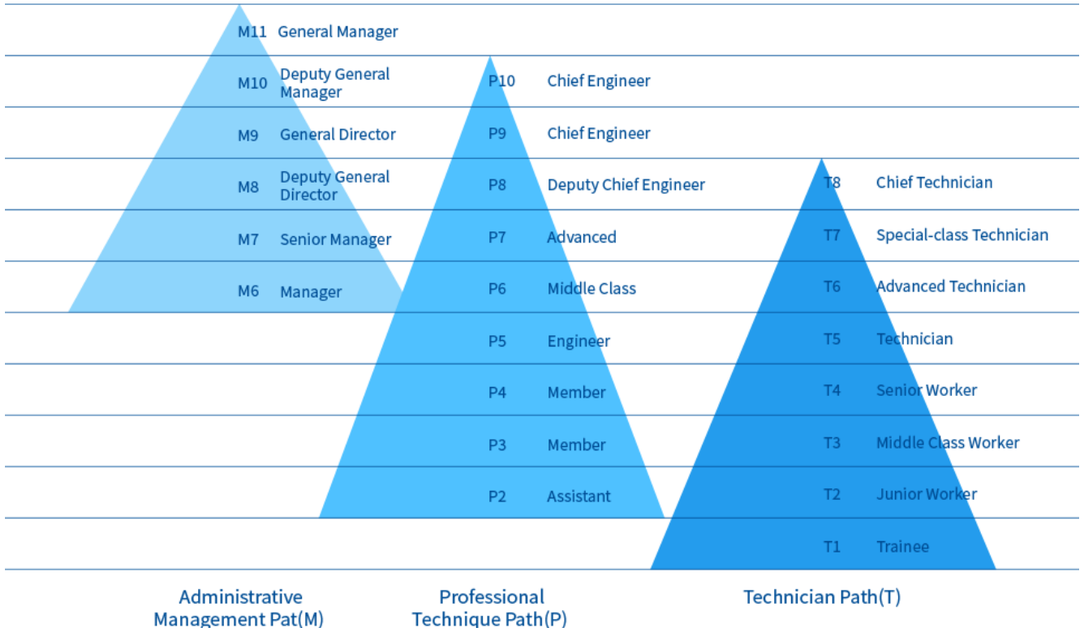


Diagram Form of Three Paths

2-2 Employee Training and Development

Wuhu Shipyard prioritizes employee training and development, establishing a comprehensive three-tier training system to enhance multidimensional capabilities and support career advancement.

Corporate-Level Training: Covers corporate culture, confidentiality protocols, production safety, quality assurance, integrity, and transparency, focusing on cultural alignment and foundational knowledge; Departmental-Level Training: Led by departments and mentorship programs, targeting specialized business operations, professional skills, and role-specific responsibilities; Team-Level Training: Focuses on operational procedures, job-specific skills, and specialized equipment protocols required for specific positions. This system emphasizes departmental training as the core driver of holistic employee competency development. The Company employs different verification and review methods, including surveys, examinations, and assessments, to evaluate training effectiveness across all levels and categories.

The Company conducts regular talent assessments and develops tailored training and development plans for specific personnel. For campus-recruited graduates, it implements the “Starter Program” to help them integrate into and adapt to the shipyard work environment more effectively; for mid-to-senior leaders, the “Helmsman Program” is designed to comprehensively enhance the managerial leadership and capabilities, thereby elevating the Company’s overall management proficiency.

Case

Haizhi Academy “Helmsman Program”

To continuously enhance leadership and management capabilities, the Company launched the Haizhi Academy “Helmsman Program”. External experts were invited to deliver training sessions for mid-to-senior leaders on topics including business operations, management methodologies, commercial analysis, and operational coordination. This initiative aligns leadership, management, and decision-making skills with the Company’s growth trajectory. In 2024, 8 training sessions were conducted, engaging 294 participants for a total of 3,528 hours.

Case

Professional Skills Training for Specialized Positions

To systematically enhance welders’ technical proficiency and empower career growth, Wuhu Shipyard established high-standard welding training labs. These labs focus on hands-on practice of core welding techniques while systematically imparting essential knowledge including safety protocols, tool maintenance, and material selection. Based on this foundation, the Company developed rigorous training programs that not only strengthen welding workforce development and product quality assurance but also create clear skill development pathways, supporting employees’ long-term career advancement.

Specialized Trade Training Session

The Company employs three primary training organizational models: internal training, external dispatch training, and externally sourced training. Internal training serves as the core foundation of the system, leveraging internal resources (e.g., senior employees, technical experts, managers) for knowledge transfer and experience sharing. Simultaneously, the Company dynamically plans external dispatch and externally sourced training annually to optimize curriculum structure: Selecting key personnel or high-potential talent for off-site learning programs; curating premium external courses to provide high-quality learning opportunities for broader employee groups.

Wuhu Shipyard places high importance on internal knowledge mining and inheritance, vigorously implementing an “Internal Trainer” system. The Company encourages employees with extensive practical experience and technical expertise to become “internal trainers”, systematically sharing valuable hands-on skills, work methodologies, and case studies with colleagues. To ensure trainer professionalism and instructional quality, a rigorous selection and certification mechanism was established: candidates undergo internal screening, qualification assessments, and reviews before appointment. Trainers receive teaching stipends, additional training opportunities, and priority in performance evaluations to incentivize knowledge sharing. During the reporting period, the Company had 35 certified “internal trainers”.

The Company incentivizes highly skilled employees by nominating them for high-level talent programs and senior technician certifications, assisting them in applying for senior professional titles, and enhancing salary treatment for certified personnel. To date, 43 employees have been certified as high-level talents—29 from the shipyard headquarters and 14 from Anhui Haizhi. This year, the professional title application success rate reached 84.6%. Beyond title applications, the Company supports outstanding employees with leading skills in applying for municipal and provincial craftsmanship honors, such as “Wuhu Craftsman” and “Jianghuai Outstanding Craftsman”. In 2024, one employee was awarded “Wuhu Craftsman”, and four were designated as cultivation candidates.

2024

Key Performance: Employee Training **14768** Person-time	Training Hours per Capita **6.13** Hours	Vocational Training Hours per Capita **25** Hours	Investment in Vocational Training per Capita **415** RMB
Company-Specific Training Sessions **161** Times	Specialized & Skill Enhancement Sessions **387** Times	Qualification System Maintenance Training **29** Times	Statutory/Certification Training **12.4%**
Vocational Training Programs Conducted **42** Sessions	New Employee Vocational Training Programs **42** Sessions	Total Vocational Training Hours **5250** Hours	Cumulative Vocational Training Participants **210** Person-time
Specialized Trade Certification Trainees **545** Person-time	Professorial Senior Title Applicants **0** Persons	Senior Title Applicants **6** Persons	Intermediate Title Applicants **13** Persons
Annual Title Approval Rate **84.6%**	Employees Holding Professional Titles **216** Persons	Employees Holding Senior Titles **72** Persons	Employees Holding Intermediate Titles **137** Persons
Employees Holding Junior Titles **7** Persons			

3

Occupational Health and Safety

Workplace safety is the lifeline of manufacturing enterprises. Wuhu Shipyard regards employee health and production safety as foundational to development, deeply implementing General Secretary XI Jingping’s directives on safety and aligning with the State Council’s deployment requirements for secure growth. The Company actively balances development and safety, supply assurance and efficiency enhancement, solidifies tiered responsibilities, strengthens team capabilities, deepens specialized initiatives, and strictly controls risks. Through multifaceted measures, it elevates safety standards to foster a secure and healthy working environment.

3-1 Safety Philosophy and System Development

Wuhu Shipyard refined its safety management systems by establishing a “1+5” EHS framework, constructing a safety production management structure, identifying occupational health and safety risks, and advancing technology-driven safety initiatives to create a secure working environment for employees.

The Company standardized safety production and occupational health management through enhanced regulations. It has formulated 22 management systems, 106 site-specific safety rules, and 46 equipment management protocols. These systems comply with ISO 45001 Occupational Health and Safety Management System requirements. In 2024, the Company updated and revised the Comprehensive Emergency Plans for Production Safety Accidents and the Specialized Emergency Plans for Production Safety Accidents in response to policy and industry changes, refining contingency details to strengthen incident response capabilities.

Under the initiative of the EHS Center, the Company established a Safety Production Committee to oversee and manage workplace safety and occupational health at the executive level, further demonstrating senior leadership’s strong commitment to these priorities.

ISO 45001 Occupational Health and Safety Management System Certification

Building on institutional and systemic foundations for safety and occupational health, the Company implemented a “1+5” EHS Management System. Centered on production safety, this framework spans five domains: production, fire control, occupational health, environment, and transportation, ensuring all operational aspects are integrated into the ESG management system. The EHS Center coordinates this system, with specialized oversight delegated to responsible departments. Annually, the Company conducts safety risk assessments using the LEC (Likelihood-Exposure-Consequence) evaluation method, generating a safety risk register. Risks are tiered for prioritized management, with yellow-coded risks receiving intensified control measures.

In 2024, the Company restructured its EHS system, clarifying requirements and operational procedures for risk control, incident handling, and performance management. It conducted EHS maturity assessments and compliance screenings to address management gaps, comprehensively elevating EHS standards. Aligned with digital and intelligent transformation plans, the Company will introduce a smart safety production system this year to optimize safety management through digitization and intelligence.

3-2 Occupational Health and Production Safety

Employees Participating in Health Check-ups

Employees Engaging in Mental Health Questionnaires

Wuhu Shipyard implements systematic occupational health and safety management, shifting toward full-lifecycle health oversight through its "Three 100%" mechanism (100% confirmation of abnormal absences; 100% tracking of employees returning home or seeking medical care after sudden illness-related leave; and 100% follow-up treatment and recovery support for ill employees living alone). Simultaneously, safeguards are enforced across equipment protection, regular monitoring, skills training, and awareness enhancement. In 2024, no workplace incidents occurred, and two potential health emergencies were successfully prevented.
The Company equips production-site employees with comprehensive, high-quality personal protective equipment (PPE), ensuring physical safety during work. In accordance with the *Labor Protection Equipment Management Regulations*, all personnel must wear designated PPE when entering production areas. The Company centrally provides specialized protective gear, with production departments regularly documenting usage. For employees from HR partners, labor agencies supply PPE under supervision by the Company's EHS Center. As a fundamental safeguard for occupational safety, the Company maintains 100% coverage and timely distribution rates for labor protection equipment, solidifying defenses for employee health and safety. The Company regularly engages third-party testing agencies to conduct periodic occupational hazard factor assessments, ensuring workers operate in safe production environments. Testing comprehensively covers production workshops, process flows, and critical occupational hazard risk points in raw materials, which ensures that smoke dust, radiation, nitrogen oxides, benzene and its derivatives, carbon monoxide, manganese, and other airborne contaminants comply with national standards. During the reporting period, the Company prioritized optimizing dust and noise levels in factory environments based on test results, guaranteeing workplace safety and health.

The Company prioritizes employees' physical health. The Company organizes regular health check-ups and maintains individual health records to monitor employee wellness and ensure sustained vitality. Beyond routine check-ups, the Company conducts occupational health screenings and provides follow-up medical support for employees exposed to relevant risks. During the high-temperature period from June to August 2024, the Company partnered with Sanshan Xincheng Hospital to offer complimentary on-site health consultations, educating employees on heatstroke prevention measures.

The Company also prioritizes employees' mental health by establishing a psychological counseling room and organizing mental health assessments. In March 2024, the Company collaborated with Wannan Medical College to conduct mental health questionnaires. In May, the Director of Psychological Crisis Intervention Center of the Second People's Hospital, Wuhu delivered a lecture on mental illness prevention. To raise awareness of occupational diseases, the Company responded to National Occupational Disease Prevention Week by launching the "Prioritize Prevention, Safeguard Occupational Health" campaign in May 2024.

The Company prioritizes occupational health, safety, and production security training, implementing tiered educational programs to enhance employee awareness and technical proficiency. In 2024, it conducted 366 safety training sessions totaling 989 hours. In June 2024, the Company launched the Safety & Environmental Month kickoff meeting under the themes "Safety Awareness and Emergency Response—Ensuring Life Passage" and "Advancing Beautiful Wuhu Shipyard", with over 100 attendees, including department heads, section chiefs, and safety officers across all professional lines. During the event, attendees viewed safety education warning videos and systematically studied safety protocols to further strengthen safety awareness.

Wuhu Shipyard Campus Recruitment SEMINARS

Case

Three Standards Training (Major Hazard Identification, etc.)

In 2024, the Company conducted specialized safety training focused on fire emergency response. The curriculum covered critical areas including fire hazard identification, initial fire suppression techniques, emergency response, and standardized use of firefighting equipment. Through a combination of theoretical instruction, case studies, and hands-on drills, the training systematically enhanced all employees' fire prevention awareness and emergency handling skills, laying a solid foundation for strengthening the enterprise's production safety defenses.

Fire Emergency Drill Scene

Wuhu Shipyard regularly conducts emergency drills tailored to various scenarios. In 2024, the Company executed 141 emergency drills covering fire response, vehicle accident rescue, electric shock response, and mechanical injury emergencies, engaging 2,738 participants cumulatively. These initiatives significantly enhanced employees' risk awareness and emergency response capabilities. The Company also developed specific contingency plans for extreme weather events such as typhoons and heatwaves to safeguard employee health and safety. During summer, heatstroke prevention measures are implemented, while pre-typhoon warnings and preventive training ensure employees possess the knowledge and skills to handle severe weather conditions.

