CNOOD-WENCHONG HEAVY INDUSTRIES

ESG Report 2025

Ahead for Energy

About This Report

Reporting Scope and Boundary

This report is prepared by CNOOD-Wenchong Heavy Industries Co., Limited (hereinafter referred to as the "Company", "CWHI", or "we"). It aims to systematically disclose the Company's management approach, practices, and performance in environmental, social and governance ("ESG") aspects, respond to stakeholders' concerns, and support the continuous advancement of the Company's sustainable development strategy.

Unless otherwise specified, this report covers the Company and its major production and operation Yards in China, including Hefei Yard, Jiangyin Yard, Lingang Yard, Longxue Yard, Qinzhou Yard, Xiangshui Yard, and Zhuhai Yard. The report focuses on the Company's management measures and practical achievements during the Reporting Period in areas such as environmental protection, employee management, occupational health and safety, supply chain management, business ethics, and corporate governance.

Reporting Period

The information disclosed in this report covers the period from 1 January 2025 to 31 December 2025 (the "Reporting Period"). To enhance the completeness and comparability of information, certain content extends to June 2026.

Basis of Preparation

This report is prepared with reference to the following domestic and international ESG-related standards and guidelines:

- Self-Regulatory Guidelines No. 17 for Listed Companies of Shenzhen Stock Exchange - Sustainability Report (Trial);
- Self-Regulatory Guide No. 3 for Listed Companies of Shenzhen Stock Exchange – Preparation of Sustainability Reports (2026 Revision);
- Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited - Environmental, Social and Governance Reporting Code;
- GRI Standards issued by the Global Reporting Initiative and applicable topic-specific standards in effect during the Reporting Period.

During the preparation of this report, the Company also referred to international ESG disclosure practices and, taking into account its business characteristics and industry features, systematically organized and disclosed relevant information. Unless otherwise specified, all monetary amounts in this report are presented in Renminbi (RMB).

Data Sources and Reliability Assurance

The information and data disclosed in this report are primarily derived from the Company's internal management systems, statistical reports, and official documents verified and confirmed by relevant functional departments. Each business department provides underlying data, which is consolidated and analyzed by the ESG working group, and subsequently reviewed by relevant functional departments before final disclosure.

Report Preparation Process

This report is coordinated and prepared by the Company's ESG working group. During the preparation process, relevant information was collected and organized through the following approaches:

- Data collection and consolidation from each Yard and functional department
- Management interviews and internal document reviews
- Review of ESG-related policies and management practices
- Stakeholder engagement and material topic analysis

Based on comprehensive analysis, a draft report was developed, followed by multiple rounds of internal review, and finally approved by the Company's management prior to publication.

Confirmation and Approval

This report has been reviewed and approved by the Company's management and was published in July 2026.

Report Publication and Frequency

This report is the Company's annual ESG report and is published on an annual basis. The report is released in electronic format and is available on the Company's official website.

If you have any comments or suggestions regarding this report, please feel free to contact us at:

marketing@cwhi.com

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Company Overview

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

With years of experience, CWHI has an extensive track record supplying complex projects globally for the energy sector.

Core business sectors:

- Engineering
- Resources Integration
- Project Management
- Financing
- Large Scale Structural Fabrication
- Supply Chain Management
- Global Logistics
- Liability Insurance

Core products:

- XXXL Monopiles
- Jackets
- Infrastructure Steel Structures
- Transition Pieces
- Pipe Piles

Through multiple manufacturing Yards located in China, the Company operates on a global scale and continuously provides high-quality products and services to clients across Europe, the Middle East, Asia, Australia, and the Americas. The Company has accumulated extensive experience in international project delivery and established a strong market reputation.

Global Operations and Project Management

The Company continues to advance its global business layout, establishing a stable client base across multiple international markets and participating in a number of representative offshore wind and oil and gas projects.

The Company has independently developed an online project management platform that enables real-time monitoring of production progress, quality control, financial data, and risk management, effectively enhancing project transparency and execution efficiency.

