

ESG Report 2024

Ahead for Energy



About the Report

Reporting Scope and Boundary

This report is prepared by CNOOD-Wenchong Heavy Industries Co., Ltd. (hereinafter referred to as the “Company” or “CWHI”) with the purpose of comprehensively disclosing the Company’s management philosophy, practical initiatives, and performance in the areas of Environmental, Social, and Governance (ESG). The report aims to address stakeholders’ concerns and promote the implementation of the Company’s sustainable development strategy.

Unless otherwise specified, this report covers the operations of the Company’s headquarters and its four major production yards—Qinzhou, Zhongshan, Xiangshui, and Lingang. It focuses on presenting the Company’s ESG management measures and actual performance during the reporting period. To ensure the completeness of the information disclosed, certain historical data are appropriately referenced where necessary.

Preparation Basis

This report has been prepared with reference to the following latest standards and guidelines:

- Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 — Sustainable Development Report (Trial);
- Appendix C2 – Environmental, Social and Governance Reporting Code of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (effective from January 1, 2025);
- GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB).

Meanwhile, this report draws on exemplary domestic and international industry practices and fully integrates the Company’s actual business operations to ensure the scientific accuracy, completeness, standardization, and comparability of the disclosed content. Unless otherwise specified, all monetary amounts in this report are denominated in Renminbi (RMB).

Reporting Period

The reporting period of this report is from January 1, 2024, to December 31, 2024 (the “Reporting Period”).

Unless otherwise stated, all data and cases presented are based on the Company’s actual operations during this period.

Compilation and Approval

The ESG Working Group led the report compilation, involving multi-site data collection, stakeholder interviews, and document reviews.

The final version was approved by the Board of Directors in June 2025 and officially published thereafter.

Data Sources and Assurance

All data are sourced from internal systems, statistical reports, and validated documents.

The report has undergone multi-level reviews across departments to ensure authenticity, accuracy, and completeness.

Publication Method and Frequency

This report is an annual report, published once a year in electronic format and made publicly available. The full report can be accessed and downloaded from the Company’s official website. For the electronic version or further inquiries, please contact us at <marketing@cwhi.com>



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01

Introduction

- 1.1 Executive Summary
- 1.2 Explore CWHI

Executive Summary



Tina Xu
Chairman & CEO

“

The company is committed to becoming a professional and value-added innovative solutions provider, driving development in the green energy industry. All employees maintain a passion for their work, a sense of mission, innovative thinking, capability, high quality, professionalism, excellence, and unwavering dedication.

They embody qualities such as elegance, confidence, responsibility, gratitude, sincerity, humility, and self-discipline. No matter the challenges or experiences they face, they remain grounded in love and enthusiasm, enjoying the present.

”

Tina Xu
Chairman & CEO

Explore CWHI



Corporate Background and Industry Expertise

CNOOD–Wenchong Heavy Industries Co., Ltd. (CWHI), is a world leading solution provider specialising in large scale manufacturing for offshore energy, renewable energy, oil and gas applications, infrastructure and mining.

Drawing on over four decades of industry expertise, CWHI specialises in providing largescale manufacturing and integrated solutions. Over the years, CWHI has evolved into a globally renowned heavy equipment manufacturer and service provider.



Manufacturing Capacity and Global Standards

CWHI operates more than eight manufacturing bases across China, each facility adheres to stringent international standards and regulations—including DNVGL, LR, ABS, BV, CCS, NK, and API—to deliver a comprehensive portfolio of products and services. These offerings encompass XXXL monopiles (with diameters up to 15 meters), floating wind power foundations, transition pieces (TP) and jacket foundations, pin piles, suction buckets, large-scale steel structures, offshore drilling rigs, pressure vessels, deep-sea aquaculture equipment, and substations.

Leveraging strategic collaborations with top-tier engineering institutes, logistics providers, third-party inspection agencies, and financial institutions, CWHI delivers highly competitive, holistic solutions covering technology, supply chain, and financing.



Business Performance

Market Regions: Europe / Middle East / Asia / Australia / United States

Project Fields:

- Offshore Oil and Gas 49%
- Offshore Wind Power 46%
- Mining Infrastructure 5%



For End-to-End Solutions and Digitalized Project Management

For many years, CWHI's manufacturing yards in China and its global business network have delivered end-to-end solutions—from technical design to final product delivery—to major energy and infrastructure projects worldwide, meeting complex specifications and strict quality requirements. The company's self-developed and continually upgraded online project management platform provides real-time data on production quality control, delivery schedules, logistics, finance, and risk management, significantly enhancing both transparency and reliability.



Future Outlook: Innovation, Compliance and Sustainability

Looking ahead, CWHI will continue to focus on large-scale manufacturing and engineering services while adhering to the principles of innovation, compliance, and sustainability. By forging global partnerships, CWHI aims to play an even more significant role in driving the global energy transition and fostering green development.

“

CWHI is your partner with the ability to grow your business and expectations.

From first thought to project and contractual risk management to handling your entire supply chain, we get it right, from the ground up.

”

02

2024 Highlights

2024 Milestones Toward Decarbonization

CBAM Carbon Footprint Assessment: Managing Embedded Carbon Emissions

In October 2024, CWHI assessed monopile emissions at Qinzhou yard under EU CBAM, calculated by Bureau Veritas, a leading international third-party organization, to carry out a carbon footprint assessment under the framework of the Carbon Border Adjustment Mechanism.

This assessment establishes a valuable data foundation to support the creation of our product carbon footprint database and the implementation of refined carbon management. It also contributes to optimizing low-carbon production processes, reducing carbon intensity, and laying the groundwork for future participation in international markets, supporting the company's ongoing low-carbon transition and sustainability strategy.

Specific embedded direct emissions

2.01 tCO₂e/t

Specific embedded indirect emissions

0.28 tCO₂e/t

Specific embedded total emissions for monopile products

2.29 tCO₂e/t

Top 15% Globally: EcoVadis Silver Medal

In December 2024, our Company received the Silver Medal from EcoVadis, with an overall score of 68, ranking in the top 15% of all evaluated companies worldwide.

The assessment recognized our performance in areas such as environmental management, employee rights protection, business ethics and compliance, and responsible supply chain management. Achieving the Silver Medal demonstrates the solid foundation of our sustainability management system and provides a strong basis for continuous ESG improvement.



95% Complete: Green Factory Milestone

In 2024, CWHI reached 95% completion of a 1.7996 MWp photovoltaic project at Qinzhou yard.

The project features

DC-side installed capacity
1.7996 MWp

AC-side installed capacity
1.536 MW

Supported by an inverter configuration

10 kW × 10 units

110 kW × 4 units

60 kW × 1 unit

This step toward a green factory supports global net-zero goals and China's "Dual Carbon" strategy, paving the way for renewable energy integration.



03

ESG Management

- 3.1 ESG Management System
- 3.2 Stakeholder Engagement
- 3.3 ESG Materiality Management

ESG Management System

ESG Policy

CWHI integrates Environmental, Social, and Governance principles into its corporate strategy and operations, aiming to drive sustainable development and create long-term value for shareholders, employees, and society.

Corporate Governance

Establish a transparent and efficient governance system, strengthen compliance management, protect stakeholder rights, and continuously enhance governance practices.

Environmental Protection

Actively respond to climate change, improve resource efficiency, reduce carbon emissions and waste generation, and promote the application of green technologies.

Social Responsibility

Safeguard employee health and safety, advance responsible supply chain management, support community development, and foster social inclusion.

ESG Governance Structure

The ESG Committee, is responsible for coordinating and implementing ESG initiatives.

- Executing the ESG strategy and driving cross-departmental collaboration;
- Setting annual ESG goals and action plans, with regular evaluation and adjustments;
- Reporting ESG performance to the Board of Directors on a regular basis;
- Coordinating key functions such as Finance, Compliance, Supply Chain, and QESH to ensure goal achievement;
- Engaging external resources to enhance strategic implementation.

External Cooperation Mechanism

- Engage third-party institutions for strategic consulting, risk identification, and compliance reviews;
- Incorporate industry data and best practices to optimize ESG reporting and management systems;
- Obtain third-party evaluations and certifications to ensure the objectivity and transparency of ESG performance.



As the highest decision-making body for ESG management, the Board of Directors is fully responsible for ESG strategic direction and risk management.

- Reviewing and approving ESG strategies, ensuring alignment with the Company's long-term development goals;
- Regularly monitoring ESG progress and key topics (such as carbon reduction, employee rights, and supply chain management);
- Identifying and managing ESG-related risks;
- Integrating ESG performance into senior management incentive mechanisms;
- Approving the ESG report to ensure transparent and accurate disclosure.

Internal Collaboration Mechanism

- Drive ESG project implementation and monitor progress;
- Organize ESG-specific training to raise employee awareness;
- Regularly assess departmental compliance and performance, and optimize improvement measures.

Stakeholder Engagement

CWHI engages with five core stakeholder groups — employees, customers, suppliers, investors, and communities — through targeted and structured communication mechanisms. Regular feedback is integrated into ESG management via training, surveys, audits, disclosures, and community initiatives, ensuring transparency, responsiveness, and collaborative governance.

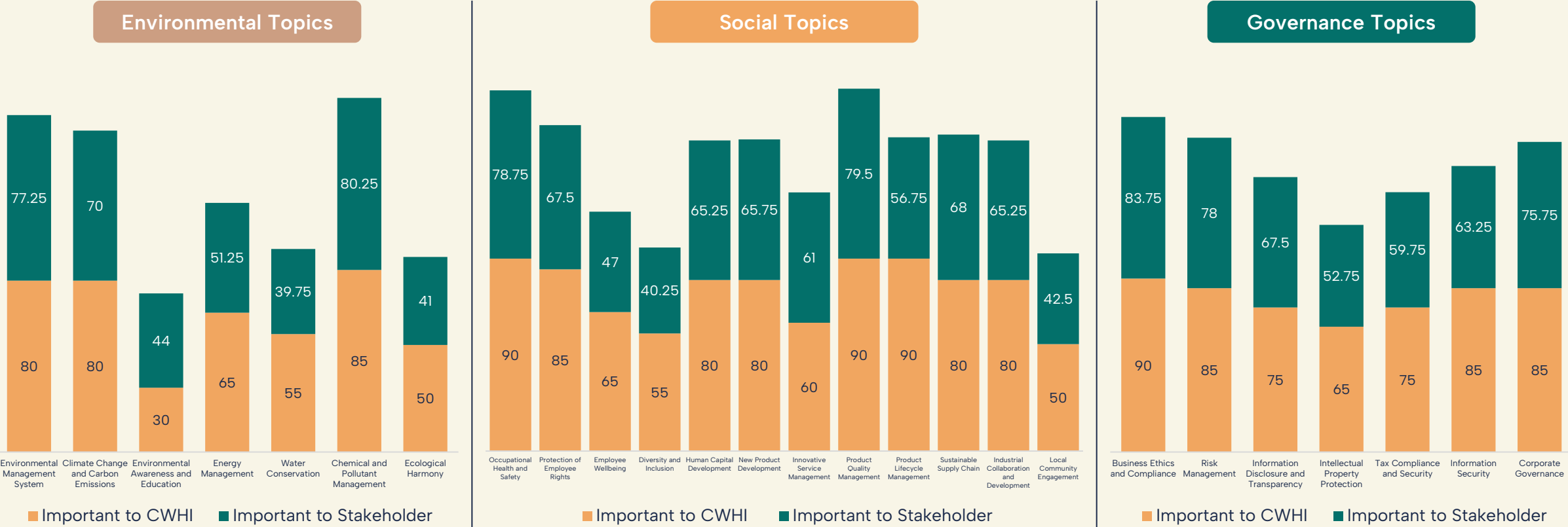
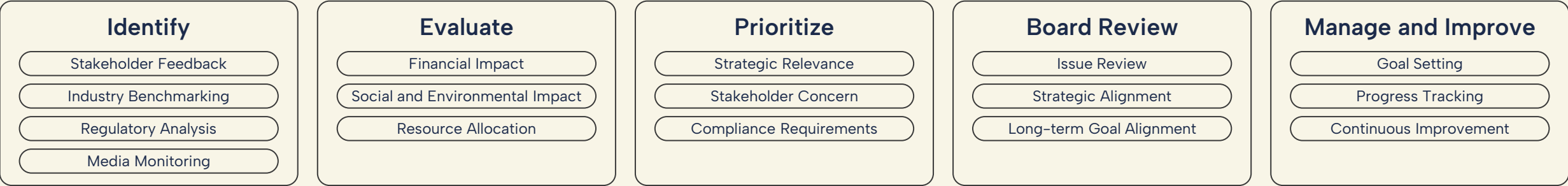
Stakeholder Communication Mechanism	
Stakeholder	Engagement Method
Employees	Training, Surveys
Customers	Satisfaction Feedback, Meetings
Suppliers	ESG Audits, Code of Conduct
Investors	ESG Reports, Investor Meetings
Communities	Social Projects, Environmental Initiatives

CWHI’s Key Stakeholders



ESG Materiality Management

ESG Materiality Management



ESG Materiality Management

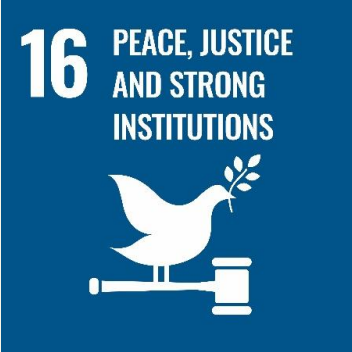
Based on the results of the double materiality assessment, the Company has further mapped each ESG topic against the United Nations Sustainable Development Goals (SDGs), clarifying how each topic supports global sustainability ambitions. Combining corporate strategy and actual operations, the Company systematically aligns key ESG practices with each topic to ensure active contribution and alignment with industry best practices. Details are as follows:

Module & Topic		Key Sustainability Measures	Supported SDGs
Environment	Environmental Management System	The Company has established and fully implemented an ISO 14001 Environmental Management System across all production yards. The QEHS Department is responsible for the overall planning, implementation, supervision, and continuous improvement of the system. Environmental risk identification and compliance reviews are conducted regularly, and all measures are subject to periodic monitoring and audits by accredited third-party institutions to ensure that environmental protection efforts are carried out in a scientific, orderly, and compliant manner.	
	Chemical and Pollutant Management	- The Company has established a comprehensive management system for exhaust gas and hazardous waste, covering the entire process from classification and collection to transportation and disposal; - Exhaust gas treatment facilities are installed at all production sites, with some bases adopting zeolite rotary concentrator + RTO (Regenerative Thermal Oxidizer) systems to achieve VOC removal rates exceeding 99%; - Wastewater is regularly tested by third-party organizations to ensure discharge compliance; - Hazardous waste is centrally stored and safely disposed of by licensed entities.	
	Environmental Awareness and Education	- The Company enhances employees' environmental awareness through signage, training, information boards, and activities during Safety Month; - The Company organizes incident case analyses and environmental emergency drills to strengthen employees' sense of responsibility and engagement.	
	Climate Change and Carbon Emissions	- The Company has established a climate governance framework involving coordination among the Board of Directors, ESG Committee, and functional departments to systematically advance climate-related initiatives. - Risk identification and analysis related to climate change have been conducted, assessing potential impacts such as extreme weather events, sea level rise, and carbon taxation/CBAM; - The Company promotes carbon footprint accounting and emissions data monitoring, and has set targets such as achieving carbon peak by 2028.	
	Energy Management	- The Company is advancing a distributed photovoltaic (PV) project at its Qinzhou yard, with the first phase installing 3,272 PV panels. Once connected to the grid, the project is expected to significantly increase the share of green electricity; - LED energy-saving retrofit projects have been completed across production bases, achieving annual electricity savings of several hundred thousand kilowatt-hours; - An energy consumption monitoring system has been deployed, accompanied by regular inspections of electricity and water equipment. Energy conservation awareness among employees is also enhanced through targeted training programs.	
	Water Conservation	- The Company enhances employees' water conservation awareness through posters, awareness campaigns, and internal training; - Regular inspections are conducted on both production and domestic water-use equipment, with immediate rectification of any identified issues; - Domestic wastewater is treated and discharged in compliance with regulations, with ongoing improvements to wastewater treatment capacity.	
	Ecological Harmony	The Company's yards are not located in ecologically sensitive areas, and their operations have no significant impact on biodiversity.	