Case

Hosting Citywide Shipbuilding Industry Emergency Drill Themed "Safety Awareness and Emergency Response"

To comprehensively implement the CPC Central Committee and State Council's directives on strengthening workplace safety, and in accordance with the *Wuhu Civil Shipbuilding Industry Production Safety Accident Emergency Plan*, Wuhu Shipyard organized a citywide emergency drill themed "Safety Awareness and Emergency Response" on June 14, 2024. The event was observed and guided by Municipal Ministry of Industry and Information Technology, Municipal Emergency Management Bureau, district-level industry and information technology authorities, Group EHS Headquarters, representatives from citywide shipbuilding enterprises, domestic and international shipowners, and classification societies. Collaborative participants included Fanchang Police Station of Changhang Public Security Bureau Wuhu Branch, Wuhu Blue Sky Rescue Team, and Sanshan Xincheng Hospital.

The drill simulated confined-space fire rescue and overboard personnel recovery scenarios. Throughout the exercise, rescue teams executed procedures including external communication coordination, drone-assisted search operations, water rescue wing deployment, casualty evacuation, and emergency medical care, which demonstrated timely incident reporting, rapid response execution, and proper individual protective measures. The drill significantly enhanced Wuhu's shipbuilding industry capabilities in safety management, emergency response coordination, comprehensive support, and rescue operations, maximizing protection for people's lives and property.

Large-Scale Production Safety Emergency Drill

Occupational Health and Safety

2024

Work-Related Injuries **2** Persons	Work-Related Fatalities **0** Persons	Non-Employee Work-Related Fatalities at Work Sites **0** Persons	Work Hours Lost Due to Injuries **160** Hours
Workdays Lost Due to Injuries **20** Days	Fatality Rate per 1,000 Employees **0%**	Injury Rate per 1,000 Employees **0.4%**	Fatality Rate per Million Yuan of Output Value **0%**
Production Safety Incidents **4** Times	Safety Training Sessions Held **366** Times	Total Safety Training Participants **56752** Person-time	Total Safety Training Hours **989** Hours
Registered Safety Engineers **9** Persons	Emergency Drills Conducted **141** Times	Total Emergency Drill Participants **5738** Person-time	

4 Employee Care

Wuhu Shipyard is committed to building a warm career community. The Company prioritizes holistic employee well-being by enhancing workplace environments, providing material support for employees' children and families, organizing cultural activities to enrich spiritual lives, and safeguarding the rights of diverse groups including women, ethnic minorities, and foreign staff. These efforts elevate overall employee satisfaction and foster a cohesive, positive work atmosphere.

4-1 Employee Benefits and Care

Wuhu Shipyard is dedicated to enhancing employees' sense of happiness and belonging. The Company provides a favorable and convenient working and living environment, organizes diverse activities, and offers support to employees in need. These initiatives strengthen team cohesion and foster a sense of belonging, enabling employees to minimize distractions and focus on building their careers with peace of mind.

Systematic Welfare System

Heatstroke Prevention Subsidies: The Company provides essential cooling equipment for outdoor or high-temperature work areas during hot weather. Workers in such conditions receive compliant personal protective gear, cooling beverages, and necessary medications. From June to September annually, employees working in main indoor workshops and outdoor sites receive high-temperature allowances.

Overtime Meal Compensation

Employees who miss scheduled cafeteria meals due to midday or evening overtime work receive meal compensation. For overtime exceeding 2 hours, additional meal subsidies are provided to ensure nutritional needs are met during extended work hours.

Festival Subsidies

During traditional festivals such as Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, as well as specific commemorative days like Women's Day and Army Day, the Company provides eligible employees with festival subsidies and gifts to convey humanistic care.

Accommodation Benefits

For non-local employees, the Company offers dormitories or rental subsidies, assisting them in securing suitable housing locally to alleviate financial pressures, which supports stable living conditions and focused work. In 2024, a new dormitory building was added, totaling 4 buildings accommodating 1,595 employees.

Cafeteria Benefits

In 2024, the Company comprehensively renovated its cafeteria, introducing diverse food stations to meet varied dietary needs. The upgraded facility features smart equipment like automatic rice servers and floor scrubbers, enhancing dining safety, hygiene, and ambiance.

1）Outstanding Employee Benefits

Wuhu Shipyard conducts annual commendations to recognize advanced collectives and individuals across departments and subsidiaries. On January 22, 2025, Wuhu Shipyard held the 2024 Awards Ceremony, honoring exemplary groups and employees who excelled in advancing high-quality development throughout the year. Outstanding staff received bonuses, automobiles, auto purchase vouchers, and other benefits.

2）Festive & Cultural Activities

Cultural/Sports Activities Held

81 Times

Wuhu Shipyard's labor union spearheads employee engagement through festivals and recreational events, including Spring Festival celebrations and Women's Day activities. It established a "Workers' Home" and "Staff Book Corner" to fulfill spiritual and cultural needs. Through collective efforts, the union aims to build Wuhu Shipyard into a "Home of Honor", "Safe Haven", "Warm Shelter", and "Growth Hub" for employees. In 2024, the Company organized 81 cultural and sports events, with festive activities attracting over 12,500 participants.

Festival Activity Participants

>12500 person-times

Festive Activity

Spring Festival Celebration

On the eve of the 2024 Chinese New Year, the Company procured New Year goods from local enterprises, factories, and communities to distribute to all employees as incentives. After the Spring Festival holiday, welcoming activities were held, distributing benefits and festive tokens.


Spring Festival Welcoming Activities

Festive Activity

Veterans Tribute on Army Day

During the 2024 Army Day period, the Company organized a veteran symposium and "Retracing the Long March" activities. Participants included the Labor Union Chairperson and leaders from Wuhu Veterans Affairs Bureau, Veterans Service Center, and Sanshan Economic Development Zone Social Governance Department. The events conveyed holiday greetings and care from the Party, society, and the Company to retired veterans, distributing special commemorative gifts to over one hundred veterans and military families. This initiative strengthened veterans' sense of fulfillment, honor, and belonging.

Veteran Symposium

Healthy Life

9th "Exercise to Stay Healthy" Staff Long-Distance Running Competition

In 2024, the Company hosted its 9th "Exercise to Stay Healthy" staff long-distance running event. Wuhu Shipyard consistently views employee health as the foundation of corporate vitality. This initiative not only advocates active lifestyles but also aims to fuel sustained productivity through physical fitness.

Staff Long-Distance Running Competition in Autumn

Employee Recuperation

Advanced Employees' Red-Themed Recuperation

To actively implement the CPC Central Committee and State Council's *Opinions on Deepening the Reform of Industrial Worker Development,* Wuhu Shipyard's Labor Union organized an employee red-themed recuperation trip in December 2024 to build a thriving workplace. Over 40 participants, including the Company's outstanding frontline artisans, model workers, exemplary youth representatives, and family members of key employees, visited scenic destinations such as Jingxian and Wanzhi, enjoying picturesque landscapes and rejuvenating leisure time.

Employee Recuperation Activity

Cultural and Recreational Life

Collective Movie Viewing Activity

To continuously build a thriving Wuhu Shipyard and embody the "One Family Action" spirit of co-management, shared benefits, and mutual success, the Labor Union organized the "Happy Wuhu Shipyard, Cool Summer" free movie event for employees. This initiative enhances team cohesion and satisfaction while fostering a positive, vibrant work atmosphere, further elevating employees' sense of fulfillment and happiness.

Staff Free Movie Viewing Activity

3）Support for Employees in Need

The Company extends care to employees facing life difficulties, providing assistance through festive visits, mutual aid programs, and educational grants to improve their living conditions and convey humanistic concern. During the reporting period, 33 employees in need received support, with financial aid totaling RMB48,532 distributed.

Case

Golden Autumn Scholarship

Wuhu Shipyard extends its commitment to education and development to employees' children. The Company provides scholarships to children of employees admitted to universities, alleviating financial burdens while encouraging their contribution to building a "learning-oriented enterprise". On September 30, 2024, the Company hosted the "Academic Excellence Awards for Children of Wuhu Shipyard Employees", where the Labor Union granted nearly RMB34,000 in scholarships to 17 students and conveyed heartfelt congratulations.

Academic Excellence Awards Ceremony for Employees' Children

Employee Care

2024

Employees Supported	Financial Aid Amount	Mutual Assistance Coverage Rate	Mutual Assistance Policies Purchased
33 Persons	48532 RMB	100%	2597 Person-time

Company-Borne Mutual Assistance Costs	Insurance Claims Filed	Golden Autumn Scholarship
25900 RMB	8500 RMB	39000 RMB

4-2 Diversity and Inclusion

Wuhu Shipyard upholds core values of diversity, equality, and inclusion, committed to creating a discrimination-free and respectful workplace for all employees. The Company respects and protects the legitimate rights of female employees, ethnic minorities, international staff, and persons with disabilities, maintaining zero tolerance for any form of discrimination.

Although manufacturing roles are predominantly male, the Company prioritizes safeguarding equal rights for female employees by providing supportive working conditions. It strictly enforces pay equity and equal pay for equal work, actively addressing gender pay disparities. In 2024, the male-to-female employee pay ratio was 1.38:1. The Company fully complies with the *Law on the Protection of Women's Rights and Interests and the Special Regulations on Labor Protection for Female Employees*, ensuring comprehensive maternity leave and breastfeeding benefits. Additional free courses on parenting and mental health are offered exclusively for female staff. These measures guarantee equitable treatment for women in compensation, benefits, and career development opportunities.

Employee Diversity

2024

Regular Ethnic Minority Employees	Ethnic Minority Employees from HR Partners	Foreign Employees	Employees with Disabilities
18 Persons	551 Persons	1 Persons	0 Persons

Female Representation in New Employees	Overall Gender Pay Ratio	Management Gender Pay Ratio
13.52%	1.38:1	1.41:1

Dedicated Veterans Recruitment Briefing Session

National Honor Roll for Veteran Employment Collaboration (2023–2024)

The Company undertakes social responsibility as a state-owned enterprise by organizing targeted recruitment activities for veterans. This initiative addresses employment opportunities for veterans while optimizing the workforce structure. Veterans bring strong discipline and execution capabilities, aligning with job requirements at the Company, and infuse positive work ethics into the team. In 2024, the Company was honored on the National Honor Roll for Veteran Employment Collaboration.

5

Social welfare and charity

Wuhu Shipyard recognizes that enterprises are not merely economic entities but also “corporate citizens”, bearing the social responsibility to drive regional economic growth and serve local communities. Consequently, the Company integrates “rural revitalization” and “community development” into its sustainable development and social responsibility strategy. By actively engaging in philanthropy and rural revitalization initiatives, it fulfills its duty to give back to society, contributes positive impact, and collectively advances social harmony and progress.

5-1 Philanthropy and Public Welfare

Wuhu Shipyard actively engages in and organizes social initiatives including charitable donations, voluntary blood drives, and afforestation campaigns, striving to be a responsible and accountable enterprise. During the reporting period, the Company conducted 6 philanthropic activities, contributing RMB26,500 in donations. Employee volunteers totaled 218 participants, accumulating 436 service hours. Over the past three years, philanthropic contributions exceeded RMB one million, persistently spreading goodwill.

Philanthropic Activities Held
6 Times

Total Charitable Donations
26500 RMB

Total Employee Volunteers
218 Person-time

Total Volunteer Hours
436 Hours

Charitable Donation Certificate

Charitable Donations

In 2024, the Company donated RMB20,000 to Wuhu Sanshan Economic Development Zone to support the Dragon Boat Festival dragon boat race. On June 26, it received a Donation Certificate from the Sanshan District Economic Development Zone Management Committee, acknowledging its philanthropic efforts and commending Wuhu Shipyard’s commitment to social good.

Voluntary Blood Donation

On September 9, 2024, the Company’s Labor Union launched the “9·9 Public Welfare Day: Love Together to Warm the World” blood donation campaign. Numerous employees participated, with many being repeat donors. The event collected over 10,000 milliliters of blood, fully demonstrating the compassion of Wuhu Shipyard’s workforce.

Public Blood Donation

Afforestation

To practice ecological civilization principles, inspire enthusiasm for forest conservation and tree planting, promote greening and beautification, protect the ecological environment, and leverage the guiding role of Party building in League development, the Company’s Party Committee collaborated with the Youth League Committee and Quanzhou Coast Guard Bureau to lead young employees in voluntary tree planting activities.

Tree Planting Activity

5-2 Rural Revitalization

Wuhu Shipyard deeply understands the core tenets of China's comprehensive rural revitalization strategy, positioning support for "agriculture, rural areas, and farmers" and empowerment of rural development as critical political and social responsibilities integrated into its business strategy. In November 2024, the Company affirmed "Upholding the Mission of Serving Agriculture and Advancing Holistic Rural Revitalization" as its guiding principle for rural initiatives. Based on this strategy, the Company designed and implemented targeted measures, with over 30 instances of recognition by Sanshan Economic Development Zone, Wuhu Municipal People's Government, and media outlets such as People's Daily Online (people.cn).

"Red Partner" Initiative

In December 2024, the Company collaborated with Baoding Subdistrict Party Working Committee and village committees of Sanshan Economic Development Zone, and Anhui Ruida Logistics Service Co., Ltd. to strengthen partnerships across five dimensions: organizational linkage, project co-development, brand co-creation, outcome sharing, and collaborative planning. This framework enables resource sharing and value co-creation. On-site signing of the "Red Partner" Strategic Cooperation Agreement for Rural Economic Development initiated deep collaboration under Party guidance, pursuing mutual benefits in rural revitalization and corporate growth.

Adhering to the sustainable development principle of "teaching one to fish", the Company established a long-term assistance mechanism encompassing direct farm-produce sales support, resource integration, and talent cultivation, thereby driving development and revitalization for communities and villages in its operational regions.