Through digital management tools, the Company is able to achieve cross-regional coordination in complex projects, ensuring timely and high-quality project delivery.

Sustainability and Strategic Direction

The Company integrates sustainability into its corporate strategy and is committed to supporting the global energy transition and green development. It places a strategic focus on clean energy sectors such as offshore wind power, while continuously advancing green manufacturing and low-carbon transformation, and has established carbon peaking and long-term emission reduction targets.

In terms of environmental management, the Company reduces its environmental impact by promoting the application of clean energy, advancing green procurement, and conducting carbon emissions accounting and management. In the social and governance aspects, the Company continuously improves its occupational health and safety system and compliance management framework to support steady and sustainable development.

Looking ahead, the Company will continue to focus on the three core pillars of "innovation, compliance, and sustainability", further strengthening its technological capabilities and global partnerships, and enhancing its overall competitiveness in the global energy and infrastructure sectors.

Message from Senior Management

Against the backdrop of an accelerating global energy transition and the continuous advancement of climate governance, low-carbon development has become a key driver for industrial upgrading and infrastructure transformation. As a manufacturing and engineering enterprise serving the offshore wind and oil and gas sectors, CWHI remains highly aware of its role and responsibilities in energy infrastructure development, and is committed to enhancing long-term environmental and social value while ensuring reliable project delivery.

Lay Tao

Deputy General Manager

During the Reporting Period, the Company continued to advance its sustainability objectives by strengthening and improving its environmental, social, and governance management systems. ESG-related requirements have been progressively integrated into production operations, project execution, and supply chain management.

In terms of environmental management, the Company has incorporated resource efficiency and emissions management into its daily operations, continuously optimizing its energy utilization and carbon management. With respect to carbon management, the Company has been progressively establishing a foundational data system, enhancing its carbon accounting and management capabilities, and laying the groundwork for identifying and implementing future emission decarbonization pathways. At the same time, aligned with the development of low-carbon industries such as offshore wind power, the Company continues to strengthen its product capabilities and manufacturing capacity to respond to the growing demand for green transformation in the industry.

In corporate governance, the Company continues to enhance its internal control and compliance management systems, embedding compliance requirements throughout its international operations. By strengthening business ethics, information security management, and supply chain compliance management, the Company has further improved operational transparency as well as its ability to identify and manage risks, thereby adapting to regulatory requirements across different markets.

In terms of social responsibility and value chain management, the Company focuses on collaborative development with key stakeholders, including customers, suppliers, and employees. The Company is committed to providing customers with engineering products and services that meet high standards of quality, safety, and delivery. In supply chain management, the Company continues to advance supplier evaluation and management mechanisms, and progressively encourages its partners to enhance their environmental and social performance.

ESG Management

- ESG Policy
- ESG Governance Structure
- ESG Management System
- ESG Strategy and Development Plan
- ESG Risk and Opportunity Management
- ESG Performance and Evaluation Mechanism
- ESG Capacity Building
- Stakeholder Engagement
- Materiality Assessment

ESG Management

The Company deeply integrates environmental, social and governance (ESG) principles into its development strategy and daily operations, continuously improving its ESG governance structure and management mechanisms to support both steady and sustainable development.

Focusing on its sustainability objectives, the Company continues to advance the development of its ESG management system, strengthening the coordination between strategic guidance, risk management, and performance evaluation. This approach covers key areas including policy development, organizational management, and risk control.

ESG Policy

01

The Company adheres to a sustainability-oriented approach, embedding ESG principles throughout its entire management and operational processes. While promoting stable business development,the Company actively fulfills its environmental and social responsibilities, continuously enhances its corporate governance system, and strives to achieve coordinated improvements in economic, environmental, and social value.

The Company's ESG policy is as follows:

Environmental Protection

Actively address climate change, promote energy conservation, carbon reduction, and efficient resource utilization, continuously reduce greenhouse gas emissions and pollutant emissions, and advance green manufacturing and the transition to a low-carbon economy.