ESG Materiality Management

Module & Topic		Key Sustainability Measures	Supported SDGs
Social	Occupational Health and Safety	- The Company has fully implemented the ISO 45001 Occupational Health and Safety Management System, establishing an all-employee safety responsibility system along with tiered risk control and hazard identification mechanisms; - Each production yard formulates an annual emergency drill plan, with a total of 39 drills conducted in 2024; - Comprehensive safety management is in place, including the provision of personal protective equipment (PPE), safety signage, and occupational disease prevention measures.	3 GOOD HEALTH AND WELL-BEING 
	Employee Wellbeing	- The Company has established a comprehensive employee benefits system covering six key categories: statutory benefits, health care, living subsidies, incentive rewards, holiday care, and cultural engagement; - A variety of employee-centered initiatives are provided—such as annual health check-ups, commercial insurance, commuting subsidies, employee referral bonuses, holiday gifts, and service anniversary recognitions—to enhance employees’ sense of well-being and belonging.	
	Protection of Employee Rights	- The Company implements a Labor and Human Rights Policy that explicitly prohibits child labor, forced labor, discrimination, and harassment. It upholds freedom of association and ensures reasonable working hours and fair compensation for employees; - The Company conducts due diligence and requires compliance commitments from its suppliers to strengthen labor rights management across the supply chain.	8 DECENT WORK AND ECONOMIC GROWTH 
	Diversity and Inclusion	- The Company upholds a non-discriminatory recruitment policy to ensure equal opportunities regardless of gender, age, ethnicity, religion, or other characteristics; - Attracting talent from diverse backgrounds through multi-channel open recruitment and actively promotes gender balance, cultural diversity, and an inclusive workplace culture.	5 GENDER EQUALITY 
	Human Capital Development	- The Company has established a multi-tiered training system covering pre-employment training, skill enhancement, and management development; - Diverse career advancement pathways are offered, including internal promotions, cross-departmental development, and professional skill progression; - Cross-functional learning and job rotation are encouraged to enhance employees’ overall competencies and expand their career development opportunities.	4 QUALITY EDUCATION 
	Sustainable Supply Chain	- The Company implements end-to-end supplier compliance management through its Supplier Due Diligence Procedure, covering key areas such as human rights protection, occupational health, safety management, and anti-corruption; - All suppliers are required to sign a compliance declaration and are subject to periodic reassessments and risk monitoring to ensure ongoing adherence to the company’s compliance standards.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
	Product Quality Management	- The Company sets annual quality targets covering key indicators such as defect rate, complaint rate, and on-time delivery rate; - Quality performance is integrated into both departmental and individual performance evaluations; - A closed-loop quality management system is established through emergency response, root cause analysis, and corrective actions to drive continuous improvement in product and service quality.	
	Product Lifecycle Management	- The Company actively promotes green design, green procurement, and green manufacturing, with a focus on the environmental performance of products throughout their entire life cycle; - The Company strengthens engagement with customers to drive continuous improvement and upgrading of products and services, enhancing sustainable value.	
	Innovative Service Management	- The Company has established a customer-centric service system that continuously improves product and service quality through satisfaction surveys, feedback mechanisms, and closed-loop management; - The PDCA process management system is applied to ensure that customer complaints and concerns are handled efficiently, transparently, and in a standardized manner.	

ESG Materiality Management

Module & Topic		Key Sustainability Measures	Supported SDGs
Social	Local Community Engagement	- The Company supports local employment by prioritizing the hiring of individuals from surrounding communities; - The Company organizes volunteer services and community donations based on the specific needs of each site's region; - Company's operations do not negatively impact the surrounding environment or the livelihoods of nearby residents.	
	Industrial Collaboration and Development	The Company actively incorporates external best practices and industry-leading resources to continuously enhance its corporate governance and sustainability capabilities.	
Governance	Risk Management	- The Company has established a four-tier risk management framework involving the Board of Directors, executive management, the ESG Committee, and business units; - The Company adopts a combination of qualitative and quantitative assessment methods and formulates control measures based on risk levels; - The effectiveness of risk controls is regularly evaluated to continuously improve the Company's risk response mechanisms.	
	Intellectual Property Protection	The Company has implemented an intellectual property (IP) management system that covers the full lifecycle of innovation outcomes, including application, protection, and commercialization. It ensures the lawful ownership and value realization of research achievements, effectively enhancing technological competitiveness.	
	Corporate Governance	The Company has established a corporate governance structure centered on the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and executive management, with clearly defined responsibilities and effective checks and balances. Adhering to the principles of transparency, fairness, and accountability, the Company strengthens information disclosure, protection of shareholder rights, risk control, and strategic execution to ensure sound decision-making, efficient implementation, and robust oversight.	
	Business Ethics and Compliance	- The Company has established a three-tier compliance governance framework comprising decision-making by the Board of Directors, centralized management by the Compliance Department, and execution by business units; - The Company has issued a Code of Business Conduct that addresses key topics such as anti-corruption, anti-money laundering, conflict of interest, and data protection; - A multi-channel whistleblowing mechanism is in place, with a strict non-retaliation policy, and efforts are made to foster a continuously improving culture of compliance.	
	Information Disclosure and Transparency	- The Company ensures that both financial and ESG-related disclosures are timely, accurate, and traceable; - A stakeholder communication mechanism has been established to disclose key information—such as tax and compliance matters—when necessary; - Transparent and effective communication is carried out through multiple channels, including ESG reports and investor briefings.	
	Tax Compliance and Security	- The Company has established an embedded tax compliance system that covers key business processes, including contract management, procurement, sales, and finance. It discloses tax compliance information regularly and responds promptly to policy changes to prevent misunderstandings and mitigate compliance risks; - To date, the company has had no incidents of tax violations.	
	Information Security	- Established a tiered client information management system to control data access and safeguard confidentiality; - Enforced strict access permissions to prevent unauthorized data use, leakage, or abuse; - Signed Non-Disclosure Agreements (NDAs) for projects involving trade secrets or core confidential information; - Clearly defined responsibilities and obligations in client confidentiality to ensure protection of stakeholders' rights.	

04

Governance

- 4.1 Corporate Governance
- 4.2 Leadership Diversity
- 4.3 Risk Management
- 4.4 Tax Management
- 4.5 Business Ethics

Corporate Governance

CWHI regards sound corporate governance as the cornerstone of stable operations and sustainable development. The Company upholds the principles of transparency, fairness, and accountability, establishing a clear and efficient governance structure that enables steady progress in a dynamic market environment and creates shared value for the Company and its stakeholders.

Governance Philosophy and Principles

The Company is committed to operating with integrity and in full compliance with applicable laws and regulations, while respecting the rights and interests of shareholders, employees, customers, and the public. Guided by the following three core principles, the Company continuously strengthens its governance practices:

Transparency

Fairness

Accountability



Leadership Diversity

The Company values diversity within its leadership to enhance the scientific rigor of decision-making and encourage innovation, ensuring a strong foundation for sustainable development.

Board Diversity

The Board embraces diversity in gender, age, professional background, and industry experience. It balances forward-thinking younger directors with experienced senior directors, combining innovation with stability.

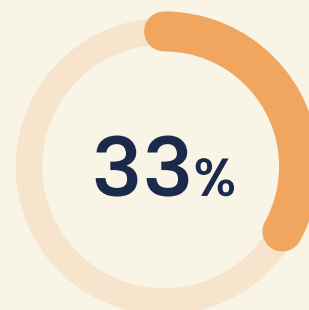
Management Diversity

The Management team integrates professionals from various age groups and fields of expertise, blending innovative thinking with practical experience to strengthen adaptability and execution, ensuring both innovative growth and stable operations.

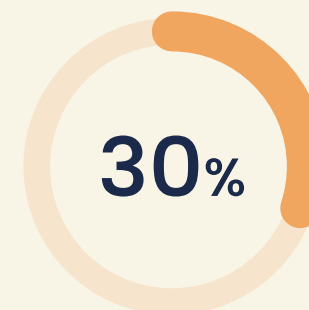
Executive Compensation

The Company has established a Compensation Committee, composed of members from Finance, Human Resources, and other relevant departments, responsible for developing and adjusting executive compensation plans. The Committee considers Company performance, market conditions, and individual contributions to propose compensation recommendations, ensuring fairness, transparency, and reasonableness in the decision-making process.

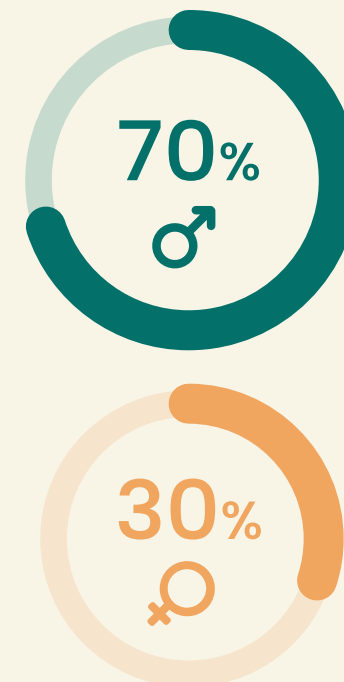
Total Female Employees in Board



Total Female Employees in Management



Management by Gender



Risk Management

Risk Management

Risk Management Framework

The diagram consists of three stacked rectangular boxes, each with a dark header and a light body. The first box has a dark header with the word 'Purpose' and a light body with the text 'Support strategic goals through standardized, adaptive, and end-to-end risk control'. The second box has a dark header with the word 'Coverage' and a light body with the text 'From raw material procurement → production → delivery → after-sales'. The third box has a dark header with the word 'Feature' and a light body with the text 'Continuously refined based on internal and external changes'.

Component	Description
Purpose	Support strategic goals through standardized, adaptive, and end-to-end risk control
Coverage	From raw material procurement → production → delivery → after-sales
Feature	Continuously refined based on internal and external changes

Risk Governance Structure

The diagram illustrates the four main components of the risk management framework, each with specific responsibilities:

- Board of Directors**
 - Sets risk strategy and policies
 - Ensures alignment with corporate strategy
 - Oversees execution
- Management**
 - Implements risk measures
 - Conducts identification/assessment/mitigation
 - Reports major risks
- ESG Committee**
 - Integrates ESG into framework
 - Evaluates and reports ESG risks
- Business Units**
 - First line of defense
 - Handles daily risks
 - Reports to ESG Committee and Management

Risk Management Process

Step	Process	Specific Action
ONE	Risk Identification	• Internal: governance, HR, operations • External: regulations, market, policy shifts, disasters • Tools: QEHS system, multi-source scanning
TWO	Risk Assessment	• Methods: qualitative + quantitative • Tools: risk matrix • Output: High / Medium / Low • Factors: interdependencies, cumulative effects
THREE	Risk Response	• High Risk: avoid / transfer / control • Medium Risk: optimize processes • Low Risk: monitor and accept • Principle: cost-effectiveness + resource efficiency
FOUR	Risk Monitoring and Reporting	The Company has established a continuous monitoring mechanism to track the effectiveness of risk response measures. The ESG Committee regularly reviews the risk management performance of each department and provides recommendations for improvement. A standardized risk reporting system ensures that risk information is accurately and promptly communicated to management and the Board of Directors, supporting informed and strategic decision-making.

Key Risks and Mitigation Measures in 2024

In 2024, CWHI identified critical risks impacting the Company’s sustainable development in response to global policy shifts, market dynamics, and regulatory requirements. Targeted mitigation strategies have been established to ensure business stability and long-term value creation.

Regulatory Risk — CBAM	With the European Union’s Carbon Border Adjustment Mechanism (CBAM) entering into its transitional phase on October 1, 2023, exporters of carbon-intensive products are now required to report embedded emissions, signaling future cost implications and competitiveness challenges in the EU market.	Mitigation Measures: - Policy Monitoring and Strategic Planning: Establish a dedicated CBAM task force to closely monitor policy developments, formulate response strategies, optimize production processes, and promote the use of clean energy. - Carbon Accounting and Data Monitoring: Conduct carbon footprint assessments at key production sites and implement carbon emission monitoring systems to support data-driven emission reduction initiatives. - Low-Carbon Supply Chain Management: Optimize raw material sourcing by prioritizing low-carbon suppliers to improve the overall carbon efficiency of the supply chain.
Raw Material Price Volatility Risk	The Company’s operations rely heavily on bulk raw materials, whose prices are subject to significant fluctuations in the global market, potentially impacting cost structures and profit margins.	Mitigation Measures: - Long-Term Supply Agreements: Secure stable supply through long-term contracts with key suppliers, incorporating price adjustment mechanisms. - Diversified Procurement Strategy: Expand the global supplier network to mitigate the impact of price volatility through diversified sourcing channels. - Cost Control and Transfer Mechanisms: Enhance production efficiency and cost management, while incorporating price adjustment clauses in contracts to pass on cost fluctuations to customers where appropriate.
Environmental Compliance Risk	With increasingly stringent global environmental regulations, failure to meet compliance standards could result in penalties, project delays, and reputational damage.	Mitigation Measures: - Strengthening Environmental Compliance: Enhance the environmental management system to ensure full compliance with international and local environmental regulations, with a focus on rigorous environmental impact assessments for offshore platform and wind power projects. - Green Product Certification: Pursue certifications such as ISO 14001 to strengthen the Company’s competitive advantage in the environmental field. - Carbon Footprint Management: Implement carbon management programs and energy-saving initiatives to reduce carbon emissions across production processes.

Tax Management

CWHI regards tax compliance as a fundamental safeguard for stable operations. The Company is committed to lawful and honest tax practices, building a standardized, efficient, and transparent tax management system to fulfill its corporate tax responsibilities and support sustainable development.

0

Tax violations during the reporting period

Tax Governance Structure

- Finance Department
- Leads all tax-related activities (compliance, planning, filing, payment)
 - Ensures full alignment with domestic and international tax laws

- Cross-border Capability
- Manages global tax policies
 - Supports international operations with localized tax compliance

- Strategic Alignment
- Enhances tax efficiency
 - Reduces cost and risk through proactive planning

Tax Compliance and Transparency

- Integrated Process Control
- Tax compliance embedded in key business processes:
 - Contract Review → Procurement → Sales → Accounting → Financial Reporting

- Transparent Practices
- Discloses tax compliance status and major tax matters
 - Maintains proactive communication with tax authorities
 - Ensures timely, accurate filing and payment

Tax Strategy and Social Responsibility

Text Theme	Key Highlights
Full Legal Compliance	Pays taxes in full accordance with law
Public Contribution	Recognizes the role of taxation in economic and environmental development
Balanced Optimization	Conducts prudent tax planning to balance tax burden and business growth
Stakeholder Transparency	Discloses tax contributions when appropriate to reflect fiscal responsibility

Response to Tax Policy Changes

- Policy Monitoring and Analysis
- Dedicated mechanism to track and interpret domestic/international tax policy changes
 - Assesses impact and formulates tailored response strategies

- Incentive Programs
- Actively applies for eligible tax incentive schemes
 - Adjusts internal workflows in response to regulatory updates

- Government Engagement
- Maintains direct communication with tax authorities
 - Prevents misinterpretation and ensures accurate implementation

Tax Risk Management and Disclosure

Focus Area	Measures
Internal Control System	Implements standardized processes to manage tax risks
Compliance Record	No tax violations occurred during the reporting period
Information Disclosure	Shares tax-related data as needed to ensure transparency and traceability
Risk Resilience	Continuously enhances processes to create a stable, compliant tax management environment

Business Ethics

CWHI regards business ethics and compliance management as the cornerstone of sustainable development. We believe compliance is not only a legal obligation but also a critical safeguard for stable operations and fulfilling our corporate social responsibilities. The Company has established a comprehensive compliance governance framework and management system covering all aspects of operations, from employee conduct to supply chain management, ensuring all business activities are conducted lawfully, transparently, and ethically.

Compliance Governance Structure

Decision-Making Level

The Board of Directors defines the Company's compliance strategy, approves major compliance-related matters, and assumes ultimate responsibility.

Management Level

The Compliance Department is responsible for developing compliance policies, overseeing implementation, and reporting significant matters to the Board.

Execution Level

All business departments are responsible for integrating compliance requirements into daily operations and ensuring their effective implementation.