Signing Ceremony of "Red Partner" Rural Revitalization Strategic Cooperation Agreement

Tongxinyuan Post Established Within Company Premises

Long-Term Assistance Mechanism for Rural Revitalization

Resource Integration

The Company actively integrates logistics and channel resources from surrounding enterprises to establish direct sales pathways for local farmers. By eliminating intermediaries, it promotes direct farm-to-market supply chains for farm products. Specific initiatives include: upgrading Baoding Subdistrict's green vegetable base; connecting Lulanzi Vegetable Cooperative in Yanhu Village, Baoding Subdistrict with professional distribution services; assisting Tuanzhou Village Party Committee in expanding supply channels for Hongfan Cooperative's non-GMO pressed oils and rice; and leveraging neighboring firms' advantages in logistics and channels to bridge the "last mile" from farms to consumers. These measures boost farmer incomes, resolve product surplus challenges, and propel high-quality local produce into broader markets, laying a solid foundation for regional agricultural branding.

Direct Farm-Produce Sales Support

The Company procures agricultural products from surrounding rural areas and sells them directly at its on-site "Tongxinyuan Post"[To implement rural revitalization strategy and promote sustainable rural economic development, Wuhu Shipyard and Baoding Subdistrict integrated resources from surrounding entities and communities to establish the "Concentric Circle Party Building Alliance", constructing a Concentric Circle Employee Life Station to support local agricultural product sales.] established within factory premises in collaboration with local enterprises. These posts are set inside the Company's plants, providing employees with high-quality farm produce—including fresh vegetables, premium fruits, non-GMO pressed oils, and daily essentials—at cost price, achieving direct farm-to-market supply while meeting employees' daily needs.

Talent Cultivation

The Company provides educational supplies to left-behind girls in local subdistricts and villages. On International Women's Day 2024, Wuhu Shipyard demonstrated its commitment as a state-owned enterprise by actively supporting the "Spring Bud Program"[The China Children and Teenagers' Fund initiated the "Spring Bud Program" public welfare project to improve educational opportunities for girls from underprivileged families.], donating books to empower girls through education. This initiative aims to expand reading opportunities, broaden horizons, and enrich knowledge for young girls.

[5]To implement rural revitalization strategy and promote sustainable rural economic development, Wuhu Shipyard and Baoding Subdistrict integrated resources from surrounding entities and communities to establish the "Concentric Circle Party Building Alliance", constructing a Concentric Circle Employee Life Station to support local agricultural product sales.

[6]The China Children and Teenagers' Fund initiated the "Spring Bud Program" public welfare project to improve educational opportunities for girls from underprivileged families.

Book Donation for Left-Behind Girls under the "Spring Bud Program"

08

Practicing Green Environmental Protection

Wuhu Shipyard actively responds to China's ecological civilization initiatives, embraces the mission of green development, and implements national "dual-carbon" strategies. By participating in global climate action and spearheading green, low-carbon transformation in shipbuilding, the Company steadfastly pursues sustainable pathways. It continuously develops eco-friendly equipment to advance the vision of "harmonious coexistence between humanity and nature".

1

Addressing Climate Change

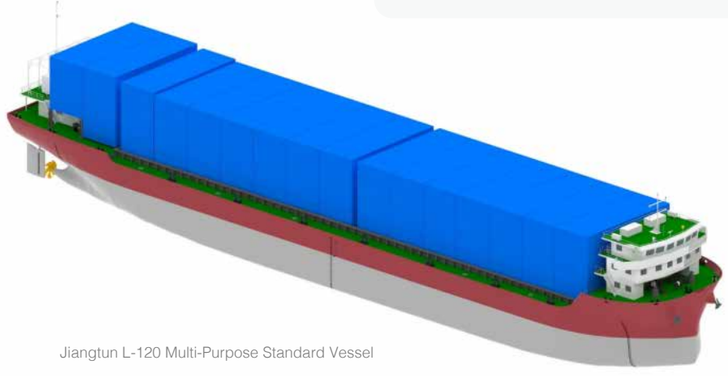
Currently, proactive climate action has become a global consensus. Since China proposed its “dual-carbon” strategic goals of carbon peaking and carbon neutrality, Wuhu Shipyard has actively responded to worldwide decarbonization trends. Leveraging its specialized and internationalized operations, the Company formulates green development strategies aligned with policies including China’s “dual-carbon” framework, the EU’s “Fit for 55” package, and the IMO’s 2023 *Strategy on Reduction of GHG Emissions from Ships*. It proactively manages climate risks and opportunities, implements carbon emission controls, and continuously develops and constructs green vessels. Collaborating with domestic and international partners, the Company advances the realization of the *Paris Agreement*’s climate objectives.

Case

Green Vessels

Wuhu Shipyard adheres to a “green shipbuilding, building green ships” strategy, advancing sustainable development across multiple dimensions. The Company actively positions itself in future industries by exploring new-energy vessel R&D and intelligent manufacturing, driving zero-emission transitions in shipbuilding. It has developed and constructed a full range of green marine equipment powered by pure electricity, LNG, methanol, ammonia, and hydrogen, leveraging its role as an industry anchor to empower upstream and downstream sectors through its green ecosystem to make green products in collaboration with the supply chain.

Wuhu Shipyard's subsidiary Tri Waters New Energy Technology (Anhui) Co., Ltd. has launched pure electric vessels globally. Categorized into “Jiangtun”, “Hetun”, and “Haitun” series based on application scenarios, these vessels adopt a “ship-vehicle-storage shared battery” technology. From battery cells to integrated packs, they enable cross-application compatibility and rapid battery swapping between vehicles and vessels. By efficiently integrating multimodal transport and energy storage technologies, this innovation builds a more efficient and eco-friendly transportation ecosystem. This showcases the Company’s pioneering commitment to zero-emission energy revolution in shipping.



Jiangtun L-120 Multi-Purpose Standard Vessel

1-1 Potential Impacts of Climate Risks and Opportunities

Vessel operations are significantly constrained by climate conditions, leading the Company to prioritize the impacts of global climate change on its operations and related industries. Guided by the Task Force on Climate-related Financial Disclosures (TCFD) framework and considering sector-specific characteristics, regional policy orientations, and geographical factors, the Company regularly identifies critical climate risks and opportunities. It analyzes potential financial implications and implements risk mitigation, energy conservation, and emission reduction strategies. By aligning with the low-carbon transition trend in shipping, the Company enhances its climate resilience, ensuring operational continuity while enabling domestic and international clients to directly observe its proactive climate response efforts.

TCFD Framework

Governance	The Company regularly identifies climate risks and opportunities, formulates risk prevention and extreme weather response measures, ensures compliance in emissions and monitoring activities, optimizes production processes, implements energy-saving and emission-reduction initiatives, and conducts targeted training for specific operational segments.
Strategy	In 2024, the Company released its ESG strategic plan and executed the *Green Factory Future Planning and Development Direction*. Guided by green development and emission-reduction principles, it integrates climate response efforts into daily operations, expands its green influence, and progressively builds an industry-wide green supply chain.
Risk management	By assessing the impact of climate-related legal, technological, market, and reputational risks on corporate growth, the Company develops corresponding strategies. It steadfastly follows global green transition trends to achieve the vision that “lucid waters and lush mountains are invaluable assets”.
Metrics and targets	• Zero production halts due to environmental incidents • Zero environmental administrative penalties • 100% on-schedule rectification rate for safety/environmental hazards and 100% implementation of the “Four No-Overlooks” principle for major industry risks • 100% compliance with environmental “Three Simultaneities” (simultaneous design, construction, and operation of environmental facilities)

Transition Risks	Climate Change Risks, Opportunities & Countermeasures	Impact
Policy & Legal Risks	Policy & Legal Risks *Shipping Leasing* Lessees failing to meet IMO carbon reduction policies or EU's "Fit for 55" requirements in environmental/carbon management and disclosure may face reduced compliance capabilities. *Shipbuilding* (1) Current requirements such as the *Limits and Measurement Methods for Exhaust Pollutants from Marine Engines (China I and II)* (GB 15097—2016), along with subsequent regulations that may be issued for the shipbuilding industry, impose more targeted and stringent emission reduction requirements on the Company. (2) Wuhu Shipyard and its production bases are mainly located in the Yangtze River Delta and other coastal and riverside regions, facing pressure to achieve the carbon peak strategic goals ahead of schedule; this pressure will be transmitted to key energy-intensive industries including manufacturing. (3) Key emission entities in industries such as power generation and steel have been incorporated into China's national carbon emissions trading market, subjecting them to stringent carbon emission regulations, which may in turn have a potential impact on the supply of raw materials for shipbuilding.	• Increased credit risk • Increased ompliance costs • Short-term profitability decline
Technical Risks	*Shipbuilding* Policies such as the *Implementation Plan for Promoting Equipment Renewal in the Industrial Sector* and the *Guidelines for Equipment Renewal and Technological Transformation in Key Industrial Sectors* mandate technological upgrades in shipbuilding.	• Increased production costs
Market Risks	*Shipping Leasing* (1) Climate change introduces uncertainties in routes and transport safety, potentially altering consumer behavior. Reduced preference for maritime transport could decrease vessel leasing volumes. (2) International regulatory pressures (e.g., from IMO, EU), industry initiatives (e.g., Poseidon Principles, Sea Cargo Charter), and supply chain demands (increasing cargo owners' decarbonization goals) may shift consumer preferences toward eco-friendly vessels aligned with shipping decarbonization targets. *Shipbuilding* Clients may incorporate carbon emission metrics into supplier evaluations. Failure to provide low-energy, low-carbon products could lead to potential business loss.	• Decreased operating revenue
Reputation Risks	*Shipping Leasing* Stakeholders demand higher transparency and management standards regarding climate change responses. Failure to address these expectations effectively may damage the Company's reputation. *Shipbuilding* (1) Environmental pollution incidents during manufacturing, if not promptly addressed, could harm the Company's reputation. (2) Failure to ensure employee safety during climate-induced extreme weather events may negatively impact the Company's reputation.	• Decreased operating revenue • Increased labor management costs

Physical Risks	Climate Change Risks, Opportunities & Countermeasures	Impact
Acute Risks	*Shipping Leasing* (1) Extreme weather events may cause vessel damage, increasing maintenance costs. (2) Asset losses from extreme weather could disrupt lessees' operations, potentially reducing their contractual performance capacity. *Shipbuilding* (1) Extreme weather may damage assets such as vessels under construction, workshops, dock facilities, and equipment, thus halting production. (2) Employee efficiency may decline when working in extreme conditions (e.g., high temperatures, rain/snow) below work-stoppage thresholds. (3) Supply and transport of steel, timber, and other materials are vulnerable to extreme weather, reducing supply chain resilience.	• Reduced fixed asset value • Decreased production capacity • Increased maintenance costs • Higher operational expenses
Chronic Risks	*Shipping Leasing* Increase the proportion of green vessels and actively participate in green shipping projects to prepare for policy and market uncertainties. *Shipbuilding* Collaborate with environmentally friendly and energy-saving suppliers to reduce supply chain carbon emissions, enhancing Wuhu Shipyard's long-term capability to address climate change.	• Higher operational expenses • Increased production costs • Increased credit risk

Opportunities and ountermeasures	Climate Change Risks, Opportunities & Countermeasures	Impact
Resource Efficiency	*Shipbuilding* Enhance energy utilization efficiency in vessel manufacturing, management, and maintenance through technological innovation, retrofitting, and upgrades; reduce consumption of electricity, natural gas, and production water while implementing more efficient production and distribution processes.	• Reduced operational costs • Increased production capacity and operating revenue
Energy	*Shipbuilding* Transition to low-emission alternative energy sources, and increase the use of decentralized clean energy in manufacturing and operational activities to reduce dependence on traditional energy, which mitigates risks from future energy price increases or rising energy consumption.	• Increased ROI on low-emission technologies • Increased fixed asset value • Reduced exposure to the risk of future energy price increases
Products and Services	*Shipping Leasing* Growing client demand for low-carbon eco-friendly vessels drives Wuhu Shipyard to intensify R&D investment in this field. Offering green vessel financing and leasing services enhances customer retention and attracts new clients. Shipbuilding (1) Introducing innovative green vessel products enhances customer retention and attracts new clients. (2) Highlighting carbon footprint in marketing, branding, and product labeling amplifies compliance influence and meets rising demand of clients for green products.	• Capitalizing on shifting consumer preferences and growing product/ service demand improves competitive positioning and boosts operating revenue
Market	*Shipping Leasing* Advancing carbon reduction policies in shipping may drive future demand for energy-efficient vessels, secondhand ship investments, and financing for energy-saving equipment retrofits. *Shipbuilding* (1) Energy-efficient vessels built with eco-friendly materials hold long-term market potential. Early product structure adjustments enhance Wuhu Shipyard's competitiveness. (2) Growing client demand for functional vessels serving environmental industries is anticipated.	• Entry into emerging markets boosts operating revenue • Fixed asset appreciation • Expanded market share increases operating revenue
Resilience	*Shipping Leasing* Increase the proportion of green vessels and actively participate in green shipping projects to prepare for policy and market uncertainties. *Shipbuilding* Collaborate with environmentally friendly and energy-saving suppliers to reduce supply chain carbon emissions, enhancing Wuhu Shipyard's long-term capability to address climate change.	• Generate revenue and asset appreciation through resilient new products and services • Improve supply chain reliability and operational resilience

1-2 Extreme Weather Response

Located in the middle and lower reaches of the Yangtze River, Wuhu Shipyard faces annual threats from plum rains, heavy rainfall, sudden gales, flooding, and typhoons during summer tropical storms or intense convective weather. These events pose risks of damage to outdoor equipment (e.g., gantry cranes, vessels moored underwater), tall structures, and workshop facilities, while endangering the life and safety of workers performing outdoor, elevated, or waterside operations. To address these challenges, the Company has established relevant systems and actively implements emergency measures, ensuring operational continuity and safeguarding employee and asset security.