Social Responsibility

Safeguard employees' occupational health and safety, foster a fair and diverse working environment, promote responsible supply chain management, actively participate in community development, and support the coordinated development of the Company and society.

Corporate Governance

Continuously improve governance structure and internal control systems, strengthen compliance and risk management, enhance transparency in information disclosure, and effectively protect the legitimate rights and interests of shareholders and other stakeholders.

ESG Governance Structure

02

The Company has established an ESG governance structure covering the entire process of decision-making, execution, and supervision. Through clear allocation of responsibilities and efficient coordination mechanisms, the Company ensures that ESG policies and strategies are effectively implemented at all levels, with adequate resource support and oversight.

Board of Directors

The Board of Directors serves as the highest decision-making body for ESG management within the Company and is fully responsible for ESG strategic direction, major issue oversight, and risk management. Its key responsibilities include:

- Reviewing and approving the Company's ESG strategy and development objectives, ensuring alignment with the overall corporate strategy;
- Regularly overseeing the progress of key ESG topics, including climate change, employee rights, supply chain management, and compliance management;
- Identifying, assessing, and overseeing ESG-related risks and opportunities, and guiding the development and implementation of corresponding response measures;
- Incorporating ESG performance into the performance evaluation and incentive mechanisms of senior management;
- Reviewing and approving ESG reports, ensuring the authenticity, accuracy, and completeness of disclosures.

ESG Management Committee

The ESG Management Committee serves as the central coordinating and execution body for ESG initiatives within the Company, responsible for driving the implementation of ESG strategies and facilitating cross-functional collaboration.
Its key responsibilities include:

- Formulating annual ESG objectives and implementation plans, and tracking and evaluating their execution;
- Coordinating ESG-related work across various functional departments and integrating ESG requirements into all aspects of operations;
- Regularly reporting ESG progress and key issues to management and the Board of Directors;
- Coordinating with departments such as finance, compliance, supply chain, and QHSE to ensure effective implementation of ESG objectives;
- Continuously optimizing the Company's ESG management system in line with industry trends and regulatory requirements.

Internal and External Coordination Mechanisms

The Company has established multi-level internal and external coordination mechanisms to strengthen resource integration capabilities and enhance the effectiveness of ESG management implementation:

Internal Coordination

- Promote the implementation of key ESG initiatives across Yards and business units, and track execution progress;
- Organize ESG training and awareness programs to enhance employees' ESG awareness and professional capabilities;
- Conduct regular internal evaluations and reviews to continuously optimize ESG management processes and performance.

External Collaboration

- Engage third-party professional institutions to conduct ESG strategic consulting, risk identification, and compliance assessments;
- Incorporate industry data and best practices to continuously improve the ESG management system and disclosure quality;
- Enhance transparency and credibility of ESG performance through third-party assessments and certifications, such as management system certifications and ESG ratings.

03

ESG Management System

Taking into account its business characteristics, the Company continuously improves a comprehensive management system covering environmental, social, and governance aspects, embedding ESG requirements into all stages of daily operations. Through clearly defined policies and responsibilities, the Company ensures effective implementation of ESG management requirements across all Yards and business units.

04

ESG Strategy and Development Plan

Based on industry trends and its own business characteristics, the Company incorporates sustainability requirements into its medium- and long-term development planning, continuously promoting green manufacturing and low-carbon transformation.

05

ESG Risk and Opportunity Management

Taking into account its operational characteristics, the Company has progressively incorporated ESG-related risks into its overall risk management system. It conducts identification, assessment, and response actions during project execution and daily operations, and continuously monitors risk developments through internal communication mechanisms.

The Company places particular focus on the impact of climate change and related policy developments on its operations, including carbon emissions management requirements, international trade policies such as carbon border adjustment mechanisms, and supply chain stability. In daily operations, relevant departments identify and manage these risks across production, procurement, and project execution processes, and make timely adjustments based on regulatory and market developments.