Code of Business Conduct

All employees, global subsidiaries, joint ventures, and business partners are required to strictly adhere to the Code of Business Conduct, ensuring all operations comply with applicable laws and the highest ethical standards. Core principles include:

- Zero tolerance for bribery and corruption.
- Respect for privacy and data protection.
- Promotion of diversity and inclusion.
- Risk prevention in areas such as fraud, anti-money laundering, gifts and hospitality, and conflict of interest.
- Commitment to professional integrity and social responsibility.

Supplier Code of Conduct

Suppliers and their upstream and downstream partners are required to comply with the Supplier Code of Conduct, which focuses on:

- Health, Safety, and Environment
- Human Rights and Employment
- Business Integrity
- Anti-Corruption and Conflict of Interest Management
- Trade Compliance and Anti-Money Laundering
- Intellectual Property Protection
- Fair Competition



Business Ethics

Compliance System Operation



Policy Framework

The Compliance Manual and Code of Business Conduct serve as the foundation of the compliance system, covering key risk areas such as corporate governance, labor, taxation, anti-money laundering, and anti-corruption, ensuring full compliance across operations.



Risk Identification and Assessment

Regularly reviewing regulatory requirements and business processes to identify potential risks, applying tools such as risk matrices to assess and categorize risks for proactive management.



Training and Awareness

Developing annual training programs based on business and role-specific needs, covering laws, regulations, ethical standards, and case studies through internal training, expert lectures, and other methods.



Supervision and Auditing

The Compliance Department collaborates with business departments to conduct daily monitoring, promptly correcting any non-compliance. Internal audits are conducted regularly to assess the effectiveness of the compliance system and recommend improvements.



Violation Handling

In cases of major violations, immediate investigations are conducted to determine responsibility and enforce strict disciplinary measures, serving as a deterrent to future misconduct.



Compliance Culture

Compliance values are promoted through internal communication platforms, with leaders leading by example to foster a company-wide culture of integrity and compliance.



Communication and Reporting Mechanisms

The Company maintains clear communication channels to regularly update employees on policy changes and risk alerts. Secure and confidential reporting mechanisms are in place to encourage whistleblowing, protect whistleblowers from retaliation, and ensure timely and appropriate resolution of reports.



Continuous Improvement

The compliance system is regularly reviewed through feedback from employees, management, and regulatory authorities. Based on these insights, the Company continuously optimizes compliance policies, processes, and training, tracks the implementation of corrective actions, and ensures a closed-loop management process for ongoing enhancement.

261

Internal Integrity Evaluations

During the reporting period, CWHI and Four Yards conducted integrity evaluations for personnel with decision-making authority over business matters, as well as for those in other sensitive roles.

78

External Integrity Evaluations

During the reporting period, CWHI and Four Yards organized the signing of annual integrity agreements with external production subcontractors and material procurement partners.

Whistleblowing Mechanism

CWHI has established a transparent and secure whistleblowing mechanism, encouraging employees and stakeholders to report any violations of laws, regulations, or ethical standards through multiple confidential channels, with strict protection against retaliation.

Email: whistleblow@cwhi.com



05



Environment

- 5.1 Climate Change Response
- 5.2 Environmental Management
- 5.3 Energy Management
- 5.4 Biodiversity Conservation

Climate Change Respond

Climate change has become a critical challenge to global sustainable development. The increasing frequency of extreme weather events, resource scarcity, and rising sea levels have accelerated the global transition toward low-carbon economies, profoundly impacting the manufacturing, infrastructure, and supply chain sectors.

As a leading global provider of manufacturing solutions for offshore energy, renewable energy, oil and gas, infrastructure, and mining industries, CWHI recognizes the far-reaching impacts of climate change on the industry, supply chain stability, and the global economy. Climate change affects not only daily operations and market competitiveness but also the Company's brand reputation and long-term development prospects.

By integrating climate change into its core strategy, the Company actively responds to low-carbon transition challenges, seizes green development opportunities, and builds a solid foundation for sustainable growth.

Climate Governance Structure

The Company has established a comprehensive climate governance framework that ensures climate-related issues are fully integrated into strategic planning and decision-making:



Board of Directors

Oversees the integration of climate change into corporate strategy, regularly reviews climate-related risks and opportunities, and ensures alignment with global climate goals.



ESG Committee

Works closely with the Finance Department and risk management teams to monitor, assess, and manage climate-related risks through effective early warning mechanisms.



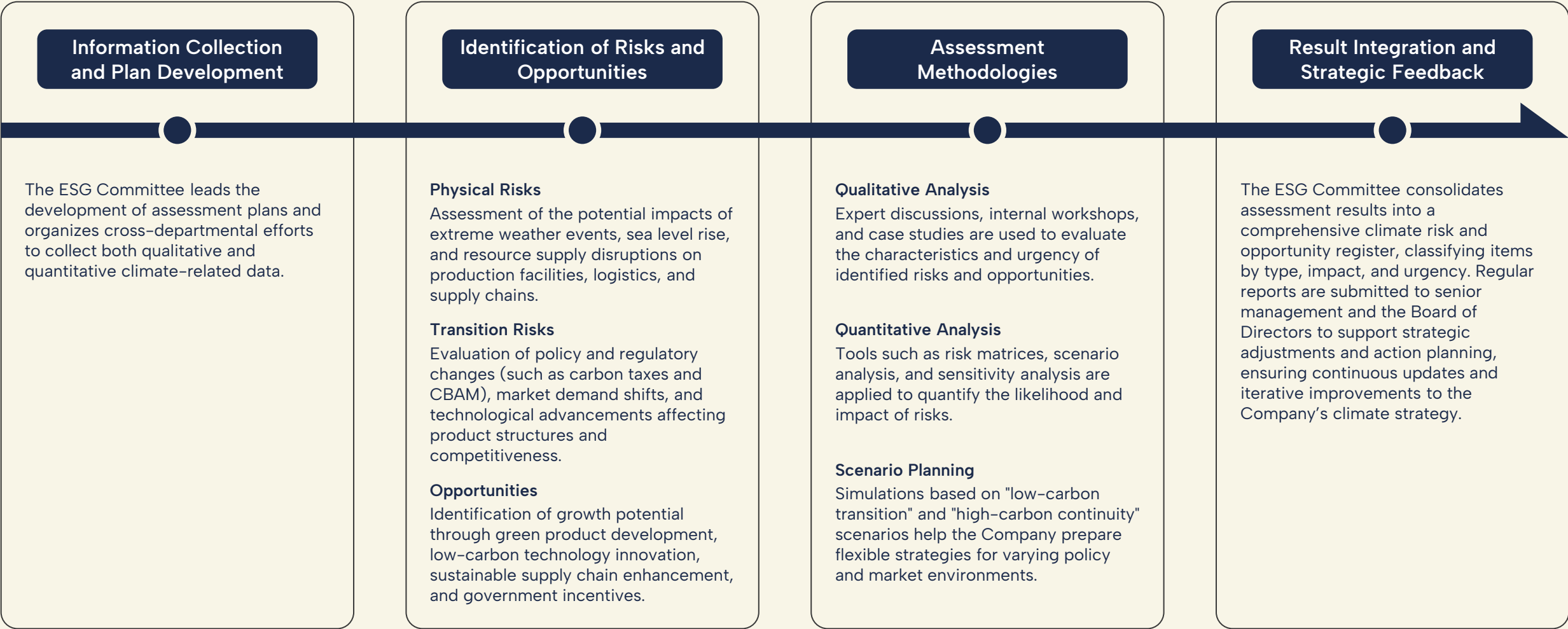
Cross-Departmental Collaboration

Coordinates production, supply chain, and R&D departments to drive green process optimization, low-carbon technology innovation, and energy efficiency improvements, forming a company-wide response to climate challenges.

Climate Change Respond

Climate Risk and Opportunity Assessment

Led by the ESG Committee and supported by the Finance, R&D, Production, Supply Chain, Marketing, and Legal departments, the Company conducts systematic, forward-looking assessments of climate-related risks and opportunities to ensure informed, science-based decision-making.



Climate Change Risks and Opportunities List

Climate Change Risks

Category	Risk	Potential Impact	Mitigation Measures
Physical Risk	Extreme Weather Events	Equipment damage, supply chain delays due to typhoons/floods	Strengthen infrastructure, emergency drills, maintain safety stock
	Rising Sea Level and Climate	Threat to coastal sites, energy efficiency decline	Risk assessment, facility reinforcement, data collaboration
Transition	Policy and Regulatory Change (e.g. CBAM)	Increased export costs, weakened competitiveness	Monitor policy, optimize processes, reduce emissions
	Market Demand Shift	High-emission products lose market share	Develop green products, partner for low-carbon solutions
Technological	Lag in Low-Carbon Innovation	Loss of competitiveness, higher costs	Invest in R\andD, tech collaboration, internal upgrade system

Climate Change Risks and Opportunities List

Climate Change Opportunities

Opportunity	Opportunity Name	Potential Value	Action Measures
Technology and Product	Green Product Leadership	Lower energy, qualify for incentives, global visibility	Invest in R&D, carbon monitoring, green production
Market Expansion	Global Low-Carbon Demand	Growth in offshore wind, green infra, international orders	Focus on emerging markets, global partnerships
Supply Chain	Green Supply Chain Development	Lower costs, stable operations, ESG reputation	Optimize logistics, track supply chain carbon footprint

Climate Change Respond

Our Goals



Hit Carbon Peak
Before
2028



New Energy
Consumption
≥ 10%



Green Industry
Output
≥ 20%

Our Environmental Policy



Reasonable
Planning



Green
Production



Environmental
Protection

To Achieve Our Goals, We Will



Limit Harmful Pollutants and Chemicals



Reduce Greenhouse Gas Emissions



Use Renewable Energy Sources

Environmental Management

CWHI regards environmental management as a fundamental pillar of its sustainable development strategy and actively implements green operation practices. The Company is committed to minimizing the ecological impact of its production and business activities while continuously optimizing and upgrading its environmental protection measures. CWHI strictly complies with applicable national environmental regulations and international standards, having established and implemented a comprehensive ISO 14001 Environmental Management System across all production sites. The system is centrally managed by the QEHS Department, which is responsible for its planning, implementation, supervision, and continuous improvement, ensuring the company's environmental management operates in a scientific, efficient, and orderly manner.

Adhering to the environmental management principles of “prevention first, integrated governance, and continuous improvement,” CWHI focuses on key areas such as pollutant emission control and energy conservation. The Company implements a series of effective measures to reduce its environmental footprint and facilitate the transition to greener and low-carbon production models. Meanwhile, CWHI continuously strengthens its environmental compliance management by regularly conducting environmental risk identification and assessment, ensuring all production sites fully comply with the latest national and local environmental laws and regulations.

Furthermore, CWHI upholds the principle of transparent management. All environmental management practices are subject to regular monitoring and audits by accredited third-party organizations to verify the effectiveness and sustainability of the environmental management system. Through these efforts, the company is committed to continuously improving its environmental performance and supporting its high-quality, sustainable growth.

Wastewater Management

CWHI places great emphasis on wastewater management, strictly adhering to national and local environmental regulations to minimize the impact of its operations on water resources. The primary source of wastewater generated at the company’s four production sites is domestic sewage. To ensure compliance with discharge standards, CWHI engages qualified third-party testing agencies to conduct regular wastewater monitoring and assessments at different frequencies, including quarterly and monthly evaluations.

The monitoring process includes key parameters such as pH, suspended solids (SS), chemical oxygen demand (COD), biochemical oxygen demand (BOD), and ammonia nitrogen (NH₃-N) to verify that all wastewater discharges meet the required environmental standards. Additionally, CWHI continuously enhances its water resource management strategies, strengthens the operation and maintenance of wastewater treatment facilities, and improves wastewater treatment capacity to further reduce environmental impact.

During the reporting period, all wastewater discharges from the company’s production sites complied with national and local regulatory requirements, with no instances of exceeding discharge limits or environmental pollution incidents.

No	Name of Yard	ISO 14001 Environmental Management System
1	Qinzhou Yard	Passed
2	Zhongshan Yard	Passed
3	Xiangshui Yard	Passed
4	Lingang Yard	Passed

Environmental Management

Noise Management

During production processes such as machining, welding, cutting, and material transportation, CWHI may generate environmental noise. To effectively control noise impact on workplaces and surrounding areas, the Company strictly complies with national and local noise pollution control regulations and has established a comprehensive noise management system. This system incorporates monitoring, mitigation, and protective measures to ensure that noise emissions remain within regulatory limits.

Noise Management Measures

- **Regular Monitoring:** All production sites engage qualified third-party agencies to conduct regular noise monitoring. The monitoring scope covers boundary noise levels, workshop noise levels, and key equipment noise emissions, ensuring full compliance with national and local environmental regulations.
- **Occupational Health Protection for Employees:** To minimize the impact of noise on employees' health, the company provides workers in high-noise environments with personal protective equipment (PPE), such as noise-reducing earplugs or earmuffs, in accordance with occupational health and safety standards. Additionally, periodic occupational health examinations are conducted to monitor and safeguard employees' hearing health.

During the reporting period, noise emissions across all company production sites complied with national and local environmental regulations, with no incidents of noise limit exceedances or environmental complaints.



Environmental Management

Air Emissions Management

CWHI places great emphasis on comprehensive management of air emissions, strictly adhering to applicable national and local environmental regulations as well as industry standards. The company is committed to effectively reducing the environmental impact of air emissions through the implementation of advanced treatment processes and the deployment of dedicated air pollution control facilities at all production sites, ensuring stable and compliant emissions.

CWHI has established a robust air emissions management system, under which qualified third-party organizations are regularly commissioned to conduct monitoring and evaluation of emissions data. This ensures the authenticity, accuracy, and regulatory compliance of all emissions records. In parallel, the company continuously upgrades its air treatment technologies and facilities, striving to enhance treatment efficiency and reduce the intensity of pollutant emissions.

Types of Air Emissions

Organized Emissions	
Primary Sources	Sandblasting workshops, painting workshops, and hazardous waste storage areas.
Main Pollutants	Particulate matter (PM), toluene, xylene, non-methane hydrocarbons (NMHC), nitrogen oxides (NOx), and sulfur dioxide (SO ₂).
Unorganized Emissions	
Primary Sources	Fugitive emissions generated during production activities.
Main Pollutants	Toluene, xylene, total suspended particulates (TSP), and non-methane hydrocarbons (NMHC).

During production operations, CWHI engages in processes such as sandblasting, painting, welding, and cutting, which generate two primary types of air emissions: point source (organized) emissions and fugitive (unorganized) emissions.

Upgrades to Air Emission Control Equipment at the Lingang Yard

The existing two sets of activated carbon adsorption + catalytic combustion air treatment systems (processing capacity: 120,000 m³ × 2) in the post-processing spray booth have been upgraded to two sets of zeolite rotary wheel + RTO incinerators (processing capacity: 140,000 m³ × 2). The upgraded system adopts a zeolite rotary wheel adsorption + regenerative thermal oxidation (RTO) purification process to enhance the efficiency and effectiveness of air emissions treatment.



Upgraded Air Emission Control Equipment

Comparison of Air Emission Control System Before and After the Upgrade

Before Upgrade	After Upgrade
Processing Capacity: 120,000 m ³ /h × 2	Processing Capacity: 140,000 m ³ /h × 2 (Approx. 16.7% increase)
VOC Removal Efficiency: 90%–95%	VOC Removal Efficiency: Over 99%
High operating costs, requiring periodic replacement of activated carbon	Lower operating costs, with improved heat recovery enhancing combustion efficiency
Potential secondary pollution from spent activated carbon	High-temperature oxidation with minimal secondary pollution
Moderate system stability, with adsorption efficiency decreasing as activated carbon saturates	Long-term stable operation with low maintenance requirements

Environmental Management

CWHI strictly complies with national and local regulations on industrial and hazardous waste management, ensuring that all waste is classified, stored, transported, and disposed of in full accordance with environmental and regulatory requirements. The Company has established long-term partnerships with qualified third-party waste disposal agencies, conducting regular supervision and inspections of the entire waste collection, transportation, and disposal process to ensure adherence to safety and environmental standards and to prevent secondary pollution.

To enhance waste management efficiency, the Company has designated waste classification and collection areas at all production sites, reinforcing internal waste management procedures and guiding employees to follow standardized waste disposal practices, thereby improving efficiency and reducing environmental risks.