Deploying Windproof Locks

Typhoons and Severe Convective Weather

The Company established the *Special Emergency Plan for Typhoons and Severe Convective Weather*, forming an emergency response system comprising rescue teams, insurance claims teams, material supply teams, security teams, and departmental typhoon prevention teams. This structure executes specific measures for response initiation, incident handling, and emergency support.

To enhance employees' implementation capabilities, the Company conducted 25 emergency drills. In 2024, the Company conducted targeted "Typhoon Prevention Warning Training" focused on: strengthening meteorological monitoring and timely warning dissemination; activating emergency responses upon alerts; and executing rescue and work-resumption protocols. These sessions deepened employees' understanding of typhoon impacts and elevated their preparedness for extreme weather.

Flood Prevention

The Company established the Special Emergency Plan for Flood Control, forming a task force comprising a leadership group, coordination office, emergency rescue squad, drainage maintenance team, and flood liaison team. This framework specifies detailed measures for response initiation, incident handling, and emergency support.

In June 2024, the Company proactively planned for Yangtze River flooding, safely relocating warehouse materials one week in advance and reinforcing/elevating power facilities and energy equipment. After river levels entered flood-alert status on June 28, employees conducted continuous dragnet-style patrols and hazard inspections. To ensure safety during the flood season, the Company established checkpoints to log employee movements, achieving zero loss of mobile assets and zero-error production recovery during the 2024 flood period.

Flood Prevention Emergency Response

Case

Flood Prevention for Under-Construction Berth Project

In 2024, Wuhu Shipyard established a "Flood Prevention Work Safety Management Leadership Group" for the new berth construction within its comprehensive plant upgrade project. Guided by the principle of "Safety First, Prevention Priority, Comprehensive Management", the group defined flood control standards across multiple areas, including rainy-season preparations, machinery rain/lightning protection, temporary facilities, operations over the Yangtze River, temporary power supply, drainage systems, foundation pit engineering, and construction roads and sites. Standards for flood prevention were released and corresponding improvement measures were formulated, with on-site supervision assigned to employees.

The Company identified hazard sources, preventive actions, and emergency response structures with clear responsibilities. Detailed procedures and requirements were established for early warning and information reporting, emergency response activation, incident handling, and support mechanisms. Additionally, the *Special Construction Plan for Flood Season Work* was developed for flood prevention for new berth construction, covering construction techniques and methodologies, flood-season emergency measures, quality control and measures, safety management and measures, civilized construction and environmental safeguards, and contingency plans.

This project exemplifies Wuhu Shipyard's concrete practice in extreme weather response, laying a solid foundation for enhancing long-term climate resilience capabilities.

1-3 Carbon Emission Management

GHG VERIFICATION OPINION

Wuhu Shipyard conducted its 2024 greenhouse gas inventory[7] in accordance with ISO 14064-1:2018, ISO 14064-3:2019, the *Guidelines for Greenhouse Gas Emission Accounting and Reporting of Machinery Equipment Manufacturing Enterprises (Trial)*, the *2006 IPCC Guidelines for National Greenhouse Gas Inventories, the IPCC Sixth Climate Change Assessment Report,* and other relevant standards and guidelines. The inventory covered seven greenhouse gases: CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3. Calculations show the Company's total Scope 1 and Scope 2 greenhouse gas emissions for 2024 amounted to 43,320.3 tCO2e. Through process improvements and equipment upgrades, the Company reduced Scope 1 emissions by 2,808.03 tCO2e in 2024, actively supporting China's "dual-carbon" strategy and advancing the industry's low-carbon transition.

Scope 1: Direct GHG Emissions

9962.47 tCO_2e

Scope 2: Energy Indirect GHG Emissions

33657.83 tCO_2e

Total Scope 1+2 GHG Emissions

43320.3 tCO_2e

[7] In2025,the scope of the Company's greenhouse gas emissions inventory will cover the ship production plant area and office premises of Wuhu Shipyard Co., Ltd.'s Wuhu Base.

Case

Zero-Carbon Office Complex

From August to November 2024, the Company constructed a zero-carbon owner/surveyor office complex, officially inaugurated on November 28. Integrating solar water heating, photovoltaic power generation, and advanced energy storage systems within a prefabricated modular structure, it significantly reduces building energy consumption. Annually, it cuts carbon emissions equivalent to the absorption capacity of 2,000 trees, exemplifying the Company's commitment to green responsibility.

Zero-Carbon Office Complex

2

Environmental Management

In 2024, Wuhu Shipyard strictly adhered to applicable laws and regulations, rigorously implementing the *Environmental Protection Management Regulations, Environmental Management Ledger Management Regulations, Environmental Rewards and Penalties Rules*, and supporting systems. The Company clarified departmental responsibilities, linked environmental performance to employees' personal interests, and controlled pollutant discharges (wastewater, slag, exhaust gases) across production and daily operations to uphold environmental bottom lines and prevent pollution incidents.

In 2024, the Company also contributed to drafting environmental standards including *Anhui Shipbuilding & Repair Enterprise Pollution Prevention Requirements, Shipbuilding Industry Environmental, Social, and Governance (ESG) Disclosure Guidelines, and Shipbuilding Industry Environmental, Social, and Governance (ESG) Evaluation Guidelines*. These initiatives elevated its influence in industry environmental management.

2-1 Environmental Management Objectives

Wuhu Shipyard upholds the core environmental philosophy of "Compliance and Risk Control; Clean Production and Green Shipbuilding", and adheres to three fundamental principles: strictly implementing the "reduction, reutilization, and harmless treatment" (the "Three Transformations") of waste; ensuring that environmental protection facilities are "designed, constructed, and operated simultaneously" (the "Three Simultaneity") with the main project; and following the "Four No-Overlooks" principle for major environmental risks and hidden hazards (namely, any hazard that may lead to a major safety accident or cause significant social impact, one with particularly severe consequences and high rectification difficulty, or one that violates environmental regulations and could result in pollution incidents or administrative penalties, must be thoroughly investigated and rectified without exception). Based on this framework, the Company sets clear environmental goals to achieve continuous improvement in whole-process environmental performance. During the reporting period, no environmental pollution incidents occurred, and the "Three Simultaneity" compliance rate reached 100%.

2024 Environmental Management Targets and Achievements

Indicator	Target	Completion Status
Production Halts Due to Environmental Incidents	0 occurrences	0 occurrences
Environmental Administrative Penalties	0 occurrences	0 occurrences
Daily Pollutant Exceedance	0 occurrences	0 occurrences
Environmental Pollution Accidents	0 cases	0 cases
On-Schedule Rectification Rate for Safety/Environmental Hazards and Implementation Rate of the "Four No-Overlooks" Principle for Major Industry Risks	100%	100%
Timely Submission Rate of Discharge Permit Execution Reports	100%	100%
Hourly Air Pollutant Exceedance	≤16 occurrences	≤10 occurrences
"Three Simultaneity" Compliance Rate	100%	100%
Hazardous Waste Assessments	Pass	Pass
Safety & Environmental Improvements	≥45 instances	47

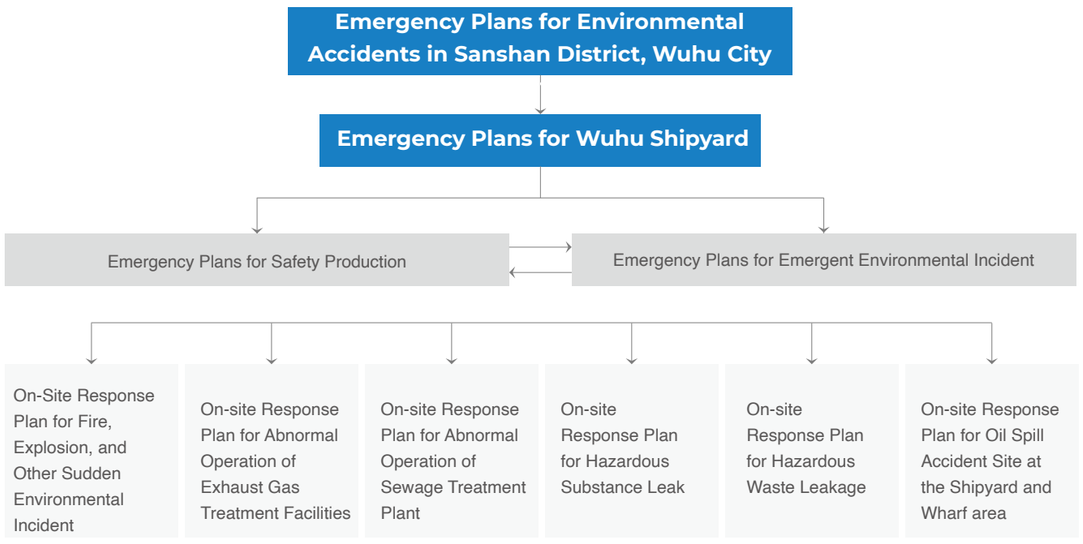
Environmental Management System Certification Certificate

2-2 Environmental Management Certification

As a national green factory, Wuhu Shipyard strictly adheres to domestic and international standards. It has established a comprehensive internal environmental management system and obtained environmental management certification in 2024 based on the GB/T 24001-2016 national standard and ISO 14001:2015 international standard, covering metal vessel design/construction and steel structure manufacturing. In 2024, the Company was honored as Anhui Environmentally Credible Enterprise.

2-3 Environmental Emergency Management

Adhering to the principles of “People-Oriented, Harm Minimization”, “Scientific Early Warning, Full Preparedness”, “Efficient Response, Coordinated Action”, and “Unified Leadership, Division of Responsibilities”, Wuhu Shipyard rigorously implements the Emergency Plan for Sudden Environmental Incidents and supporting systems. Environmental incidents are classified based on potential hazards, scope, escalation scenarios, and environmental damage severity. The Company enforces targeted response measures and conducts contingency drills to ensure timely, orderly, and efficient emergency rescue operations upon incidents. This approach prevents environmental contamination, minimizes losses and social impacts, safeguards public health and property, maintains social stability, and ensures seamless coordination between the enterprise and local government authorities during on-site handling.



Emergency Response Framework Diagram

Warning Classification

Red (Level I) — Critical situation, where an especially serious environmental emergency is expected to occur or be triggered; or an event has already occurred and may further expand its impact, causing extremely serious harm

Orange (Level II) — Urgent situation, where a major environmental emergency is expected to occur or be triggered; or an event has already occurred and may further expand its impact, causing major harm

Yellow (Level III) — Relatively urgent situation, where a relatively significant environmental emergency is expected to occur or be triggered; or an event has already occurred and may further expand its impact, causing considerable harm

Blue (Level IV) — Presence of significant environmental safety hazards, where a general environmental emergency is expected to occur or be triggered; or an event has already occurred and may further expand its impact, causing public harm

Classification of Environmental Emergencies

Level	Hazard Severity	Controllability	Scenario Analysis	Degree of Environmental Damage
Level IV (Post Level)	LOW	High	• Leakage of hazardous waste leachate, effectively controlled within 1 hour • Malfunction of exhaust gas treatment equipment in the plant area leading to abnormal gas emissions	Event occurs in a production unit of the Company, affecting only a local area
Level III (Workshop Level)	Relatively high	Relatively high	• Malfunction of wastewater treatment station in the plant area causing abnormal wastewater discharge • Localized initial fire in a workshop, extinguished with a fire extinguisher • Leakage of hazardous substances such as lubricating oil, paint, natural gas, diesel, hydraulic oil, or liquid oxygen, contaminating groundwater and soil	Event occurs in the surrounding area of the Company site, affecting adjacent production units
Level II (Company Level)	High	LOW	• Large-scale fire in the plant area or explosion of RTO/RCO devices, generating large amounts of firefighting wastewater and organic exhaust gas • Fire, explosion, or oil spill in berth or dock areas, polluting the Yangtze River water	Event extends beyond the Company, affecting surrounding areas outside the enterprise
Level I (Government Level)	High	LOW	• Large-scale fire in the plant area or explosion of RTO/RCO devices that the Company cannot extinguish in a short time • Fire, explosion, or oil spill in berth or dock areas, polluting the Yangtze River water beyond the Company’s handling capacity	When the event exceeds the Company’s response capability

Internal Management

The leadership of the Company's emergency response unit for sudden environmental incidents comprises the General Manager, the Director of Safety & Environmental Affairs, and the Deputy Director of Production Operations Center, supported by the Safety Operations Manager. Ten specialized emergency rescue teams are established based on incident zones, types, and departmental responsibilities, ensuring clear employee accountability and rapid response.

External Coordination

Wuhu Shipyard has established an emergency coordination mechanism with the Wuhu Sanshan District Ecological Environment Bureau, Sanshan District Emergency Management Bureau, and Sanshan District Fire Brigade. For joint handling of environmental emergencies, it deploys personnel, teams, equipment, and materials according to requirements and capabilities, shares regional emergency resources, and enhances collective capacity to address sudden environmental incidents.

3 Resource Conservation and Waste Management

3-1 Energy Management

The Company actively responds to global energy conservation initiatives, promoting efficient and rational energy use. It has established an energy management system to comprehensively implement energy-saving measures, reducing consumption through technological innovation and energy-efficient equipment. The Company actively integrates renewable energy sources, including self-built photovoltaic power facilities and planned energy storage systems, to decrease reliance on traditional fossil fuels.

11 Energy Consumption

During the reporting period, total energy consumption amounted to 9800.53 tons of standard coal equivalent, with renewable energy accounting for 5.30% of total usage.