In terms of risk response, the Company mitigates uncertainties by strengthening energy consumption and emissions management, optimizing supply chain coordination, and enhancing project risk control mechanisms. Meanwhile, as the global energy transition accelerates, growing demand in offshore wind power and energy infrastructure sectors presents new development opportunities for the Company.

06

ESG Performance and Evaluation Mechanism

The Company has progressively incorporated ESG-related requirements into its internal performance management system. Relevant performance indicators have been established in key areas such as environmental management, occupational health and safety, and compliance management, and are implemented in alignment with departmental responsibilities.

At the same time, ESG performance is linked to the performance evaluation of departments and management personnel, promoting the effective implementation of ESG requirements in daily operations. As management practices continue to evolve, the Company continuously optimizes its evaluation indicators and assessment methodologies, further enhancing the standardization and effectiveness of ESG management.

07

ESG Capacity Building

In line with ESG management requirements, the Company continues to carry out relevant training and awareness initiatives to enhance employees' understanding and execution capabilities in areas such as environmental protection, occupational health and safety, compliance management, and supply chain responsibility.

Through internal training programs, policy communication, and thematic exchanges, the Company promotes the integration of ESG principles into all business processes. At the same time, it continuously strengthens the professional capabilities of relevant roles based on operational needs, providing strong support for the ongoing advancement of ESG management.

Stakeholder Engagement

08

The Company attaches great importance to communication and interaction with various stakeholders. Based on its business characteristics, it has gradually established multi-channel communication mechanisms to continuously collect feedback and expectations from stakeholders, and incorporate them into its operational management and ESG practices, thereby enhancing transparency and responsiveness.

	Employees	Customers	Suppliers and Partners	Government and Regulatory Authorities	Investors and Shareholders	Communities and the Public
Key topics of concern	occupational health and safety, employee rights and benefits, career development, diversity and equal opportunity;	product quality management, technology and innovation, customer service, information and data security;	supply chain ESG management, supplier onboarding and evaluation, conflict minerals management, business ethics and compliance;	environmental management systems, pollutant emissions, energy use, water resource utilization, and compliance;	corporate governance, risk management, ESG management system development, business performance, and sustainability capabilities;	climate change response, ecosystem and biodiversity protection, social engagement and inclusion, environmental awareness and education;
Communication channels	employee training and development programs, employee satisfaction surveys, routine communication mechanisms, and internal feedback systems.	customer satisfaction surveys, customer meetings, project communications, customer service channels, and daily business interactions.	supplier onboarding and evaluation processes, supplier audits, cooperation exchanges, and daily business communications.	regular reporting, on-site inspections, dedicated meetings, and policy communications.	annual reports, periodic disclosures, and dedicated ESG disclosures.	information disclosure, public welfare activities, community engagement, and public communication initiatives.

09 Materiality Assessment

Based on international sustainability disclosure frameworks and industry practices, the Company has established a systematic mechanism for identifying and assessing material topics. A double materiality approach is applied from two dimensions – financial materiality and impact materiality – to comprehensively identify topics that are of critical significance to the Company and its stakeholders.

Step 1 Topic Identification

Information is collected through multiple channels, taking into account stakeholder feedback, industry development trends, regulatory requirements, and the Company's own operational characteristics, to form an initial pool of potential topics.

Step 2 Topic Review and Consolidation

Based on the Company's business practices, identified topics are categorized, consolidated, and refined to ensure the completeness and relevance of the topic framework.

Step 3 Materiality Assessment

In accordance with the double materiality principle, each topic is quantitatively evaluated and prioritized based on the following dimensions:

Financial Materiality

assesses the extent to which a topic impacts the Company's financial performance, cost structure, risk exposure, project acquisition capability, and long-term value creation;