During the reporting period, all waste disposal activities complied with national and local environmental regulations, with no instances of improper storage, transportation, or disposal.

CWHI remains committed to continuously optimizing its waste management system, rigorously controlling environmental risks, and ensuring that its operations align with sustainable development objectives.

Waste Classification and Management

General Industrial Waste

Includes metal scraps, packaging materials, etc., which are centrally collected and disposed of by third-party agencies in compliance with regulations.

Hazardous Waste

Includes waste paint containers, used filter cotton, and spent solvents, which are collected, transported, and treated by qualified third-party agencies in strict accordance with national hazardous waste management requirements.

Hazardous Waste Management Measures

Dedicated Collection Equipment

All production sites are equipped with specialized hazardous waste collection containers, ensuring that waste is collected securely without leaks or dispersion, thereby minimizing environmental and safety risks.

Regulated Storage

Hazardous waste storage areas are constructed in full compliance with national hazardous waste storage standards, incorporating leak prevention, fire protection, and containment measures to ensure secure and environmentally compliant storage..



Hazardous Waste Transportation (Example: Lingang Yard)



Hazardous Waste Classification (Example: Qinzhou Yard)

Energy Management

CWHI actively promotes energy management, energy conservation, and the adoption of renewable energy to continuously optimize its energy structure, enhance energy efficiency, reduce carbon emissions, and drive green and low-carbon development. The Company implements various measures, including renewable energy utilization, energy-saving retrofits, energy monitoring, and water resource management, to continuously improve its energy management capabilities.

Renewable Energy Utilization

CWHI is actively advancing the adoption of solar photovoltaic (PV) power generation to reduce reliance on traditional fossil fuels. Currently, the PV power system at the Qinzhou Yard is under construction. Once completed, it will further increase the facility's share of renewable energy, optimize the energy structure, and contribute to low-carbon development.

Energy-Saving Retrofits

The Company continuously optimizes energy-consuming equipment through lighting system upgrades, obsolete equipment elimination, and energy awareness initiatives to achieve its energy conservation and efficiency goals.

Lighting System Upgrades – Lingang Yard

Streetlight Retrofit

Replaced 48 streetlights from metal halide lamps to LED lamps, reducing power consumption per unit from 150W to 60W. Assuming 10 hours of daily operation, this upgrade is expected to save 15,768 kWh annually.

Heavy Equipment Workshop Lighting Upgrade

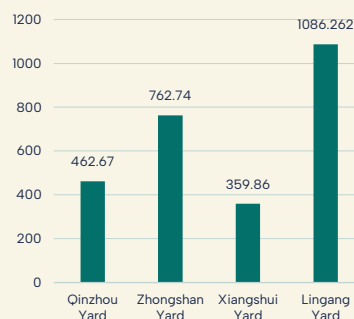
Replaced 96 lighting fixtures with LED units, reducing power consumption per unit from 400W to 150W. Assuming 8 hours of daily operation, this upgrade is expected to save 70,080 kWh annually.

Dock High-Mast Lighting Upgrade

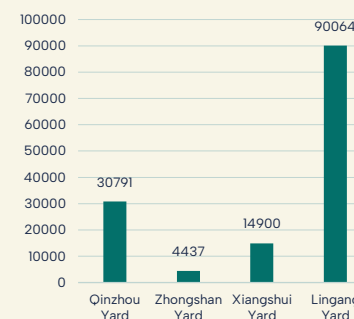
Replaced 108 high-mast floodlights with LED fixtures, reducing power consumption per unit from 1,000W to 400W. Assuming 12 hours of daily operation, this upgrade is expected to save 283,824 kWh annually.

2024 Energy Consumption Overview

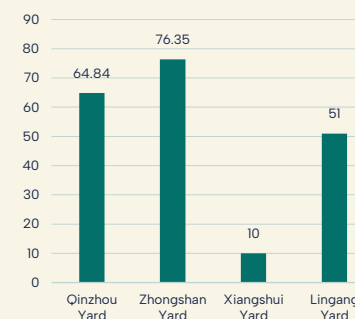
Electricity
(Unit: 10,000 kWh)



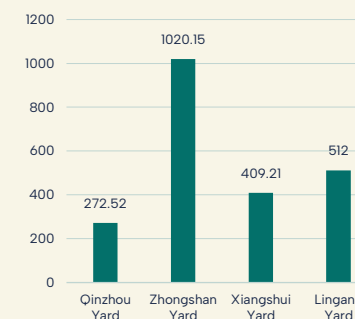
Water
(Unit: t)



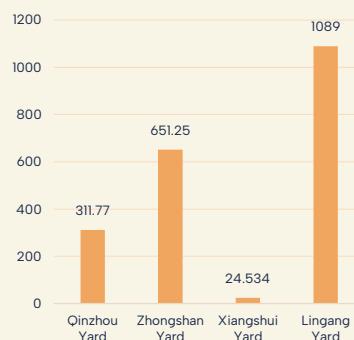
Fuel
(Unit: t)



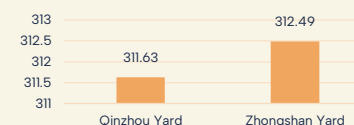
O₂
(Unit: t)



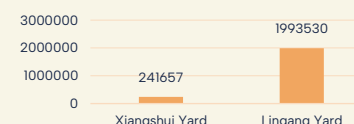
CO₂
(Unit: t)



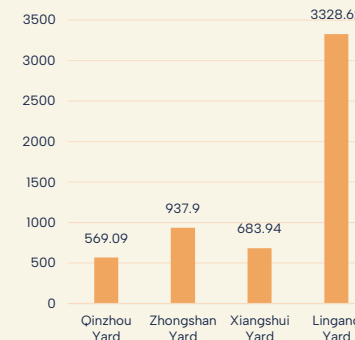
Gas
(Unit: t)



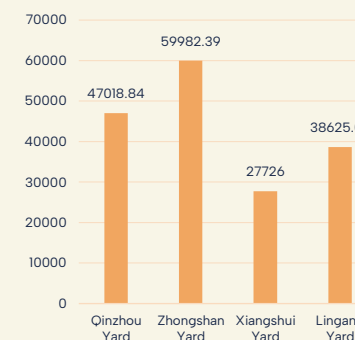
Gas
(Unit: m³)



Comprehensive Energy Consumption
(Unit: TCE)



Total Product Output
(Unit: t)



Energy Management

Energy Monitoring & Optimization

Enhanced Inspections

The Company has established a dedicated inspection team to regularly check water and electricity usage, promptly address wasteful practices, and implement an assessment mechanism to enhance energy efficiency.

Qinzhou Yard

A real-time energy monitoring system has been deployed to track energy consumption across various production processes, providing accurate data to optimize energy management.



Energy Monitoring System (Example: Qinzhou Yard)

Water Resource Management

CWHI is committed to reducing water consumption and improving water use efficiency through the following measures:

Water Conservation Awareness

Water conservation signs are placed in prominent locations at all production facilities, and water-saving knowledge is promoted through internal training sessions and bulletin boards to enhance employees' awareness.

Water Equipment Inspections

Regular inspections of production and domestic water systems are conducted to identify and rectify abnormal water usage, effectively reducing unnecessary water waste.



Water Conservation Slogans (Example: Xiangshui Yard)

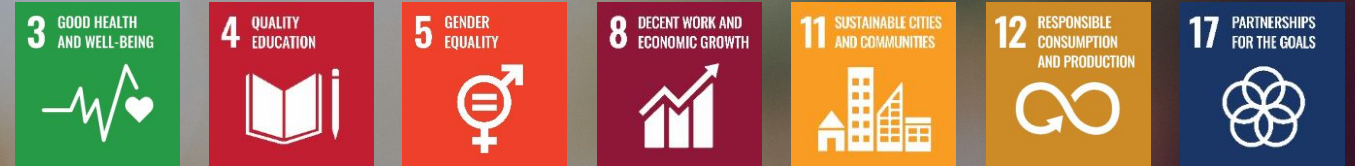
Biodiversity Conservation



CWHI recognizes the importance of biodiversity in maintaining ecosystem stability and driving sustainable development and remains committed to upholding its environmental responsibilities. All of the company's production facilities are located outside biologically sensitive areas.

CWHI is dedicated to implementing ecological optimization measures, continuously enhancing environmental management, improving resource efficiency, and reducing pollutant emissions to minimize environmental impact and support green and sustainable development.

06



Social

- 6.1 Quality Management Framework
- 6.2 Quality Risk Management System
- 6.3 Supply Chain Quality Risk Management
- 6.4 Quality Targets
- 6.5 Research and Innovation
- 6.6 Customer Satisfaction Management
- 6.7 Supplier Management System
- 6.8 People-Oriented, Sharing a Sustainable Future
- 6.9 Employee Promotion and Development
- 6.10 Employee Care
- 6.11 Workplace Safety
- 6.12 Special Equipment Management
- 6.13 Health and Safety Targets
- 6.14 Emergency Management and Drills
- 6.15 Safety Awareness Training and Promotion
- 6.16 Community Engagement and Social Responsibility

Quality Management Framework

Philosophy

"Compliant operations and superior quality"

System Coverage

Full product lifecycle including:

Product design

Raw material procurement

Production process control

Quality inspection and verification

Customer complaint handling

After-sales service

Legal Compliance

- Follows China's Product Quality Law and International Regulations
- Ensures traceability and compliance throughout the process

Quality Team

- ISO 9001 certified lead auditors
- Conduct internal audits, assessments, and continuous system improvements

Certifications

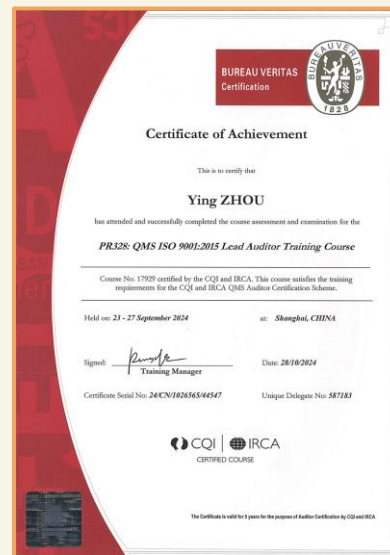
- ISO 9001 certified across all four major production yards: Qinzhou, Zhongshan, Xiangshui, Lingang

System Documentation

- Complete quality management documentation system
- Supports standardized and coordinated execution

100%

The coverage rate of ISO 9001 certification across the four-production yards during the reporting period.



Quality Risk Management System

Core Model

- Based on ISO 9001 with comprehensive risk control framework
- Focus on Key Quality Control Points (KQCs)
- Closed-loop System:

Identification



Assessment



Monitoring



Response

"Four New" Risk Identification and Management

New Products



Technical feasibility analysis
Custom quality control plans

New Requirements/Applications



Cross-functional assessment of special
materials or specs

New Processes/Production Lines



Validation, trial operations, maintenance
procedures

New Customers



Full risk evaluation covering delivery,
quality, supply-demand alignment



Supply Chain Quality Risk Management

- Strict procedures for supplier qualification, compliance review, risk assessment, and performance evaluation
- Ensures that all raw materials and outsourced processes meet required quality standards

Production and Delivery Risk Control

Real-time Process Monitoring

- All four production yards use real-time quality monitoring systems
- 24/7 surveillance of key processes and control points

Inspection and Sampling Mechanisms

- Regular patrol inspections in workshops
- Finished product sampling based on performance and appearance criteria
- Prompt corrective action for any abnormalities

Quality and Progress Control

- “Workbench” online platform tracks
- Real-time production progress
- Key quality control point data
- Inspection reports
- Enables remote quality audits and rapid issue resolution

Product Delivery and Traceability

- Products registered prior to shipment with unique identifiers
- Linked production data + inspection reports = full lifecycle traceability
- Workbench integrates quality, project, finance, and logistics data
- Visual dashboards + alerts support proactive risk detection



Production Monitoring System
(Example: Zhongshan Yard)

Risk Response and Continuous Improvement

PDCA Cycle Optimization

In case of quality incident/customer complaint:

- Trigger emergency response
- Root cause analysis
- Implement corrective actions
- Verify effectiveness
- Summarize and apply learnings

Target Management and Performance Evaluation

Annual KPIs include:

- Defect rate
- Customer complaint rate
- On-time delivery
- Customer satisfaction
- Risk control effectiveness is assessed quantitatively
- Integrated into departmental and individual performance reviews

Implementation of 2024 Quality Targets

No	Indicator Name	Annual Targets	Result
QINZHOU YARD			
1	Welding Nondestructive Testing (UT) First-Pass Rate	≥99%	Met Target
2	Welding Nondestructive Testing (MT) First-Pass Rate	≥99%	Met Target
3	Process Inspection First-Pass Rate	≥95%	Met Target
4	External Inspection First-Pass Rate	≥97%	Met Target
5	Owner Comments Closure Rate	≥100%	Met Target
6	Customer Satisfaction	≥96 points	Met Target
7	Design Deviation Rate	Initial Project ≤0.6%	Met Target
ZHONGSHAN YARD			
1	Monthly First-Pass Acceptance Rate for X-ray Weld Inspection	≥94%	Met Target
2	Monthly First-Pass Acceptance Rate for Ultrasonic Testing (UT) of Welds	≥99%	Met Target
3	Monthly First-Pass Acceptance Rate for Magnetic Particle Testing (MT) of Welds	≥99%	Met Target
4	Monthly First-Pass Acceptance Rate for Internal Project Inspections	≥96%	Met Target
5	Monthly First-Pass Acceptance Rate for External Project Inspections	≥97%	Met Target
6	Client Comment Closure Rate	100%	Met Target
7	Quality Loss Rate	≤0.08%	Met Target
8	Number of Major or Above Quality Issues	0	Met Target

No	Indicator Name	Annual Targets	Result
LINGANG YARD			
1	Scrap Loss Rate	≤0.031%	Met Target
2	External Quality Loss Rate	≤0.232%	Met Target
3	Material Utilization Rate	≥90.1%	Met Target
4	Outsourced Return Factory Reinspection Rate	100%	Met Target
5	Subcontractor Return Factory Reinspection Rate	100%	Met Target
6	Outsourced Component Return Factory Reinspection Pass Rate	100%	Met Target
7	Subcontracted Component Return Factory Reinspection Pass Rate	≥98.77%	Met Target
8	Overall First Inspection Pass Rate	≥99.31%	Met Target
9	Measuring Equipment Submission Rate	100%	Met Target
10	Customer Satisfaction	≥95 points	Met Target
XIANGSHUI YARD			
1	Flange Flatness First-Pass Rate	≥92%	Met Target
2	Flange Inner Tilt First-Pass Rate	≥93%	Met Target
3	Flange Roundness First-Pass Rate	≥95%	Met Target
4	Parallelism First-Pass Rate	100%	Met Target
5	Welding First-Pass Rate	≥99.70%	Met Target
6	Welding First-Pass Rate	≥96%	Met Target
7	Sandblasting First-Pass Rate	≥93%	Met Target
8	Anti-Corrosion First-Pass Rate	≥95%	Met Target
9	Customer Complaints	≤5/year	Met Target

Research and Innovation

Strategic Focus

- Technological innovation is a core pillar of sustainable development and competitiveness.
- A full-cycle R&D management system is in place:
 - Covers: project initiation → implementation → evaluation → results transformation
 - Guided by the Scientific Research Project Management Procedures
 - Ensures scientific, standardized, and efficient innovation practices

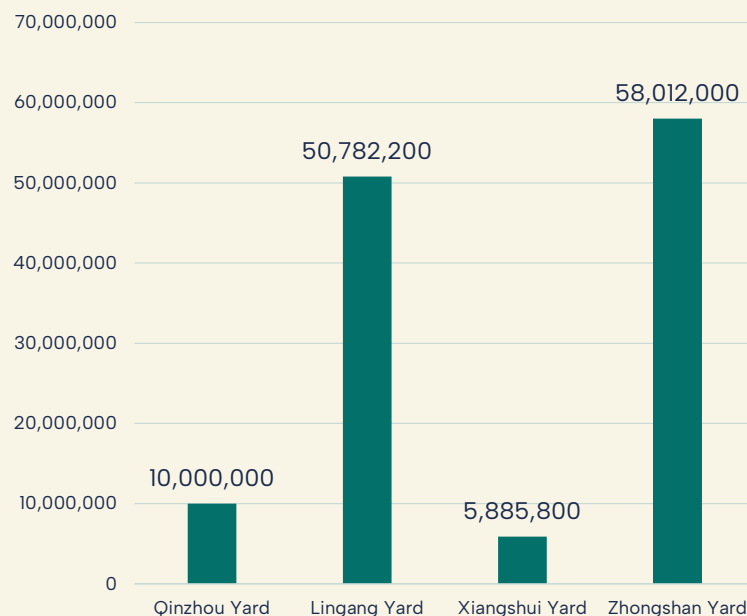
R&D Investment

- Ongoing investment in:
 - Technology development
 - Product innovation
 - Process optimization
- Purpose:
 - Meet customer needs
 - Drive industry progress
 - Support sustainable growth