Fossil Energy Consumption (including purchased or acquired electricity consumption)

2024

Total Energy Consumption
9800.53 Tons of Standard Coal Equivalent

Fossil Energy Consumption
9280.71 Tons of Standard Coal Equivalent

Renewable Energy Consumption
519.82 Tons of Standard Coal Equivalent

Petroleum Fuel Consumption
355.19 Tons

Natural Gas Consumption
1137321 Cubic Meters

Total Electricity Consumption
64299194 kWh

Renewable Electricity Consumption
4229620 kWh

Office & Living Area
1903248 kWh

Energy Management System Certification Certificate

2 Energy Management Certification

Wuhu Shipyard strictly adheres to domestic and international standards, rigorously implementing its *Energy Conservation and Consumption Reduction Regulations*. In 2024, the Company obtained energy management system certification based on the GB/T 23331-2020 national standard, RB/T 119-2015 industry standard, and ISO 50001:2018 international standard, covering energy management activities in metal vessel design and construction processes.

3 Energy Conservation Measures

Energy Usage Control

- Steel pretreatment lines and painting workshops operate during off-peak hours (10 PM–3 AM) to utilize valley electricity pricing
- When night-shift personnel are fewer than 10, mobile mini-air compressors replace large units to avoid underutilization
- Workshop lighting circuits are zoned for independent control
- Streetlights are upgraded with light-sensing automation for dusk-to-dawn operation
- Designated personnel must power off welding machines post-shift to eliminate idle consumption
- Strict AC usage compliance: In summer, activate AC only when room temperature reaches 28°C or higher, and the temperature be set at no lower than 26°C; in winter, activate AC only when room temperature reaches 10°C or lower, and the temperature set shall be set at no higher than 20°C
- Automated production workflows are optimized to enhance operational efficiency

Active Electric Forklifts

Energy-Saving Equipment Deployment

- Timely replacement of outdated machinery
- Regular maintenance of high-power equipment (e.g., air compressors, dehumidifiers) to reduce energy consumption
- Promotion of energy-efficient LED lighting and rod-type heating systems
- Progressive replacement of fuel-powered forklifts with electric models; currently 20 electric forklifts in active operation

Green Energy & Conservation

Photovoltaic Power Generation	The Company is progressively expanding distributed PV capacity. Phase I deployed 4.88MW of PV equipment, generating 4,229,620 kWh in 2024. Phase II (4.20MW) commenced operation in May 2025[8], with plans to add 3MW PV and 7.5MW/15MWh energy storage systems to further optimize the energy mix and increase clean energy utilization.
Energy-Efficient Air Compressors	In July 2024, the Company installed one 140m³ energy-saving air compressor for production at newly constructed Berths #3 and #4, and two additional 200m³ energy-saving air compressors for the new “One Spray, Two Coatings” workshop. All new compressors feature variable frequency drives, achieving 24% energy efficiency improvement.

Phase II Photovoltaic Panels

Newly Installed Energy-Saving Air Compressors in 2024

3-2 Water Resource Management

Located along the Yangtze River with abundant water resources and classified as a low-water-risk area, the Company nevertheless implements rigorous water management to prevent waste, reduce costs, and build a conservation-oriented facility.

Through multiple measures, the Company ensures the proper functioning of all water facilities, utilizing water-saving equipment and systems to minimize unnecessary usage and wastage by preventing “leaks, spills, drips, and seepage”.

[8]Prior to report publication, Phase II of the Company’s photovoltaic power generation project was completed and officially operational.

Total Water Intake

1288293.8 Tons

Total Water Consumption

1288293.8 Tons

Water Consumption in Living Area

303558 Tons

Water Consumption in Work Area

984735.8 Tons

Recycled Water Volume

28834 Tons

Newly Installed Water-Saving Units

Cooling Water System

1 Water Conservation Measures

- Vigorously promote awareness of “conserving water to save energy”, with department heads educating employees on water-saving practices and overseeing water usage
- Optimize production processes, strengthen on-site management, and implement water-saving solutions to reduce water consumption during manufacturing
- Address “leaks, spills, drips, and seepage” in pipeline systems through regular inspections and spot checks, and ensure prompt repairs
- Enforce “water off when leaving” in domestic water use to prevent continuous flow; upgrade fixtures to foot-pedal, water-pressure-activated, or sensor-controlled systems
- Conduct freeze-proof insulation on exposed pipelines before winter
- Regularly inspect fire hydrants at berths and docks, and perform pre-holiday equipment checks before shutdowns
- Replace 83 sets of water units at berths and docks with water-saving models, saving approximately 10,950 tons annually and reducing water costs by approximately RMB36,800

2 Water Recycling Facilities

The Company operates No. 1 and No. 2 air compressor stations, where cooling water for compressor equipment is recycled. The system pressurizes discharged cooling water via pumps, cools it through cooling towers, and recirculates it to reservoirs. The No. 1 Station includes two 130m³ reservoirs, and No. 2 Station includes one 56m³ reservoir. In 2024, this system achieved 28,834 tons of recycled water.

3-3 “Three Wastes” Management

Pollution Discharge Management and Emission Trading

In 2024, Wuhu Shipyard strictly implemented its *Pollutant Discharge Permit Management Regulations* and supporting systems, standardizing the generation and emission of wastewater, exhaust gases, and solid waste alongside environmental monitoring and ledger management. In accordance with the *Corporate Environmental Information Disclosure Management Measures*, the Company promptly reported and publicly disclosed pollutant-related data.

Actively responding to Anhui Province’s emission trading policies, the Company advanced initiatives including but not limited to clarifying permitted discharge volumes (initial emission rights) specified in environmental permits and EIA approvals; conducting emission monitoring; and preparing documentation for future participation in emission trading markets. These efforts embody the scientific principle that “lucid waters and lush mountains are invaluable assets”.

1 Wastewater Management

Adhering to the principle of “source control, prevention-first, and comprehensive management”, the Company formulated and strictly implemented the *Water Pollution Prevention and Control Regulations.* These standards govern the discharge and treatment of industrial and domestic wastewater, ensuring all outflows meet regulatory requirements at various administrative levels and effectively preventing water pollution incidents. The Company conducts online monitoring of wastewater flow, pH, COD, and ammonia nitrogen levels, and appoints third parties to track BOD5, petroleum-based wastewater, suspended solids, and animal/vegetable oils. Discharge concentrations consistently remain well below relevant emission standards. In 2024, the Company achieved 100% daily average compliance with no exceedances recorded.

2024 Wastewater Pollutant Discharge[9]

Water	Ammonia Nitrogen	COD	BOD5	Animal/ Vegetable Oils	Petroleum	Suspended Solids
852690tons	0.208tons	16.435tons	19.47tons	1.27tons	0.44tons	19.85tons

[9]Statistical methodologies for 2024 data differ from 2023. 2024 data sources are government-fixed statistics.

2024 Wastewater Discharge Concentrations

Pollutant	Emission Standard	Actual Emission Concentration*
Animal/Vegetable Oils	100 mg/L	0.06–2.47 mg/L
Ammonia Nitrogen (NH_3-N)	—	4.54–8.57 mg/L
BOD5	300 mg/L	9.5–41 mg/L
Petroleum	20 mg/L	0.13–0.6 mg/L
Suspended Solids	400 mg/L	19–37 mg/L
COD	500 mg/L	35–167 mg/L
pH	6–9	7.4–7.7

*Range reflects lowest to highest monitored values throughout the year

The Company constructed a wastewater treatment station equipped with a reclaimed water reuse outlet, primarily utilized for landscape irrigation and road cleaning. A rainwater collection system is installed at the docks, directing collected rainwater to the plant’s wastewater treatment facility. After treatment, the water is discharged into the municipal pipe network, preventing direct rainwater inflow into the Yangtze River.

Wastewater Treatment Station

Wastewater Classification and Treatment Methods

Name	Source	Category	Treatment Method
Non-Oily Ship “Three Waters”	Vessels	Industrial Wastewater	Collected, treated until compliant with standard, and discharged
Oily Ship “Three Waters”	Vessels	Industrial Wastewater	Collected and transferred to licensed entities for treatment
Wastewater from X-ray Inspection/Film Processing	Vessels/ Workshops	Industrial Wastewater	Collected by Quality Center, and handled as hazardous waste by licensed entities
Toxic/Harmful, Oily or Chemical Waste Liquids	Vessels/ Workshops	Industrial Wastewater	Collected, stored in hazardous waste facilities, and treated by licensed entities
Oily Wastewater from Equipment Maintenance/Leaks	Vessels/ Workshops	Industrial Wastewater	Collected, stored in hazardous waste facilities, and treated by licensed entities
Oily Wastewater from Canteens	Workshops	Domestic Wastewater	Treated through grease traps, and discharged into sewage pipelines
Office/Dormitory/Laundry Water	Workshops	Domestic Wastewater	Treated in septic tanks, and discharged into sewage pipelines
Landscaping/Road Flushing Wastewater	Workshops	Domestic Wastewater	Discharged after being treated at wastewater station via sewage pipelines
Toilet Flush Water	Workshops	Domestic Wastewater	Treated in septic tanks, and discharged into sewage pipelines
Initial Rainwater	Workshops	Rainwater	Collected via pipelines to rainwater tanks, and discharged after being treated at wastewater station
Industrial/Domestic Wastewater from Contractors	Workshop	Industrial/Domestic Wastewater	Treated by contractors per regulations

2 Exhaust Gas Management

Wuhu Shipyard established and strictly implemented the *Exhaust Gas Management Regulations*, conducting online monitoring of total non-methane hydrocarbons (NMHC) and appointing third parties to monitor xylene, particulate matter, odor concentration, ammonia, and hydrogen sulfide. In 2024, the Company achieved comprehensive reductions in exhaust emissions compared to 2023: 26% reduction in xylene, 2.4% reduction in NMHC, and 71.9% reduction in particulate matter. During the reporting period, the Company maintained 100% daily average compliance for exhaust emissions with no daily exceedances. Hourly exceedances of air pollutants were fewer than the internal target of 16 occurrences.

2024

Total Exhaust Emissions[10]
70873.846 10,000 m³

Xylene
0.0387 Tons

NMHC
3.878 Tons

Particulate Matter
2.926 Tons

[10] 2Statistical methodologies for 2024 data differ from 2023. 2024 data sources are government-fixed statistics.

Mobile Welding Fume Collector

Exhaust Gas Reduction Measures

(1) Added 35 mobile welding fume collectors to capture and treat smoke from non-fixed welding and grinding points, minimizing particulate dispersion.

(2) Upgraded fans and filters in pre-treatment dust removal equipment, increasing fan capacity from 30,000 m3/h (2023) to 70,000 m3/h, enhancing exhaust capture efficiency and raising purification rates from 98% to 99%.

3 Solid Waste Management

To ensure proper waste treatment and minimize environmental impact while meeting regulatory requirements for both the Company and Yangtze River Basin ecosystems, Wuhu Shipyard adheres to the principle of “categorized collection, storage, and disposal”. The Company established and strictly enforces the *Solid Waste Management Regulations*, standardizing the entire process from waste collection, classification, transportation, temporary storage, to final disposal. This framework covers all production operations, equipment operations, and daily office activities, with mandatory waste classification training provided to all relevant employees.

Label Management:

Waste is managed through categorized collection, storage, and disposal, with clear, unambiguous, and durable labeling throughout the process.

Yellow-labeled bins | Blue-labeled bins | Bins marked with black characters: “Oil-Containing Bins” | Bins marked with red characters: “Paint-Containing Bins”

Disposal Process

Step 1	Step 2		Step 3	
On-site Categorized Collection	Categorized Storage in Temporary Facilities	Recyclable (scrap steel, waste wood, etc.)	Entrusted to Licensed Third-Party Environmental Agencies for Centralized TreatmentEnvironmental Agencies for Centralized Treatment	Transferred to third parties for recycle
		Non-Recyclable (grinding dust, domestic waste, etc.)		Transferred to third parties for landfilling/ incineration
		Hazardous Waste		Waste mineral oil, used oil drums, etc. transferred to third parties for recycle
				Paint waste, discarded paint, etc. transferred to third parties for incineration

Disposal Status

The Company records solid waste quantities through weighing and manages them via a dedicated information system, uploading real-time data to regulatory platforms while synchronizing inventory records. In 2024, general solid waste generation decreased by 2,544.32 tons (20%) compared to 2023. Additionally, 4,535.14 tons of waste plastics, wood, and scrap steel were recycled. Throughout the year, Wuhu Shipyard achieved zero waste dispersion or loss, with no incidents of unauthorized dumping, stacking, discarding, or spillage by employees. The safe transfer rate for waste requiring third-party disposal reached 100%.

Case

Hazardous Waste Reduction

The Company implemented a “One Bucket, One Policy” refined management system in painting operations. By assigning dedicated personnel for paint mixing and setting residue limits per bucket, it reduced waste paint generation at the source. Furthermore, surplus waste paint was repurposed for workshop floor markings, tooling part anti-corrosion refurbishment, and equipment coating. A reusable partitioned packaging mechanism was established to promote cyclic utilization of logistics packaging, exploring pollution-carbon reduction pathways while institutionalizing waste and carbon reduction.

In 2024, the Company conducted a dedicated hazardous waste reduction project, requiring maximizing utilization of paint, thinners, and hardeners during coating, weighing waste containers to control residuals, and enhancing mixing/spraying quality through specialized operator training. These measures reduced waste paint and container volumes. In 2024, the Company achieved hazardous waste generation of 0.2695 kg/m2 per painted area, a 9.6% decrease from 2023, exceeding the annual 5% reduction target.