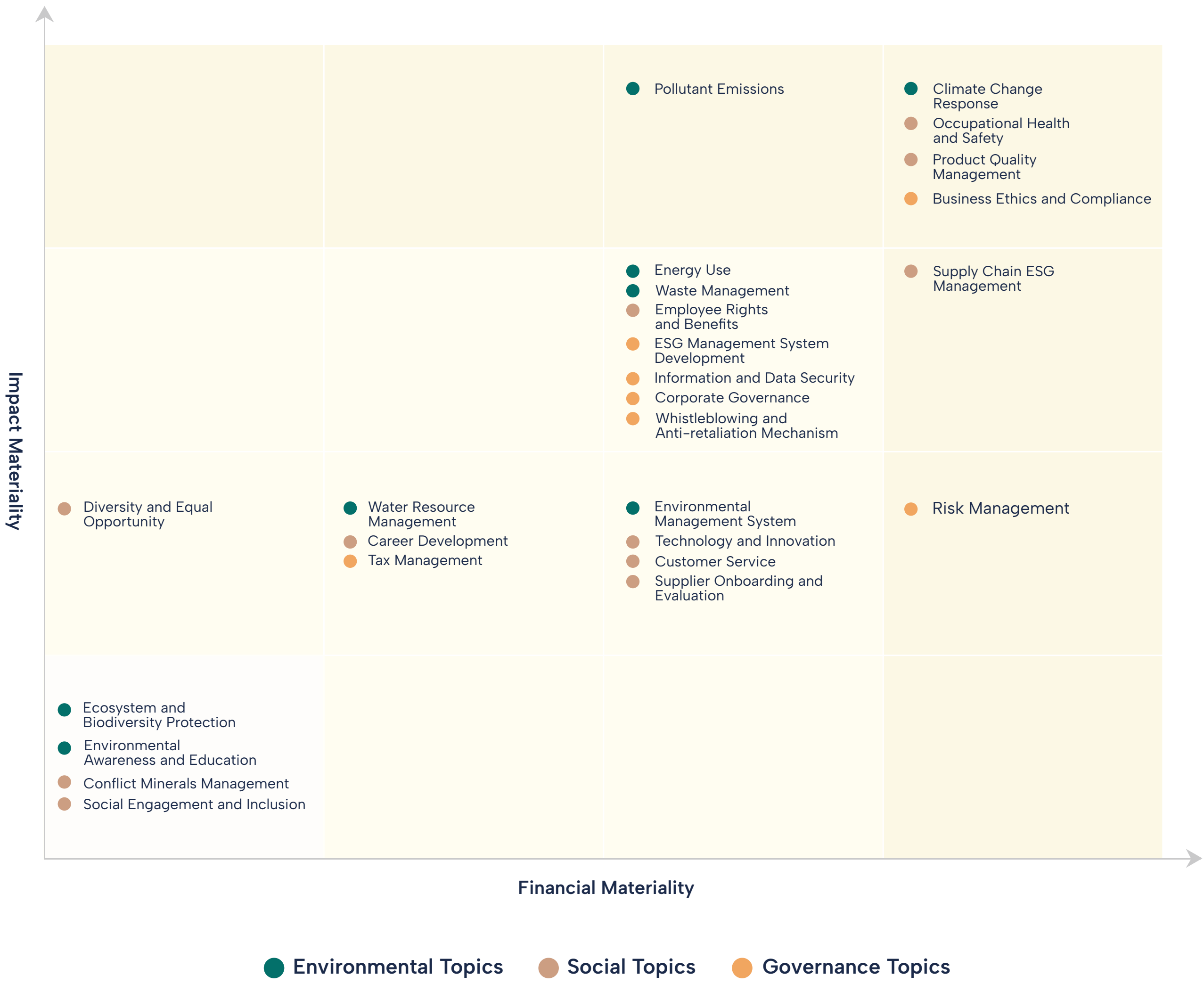
Impact Materiality

assesses the Company's positive or negative impacts on the environment and society in relation to the topic, including the scale, severity, and stakeholder concern.

Step 4 Validation and Application of Results

The assessment results are reviewed and approved by the Company's management to form the final materiality matrix. The results are then used to guide resource allocation and ESG-related decision-making.

At the same time, material topics are integrated into the Company's ESG management system and relevant business processes. Through ongoing target setting, performance tracking, and continuous improvement, the Company progressively establishes a closed-loop management mechanism.