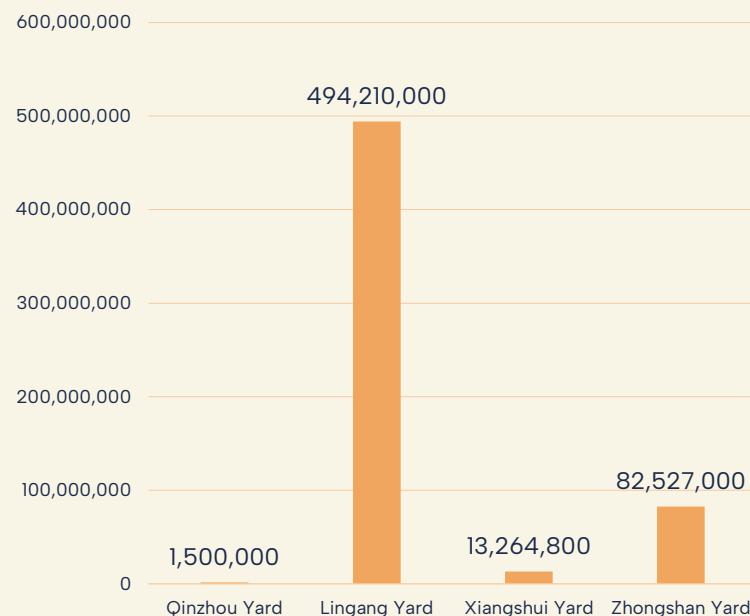
Talent Development in R&D

- Strong focus on building an innovative R&D team
- Key strategies:
 - Internal and external training
 - Participation in R&D projects
 - Industry-academia-research collaborations

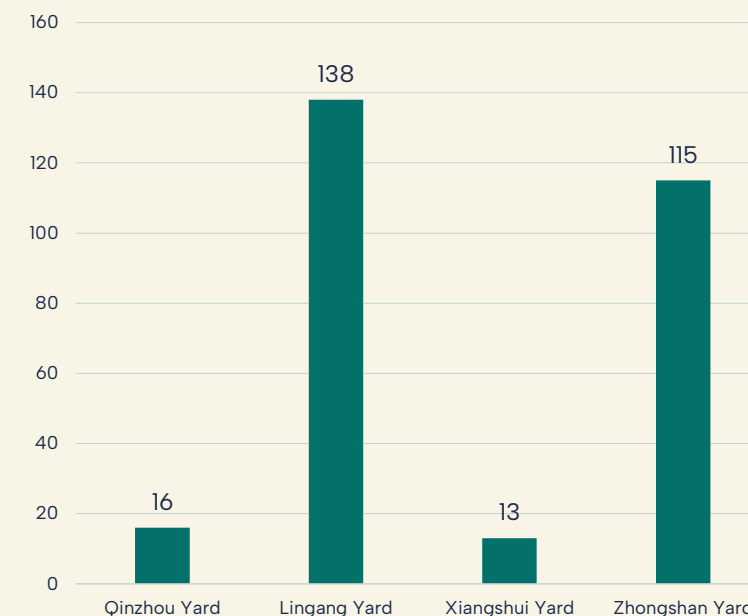
2024
R&D Investment Amount (RMB)



2023
R&D Investment Amount (RMB)



2024
R&D Talent



Customer Satisfaction Management

Adhering to the principle of “customer-centricity”, the Company continuously optimizes its customer service system and enhances service processes to flexibly respond to diverse and evolving customer needs. Through the implementation of the PDCA (Plan-Do-Check-Act) continuous improvement cycle, the Company consistently elevates product and service quality, creating greater value for customers.

Customer Complaint Handling

- Standardized complaint management mechanism: Clear procedures / Assigned responsibilities / Strict response timelines
- Ensures timely and effective resolution of customer issues

Customer Satisfaction Surveys

- Conducted in 2024 across all production bases
- Key evaluation areas: Product quality / Delivery timelines / After-sales service
- Results used to implement targeted improvements
- Led to a significant increase in customer satisfaction year-on-year

Customer Needs Collection and Feedback

- Channels for feedback collection: Industry exhibitions / Customer seminars / Business meetings
- Insights used to: Refine product development / Enhance service offerings

Customer Privacy Protection

- High priority placed on data protection and privacy
- Actions taken: Full compliance with privacy laws and regulations / Customer information classification system / Access control mechanisms / NDAs for confidential projects
- Ensures protection of sensitive customer data and interests

2024 Customer Satisfaction Surveys

Qinzhou Yard

6 Satisfaction
Survey
Questionnaires

Satisfied
Result

Lingang Yard

13 Satisfaction
Survey
Questionnaires

Satisfied
Result

Xiangshui Yard

5 Satisfaction
Survey
Questionnaires

Satisfied
Result

Zhongshan Yard

8 Satisfaction
Survey
Questionnaires

Satisfied
Result

Supplier Management System

CWHI places great emphasis on responsible supply chain management and has established a comprehensive and standardized supplier management system. This system covers critical processes, including supplier qualification, dynamic audits, regular performance evaluations, and exit mechanisms, ensuring the compliance, stability, and sustainability of the supply chain. CWHI is committed to building a sustainable value chain in partnership with responsible suppliers by conducting thorough assessments across compliance, quality, health, safety, and environmental (HSE) performance, as well as social responsibility, to ensure that all procured products, outsourced services, and logistics activities align with the Company's business ethics and sustainability objectives.

Supplier Qualification Management

CWHI implements a rigorous, three-tier supplier qualification process to ensure that all partners meet the Company's compliance and sustainability requirements:

Compliance Review

All potential suppliers undergo a compliance risk assessment to eliminate exposure to international trade sanctions, bribery, corruption, or violations of human rights and labor standards.

Preliminary Evaluation

Upon passing compliance review, suppliers are categorized based on the criticality of their products or services for further evaluation:

- **Critical Suppliers:** Those involved in non-destructive testing (NDT), welding, heat treatment, coating, and manufacturing based on CWHI's design specifications must undergo strict audits and quality system assessments.
- **Non-Critical Suppliers:** General product or service providers are required to submit relevant certifications and comply with CWHI's quality, safety, and environmental standards.

Final Approval

Upon completion of all evaluations, suppliers must receive final approval from the QEHS Department before being added to the approved supplier list, with clearly defined scopes of supply and sustainable procurement requirements.

Supplier Audit Management

CWHI applies a comprehensive supplier audit system, including:

- **Regular Audits:** Annual reviews
- **Special Audits:** Triggered by significant changes such as mergers, product scope adjustments, or major quality or HSE incidents
- **Re-Audits:** Targeted spot checks and on-site reviews for critical suppliers to ensure continued adherence to high standards
- Suppliers are required to submit corrective action plans following audits (where applicable), and continuation of cooperation is contingent on effective remediation.

Regular Supplier Evaluation

CWHI has established an annual supplier performance evaluation mechanism, jointly led by the Commercial and QEHS Departments. Assessments cover quality performance, delivery capabilities, compliance, sustainability practices, and HSE management. Evaluation outcomes are used to optimize supplier relationships and inform decision-making.

Supplier Exit Mechanism

CWHI enforces strict removal procedures for suppliers that fail to meet performance standards, demonstrate serious non-compliance, or present unacceptable risks, ensuring the stability, compliance, and resilience of the supply chain.

Supplier Management System

Sustainable Procurement Management

CWHI integrates sustainability principles throughout the entire procurement process. Environmental and social responsibility standards are embedded at every stage, from supplier qualification and evaluation to contract execution and ongoing cooperation, promoting responsible sourcing practices.

Key sustainability requirements include:



Environmental Responsibility

Preference for suppliers with carbon reduction capabilities, biodiversity protection initiatives, and circular economy practices.



Social Responsibility

Suppliers must adhere to international labor standards, human rights policies, and fair trade principles.



Compliance

Suppliers must ensure that their business operations comply with anti-corruption, anti-bribery, and applicable legal requirements.

CWHI incorporates supplier sustainability performance into lifecycle cooperation management, supplier diversity strategies, and long-term partnership planning.

Logistics Supplier Management

For logistics suppliers, such as shipping companies, CWHI applies specialized management requirements with rigorous assessments of qualifications, transportation capabilities, safety records, and service quality to ensure safe and sustainable logistics operations.

Conflict Minerals Management

CWHI is firmly committed to responsible sourcing and strictly complies with the Conflict Minerals Regulation and other relevant international standards, including Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act. The Company maintains comprehensive control over conflict mineral risks within its supply chain to ensure that neither CWHI nor its suppliers directly or indirectly finance armed conflict in the Democratic Republic of the Congo (DRC) and its neighboring countries.

CWHI has incorporated conflict minerals management requirements into its Code of Business Conduct, explicitly prohibiting the procurement and use of conflict minerals (tin, tantalum, tungsten, and gold—collectively known as 3TG) from unknown or illegal sources. As part of its supplier management process, the Company requires all suppliers to sign the Supplier Compliance Declaration, through which they formally commit to the exclusion of conflict minerals and undertake corresponding supply chain due diligence to ensure that their upstream suppliers also comply with responsible sourcing practices.

Our Commitments

- We do not procure or use conflict minerals (3TG) from unknown or illegally mined sources.
- We support responsible mineral sourcing and prioritize cooperation with suppliers certified under the Responsible Minerals Initiative (RMI) or other internationally recognized certification programs.
- We regularly conduct supply chain due diligence, collaborate with our customers to fulfill related compliance obligations, and continuously enhance supply chain transparency and responsible sourcing governance.

Employee Overview

The Company has always regarded its employees as one of its most valuable resources. To support the long-term sustainable development of the organization, CWHI places great emphasis on workforce stability, diversity, and growth potential. While ensuring legal and compliant employment practices, the Company continuously optimizes its employment structure, with a focus on gender balance and age distribution, actively promoting the development of a diverse and inclusive talent pool. The following provides an overview of the company's employee composition during the reporting period.

CWHI

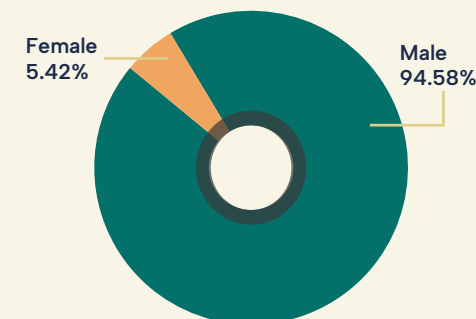
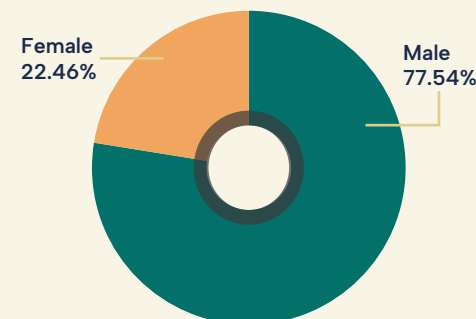
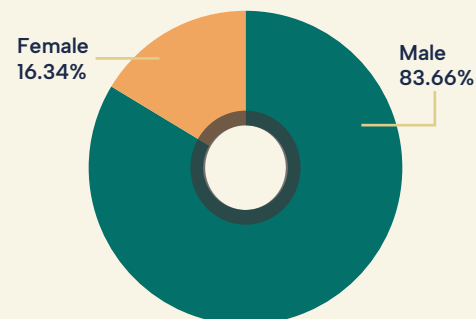
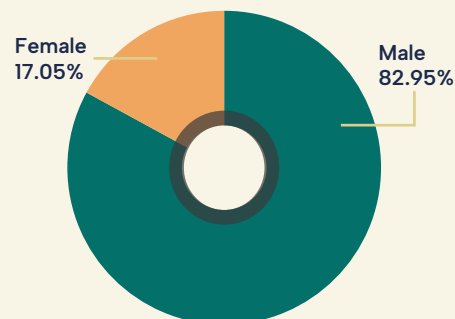
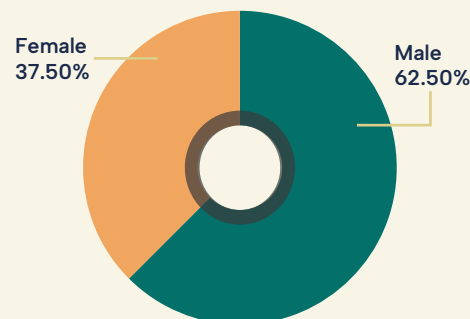
Qinzhou Yard

Zhongshan Yard

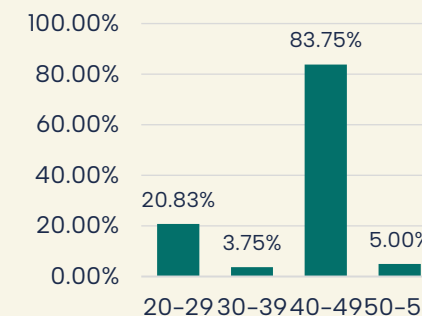
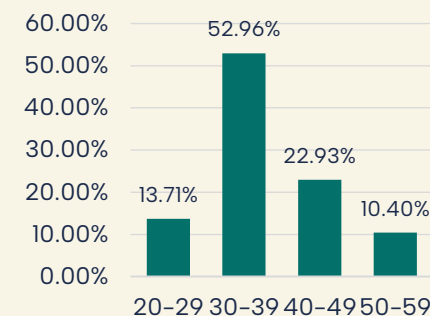
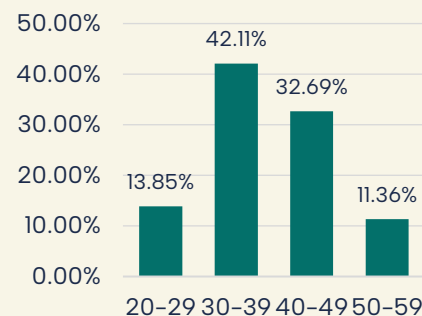
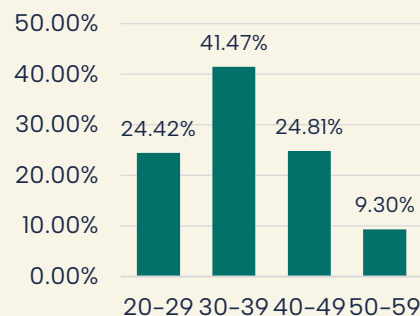
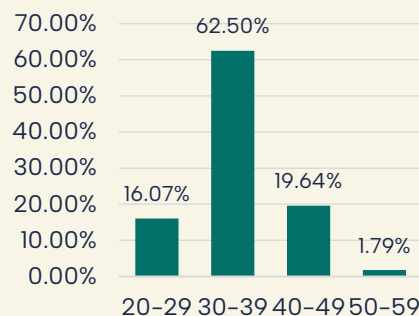
Lingang Yard

Xiangshui Yard

Gender Ratio of Employees



Age Distribution of Employees



People-Oriented, Sharing a Sustainable Future

Employee Recruitment Process

CWHI has established a standardized and efficient recruitment process designed to ensure fairness, transparency, and integrity while providing candidates with comprehensive information to make informed decisions about potential roles.



Recruitment Principles

To safeguard the integrity and fairness of our recruitment processes, the Company has established a set of core recruitment principles, which are embedded throughout all hiring activities to ensure full compliance with labor standards and the protection of workers' rights:

Prohibition of Forced Labor and Fraudulent Recruitment

CWHI strictly prohibits all forms of forced labor and deceptive recruitment practices. We ensure that all candidates participate in the recruitment process voluntarily, without any form of coercion, restriction, or inducement. The Company is committed to providing transparent and accurate job information to enable candidates to fully understand the working conditions, rights, and obligations associated with the role.