Category		Name	Disposal Volume(Tons)
Hazardous Waste	HW08: Waste Mineral Oil & Mineral Oil-Containing Waste	Oily Sludge	10.223
		Waste Mineral Oil	31.7
	HW12: Dye & Paint Waste	Waste Paint	5.111
		Paint Shavings	65.027
		Coating Waste	125.261
	HW49: Other Waste	Waste Filter Material	4.44
		Waste Chemical Reagents	0.13
		Waste Activated Carbon	0.34
		Waste Paint Buckets	181.538
		Waste Oil Drums	24.16
		Oil-Containing Labor Insurance	0.95
		Contaminants	3.785
	Total		452.665
General Solid Waste	Recyclable	Waste Plastic	71.78
		Waste Wood	796.7
		Scrap Steel	7340.12
	Non-Recyclable	Other Industrial Solid Waste	5,738.94
	Total		13,947.54

4 Green Enterprise Operations

4-1 Green Factory

Wuhu Shipyard actively implements the *“14th Five Year Plan” for Industrial Green Development and the Carbon Peaking Implementation Plan for the Industrial Sector,* deeply exploring green intelligent manufacturing. In 2023, the Company was certified as a national “Green Factory”, becoming the first shipbuilding enterprise in Anhui Province to receive this recognition. Moving forward, the Company remains committed to green and harmonious development, thoroughly studying national and local standards and policies for green factories to ensure alignment with regulatory directives.

National “Green Factory” Certification

4-2 Green Production

Optimize Production Processes	Eliminate non-essential production steps to reduce energy and resource consumption
Retrofit Outdated Equipment	Upgrade or replace obsolete, high-energy-consuming machinery with efficient, low-consumption alternatives
Select Eco-Materials	Prioritize environmentally friendly, recyclable materials to minimize pollution
Energy Optimization	Adopt cleaner, more efficient energy sources (e.g., solar, wind) to decrease fossil fuel reliance

4-3 Green Transportation

In 2024, Wuhu Shipyard not only upheld its own green transportation practices but also established requirements for raw material suppliers regarding qualifications, material certifications, transport equipment, and logistics routes, building a sustainable transport chain.

Supplier Qualifications	All suppliers must hold environmental management system certifications
Material Certification	Environmentally sensitive materials (e.g., paint) must comply with domestic/international green standards and obtain relevant certifications
Transport Equipment	Vehicles delivering materials must meet China’s emission standards: China IV[11] or above for diesel vehicles, China[12] or above for gasoline vehicles
Transport Routes	Prioritize waterway shipping to minimize energy consumption

[11] Refers to National Phase IV Emission Standard for Motor Vehicles

[12] Refers to National Phase V Emission Standard for Motor Vehicles

Case

Green Packaging

Adhering to the principles of “eco-friendliness, reduction, and recyclability”, Wuhu Shipyard formulated and strictly implemented the Green Packaging Materials Development Plan. While ensuring component safety during packaging and transportation, the Company collaborates with long-term suppliers to adopt green packaging materials across logistics and storage processes. Key initiatives include:

- Prioritizing eco-friendly, low-toxicity, and recyclable materials for primary packaging;
- Promoting reusable packaging solutions such as metal bins, plastic crates, recyclable cartons, and kraft paper;
- Emphasizing packaging efficiency to reduce production costs.

4-4 Green Operations

Green Office Practices

Embracing a green, low-carbon philosophy, the Company implements eco-friendly office models that integrate energy conservation, resource efficiency, and cost control objectives. In 2024, the Company continuously adopted the following initiatives: strengthening daily management of electricity-consuming equipment (lighting, AC, heating, computers); installing energy-saving voice-activated lights in office buildings and talent apartment corridors, with regular inspections and maintenance; procuring office supplies with high energy-efficiency ratings; advancing paperless workflows via digital platforms to reduce paper consumption; strictly controlling paper usage by recycling single-sided prints (including CAD drawings), promoting double-sided printing, and avoiding duplication.

Green Commute

The Company prioritizes eco-friendly commuting by optimizing shuttle routes and schedules for employees residing in urban areas and talent apartments, reducing fossil fuel consumption. It encourages the use of bicycles and electric vehicles where safe, and in 2024, provided 55 new energy electric vehicles for employee rental.

4-5 Environmental Protection Training

Site of Environmental Protection Training in 2024

In 2024, the Company organized 85 environmental protection training sessions with 7,248 participants, covering topics including environmental laws/regulations, standardized hazardous waste management, sewage treatment plant equipment operation/maintenance, VOCs control facility operations, environmental factors and risk source management, ESG system development, and new employee safety/environmental orientation. Participation increased by 35.65% compared to 2023.

5 Biodiversity Protection

Wuhu Shipyard is situated along the Yangtze River, which is China’s longest river spanning over 6,300 kilometers and ranked third globally, and is recognized by renowned environmental organizations as one of the world’s 35 critical ecological zones. The Yangtze represents a rare convergence of human activity and natural ecosystems. Protecting this vital waterway is essential to achieving sustainable development goals.

Aligned with the *Yangtze River Protection Law of the People’s Republic of China*, the *Opinions on Strengthening Biodiversity Conservation*, the *China Biodiversity Conservation Strategy and Action Plan (2023–2030)*, the *Yangtze Biodiversity Conservation Implementation Plan (2021–2025)*, and the “Kunming-Montreal Global Biodiversity Framework”, the Company implements the Provincial Party Committee and Government’s strategic vision of “clear waters, green shores, and superior industries” for the Yangtze Economic Belt. Upholding the principle of “not allowing a single drop of oil to enter the Yangtze River”, Wuhu Shipyard actively fulfills its biodiversity conservation responsibilities during production and operations, safeguarding both aquatic ecosystems and terrestrial environments surrounding its facilities.

5-1 Aquatic Biodiversity

The Yangtze River, China’s most biodiverse waterway, sustains over 4,300 aquatic species and serves as a treasure trove of fishery germplasm resources, a natural gene bank for economically valuable fish, and a critical habitat for endangered species like the Yangtze finless porpoise, which garnered global conservation attention. To protect this ecosystem, the Company prioritizes preventing pollutant discharge into the river, minimizing vessel-related ecological harm, and enhancing environmental awareness through education.

Fully Enclosed Waste Container

Rainwater Collection System

1 Preventing Pollutants from Entering the River

The Company established specialized systems such as the *Oil Containment Boom Management Regulations*. Fully enclosed waste containers are deployed at docks to collect refuse and prevent river contamination. Exceeding chemical industry standards, rainwater collection systems are installed to capture runoff during rainfall, safeguarding the Yangtze from pollution. Additionally, all vessels under construction are required to deploy oil containment booms to block pollutants from entering the river.

Oil Containment Boom

2 Avoidance, Speed Reduction, and Navigation Halt Measures

To prevent or minimize harm to aquatic life, the Company imposes strict supervision on docked and under-construction vessels. It enforces speed limits for ships approaching or departing docks and mandates emergency avoidance maneuvers, speed reduction, or navigation halts upon detection of rare aquatic species.

3 Awareness Campaigns

The Company regularly educates employees through knowledge dissemination and legal compliance updates, enhancing environmental consciousness and voluntary protection of rare flora/fauna. Staff conduct daily patrols to strictly prohibit fishing or harvesting along docks, while establishing reporting mechanisms to raise conservation awareness among surrounding communities.

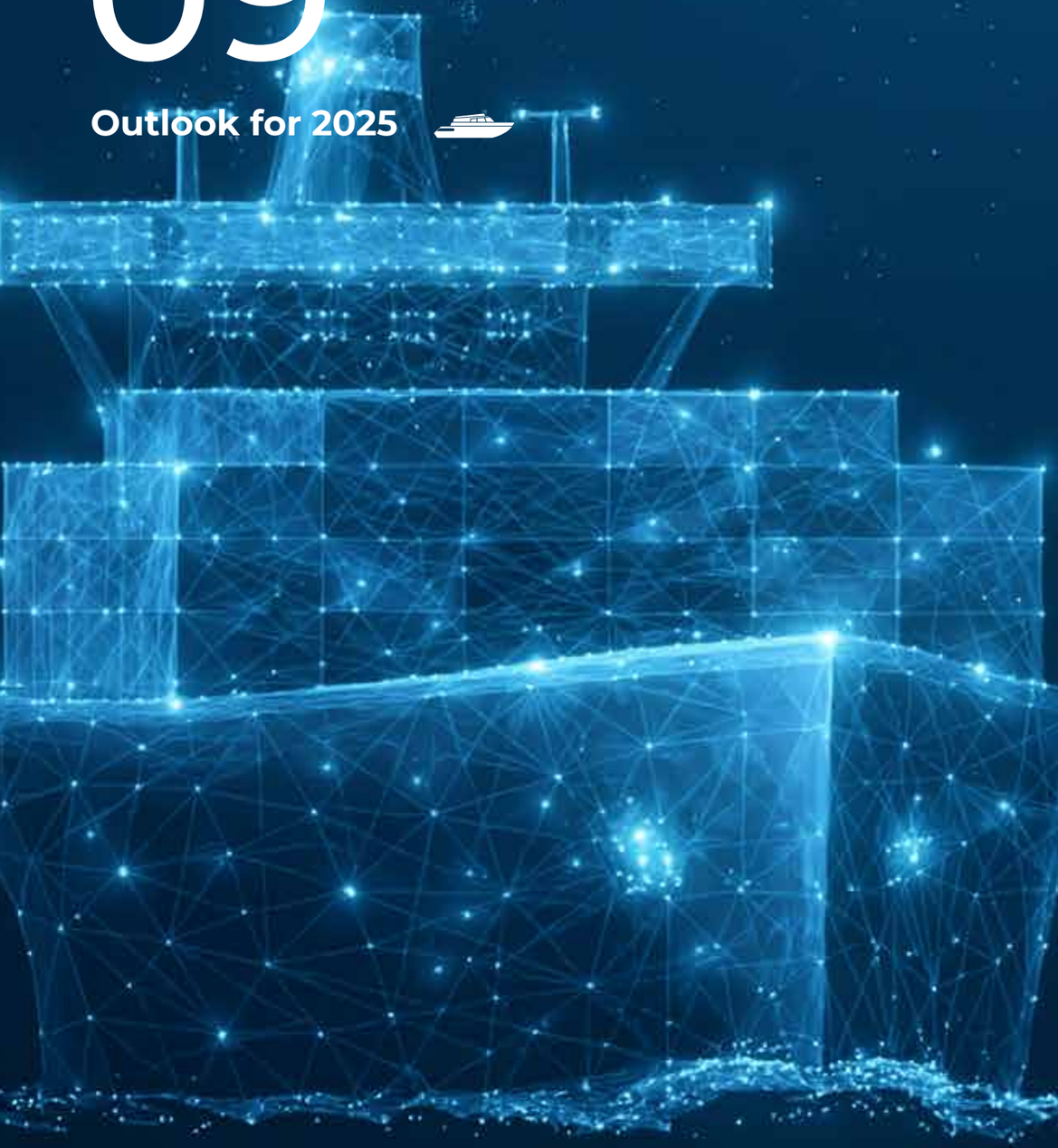
Tree Planting Activity

5-2 Terrestrial Biodiversity

The ecosystem surrounding Wuhu Shipyard’s facility originally comprised woodland, shrub-grassland, and wasteland ecosystems, farmland ecosystems, and artificial ecosystems such as roads and rural settlements. The Company conducts regular comprehensive and regional ecosystem assessments to maintain ecological functions and vegetation productivity. Native trees, shrubs, and flowering plants adapted to local conditions are cultivated around buildings, along roadsides, and in open areas. The total green space across the base exceeds 163,000 m², with a greening rate of over 10%. On March 6, 2024, the Company organized a tree-planting initiative to further expand green coverage in the vicinity.

09

Outlook for 2025



Standing at the new starting point of 2025, Wuhu Shipyard anchors its long-term development coordinates, guided by strategic planning and driven by ESG practices, to fully embark on a new journey of high-quality growth.

In 2025, the Company will officially launch its Five-Year Development Plan, outlining clear targets for 2030: order backlog exceeding RMB100 billion; revenue reaching RMB50 billion; market capitalization achieving RMB30 billion; and profits no less than RMB7.5 billion. By then, Wuhu Shipyard will rank among China's top tier of shipbuilders, establishing an industry-leading "lighthouse factory" with advanced manufacturing processes and management systems, which will create a synergistic development pattern across all industrial sectors.

Throughout 2025, the Company will advance its ESG strategy with forward-looking vision, building a green, intelligent, and responsible sustainable development ecosystem.

In the environmental dimension, the Company will deepen the implementation of its "dual-carbon" strategy and targets, advance product carbon footprint certification, and expand photovoltaic and energy storage infrastructure by adding 3MW PV and 7.5MW/15MWh storage systems to accelerate the transition to clean energy. It will continuously refine its green vessel portfolio, strengthen full-lifecycle low-carbon management, and lead industry-wide upgrades in green manufacturing standards.

In the social dimension, the Company will intensify talent pipeline development, promote leadership rejuvenation and diversity, optimize employee career progression pathways, and implement an independent successor plan for reserve cadres. An ESG evaluation system for suppliers and a green flexible supply chain will be established to collaboratively enhance sustainability with partners. Rural revitalization and philanthropic initiatives will expand through the "Red Partner" model, fostering regional economic synergy and co-building a thriving Wuhu Shipyard community covering 7,000 employees and stakeholders.

In the governance dimension, the Company will institute a permanent ESG oversight mechanism at the level of Board of Directors and refine the governance structure centered around the Board of Shareholders, Board of Directors, Board of Supervisors, and Executive Management. It will deepen the "Integrated Eight-Dimensional" compliance supervision framework, uphold integrity standards, and require all cadres to integrate compliance with operational deployment. Data security protections will be elevated, with ESG principles embedded throughout corporate governance processes.

Simultaneously, the Company will leverage technological innovation as an engine to accelerate smart shipyard development: achieving full coverage of digital management platforms, strengthening intellectual property portfolios, and driving deep integration of green technologies with intelligent manufacturing. Targeting a 20%+ per capita efficiency gain, it will continuously invest in smart equipment, rapidly advance digital factories, digital quality inspection, and digital safety systems, elevating automation levels to 23% while maintaining industry leadership.