Based on the results of the double materiality assessment, the Company has identified the following topics as key material topics for 2025: **Climate Change Response, Pollutant Emissions, Occupational Health and Safety, Product Quality Management, Business Ethics and Compliance, Supply Chain ESG Management, and Risk Management.**

These topics demonstrate high significance across both financial materiality and impact materiality dimensions. They are directly related to the compliance and safety of the Company's operations, and have a substantial influence on customer relationships, market access, and the Company's long-term sustainable development. As such, they represent the key focus areas of the Company's ESG management.

Special Topics

- **Special Topic 1:**
  Enabling Europe's Energy Transition through Chinese Manufacturing
- **Special Topic 2:**
  Enhancing Product Carbon Transparency and Advancing Low-Carbon Manufacturing
- **Special Topic 3:**
  Strengthening International Compliance and Governance Capabilities

Special Topic 1

Enabling Europe's Energy Transition through Chinese Manufacturing

Against the backdrop of global carbon neutrality commitments, the energy structure is gradually shifting towards clean energy. Offshore wind power, as a key form of renewable energy, plays a significant role in improving the clean energy share of power supply and reducing greenhouse gas emissions.

As a participant in the offshore wind value chain, the Company leverages its manufacturing capabilities and project execution experience to support the development of international offshore wind projects, contributing to the construction of clean energy infrastructure.

INCH CAPE OFFSHORE WIND PROJECT

The Inch Cape Offshore Wind Project is located off the east coast of Scotland, the United Kingdom, with a planned installed capacity of approximately 1.1 GW.
Once completed, it is expected to supply clean electricity to over one million households, making it one of the key projects supporting the UK's energy transition.

In this project, the Company undertook the manufacturing and delivery of critical foundation structures, including 32 XXXL monopiles and 30 transition pieces. The project involved multiple Yards, including Qinzhou Yard, Zhongshan Yard, and Longxue Yard, covering large-scale component manufacturing, multi-Yard coordination, and international transportation.

① Manufacturing and Coordination Capabilities Supporting Project Delivery

The Inch Cape Project imposed high technical requirements on foundation structure manufacturing.

32 PIECES OF XXL MONO-PILES

11.5 m	110 m	2,300 ton
Max. OD	Max. Length	Max. Weight

30 SETS OF TRANSITION PIECES

8 m	30 m	600 ton
Max. OD	Max. Length	Max. Weight

These structures provide essential support for offshore wind turbines and are critical to the stable operation of the wind farm.

During project execution, the Company adopted a multi-yard coordinated production model. Monopiles were manufactured at Qinzhou Yard, transition piece cans were fabricated at Zhongshan Yard, and final assembly, coating, and shipment were completed at Longxue Yard. This approach improved production efficiency and ensured that the project progressed according to schedule.

② Safety Management and Project Execution

During the manufacturing and transportation of large-scale components, the Company implemented safety management measures across key stages, including risk identification, process control, and on-site supervision, to mitigate operational risks.

Inch Cape OWF Project	**3** Million LTI-Free Working Hours

③ Environmental and Industrial Value of the Project

By participating in the Inch Cape Project, the Company provided critical foundation structures for offshore wind development, supporting the generation and supply of clean electricity and contributing to the reduction of greenhouse gas emissions.

At the same time, the project enabled the Company to accumulate valuable experience in organizing and executing large-scale offshore wind projects through multi-yard coordination and cross-border delivery. This has further strengthened the Company's capabilities and competitiveness in the offshore renewable energy sector.

Special Topic 2

Enhancing Product Carbon Transparency and Advancing Low-Carbon Manufacturing

Against the backdrop of the global low-carbon transition and the continuous advancement of related policies, product carbon emissions have become an increasingly important focus in international markets. In particular, under the influence of policies such as the EU Carbon Border Adjustment Mechanism (CBAM), the measurability and transparency of product carbon data have become critical for manufacturing companies participating in global markets.