Fair and Inclusive Recruitment

The Company enforces a non-discriminatory recruitment policy, respecting the diversity of all applicants and ensuring fair treatment regardless of gender, age, ethnicity, religion, or cultural background. We utilize diverse and inclusive recruitment channels to attract a wide range of talent and continuously promote gender balance, cultural diversity, and an inclusive working environment.

People-Oriented, Sharing a Sustainable Future

Outsourced Labor Recruitment Management

CWHI strictly complies with national labor laws and international labor standards to regulate the management of outsourced personnel. In response to operational needs, the Company engages outsourced workers exclusively through legally compliant labor service providers while ensuring full adherence to labor rights protection, business ethics, and environmental responsibility throughout the outsourcing process. CWHI is committed to strengthening the governance of outsourced labor and safeguarding the legitimate rights and interests of all workers.

To this end, the Company conducts comprehensive due diligence and ongoing supervision of labor service providers in accordance with the Third-Party Due Diligence Management Procedure, ensuring that all outsourcing partners meet CWHI's compliance standards and uphold their social responsibility obligations.

Outsourcing Partner Qualification Management

During the qualification phase, the Company conducts thorough compliance assessments of labor service providers, focusing on the following areas:

- ✓ Basic Qualifications.
- ✓ Sanctions Screening.
- ✓ Human Rights Protection.
- ✓ Recruitment Practices.
- ✓ Occupational Health and Safety.
- ✓ Wage Compliance
- ✓ Business Ethics and Anti-Corruption

In addition, CWHI requires all outsourcing partners to sign the Supplier Compliance Statement, committing to uphold CWHI's standards on labor rights, business ethics, and environmental protection, thereby establishing formal compliance obligations.

Ongoing Outsourcing Management

Throughout the partnership, CWHI implements continuous compliance oversight based on the risk level and frequency of cooperation with each outsourcing provider:

- ✓ Conducting regular reviews and risk monitoring to assess the provider's performance in areas such as human rights protection, wage payments, occupational health, and workplace safety.
- ✓ Implementing corrective actions, suspensions, or contract terminations in cases of non-compliance or the identification of significant risks, ensuring lawful outsourced labor practices and protecting the rights and interests of outsourced workers.

Through this systematic approach, CWHI effectively mitigates human rights risks such as forced labor, child labor, discrimination, and harassment, while fostering a fair, safe, and healthy work environment for all personnel. This reflects the Company's strong commitment to corporate social responsibility.

Reporting Period Performance

During the reporting period, the Company strictly enforced its zero-tolerance policy and recorded no incidents involving child labor, forced labor, harassment, or abuse. Furthermore, there were no occurrences of security-related violence, ensuring a consistently safe and healthy working environment for all employees and outsourced workers, in full compliance with international labor and human rights standards.



Employee Promotion and Development

Employee Promotion Mechanism

The Company upholds a talent-centric philosophy of meritocracy and competency-based selection, establishing a performance-driven, capability-oriented, and equal-opportunity promotion system. Employees are provided with clear career development pathways, ensuring transparency in promotion decisions based on competence, performance, and professionalism.

The promotion framework follows principles of fairness, performance orientation, and career growth, offering multiple career advancement channels, including internal promotions, cross-departmental mobility, and professional skills development. Employees are encouraged to actively learn, engage in cross-functional exchanges, and expand their expertise, with internal mobility prioritized for talent development. Promotion decisions are made through comprehensive evaluations of daily performance, job competence, professional conduct, and ethical standards, aligning employee growth with company strategy. Additionally, a talent referral program incentivizes internal recommendations, fostering a sustainable talent pipeline.

Employee Training and Development

The Company places great emphasis on employee capability enhancement, establishing a systematic, multi-tiered, and multi-channel training framework. This comprehensive system covers skills development, management training, and career advancement guidance, ensuring that employees at different stages of their careers receive the necessary growth opportunities.



During the reporting period, CWHI and Four Yards conducted trainings on employees



Attendance Training on Lingang Yard

64,060 H

Total Training Hours in 2024

Training Framework

Training Type	Target Audience	Key Content	Frequency
Onboarding Training	New Employees	Corporate culture, safety knowledge, job-specific skills	100%
Skills Enhancement Training	Production and Technical Staff	Professional skills, equipment operation, safety training	Regular
Management Development Training	Reserve Talent and Management	Leadership, team management, decision-making	Regular

Employee Promotion and Development

Compensation and Benefits

The Company adheres to a performance-driven, value-based, and meritocratic compensation philosophy, ensuring a fair, transparent, and competitive salary structure that aligns value creation with rewards.

Compensation Principles

Performance-Oriented

Salaries are linked to contributions and achievements, prioritizing shared success and recognizing high performers.

Competency-Based

Compensation is determined based on experience, educational background, interview performance, and individual capabilities.

Confidential and Compliant

Strict adherence to salary confidentiality to maintain fairness and organizational stability.

Compensation Structure

Employee salaries consist of:

Base Salary

Reflects job responsibilities and skill requirements, ensuring stable income.

Variable Pay

Includes performance bonuses, commissions, and allowances, adjusted based on company performance, individual achievements, and market trends.

The Company regularly reviews its compensation strategy to remain competitive, motivating employees to grow alongside the organization.

Non-Salary Benefits

Category	Benefits	Description
Legal Benefits	Social insurance, statutory holidays, paid leave, high-temperature allowance	Compliance with labor laws, ensuring leave and welfare protection
Health Benefits	Annual health check-ups, commercial medical insurance, accident insurance	Comprehensive healthcare coverage for employees
Living Benefits	Communication and transportation allowances	Reducing commuting and communication costs
Incentive Benefits	Training programs, education funds, internal referral rewards (¥20,000 per successful hire)	Encouraging professional growth and talent acquisition
Cultural and Festive Benefits	Holiday gifts, wedding and childbirth bonuses, team-building activities, anniversary gifts	Enhancing workplace culture and celebrating employee milestones



Employee Care

CWHI is committed to creating a healthy, comfortable, and engaging work and living environment for employees. The company continues to implement diverse employee care initiatives, focusing on physical and mental well-being, daily life, and cultural engagement, enriching employees' leisure time and fostering a sense of belonging.

In 2024, the Company organized various team-building activities to strengthen teamwork and communication, enhance employee engagement, and promote a positive and collaborative workplace culture. Additionally, outstanding employee recognition programs were carried out to acknowledge and reward excellence.

To celebrate traditional and cultural events, the Company hosted festive activities during the Dragon Boat Festival, Mid-Autumn Festival, and Spring and Autumn seasons, creating a warm and joyful holiday atmosphere for employees. These initiatives not only enhance employee well-being but also strengthen team cohesion and corporate culture, ensuring a harmonious and supportive work environment.



Social

Workplace Safety

Workplace Safety

Safety Management Overview

The company has established a comprehensive safety accountability system, ensuring that all employees, from management to frontline workers, clearly understand their safety responsibilities. This approach shifts safety management from passive compliance to proactive implementation.

Safety Risk Management

- Comprehensive Risk Identification and Tiered Control:** The company conducts regular hazard identification assessments, addressing risks related to high temperatures, high pressure, mechanical hazards, electrical safety, and chemical management, and establishes a tiered control list for mitigation.
- Accountability Implementation:** All employees are required to sign a safety responsibility agreement, ensuring that safety responsibilities are clearly assigned and thoroughly enforced, leaving no blind spots or loopholes in the safety management framework.
- Closed-Loop Management Mechanism:** A hazard detection, rectification, verification, and continuous improvement process has been implemented to ensure that all safety issues are identified, corrected, tracked, and optimized for long-term risk prevention.

No	Name of Yard	ISO 45001:2018 Occupational Health and Safety Management System
1	Qinzhou Yard	Passed
2	Zhongshan Yard	Passed
3	Xiangshui Yard	Passed
4	Lingang Yard	Passed

Safety Management System and Certification Coverage

CWHI adheres to the safety philosophy of “**Safety First, Prevention-Oriented, Full Participation, and Continuous Improvement**”, strictly complying with the Work Safety Law of the People’s Republic of China and aligning with the ISO 45001:2018 Occupational Health and Safety Management System. The company has established a standardized, systematic, and continuously optimized workplace safety management system to ensure safe operations across all production sites.

Safety Management for External Personnel

Strict Access Control: All external personnel must undergo a safety briefing and PPE (Personal Protective Equipment) inspection before entering the worksite.

Standardized Safety Regulations: External contractors and temporary workers are required to adhere to the same safety management standards as full-time employees, ensuring a uniform, seamless, and comprehensive safety approach.



Implementation of 2024 Environment and Occupational Health and Safety Targets

Qinzhou Yard

Business Segment	Indicator Name	Annual Targets	Result
Production Safety	Fatal Production Accidents (cases)	0	0
	Major Fire or Explosion Accidents (cases)	0	0
	Severe Injury Rate (‰)	0	0
	Minor Injury Rate (‰)	1.5	0
	Safety Training Plan Execution Rate (%)	100	100
	Voluntary Reporting Rate of Violations and Hazards (%)	100	100
	Safety Hazard Inspection Rate (%)	100	100
	Safety Hazard Rectification Rate (%)	100	100
	Violation Reduction Rate (%)	10	15
	Completion Rate of Safety Tech Projects (%)	96	100
	Growth Rate of Safety Tech Projects (%)	10	100
	Growth Rate of Safety Technology Project Initiation (%)	10	20
	Standardization Rate of Processes and Tooling (%)	80	90
	Certification Rate of Special Operation and Equipment Operators (%)	100	100
	Certification Rate of "Three Types of Personnel" (%)	100	100
	Signing Rate of Safety Agreements with Stakeholders (%)	100	100
	Safety Notification Rate for Stakeholders (%)	100	100
	Safety Investment Fulfillment Rate (%)	100	100

Business Segment	Indicator Name	Annual Targets	Result
Occupational Health	Pre-job Health Examination Rate (incl. position transfer to hazardous jobs) (%)	100	100
	On-the-job Health Examination Rate (%)	100	100
	Compliance Placement Rate for Occupational Contraindications (%)	100	100
Environmental Protection	Environmental Pollution Incidents (cases)	0	0
	Environmental Incidents Resulting in Administrative Penalties (cases)	0	0
	Completion Rate of Key Environmental Tasks (%)	100	100
	Compliance Rate of Hazardous Waste Disposal (%)	100	100
	Compliance of Air Emissions (VOCs, Dust), Wastewater, and Boundary Noise	Compliant	Compliant
	Industrial Waste Intensity Reduction Rate per Unit Output Value (%)	≥5	≥8
	Compliance Rate of Industrial Waste Disposal (%)	100	100
	Normal Operation Rate of Environmental Facilities (%)	100	100
6S Management	Number of 5-Star Responsibility Zones (units)	≥2	≥5
	Number of 6S Four-Star Ratings (times)	10	11
	Pass Rate of Basic 6S Order (transport trolleys, arcade machines, PPE) (%)	97	98

Implementation of 2024 Environment and Occupational Health and Safety Targets

Zhongshan Yard

Business Segment	Indicator Name	Annual Targets	Result
Production Safety	Fatal Production Accidents (cases)	0	0
	Major Fire or Explosion Accidents (cases)	0	0
	Severe Injury Rate (‰)	0	0
	Minor Injury Rate (‰)	1.5	0
	Safety Training Plan Execution Rate (%)	100	100
	Voluntary Violation & Hazard Reporting Rate (%)	100	100
	Safety Hazard Inspection Rate (%)	100	100
	Safety Technology Project Completion Rate (%)	96	100
	Certification Rate for Special Operators & Equipment Handlers (%)	100	100
	Certification Rate of “Three Types of Personnel” (%)	100	100
	Signing Rate of Safety Agreements with Stakeholders (%)	100	100
	Notification Rate of Safety Information to Stakeholders (%)	100	100
	Safety Investment Fulfillment Rate (%)	100	100

Business Segment	Indicator Name	Annual Targets	Result
Occupational Health	Pre-job Health Check Rate for Transferred/Hazardous Positions (%)	100	100
	On-the-job Health Check Rate (%)	100	100
	Compliance Placement Rate for Occupational Contraindications (%)	100	100
	Notification Rate for Exit Health Check (%)	100	100
Environmental Protection	Environmental Pollution Incidents (cases)	0	0
	Environmental Incidents with Administrative Penalties (cases)	0	0
	Completion Rate of Key Environmental Tasks (%)	100	100
	Compliance Rate of Hazardous Waste Disposal (%)	100	100
	Compliance of Air Emissions (VOCs, Dust), Wastewater, and Boundary Noise	Compliant	Compliant
	Compliance Rate of Industrial Waste Disposal (%)	100	100
	Normal Operation Rate of Environmental Equipment (%)	100	100
6S Management	5-Star Responsibility Zones (units)	≥2	2
	Number of 6S Four-Star Ratings (times)	10	12
	Basic Order Compliance Rate (trolleys, game machines, PPE) (%)	97	98

Implementation of 2024 Environment and Occupational Health and Safety Targets

Lingang Yard

Business Segment	Indicator Name	Annual Targets	Result
Production Safety	Fatal Production Accidents (cases)	0	0
	Major Fire or Explosion Accidents (cases)	0	0
	Severe Injury Rate (‰)	0	0
	Minor Injury Rate (‰)	0	0
	Safety Training Plan Execution Rate (%)	≥95	95
	Voluntary Violation & Hazard Reporting Rate (%)	≥95	98
	Certification Rate for Special Operators & Equipment Handlers (%)	100	100
	Certification Rate of “Three Types of Personnel” (%)	100	100
	Signing Rate of Safety Agreements with Stakeholders (%)	100	100
	Notification Rate of Safety Information to Stakeholders (%)	100	100
	Safety Investment Fulfillment Rate (In line with national standards)	Compliant	Compliant

Business Segment	Indicator Name	Annual Targets	Result
Occupational Health	Pre-job Health Check Rate for Transferred/Hazardous Positions (%)	100	100
	On-the-job Health Check Rate (%)	100	100
	Compliance Placement Rate for Occupational Contraindications (%)	100	100
	Notification Rate for Exit Health Check (%)	100	100
Environmental Protection	Environmental Pollution Incidents (cases)	0	0
	Environmental Incidents with Administrative Penalties (cases)	0	0
	Completion Rate of Key Environmental Tasks (%)	100	100
	Compliance Rate of Hazardous Waste Disposal (%)	100	100
	Compliance of Air Emissions (VOCs, Dust), Wastewater, and Boundary Noise	Compliant	Compliant
	Compliance Rate of Industrial Waste Disposal (%)	100	100
	Normal Operation Rate of Environmental Equipment (%)	100	100

Implementation of 2024 Environment and Occupational Health and Safety Targets

Xiangshui Yard

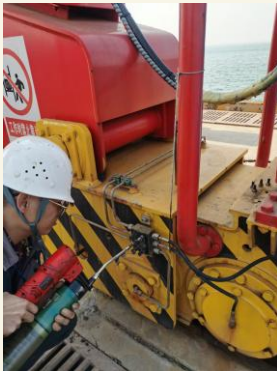
Business Segment	Annual Targets	Result
Production Safety	No safety liability accidents resulting in fatalities or major social impact.	Achieved
	No new occupational disease cases; effective control of occupational hazards.	Achieved
	No major injury accidents involving 2 or more serious injuries.	Achieved
	No safety accidents causing direct economic loss of ¥500,000 or more per incident or ¥3 million annually.	Achieved
	100% reporting rate for safety incidents and major hidden dangers.	Achieved
Environmental Protection	No sudden environmental events causing fatalities or major social impact.	Achieved
	No moderate or serious injuries due to pollution-related poisoning (2 persons or more).	Achieved
	No pollution-related environmental incidents causing direct economic loss ≥ ¥500,000/year or ≥ ¥200,000/event.	Achieved
	No environmental pollution leading to relocation of 50+ people	Achieved
	No cross-county/regional environmental pollution causing general public concern.	Achieved
	100% reporting rate for sudden environmental events and major hidden environmental risks.	Achieved
Fire Safety Management	No fire or explosion accidents causing fatalities or major social impact.	Achieved
	No fire accidents involving 2 or more serious injuries.	Achieved
	No fire accidents causing direct economic losses of ¥500,000 or more per incident or ¥3 million annually.	Achieved
	100% reporting rate for fire accidents and major fire risks.	Achieved
Other Management	No outbreaks of infectious diseases; no infectious disease deaths among employees during work	Achieved
	Traffic safety: No traffic-related liability accidents involving employees.	Achieved

Special Equipment Management

CWHI strictly enforces the Special Equipment Safety Management Regulations to ensure compliant usage, regular inspections, and continuous optimization of all high-risk equipment, minimizing safety risks to the greatest extent possible.