In 2025, we will stay true to our founding mission and forge ahead, embodying the principles of intelligent, green, and sustainable development in our ESG practices. We will contribute the strength and value of Centennial Wuhu Shipyard to sustainable development in China and globally, jointly creating a brighter future.

Appendixes

Appendix I: ESG Key Performance

Dimension	Performance Name	Quantitative Data
Environmental	Scope 1: Direct GHG Emissions	9962.47 tCO2e
	Scope 2: Energy Indirect GHG Emissions	33657.83 tCO2e
	Total Scope 1+2 GHG Emissions	43320.3 tCO2e
	Production Halts Due to Environmental Incidents	0 Occurrences
	Environmental Administrative Penalties	0 Occurrences
	Environmental Pollution Accidents	0 Cases
	Total Energy Consumption	9800.53 Tons of Standard Coal Equivalent
	Fossil Energy Consumption (including purchased electricity consumption)	9280.71 Tons of Standard Coal Equivalent
	Renewable Energy Consumption	519.82 Tons of Standard Coal Equivalent
	Petroleum Fuel Consumption	355.19 Tons
	Natural Gas Consumption	1137321 Cubic Meters
	Total Electricity Consumption	64299194 kWh
	Renewable Electricity Consumption	4229620 kWh
	Office & Living Area Electricity	1903248 kWh
	Total Water Intake	1288293.8 Tons
	Total Water Consumption	1288293.8 Tons
	Water Consumption in Living Area	303558 Tons
	Water Consumption in Work Area	984735.8 Tons
	Recycled Water Volume	28834 Tons
	Total wastewater discharge	852690 Tons
	Ammonia Nitrogen	0.208 Tons
	COD	16.435 Tons
	BOD5	19.47 Tons
	Animal/Vegetable Oils	1.27 Tons
	Petroleum	0.44 Tons
	Suspended Solids	19.85 Tons
	Total Exhaust Emissions	70873.846 Million cubic meters
	Xylene	0.0387 Tons
	NMHC	3.878 Tons
	Particulate Matter	2.926 Tons
	Oily Sludge	10.223 Tons
	Waste Mineral Oil	31.7 Tons
	Waste Paint	5.111 Tons
	Paint Chips	65.027 Tons
	Coating Waste	125.261 Tons
Environmental	Waste Filter Material	4.44 Tons
	Waste Chemical Reagents	0.13 Tons
	Waste Activated Carbon	0.34 Tons
	Waste Paint Buckets	181.538 Tons
	Waste Oil Drums	24.16 Tons
	Oil-Containing Protective Gear	0.95 Tons
	Contaminated Materials	3.785 Tons
	Waste Plastic	71.78 Tons
	Waste Wood	796.7 Tons
	Scrap Steel	7340.12 Tons
	Other Industrial Solid Waste	5738.94 Tons
Social	Labor Contract Signing Rate	100%
	Six Insurances and One Fund Coverage	100%
	Total Regular Employees	2348 Persons
	Male Employees	2006 Persons
	Female Employees	342 Persons
	Contract-Based Employees	2342 Persons
	Employees from HR Partners	4245 Persons
	Age ≤ 30	873 Persons
	Age 31–50	1214 Persons
	Age ≥ 51	261 Persons
	Master/PhD Candidates	81 Persons
	Bachelor's Degree Holders	785 Persons
	Holders of College Diploma or Below	1482 Persons
	Total New Employees	7307 Persons
	Campus Recruitment Employees	281 Persons
	Social Recruitment Employees	822 Persons
	Onboarded Employees from HR Partners	6204 Persons
	Resigned Employees from HR Partners	4730 Persons
	Regular Ethnic Minority Employees	18 Persons
	Ethnic Minority Employees from HR Partners	551 Persons
	Foreign Employees	1 Persons
	Employees with Disabilities	0 Persons
	Female Representation in New Employees	13.52%
	Overall Gender Pay Ratio	1.38:1
	Management Gender Pay Ratio	1.41:1
	Total Training Participants	14768 Headcount
	Training Hours per Capita	6.13 Hours
	Vocational Training Hours per Capita	25 Hours

Dimension	Performance Name	Quantitative Data
Social	Investment in Vocational Training per Capita	415 RMB
	Company-Specific Training Sessions	161 Times
	Specialized & Skill Enhancement Sessions	387 Times
	Qualification System Maintenance Training	29 Times
	Statutory/Certification Training	12.40%
	Vocational Training Programs Conducted	42 Sessions
	New Employee Vocational Training Programs	42 Sessions
	Total Vocational Training Hours	5250 Hours
	Cumulative Vocational Training Participants	210 Headcount
	Specialized Trade Certification Trainees	545 Headcount
	Professorial Senior Title Applicants	0 Persons
	Senior Title Applicants	6 Persons
	Intermediate Title Applicants	13 Persons
	Annual Title Approval Rate	84.60%
	Employees Holding Professional Titles	216 Persons
	Employees Holding Senior Titles	72 Persons
	Employees Holding Intermediate Titles	137 Persons
	Employees Holding Junior Titles	7 Persons
	Work-Related Injuries	2 Persons
	Work-Related Fatalities	0 Persons
	Non-Employee Work-Related Fatalities at Work Sites	0 Persons
	Work Hours Lost Due to Injuries	160 Hours
	Workdays Lost Due to Injuries	20 Days
	Fatality Rate per 1,000 Employees	0%
	Injury Rate per 1,000 Employees	0.40%
	Fatality Rate per Million Yuan of Output Value	0%
	Production Safety Incidents	4 Times
	Safety Training Sessions Held	366 Times
	Total Safety Training Participants	56752 Headcount
	Total Safety Training Hours	989 Times
	Registered Safety Engineers	9 Persons
	Emergency Drills Conducted	141 Times
	Total Emergency Drill Participants	2738 Headcount
	Cultural/Sports Activities Held	81 Times
	Festival Activity Participants	Over 12,500 Headcount
	Employees Supported	33 Persons
	Financial Aid Amount	48532 RMB
	Philanthropic Activities Held	6 Times
	Total Charitable Donations	26500 RMB
	Total Employee Volunteers	218 Headcount
	Total Volunteer Hours	436 Hours
	Quality Control Training Participants	1710 Headcount
	Total Quality Control Training Hours	51714 Hours
	Customer Satisfaction	97%
	Total Suppliers	1338 Units
	Blacklisted Suppliers	99 Units
	Suppliers Eliminated	33 Units
	R&D Investment	RMB 281.715 Million
	R&D Personnel	Over 500 Persons
	New R&D Employees	240 Persons
	Cumulative Granted Patents	203 Items
Social	New Patent Applications Filed	317 Items
	New Invention Patent Applications Filed	73 Items
	New Utility Model Patent Applications Filed	197 Items
	New Design Patent Applications Filed	37 Items
	New Software Copyright Applications Filed	14 Items
	New Granted Patents	30 Items
	New Granted Invention Patents	7 Items
	New Granted Design Patents	1 Items
	New Granted Utility Model Patents	12 Items
	New Granted Software Copyrights	10 Items
	Cumulative Standards Developed/Participated	22 Items
	Vessels Built & Delivered	30 Units
	Number of Board Members	6 Persons
	Number of Shareholders' Meetings	4 Times
	Number of Board Meetings	8 Times
	Number of Supervisory Board Meetings	1 Times
	Thematic Warning Sessions Attendance	Over 2650 Headcount
	Mid/Senior Leadership Trained	286 Headcount
	Key Personnel Trained	856 Headcount
	New Employees Trained	856 Headcount
Governance	Total number of risks identified	16 Items
	Centralized Risk Identification Activities	2 Times
	Risk Management Reports	2 Copies
	Integrity Pledges Signed	915 Copies
	“Sunshine Agreements” Signed	2648 Copies
	High-Risk Position Audits	3 Times
	“Sunshine Project” Meetings	12 Sessions
	Integrity Education Sessions	48 Sessions
	Party-Building Compliance Forums	26 Sessions
	Cumulative Cost Savings from Compliance Inspections	RMB 53.16 Million

Appendix II：ESG Key Performance

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

GRI guideline	Number	Content	Report corresponding chapter
GRI 2 Series: General Disclosure	2-1	Organization details	Company Profile
	2-2	Entities included in the organization's sustainability reporting	About the Report
	2-3	Reporting period, frequency and contact point	About the Report
	2-4	Restatements of information	About the Report
	2-5	External assurance	Appendix 3
	2-6	Activities, value chain and other business relationships	Sustainable Supply Chain Management
	2-7	Employees	Safeguarding Employee Rights
	2-8	Workers who are not employees	Safeguarding Employee Rights
	2-9	Governance structure and composition	Corporate Governance Structure
	2-10	Nomination and selection of the highest governance body	Corporate Governance Structure
	2-11	Chair of the highest governance body	Corporate Governance Structure
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Structure
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Structure
	2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Management
	2-15	Conflicts of interest	Sustainable Development Management
	2-16	Communication of critical concerns	Sustainable Development Management
	2-17	Collective knowledge of the highest governance body	Corporate Governance Structure Sustainable Development Management
	2-18	Evaluation of the performance of the highest governance body	Undisclosed
	2-19	Remuneration policies	Safeguarding Employee Rights
	2-20	Process to determine remuneration	Safeguarding Employee Rights
	2-21	Annual total compensation ratio	Safeguarding Employee Rights
	2-22	Statement on sustainable development strategy	Sustainable Development Management
	2-23	Policy commitments	Sustainable Development Management
	2-24	Embedding policy commitments	Sustainable Development Management
	2-25	Processes to remediate negative impacts	Addressing Climate Change
	2-26	Mechanisms for seeking advice and raising concerns	Sustainable Development Management-Stakeholder Engagement
	2-27	Compliance with laws and regulations	Compliance Operations
	2-28	Membership associations	Not applicable
	2-29	Approach to stakeholder engagement	Sustainable Development Management-Stakeholder Engagement
	2-30	Collective bargaining agreements	Safeguarding Employee Rights
GRI 3 Material Topics	3-1	Process to determine material topics	Sustainable Development Management-Stakeholder Engagement
	3-2	List of material topics	Sustainable Development Management-Material Topic Identification
	3-3	Management of material topics	Sustainable Development Management-Material Topic Identification
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	2024 Performance Review
Direct economic value generated and distributed 2024 Performance Review	201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Employee Care
	201-4	Financial assistance received from government	Undisclosed
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Safeguarding Employee Rights
	202-2	Proportion of senior management hired from the local community	Corporate Governance Structure
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Not applicable
	203-2	Significant indirect economic impacts	Sustainable Supply Chain Management
GRI 204：Procurement Practices	204-1	Proportion of spending on local suppliers	Undisclosed
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Compliance Operations-Strengthening Risk Management、Integrity and Anti-Corruption Development
	205-2	Communication and training about anti-corruption policies and procedures	Compliance Operations-Strengthening Risk Management、Integrity and Anti-Corruption Development
	205-3	Confirmed incidents of corruption and actions taken	Compliance Operations-Strengthening Risk Management、Integrity and Anti-Corruption Development
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance Operations-Upholding Fair Competition
GRI 207: Tax	207-1	Approach to tax	Undisclosed
	207-2	Tax governance, control, and risk management	Sustainable Development Management-Stakeholder Engagement
	207-3	Stakeholder engagement and management of concerns related to tax	Sustainable Development Management-Stakeholder Engagement
	207-4	Country-by-country reporting	Undisclosed
GRI 301: Materials	301-1	Materials used by weight or volume	Undisclosed
	301-2	Recycled input materials used	Green Enterprise Operations
	301-3	Reclaimed products and their packaging materials	Green Enterprise Operations
GRI 302: Energy	302-1	Energy consumption within the organization	Resource Conservation and Waste Management-Energy Management
	302-2	Energy consumption outside of the organization	Resource Conservation and Waste Management-Energy Management
	302-3	Energy intensity	Resource Conservation and Waste Management-Energy Management
	302-4	Reduction of energy consumption	Resource Conservation and Waste Management-Energy Management
	302-5	Reductions in energy requirements of products and services	Green Enterprise Operations
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	Resource Conservation and Waste Management-Water Resource Management
	303-2	Management of water discharge-related impacts	Resource Conservation and Waste Management-Water Resource Management
	303-3	Water withdrawal	Resource Conservation and Waste Management-Water Resource Management
	303-4	Water discharge	Resource Conservation and Waste Management-Water Resource Management
	303-5	Water consumption	Not applicable

GRI guideline	Number	Content	Report corresponding chapter
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Protection
	304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity Protection
	304-3	Habitats protected or restored	Biodiversity Protection
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Protection
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change-Carbon Emission Management
	305-2	Energy indirect (Scope 2) GHG emissions	Addressing Climate Change-Carbon Emission Management
	305-3	Other indirect (Scope 3) GHG emissions	Addressing Climate Change-Carbon Emission Management
	305-4	GHG emissions intensity	Addressing Climate Change-Carbon Emission Management
	305-5	Reduction of GHG emissions	Addressing Climate Change-Carbon Emission Management
	305-6	Emissions of ozone-depleting substances (ODS)	Addressing Climate Change-Carbon Emission Management
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Addressing Climate Change-Carbon Emission Management
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Resource Conservation and Waste Management-”Three Wastes” Management
	306-2	Management of significant waste-related impacts	Resource Conservation and Waste Management-”Three Wastes” Management
	306-3	Waste generated	Resource Conservation and Waste Management-”Three Wastes” Management
	306-4	Waste diverted from disposal	Resource Conservation and Waste Management-”Three Wastes” Management
	306-5	Waste directed to disposal	Resource Conservation and Waste Management-”Three Wastes” Management
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain Management
GRI 401: Employment	401-1	New employee hires and employee turnover	Safeguarding Employee Rights
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Care
	401-3	Parental leave	Employee Care
GRI 402: Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	Sustainable Development Management
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3	Occupational health services	Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
GRI 403: Occupational Health and Safety	403-5	Worker training on occupational health and safety	Occupational Health and Safety
	403-6	Promotion of worker health	Occupational Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Empowering Talent Development
	404-2	Programs for upgrading employee skills and transition assistance programs	Empowering Talent Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Empowering Talent Development
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Employee Care
	405-2	Ratio of basic salary and remuneration of women to men	Employee Care
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Employee Care
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Care
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainable Supply Chain Management
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainable Supply Chain Management
GRI 41: Security Practices	410-1	Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Social Welfare and Contributions
	413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain Management
	414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain Management
GRI 415: Public Policy	415-1	Political contributions	Not applicable
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Premium Quality and Service
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Premium Quality and Service
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	Premium Quality and Service
	417-2	Incidents of non-compliance concerning product and service information and labeling	Premium Quality and Service
	417-3	Incidents of non-compliance concerning marketing communications	Not applicable
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Premium Quality and Service