① Product Carbon Transparency: Establishing Quantifiable Carbon Data

At the product level, the Company has progressively carried out carbon footprint accounting and environmental information disclosure for key products, promoting standardized and traceable management of product-level carbon data.

During the Reporting Period, the Company completed the carbon footprint assessment of jacket products and the verification of Environmental Product Declarations (EPDs) for oil and gas pipe pile products. These assessments were conducted based on a "Cradle-to-Gate" boundary, covering raw material acquisition and manufacturing processes. The results indicate that carbon emissions are primarily concentrated in the raw material stage, with steel being the most significant source of emissions.

For detailed methodologies and data, please refer to the section "Environmental - Carbon Management Actions" in this report.

② Low-Carbon Manufacturing Practices: Reducing Emissions in Production Processes

At the manufacturing level, the Company continues to promote energy efficiency improvement and low-carbon transformation by optimizing energy use structures and enhancing production efficiency.

In terms of energy use, the Company has actively promoted the application of renewable energy and the use of green electricity across multiple Yards.

1 MW of photovoltaic capacity
Qinzhou Yard

1 MW of photovoltaic capacity
Xiangshui Yard

6 MW of photovoltaic capacity
Hefei Yard

17 MW of photovoltaic capacity
Longxue Yard

At the same time, the Company has advanced the use of green electricity at several Yards. Qinzhou Yard, and Hefei Yard have achieved green substitution for the remaining portion of electricity consumption through the procurement of green electricity, while Longxue Yard has gradually introduced green electricity for selected production processes.

Special Topic 3

Strengthening International Compliance and Governance Capabilities

Against the backdrop of the global low-carbon transition and increasingly stringent regulatory requirements, international engineering and manufacturing enterprises are facing higher standards in compliance management and corporate governance.

The Company has incorporated compliance management and governance capability building into its key development priorities. Focusing on areas such as business ethics, information security, and sustainability, the Company continuously improves its management systems. By introducing international assessment mechanisms and advancing standardized management system certifications, the Company is gradually establishing a governance framework aligned with international market expectations, strengthening its ability to identify and manage risks, and providing institutional support for the execution of international projects.

1 Adoption of International Assessment Frameworks to Enhance Sustainability Performance

During the Reporting Period, the Company participated in the EcoVadis sustainability assessment, which evaluates corporate practices across multiple dimensions, including environment, labor and human rights, business ethics, and sustainable procurement.

Through this assessment, the Company conducted a comprehensive review of its ESG management practices, identified key areas for improvement, and continues to enhance its management measures to improve overall sustainability performance.

2 Anti-Bribery and Information Security Management

During the Reporting Period, in response to the needs of its international business operations, the Company advanced the development of its anti-bribery and information security management systems, and successfully obtained ISO 37001 Anti-Bribery Management System certification and ISO 27001 Information Security Management System certification.

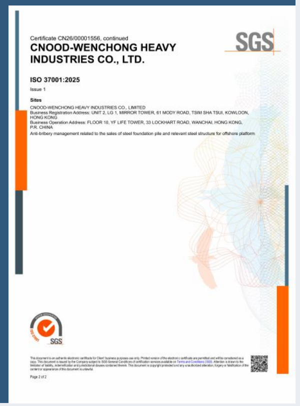
ISO 27001


SGS
Certificate CN26/00001192
CNOOD-WENCHONG HEAVY INDUSTRIES CO., LTD.
ISO/IEC 27001:2022


SGS
Certificate CN26/00001192, continued
CNOOD-WENCHONG HEAVY INDUSTRIES CO., LTD.
ISO/IEC 27001:2022

ISO 37001


SGS
Certificate CN26/00001556
CNOOD-WENCHONG HEAVY INDUSTRIES CO., LTD.
ISO 37001:2025


SGS
Certificate CN26/00001556, continued
CNOOD-WENCHONG HEAVY INDUSTRIES CO., LTD.
ISO 37001:2025

Environmental

- Climate Change Response
- Environmental Compliance Management
- Biodiversity Conservation

Climate Change Response

The Company continuously monitors the impacts of climate change on industry development and its own operations, and has incorporated climate-related issues into its ESG management system. In alignment with its business characteristics, the Company actively advances relevant management practices.