Key Measures in Special Equipment Management

- Regular Inspections and Maintenance
- Lifecycle Management
- Hazard Identification and Rectification



Occupational Health Protection Measures

- Implementation of the Personal Protective Equipment (PPE) Management Policy
- Hazard Warning Signage
- Regular Special Equipment Inspections

Occupational Health Management

CWHI strictly complies with the Law on the Prevention and Control of Occupational Diseases, ensuring comprehensive lifecycle occupational health management. The company continuously enhances workplace safety standards, enforces occupational health regulations, and implements preventative measures to safeguard employee well-being.

	Qinzhou Yard	Zhongshan Yard	Xiangshui Yard	Lingang Yard
Pre-Employment Occupational Health Check Rate	100%	100%	100%	100%
On-the-Job Occupational Health Check Rate	100%	100%	100%	100%
Pre-Departure Occupational Health Check Notification Rate	100%	100%	100%	100%

Strengthening Occupational Protection

CWHI is committed to providing comprehensive occupational health protection to ensure that all job positions meet occupational health and safety requirements.

Emergency Management and Drills

The Company strictly implements occupational health, safety, and environmental (HSE) management requirements by formulating and executing a systematic emergency drill program at the Qinzhou, Lingang, Xiangshui, and Zhongshan Yards. This initiative aims to enhance employees' safety awareness, emergency response capabilities, and environmental emergency management proficiency.

39 Emergency Drills

During the reporting period, a total of 39 emergency drills were conducted across the bases, covering key areas such as workplace safety, occupational health, environmental pollution, and natural disasters, ensuring that various emergencies can be handled swiftly and effectively.

Lingang Yard

In 2024, Lingang Yard conducted 17 emergency drills, focusing on workplace safety, port facility security, and environmental management, ensuring the safe operation of terminals and work areas.

- Workplace Safety Drills (10 drills)
- Port Facility Security Drills (3 drills)
- Environmental Emergency Drills (2 drills)
- Company-wide Joint Drills (2 drills)



Emergency Drill for Special Equipment
Forklift Injury Accident

Xiangshui Yard

In 2024, Xiangshui Yard conducted 5 emergency drills, focusing on workplace safety and fire safety, enhancing employees' hazard prevention capabilities.

- Workplace Safety Drills (3 drills)
- Fire Safety Drill (1 drill)
- Specialized Emergency Drill (1 drill)



Fire Evacuation Emergency Drill

Qinzhou Yard

In 2024, Qinzhou Yard conducted 12 emergency drills, covering workplace safety, occupational health, and environmental pollution to strengthen employees' safety awareness and emergency response capabilities.

- Workplace Safety Drills (8 drills)
- Occupational Health Drill (1 drill)
- Environmental Pollution Emergency Drills (2 drills)
- Company-wide Joint Drill (1 drill)

Zhongshan Yard

In 2024, Zhongshan Yard conducted 5 emergency drills, focusing on life safety, natural disasters, and workplace accidents, enhancing employees' self-rescue and mutual aid capabilities.

- Life Safety Drills (3 drills)
- Natural Disaster Drill (1 drill)
- Workplace Incident Drill (1 drill)

Safety Awareness Training and Promotion

CWHI upholds the principle of "Safety First, Training as the Foundation", establishing a multi-tiered, comprehensive safety training system. This ensures that all employees acquire the necessary safety knowledge and operational skills to mitigate work-related risks and enhance overall safety management standards.

The Company has developed a structured safety training framework tailored to different job roles and employee levels. This system includes:

Onboarding Safety Training

Regular Safety Training

Specialized Training

Certified Special Operations Training

Emergency Response Drills

The Company has developed a structured safety training framework tailored to different job roles and employee levels. This system includes:

2024 Safety Training Implementation

No	Name of Yard	2024 Safety Training Implementation (Number of Training Sessions)
1	Qinzhou Yard	28
2	Zhongshan Yard	10
3	Xiangshui Yard	18
4	Lingang Yard	36

Safety Culture and Awareness Promotion

To foster a strong safety culture, the company employs various awareness-raising initiatives, reinforcing safety consciousness and accountability among employees.

Key Initiatives for Safety Awareness

- Weekly/Monthly Campaign
- Safety Signage and Information Boards
- Safety Observation Card
- Safety Commitment Agreement



Community Engagement and Social Responsibility

CWHI remains committed to the principles of compliant operations, sustainable growth, and social contribution. In its global business operations, the company prioritizes establishing strong partnerships with local communities, driving regional economic development, and fulfilling corporate social responsibility (CSR). Through compliance-driven operations, local employment initiatives, localized supply chains, and proactive community engagement, CWHI ensures that while creating economic value, it also contributes to the long-term sustainability of the communities it operates in.



Compliance and Community Integration

The Company strictly adheres to local laws and regulations, respects local cultures and social norms, and ensures that all business activities comply with the legal and ethical standards of each country and region. During project development and business expansion, CWHI maintains continuous dialogue with local governments, social organizations, and other key stakeholders, ensuring that business operations align with community development goals and fostering mutual progress between the company and society.

Implementation of 2024 Environment and Occupational Health and Safety Targets

Qinzhou Yard

Business Segment	Indicator Name	Annual Targets	Result
Production Safety	Fatal Production Accidents (cases)	0	0
	Major Fire or Explosion Accidents (cases)	0	0
	Severe Injury Rate (‰)	0	0
	Minor Injury Rate (‰)	1.5	0
	Safety Training Plan Execution Rate (%)	100	100
	Voluntary Reporting Rate of Violations and Hazards (%)	100	100
	Safety Hazard Inspection Rate (%)	100	100
	Safety Hazard Rectification Rate (%)	100	100
	Violation Reduction Rate (%)	10	15
	Completion Rate of Safety Tech Projects (%)	96	100
	Growth Rate of Safety Tech Projects (%)	10	100
	Growth Rate of Safety Technology Project Initiation (%)	10	20
	Standardization Rate of Processes and Tooling (%)	80	90
	Certification Rate of Special Operation and Equipment Operators (%)	100	100
	Certification Rate of "Three Types of Personnel" (%)	100	100
	Signing Rate of Safety Agreements with Stakeholders (%)	100	100
	Safety Notification Rate for Stakeholders (%)	100	100
	Safety Investment Fulfillment Rate (%)	100	100

Business Segment	Indicator Name	Annual Targets	Result
Occupational Health	Pre-job Health Examination Rate (incl. position transfer to hazardous jobs) (%)	100	100
	On-the-job Health Examination Rate (%)	100	100
	Compliance Placement Rate for Occupational Contraindications (%)	100	100
Environmental Protection	Environmental Pollution Incidents (cases)	0	0
	Environmental Incidents Resulting in Administrative Penalties (cases)	0	0
	Completion Rate of Key Environmental Tasks (%)	100	100
	Compliance Rate of Hazardous Waste Disposal (%)	100	100
	Compliance of Air Emissions (VOCs, Dust), Wastewater, and Boundary Noise	Compliant	Compliant
	Industrial Waste Intensity Reduction Rate per Unit Output Value (%)	≥5	≥8
	Compliance Rate of Industrial Waste Disposal (%)	100	100
	Normal Operation Rate of Environmental Facilities (%)	100	100
6S Management	Number of 5-Star Responsibility Zones (units)	≥2	≥5
	Number of 6S Four-Star Ratings (times)	10	11
	Pass Rate of Basic 6S Order (transport trolleys, arcade machines, PPE) (%)	97	98

Implementation of 2024 Environment and Occupational Health and Safety Targets

Zhongshan Yard

Business Segment	Indicator Name	Annual Targets	Result
Production Safety	Fatal Production Accidents (cases)	0	0
	Major Fire or Explosion Accidents (cases)	0	0
	Severe Injury Rate (‰)	0	0
	Minor Injury Rate (‰)	1.5	0
	Safety Training Plan Execution Rate (%)	100	100
	Voluntary Violation & Hazard Reporting Rate (%)	100	100
	Safety Hazard Inspection Rate (%)	100	100
	Safety Technology Project Completion Rate (%)	96	100
	Certification Rate for Special Operators & Equipment Handlers (%)	100	100
	Certification Rate of “Three Types of Personnel” (%)	100	100
	Signing Rate of Safety Agreements with Stakeholders (%)	100	100
	Notification Rate of Safety Information to Stakeholders (%)	100	100
	Safety Investment Fulfillment Rate (%)	100	100

Business Segment	Indicator Name	Annual Targets	Result
Occupational Health	Pre-job Health Check Rate for Transferred/Hazardous Positions (%)	100	100
	On-the-job Health Check Rate (%)	100	100
	Compliance Placement Rate for Occupational Contraindications (%)	100	100
	Notification Rate for Exit Health Check (%)	100	100
Environmental Protection	Environmental Pollution Incidents (cases)	0	0
	Environmental Incidents with Administrative Penalties (cases)	0	0
	Completion Rate of Key Environmental Tasks (%)	100	100
	Compliance Rate of Hazardous Waste Disposal (%)	100	100
	Compliance of Air Emissions (VOCs, Dust), Wastewater, and Boundary Noise	Compliant	Compliant
	Compliance Rate of Industrial Waste Disposal (%)	100	100
	Normal Operation Rate of Environmental Equipment (%)	100	100
6S Management	5-Star Responsibility Zones (units)	≥2	2
	Number of 6S Four-Star Ratings (times)	10	12
	Basic Order Compliance Rate (trolleys, game machines, PPE) (%)	97	98

Implementation of 2024 Environment and Occupational Health and Safety Targets

Lingang Yard

Business Segment	Indicator Name	Annual Targets	Result
Production Safety	Fatal Production Accidents (cases)	0	0
	Major Fire or Explosion Accidents (cases)	0	0
	Severe Injury Rate (‰)	0	0
	Minor Injury Rate (‰)	0	0
	Safety Training Plan Execution Rate (%)	≥95	95
	Voluntary Violation & Hazard Reporting Rate (%)	≥95	98
	Certification Rate for Special Operators & Equipment Handlers (%)	100	100
	Certification Rate of “Three Types of Personnel” (%)	100	100
	Signing Rate of Safety Agreements with Stakeholders (%)	100	100
	Notification Rate of Safety Information to Stakeholders (%)	100	100
	Safety Investment Fulfillment Rate (In line with national standards)	Compliant	Compliant

Business Segment	Indicator Name	Annual Targets	Result
Occupational Health	Pre-job Health Check Rate for Transferred/Hazardous Positions (%)	100	100
	On-the-job Health Check Rate (%)	100	100
	Compliance Placement Rate for Occupational Contraindications (%)	100	100
	Notification Rate for Exit Health Check (%)	100	100
Environmental Protection	Environmental Pollution Incidents (cases)	0	0
	Environmental Incidents with Administrative Penalties (cases)	0	0
	Completion Rate of Key Environmental Tasks (%)	100	100
	Compliance Rate of Hazardous Waste Disposal (%)	100	100
	Compliance of Air Emissions (VOCs, Dust), Wastewater, and Boundary Noise	Compliant	Compliant
	Compliance Rate of Industrial Waste Disposal (%)	100	100
	Normal Operation Rate of Environmental Equipment (%)	100	100

Implementation of 2024 Environment and Occupational Health and Safety Targets

Xiangshui Yard

Business Segment	Annual Targets	Result
Production Safety	No safety liability accidents resulting in fatalities or major social impact.	Achieved
	No new occupational disease cases; effective control of occupational hazards.	Achieved
	No major injury accidents involving 2 or more serious injuries.	Achieved
	No safety accidents causing direct economic loss of ¥500,000 or more per incident or ¥3 million annually.	Achieved
	100% reporting rate for safety incidents and major hidden dangers.	Achieved
Environmental Protection	No sudden environmental events causing fatalities or major social impact.	Achieved
	No moderate or serious injuries due to pollution-related poisoning (2 persons or more).	Achieved
	No pollution-related environmental incidents causing direct economic loss ≥ ¥500,000/year or ≥ ¥200,000/event.	Achieved
	No environmental pollution leading to relocation of 50+ people	Achieved
	No cross-county/regional environmental pollution causing general public concern.	Achieved
	100% reporting rate for sudden environmental events and major hidden environmental risks.	Achieved
Fire Safety Management	No fire or explosion accidents causing fatalities or major social impact.	Achieved
	No fire accidents involving 2 or more serious injuries.	Achieved
	No fire accidents causing direct economic losses of ¥500,000 or more per incident or ¥3 million annually.	Achieved
	100% reporting rate for fire accidents and major fire risks.	Achieved
Other Management	No outbreaks of infectious diseases; no infectious disease deaths among employees during work	Achieved
	Traffic safety: No traffic-related liability accidents involving employees.	Achieved

Implementation of 2024 Quality Targets

No	Indicator Name	Annual Targets	Result
QINZHOU YARD			
1	Welding Nondestructive Testing (UT) First-Pass Rate	≥99%	Met Target
2	Welding Nondestructive Testing (MT) First-Pass Rate	≥99%	Met Target
3	Process Inspection First-Pass Rate	≥95%	Met Target
4	External Inspection First-Pass Rate	≥97%	Met Target
5	Owner Comments Closure Rate	≥100%	Met Target
6	Customer Satisfaction	≥96 points	Met Target
7	Design Deviation Rate	Initial Project ≤0.6%	Met Target
ZHONGSHAN YARD			
1	Monthly First-Pass Acceptance Rate for X-ray Weld Inspection	≥94%	Met Target
2	Monthly First-Pass Acceptance Rate for Ultrasonic Testing (UT) of Welds	≥99%	Met Target
3	Monthly First-Pass Acceptance Rate for Magnetic Particle Testing (MT) of Welds	≥99%	Met Target
4	Monthly First-Pass Acceptance Rate for Internal Project Inspections	≥96%	Met Target
5	Monthly First-Pass Acceptance Rate for External Project Inspections	≥97%	Met Target
6	Client Comment Closure Rate	100%	Met Target
7	Quality Loss Rate	≤0.08%	Met Target
8	Number of Major or Above Quality Issues	0	Met Target