Sustainability Reporting Standards (ESRS)

ESRS Theme	Index	Report corresponding chapter
ESRS E1（Clinate Change）	E1-1- Transition plan for climate change mitigation	Addressing Climate Change
	E1-2- Policies related to climate change mitigation and adaptation	Addressing Climate Change
	E1-3- Actions and resources in relation to climate change policies	Addressing Climate Change
	E1-4- Targets related to climate change mitigation and adaptation	Undisclosed
	E1-5- Energy consumption and mix	Resource Conservation and Waste Management-Energy Management
	E1-6- Gross Scopes 1, 2, 3 and Total GHG emissions	Addressing Climate Change-Carbon Emission Management
	E1-7- GHG removals and GHG mitigation projects financed through carbon credits	Not applicable
	E1-8- Internal carbon pricing	Not applicable
	E1-9- Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Addressing Climate Change
ESRS E2（Pollution）	E2-1- Policies related to pollution	Environmental Management、Resource Conservation and Waste Management
	E2-2- Actions and resources related to pollution	Environmental Management、Resource Conservation and Waste Management
	E2-3- Targets related to pollution	Environmental Management、Resource Conservation and Waste Management
	E2-4- Pollution of air, water and soil	Environmental Management、Resource Conservation and Waste Management
	E2-5- Substances of concern and substances of very high concern	Environmental Management、Resource Conservation and Waste Management
	E2-6- Anticipated financial effects from pollution-related impacts, risks and opportunities	Addressing Climate Change、Environmental Management、Resource Conservation and Waste Management
ESRS E3（Water and Marine Resources）	E3-1- Policies related to water and marine resources	Resource Conservation and Waste Management-Water Resource Management
	E3-2- Actions and resources related to water and marine resources	Resource Conservation and Waste Management-Water Resource Management
	E3-3- Targets related to water and marine resources	Resource Conservation and Waste Management-Water Resource Management
	E3-4- Water consumption	Resource Conservation and Waste Management-Water Resource Management
	E3-5- Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Addressing Climate Change、Resource Conservation and Waste Management-Water Resource Management
ESRS E4 (Biodiversity and Ecosystems)	E4-1- Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Biodiversity Protection
	E4-2- Policies related to biodiversity and ecosystems	Biodiversity Protection
	E4-3- Actions and resources related to biodiversity and ecosystems	Biodiversity Protection
	E4-4- Targets related to biodiversity and ecosystems	Biodiversity Protection
	E4-5- Impact metrics related to biodiversity and ecosystems change	Biodiversity Protection
	E4-6- Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not applicable

ESRS 主题	指标	报告对应章节
ESRS E5（Resource Use and Circular Economy）	E5-1- Policies related to resource use and circular economy	Resource Conservation and Waste Management、Green Enterprise Operations
	E5-2- Actions and resources related to resource use and circular economy	Resource Conservation and Waste Management、Green Enterprise Operations
	E5-3- Targets related to resource use and circular economy	Resource Conservation and Waste Management、Green Enterprise Operations
	E5-4- Resource inflows	Resource Conservation and Waste Management、Green Enterprise Operations
	E5-5- Resource outflows	Resource Conservation and Waste Management、Green Enterprise Operations
	E5-6- Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Resource Conservation and Waste Management、Green Enterprise Operations
ESRS S1（Own Workforce）	S1-1- Policies related to own workforce	Safeguarding Employee Rights
	S1-2- Processes for engaging with own workforce and workers’ representatives about impacts	Safeguarding Employee Rights
	S1-3- Processes to remediate negative impacts and channels for own workforce to raise concerns	Safeguarding Employee Rights
	S1-4- Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Not applicable
	S1-5- Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not applicable
	S1-6- Characteristics of the undertaking’s employees	Safeguarding Employee Rights
	S1-7- Characteristics of non-employees in the undertaking’s own workforce	Safeguarding Employee Rights
	S1-8- Collective bargaining coverage and social dialogue	Safeguarding Employee Rights
	S1-9- Diversity metrics	Employee Care
	S1-10- Adequate wages	Safeguarding Employee Rights
	S1-11- Social protection	Safeguarding Employee Rights
	S1-12- Persons with disabilities	Employee Care
	S1-13- Training and skills development metrics	Empowering Talent Development
	S1-14- Health and safety metrics	Occupational Health and Safety
	S1-15- Work-life balance metrics	Employee Care
	S1-16- Remuneration metrics (pay gap and total remuneration)	Employee Care
	S1-17- Incidents, complaints and severe human rights impacts	Not applicable
ESRS S2（Workers in the Value Chain）	S2-1- Policies related to value chain workers	Sustainable Supply Chain Management
	S2-2- Processes for engaging with value chain workers about impacts	
	S2-3- Processes to remediate negative impacts and channels for value chain workers to raise concerns	Undisclosed
	S2-4- Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Not applicable
	S2-5- Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not applicable

ESRS 主题	指标	报告对应章节
ESRS S3（Affected Communities）	S3-1- Policies related to affected communities	Social Welfare and Contributions
	S3-2- Processes for engaging with affected communities about impacts	Social Welfare and Contributions
	S3-3- Processes to remediate negative impacts and channels for affected communities to raise concerns	Undisclosed
	S3-4- Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Social Welfare and Contributions
	S3-5- Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social Welfare and Contributions
ESRS S4（Consumers and End-users）	S4-1- Policies related to consumers and end-users	Premium Quality and Service
	S4-2- Processes for engaging with consumers and end-users about impacts	Premium Quality and Service
	S4-3- Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Premium Quality and Service
	S4-4- Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Premium Quality and Service
	S4-5- Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Premium Quality and Service
ESRS G1（Business Conduct）	G1-1- Business conduct policies and corporate culture	关于芜湖造船厂、Compliance Operations
	G1-2- Management of relationships with suppliers	Sustainable Supply Chain Management
	G1-3- Prevention and detection of corruption and bribery	Compliance Operations
	G1-4- Incidents of corruption or bribery	Compliance Operations
	G1-5- Political influence and lobbying activities	Not applicable
	G1-6- Payment practices	Not applicable

SASB Industry Standards Index

Theme	Accounting indicators	Number	Report corresponding chapter
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	RT-IG-130a.1	Resource Conservation and Waste Management
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near misfrequency rate (NMFR) for (a) direct employees and (b) contract employees	RT-IG-320a.1	Occupational Health and Safety
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	RT-IG-410a.1	Not applicable
	ales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	Not applicable
	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	Not applicable
	Sales-weighted emissions of (1) nitrogen oxides (Nox) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines	RT-IG-410a.4	Resource Conservation and Waste Management
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	Resource Conservation and Waste Management
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Not applicable

Appendix III：Independent Assurance Statement

中国船级社质量认证有限公司
CHINA CLASSIFICATION SOCIETY CERTIFICATION CO., LTD.

Independent Assurance Statement

No.：CCSC202505050305010

China Classification Society Certification Co., Ltd. (hereinafter referred to as "CCSC") was engaged by Wuhu Shipyard Co., Ltd. (hereinafter referred to as "Wuhu Shipyard" or "the Organization") to conduct an independent assurance of Wuhu Shipyard Co., Ltd.'s 2024 Environmental, Social and Governance (ESG) Report.

Users of the Assurance Statement

This Assurance Statement is intended to be provided to all stakeholders of Wuhu Shipyard.

Assurance Statement

The information in the 2024 Environmental, Social, and Governance (ESG) Report of Wuhu Shipyard is the responsibility of its Board of Directors, governance bodies, and management.

The purpose of CCSC is to provide the stakeholders of Wuhu Shipyard with an independent opinion within the scope of assurance defined below.

Assurance Standard

- AA1000AS v3

Scope and Level of Assurance

- The scope of assurance is limited to the relevant information and data covered in the Report from the reporting organization, and does not include data and information from its suppliers, contractors, or other third parties.
- The assurance engagement was conducted in accordance with AA1000AS v3 Type 2, at a moderate level of assurance, to evaluate the extent to which the reporting organization adheres

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to the four principles set out in the AA1000 AccountAbility Principles (2018).

- The scope of the sustainability performance assurance includes Scope 1 greenhouse gas emissions, Scope 2 greenhouse gas emissions, total electricity consumption, the proportion of renewable energy use, and the proportion of employees from other ethnic groups.

Reporting Standard

- The Global Sustainability Standards Board (GSSB) - *GRI Sustainability Reporting Standards*
- *Self-Regulatory Guidelines No. 14 of the Shanghai Stock Exchange for Listed Companies - Sustainable Development Reports (Trial Implementation)*
- Council of the European Union – *Corporate Sustainability Reporting Directive (CSRD)*
- Sustainability Accounting Standards Board (SASB) – Industry Standards
- Task Force on Climate-related Financial Disclosures (TCFD) - *Recommendations on Climate-related Financial Disclosures*
- United Nations – *Business Action Guide to the Sustainable Development Goals (SDGs)*

Source of disclosed information

- Report Title: Wuhu Shipyard Co., Ltd. 2024 Environmental, Social, and Governance (ESG) Report
- Source of information：Wuhu Shipyard Co., Ltd.

Assurance Methodology

The assurance activities comprised the following procedures:

a) Understanding and testing, on a sample basis, the processes used to assess the extent of the organization's adherence to the AA1000 AccoutAbility Principles (2018), and evaluating the degree of adherence accordingly.

b) Conducted management interviews to assess the effectiveness of processes with significant

impacts. Interviewees included senior management, departmental managers, and personnel responsible for sustainability.

c) Reviewing and examining, on a sample basis, the Organization's management practices, business processes, and evidence collected.

d) Collecting and evaluating evidence and management representations that support the assessment of the Organization's adherence to the AA1000 AccountAbility Principles (2018).

Assurance Conclusion

Conformance with the AA1000 AccountAbility Principles (2018):

a) Inclusivity: Wuhu Shipyard has identified its internal and external stakeholders, including government and regulatory authorities, shareholders and investors, customers, employees, suppliers and partners, as well as the communities and the public. The organization regularly conducts stakeholder engagement and incorporates the key concerns of stakeholders into its sustainability considerations. The Report meets the requirements of the Inclusivity Principle.

b) Materiality: Wuhu Shipyard has identified and prioritized ESG issues based on their significance to the organization and its stakeholders, determined material topics, and integrated the management into daily operations. The Report conforms to the requirements of the Materiality Principle.

c) Responsiveness: Wuhu Shipyard has established governance structures, management systems and processes, and stakeholder engagement mechanisms that enable it to respond effectively to stakeholder concerns. The Report conforms to the requirements of the Responsiveness Principle.

d) Impact: Wuhu Shipyard has disclosed its significant environmental, social, and governance impacts on stakeholders through both quantitative and qualitative approaches. The Report conforms to the requirements of the Impact Principle.

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Conformance of Sustainability Performance:

For the sustainability performance disclosed in the 2024 Report, CCSC has found no material misstatements, as described below:

GHG emission (Scope 1): 9,962.47 tCO_2e	GHG emission (Scope 2):33,657.83tCO_2e
Electricity consumption:64,299,194kWh	Renewable energy use proportion:5.30%
Employee of other ethics proportion:8.36%	

Limitations of the Assurance Process and Mitigation Measures

- The assurance process was conducted at sites within the reporting boundary. During the engagement, CCSC adopted a sampling-based approach to review the data and information presented in the Report, and conducted interviews solely with the Organization's internal stakeholders.
- As there are no internationally recognized and universally applicable standards for assessing and measurring non-financial information, the use of different (yet acceptable) methodologies and measurement techniques may affect comparability with other organizations.
- This Assurance Statement does not assurance on the reporting organization's positions, views, beliefs, goals, future directions, or commitments.
- In future assurance engagements, CCSC will place greater emphasis on the reporting organization's improvements in sustainability disclosure and management practices, in line with the principle of continuous improvement.

Independence and Competence Statement

CCSC is one of China's pioneering professional organizations in the green and low-carbon sector, with extensive experience across various domains including energy conservation, low-carbon emission reduction, green development, and environmental protection. Our expertise covers certification and auditing, assessment and evaluation, technical services, training, and scientific

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research.

CCSC and Wuhu Shipyard are completely independent entities. Throughout the assurance process for this Report, CCSC has maintained full independence and has had no conflicts of interest with the enterprise, its affiliates, or its stakeholders. All members of the assurance team have signed commitments to the AA1000 Assurance Standard Code of Conduct. All information related to the organization's 2024 Environmental, Social, and Governance (ESG) Report included in this Assurance Statement was provided by Wuhu Shipyard. CCSC was not involved in the preparation of the Organization's 2024 Environmental, Social, and Governance (ESG) Report.

AA1000
Licensed Report
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China Classification Society Certification Co.,LTD.

报告专用章
Seal for Report
(05)

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