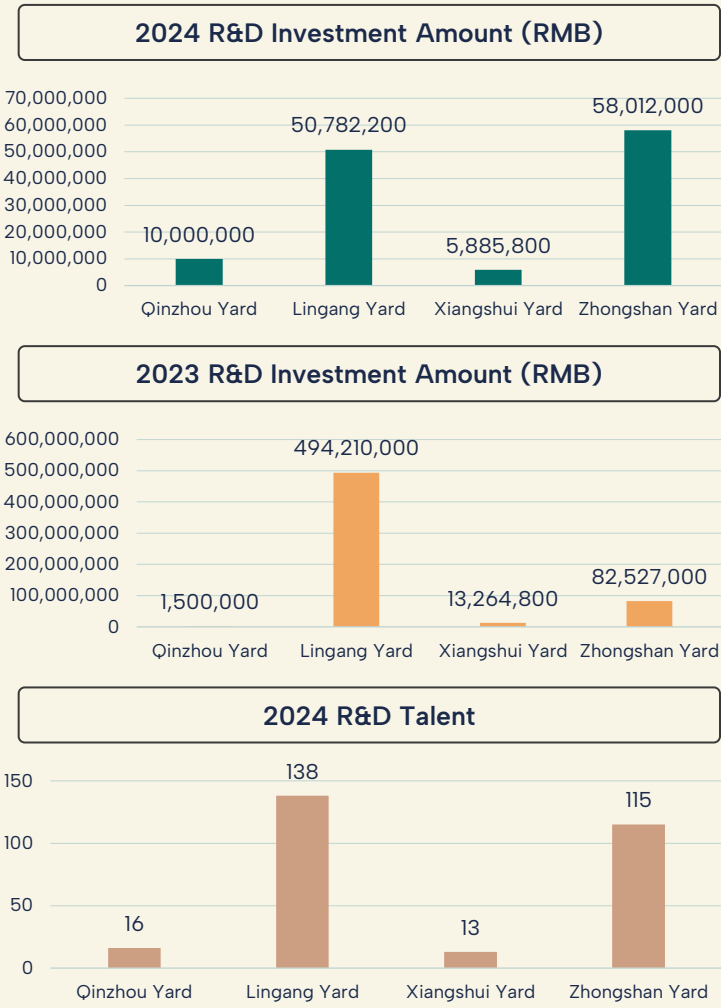
No	Indicator Name	Annual Targets	Result
LINGANG YARD			
1	Scrap Loss Rate	≤0.031%	Met Target
2	External Quality Loss Rate	≤0.232%	Met Target
3	Material Utilization Rate	≥90.1%	Met Target
4	Outsourced Return Factory Reinspection Rate	100%	Met Target
5	Subcontractor Return Factory Reinspection Rate	100%	Met Target
6	Outsourced Component Return Factory Reinspection Pass Rate	100%	Met Target
7	Subcontracted Component Return Factory Reinspection Pass Rate	≥98.77%	Met Target
8	Overall First Inspection Pass Rate	≥99.31%	Met Target
9	Measuring Equipment Submission Rate	100%	Met Target
10	Customer Satisfaction	≥95 poings	Met Target
XIANGSHUI YARD			
1	Flange Flatness First-Pass Rate	≥92%	Met Target
2	Flange Inner Tilt First-Pass Rate	≥93%	Met Target
3	Flange Roundness First-Pass Rate	≥95%	Met Target
4	Parallelism First-Pass Rate	100%	Met Target
5	Welding First-Pass Rate	≥99.70%	Met Target
6	Welding First-Pass Rate	≥96%	Met Target
7	Sandblasting First-Pass Rate	≥93%	Met Target
8	Anti-Corrosion First-Pass Rate	≥95%	Met Target
9	Customer Complaints	≤5次/年	Met Target

Key Performance Table

2024 Energy Consumption Overview



R&D Investment and Talent Development



Key Performance Table

Employee Overview

CWHI

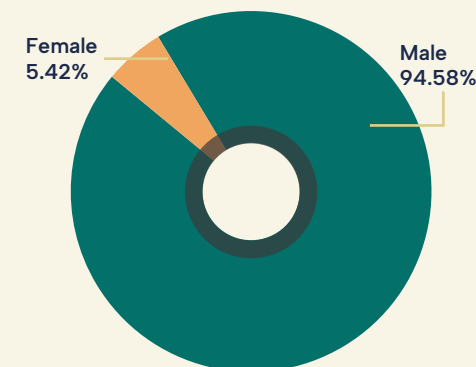
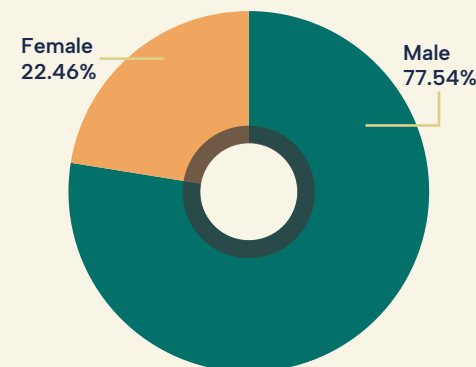
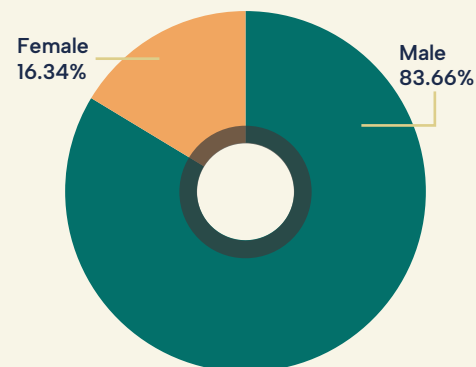
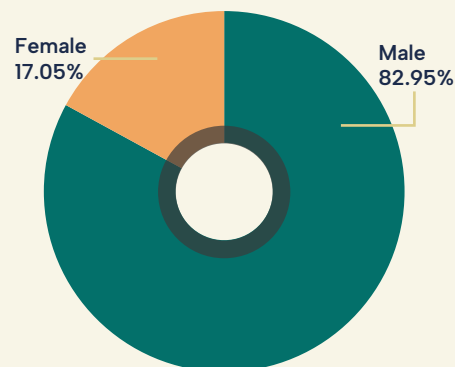
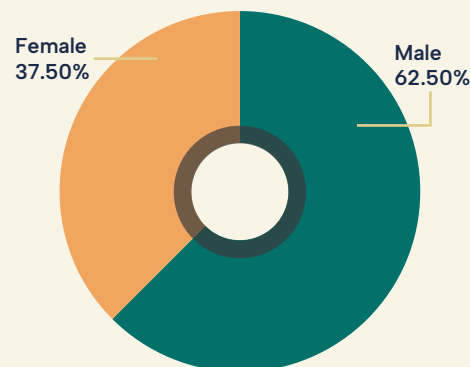
Qinzhou Yard

Zhongshan Yard

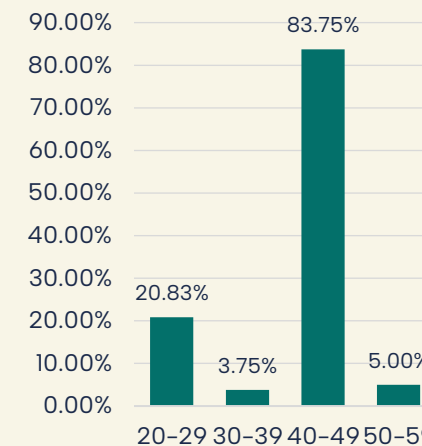
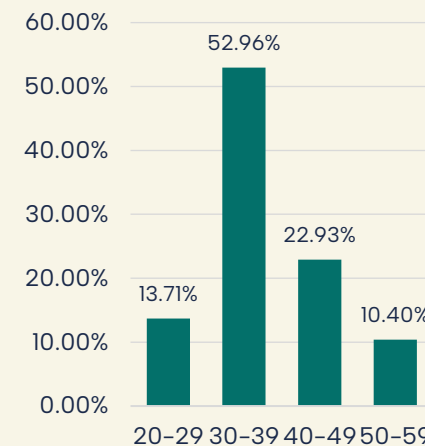
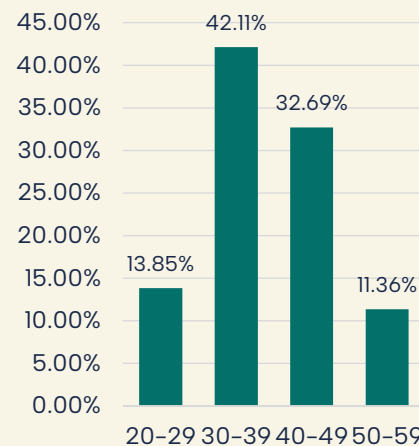
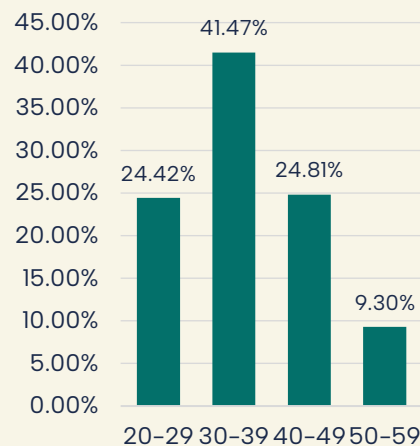
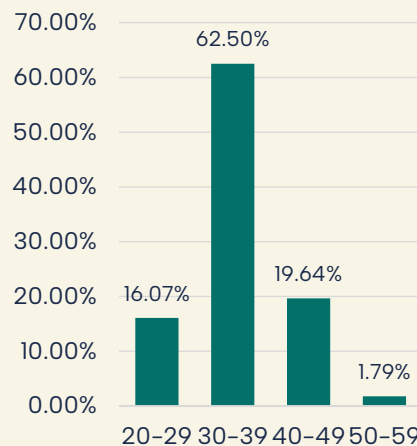
Lingang Yard

Xiangshui Yard

Gender Ratio of Employees



Age Distribution of Employees



GRI Content Index

Statement of use	CNOOD–Wenchong Heavy Industries Co., Ltd. has reported the information cited in this GRI content index for the period January 1, 2024, to December 31, 2024, with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure Item	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Explore CWHI
	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	/
	2-6 Activities, value chain and other business relationships	Explore CWHI
	2-7 Employees	Social – People-Oriented, Sharing a Sustainable Future
	2-8 Workers who are not employees	/
	2-9 Governance structure and composition	Governance – Corporate Governance
	2-10 Nomination and selection of the highest governance body	Governance – Corporate Governance
	2-11 Chair of the highest governance body	Governance – Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance – Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Governance – Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	Governance – Corporate Governance
	2-15 Conflicts of interest	Governance – Corporate Governance
	2-16 Communication of critical concerns	ESG Management – ESG Management System
	2-17 Collective knowledge of the highest governance body	ESG Management – ESG Management System
	2-18 Evaluation of the performance of the highest governance body	ESG Management – ESG Management System

GRI Content Index

GRI Standard	Disclosure Item	Location
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Governance – Executive Compensation
	2-20 Process to determine remuneration	Governance – Executive Compensation
	2-21 Annual total compensation ratio	/
	2-22 Statement on sustainable development strategy	Executive Summary
	2-23 Policy commitments	Governance – Business Ethics
	2-24 Embedding policy commitments	Governance – Business Ethics
	2-25 Processes to remediate negative impacts	Social – People-Oriented, Sharing a Sustainable Future
	2-26 Mechanisms for seeking advice and raising concerns	Social – People-Oriented, Sharing a Sustainable Future
	2-27 Compliance with laws and regulations	Governance – Corporate Governance
	2-28 Membership associations	/
	2-29 Approach to stakeholder engagement	ESG Management – Stakeholder Engagement
	2-30 Collective bargaining agreements	Social – People-Oriented, Sharing a Sustainable Future
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Management – ESG Materiality Management
	3-2 List of material topics	ESG Management – ESG Materiality Management
	3-3 Management of material topics	ESG Management – ESG Materiality Management
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	/
	201-2 Financial implications and other risks and opportunities due to climate change	Environmental – Climate Change Response
	201-3 Defined benefit plan obligations and other retirement plans	Social – People-Oriented, Sharing a Sustainable Future
	201-4 Financial assistance received from government	/

GRI Content Index

GRI Standard	Disclosure Item	Location
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	Governance – Corporate Governance
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social – Community Engagement and Social Responsibility
	203-2 Significant indirect economic impacts	/
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social – Supplier Management System
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance – Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	Governance – Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Governance – Business Ethics
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance – Business Ethics
GRI 207: Tax 2019	207-1 Approach to tax	/
	207-2 Tax governance, control, and risk management	Governance – Tax Management

GRI Content Index

GRI Standard	Disclosure Item	Location
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	/
	207-4 Country-by-country reporting	Governance – Tax Management
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Governance – Tax Management
	301-2 Recycled input materials used	/
	301-3 Reclaimed products and their packaging materials	/
	302-1 Energy consumption within the organization	Environmental – Climate Change Response
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Environmental – Climate Change Response
	302-3 Energy intensity	Environmental – Energy Management
	302-4 Reduction of energy consumption	/
	302-5 Reductions in energy requirements of products and services	/
	303-1 Interactions with water as a shared resource	Environmental – Environmental Management
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Environmental – Environmental Management
	303-3 Water withdrawal	Environmental – Environmental Management
	303-4 Water discharge	Environmental – Environmental Management
	303-5 Water consumption	Environmental – Environmental Management
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Environmental – Biodiversity Conservation
	304-3 Habitats protected or restored	/

GRI Content Index

GRI Standard	Disclosure Item	Location
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental – Climate Change Response
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental – Climate Change Response
	305-3 Other indirect (Scope 3) GHG emissions	Environmental – Climate Change Response
	305-4 GHG emissions intensity	Environmental – Climate Change Response
	305-5 Reduction of GHG emissions	Environmental – Climate Change Response
	305-6 Emissions of ozone-depleting substances (ODS)	Environmental – Environmental Management
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental – Environmental Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental – Environmental Management
	306-2 Management of significant waste-related impacts	Environmental – Environmental Management
	306-3 Waste generated	Environmental – Environmental Management
	306-4 Waste diverted from disposal	Environmental – Environmental Management
	306-5 Waste directed to disposal	Environmental – Environmental Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social – Supplier Management System
	308-2 Negative environmental impacts in the supply chain and actions taken	Social – Supplier Management System
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	/

GRI Content Index

GRI Standard	Disclosure Item	Location
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	/
	401-3 Parental leave	Social – People-Oriented, Sharing a Sustainable Future
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Social – People-Oriented, Sharing a Sustainable Future
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	/
	403-2 Hazard identification, risk assessment, and incident investigation	Social – People-Oriented, Sharing a Sustainable Future
	403-3 Occupational health services	Social – People-Oriented, Sharing a Sustainable Future
	403-4 Worker participation, consultation, and communication on occupational health and safety	Social – People-Oriented, Sharing a Sustainable Future
	403-5 Worker training on occupational health and safety	Social – People-Oriented, Sharing a Sustainable Future
	403-6 Promotion of worker health	Social – People-Oriented, Sharing a Sustainable Future
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social – People-Oriented, Sharing a Sustainable Future
	403-8 Workers covered by an occupational health and safety management system	Social – People-Oriented, Sharing a Sustainable Future
	403-9 Work-related injuries	Social – People-Oriented, Sharing a Sustainable Future
	403-10 Work-related ill health	Social – People-Oriented, Sharing a Sustainable Future
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	/
	404-2 Programs for upgrading employee skills and transition assistance programs	Social – People-Oriented, Sharing a Sustainable Future

GRI Content Index

GRI Standard	Disclosure Item	Location
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Social – People-Oriented, Sharing a Sustainable Future
	404-3 Percentage of employees receiving regular performance and career development reviews	/
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social – People-Oriented, Sharing a Sustainable Future
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Social – People-Oriented, Sharing a Sustainable Future
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social – People-Oriented, Sharing a Sustainable Future
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social – People-Oriented, Sharing a Sustainable Future
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social – People-Oriented, Sharing a Sustainable Future
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Social – People-Oriented, Sharing a Sustainable Future
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social – People-Oriented, Sharing a Sustainable Future
	413-2 Operations with significant actual and potential negative impacts on local communities	Social – People-Oriented, Sharing a Sustainable Future

GRI Content Index

GRI Standard	Disclosure Item	Location
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social – Supplier Management System
	414-2 Negative social impacts in the supply chain and actions taken	Social – Supplier Management System
GRI 415: Public Policy 2016	415-1 Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social – Quality Risk Management System
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social – Quality Risk Management System
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social – Supply Chain Quality Risk Management
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social – Supply Chain Quality Risk Management
	417-3 Incidents of non-compliance concerning marketing communications	Social – Supply Chain Quality Risk Management
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social – Customer Satisfaction Management

SDG Content Index

SDG No.	Goal Theme	Location
SDG 3	Good Health and Well-being	Social – Workplace Safety Social – Employee Care
SDG 4	Quality Education	Social – Employee Promotion and Development
SDG 5	Gender Equality	Social – People-Oriented, Sharing a Sustainable Future
SDG 6	Clean Water and Sanitation	Environmental – Energy Management
SDG7	Affordable and Clean Energy	Environmental – Energy Management
SDG 8	Decent Work and Economic Growth	Social – Employee Promotion and Development
SDG 11	Sustainable Cities and Communities	Social – Community Engagement and Social Responsibility
SDG 12	Responsible Consumption and Production	Environmental – Environmental Management Environmental – Energy Management Social – Supply Chain Quality Risk Management Social – Quality Targets Social – Research and Innovation Social – Customer Satisfaction Management Social – Supplier Management System
SDG 13	Climate Action	Environmental – Climate Change Response
SDG 15	Life on Land	Environmental – Biodiversity Conservation
SDG 16	Peace, Justice and Strong Institutions	Governance – Corporate Governance Governance – Risk Management Governance – Tax Management Governance – Business Ethics
SDG 17	Partnerships for the Goals	Social – Community Engagement and Social Responsibility

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