In its management approach, the Company is progressively establishing a climate change management framework across governance, strategy, risk identification, and metrics management. Climate-related requirements are integrated into key business processes, including production operations, project execution, and supply chain management, to continuously enhance the Company's capability to address climate change.

01 Climate Governance

Within its climate management framework, the Company builds upon its existing ESG governance structure to define responsibilities for climate-related matters across decision-making, management, and execution levels. A governance mechanism covering strategic decision-making, management coordination, and operational implementation has been gradually established. At the same time, internal communication and coordination mechanisms are strengthened to ensure the effective implementation of climate-related requirements across operations and project execution.

Board of Directors

At the governance level, the Board of Directors oversees climate-related issues by incorporating them into the Company's strategic planning and risk management framework. Taking into account industry trends and policy developments, the Board reviews climate-related risks and opportunities and provides strategic guidance. It also regularly reviews progress through periodic reporting.

ESG Committee

The ESG Committee, as the central coordinating body for ESG management, is responsible for organizing and promoting the implementation of climate-related initiatives. In collaboration with functions such as finance, production, supply chain, and compliance, the Committee conducts climate-related risk identification and management. It also coordinates relevant departments to implement response measures in line with policy developments and business needs, while tracking progress on key initiatives.

Cross-functional Collaboration

Leveraging its existing management structure, the Company engages production, supply chain, technical, and other relevant departments in the implementation of climate-related actions. Measures such as energy conservation, emission reduction, and improved resource efficiency are implemented across manufacturing, energy use, and project execution processes, in alignment with operational needs.

02 Climate Strategy

Based on its business characteristics, the Company integrates climate considerations into its development planning. It is progressively advancing low-carbon transformation across production operations, product structure, and supply chain management. While meeting customer requirements and international market expectations, the Company continues to improve energy efficiency and carbon emissions management, aligning business development with low-carbon transition objectives.

Carbon Targets

Taking into account its development stage and operational context, the Company has established the following carbon-related targets:

CO_2

2050

Strive to achieve carbon neutrality before 2050;

≥ 10%

Continuously increase the share of renewable energy, targeting no less than 10 percent;

≥ 20%

Promote the development of green business, with green-related output accounting for no less than 20 percent.

Environmental Management Principles

In its operations, the Company adheres to the following environmental management principles:

- **Integrated Planning**

  optimize resource allocation and energy use in line with production layout and project characteristics;

- **Green Production**

  promote energy efficiency and cleaner production practices to reduce environmental impact;

- **Environmental Protection**

  strengthen pollutant management and emissions control, continuously improving environmental performance.

Climate-related Risks and Opportunities

03

Taking into account its operational characteristics, the Company continuously identifies and assesses climate-related risks and opportunities, and incorporates these considerations into its risk management and decision-making processes.

During the Reporting Period, climate-related risks were categorized into transition risks and physical risks based on their nature. The Company analyzed their potential impacts on business operations, project execution, and cost structures, considering industry trends and evolving policy environments.

At the same time, the Company recognizes the market opportunities arising from energy transition and the development of clean energy. Leveraging its existing business capabilities, the Company actively explores growth opportunities in related sectors.

Table 1 Climate-related Risk Analysis

Risk Type	Risk Category	Description	Potential Impact on the Company	Time Horizon	Impact Level	Response Approach
Transition Risk	International Climate Policy and Carbon Regulation Risk	With the continuous strengthening of global carbon constraints, major markets such as the EU are increasingly tightening regulatory requirements on carbon emissions of steel structure products. Higher standards are being imposed on product carbon footprint accounting, carbon disclosure, and supply chain emissions transparency. For example, under the Carbon Border Adjustment Mechanism (CBAM), importers of steel and related products into the EU are required to report embedded emissions and gradually bear corresponding carbon costs.	As part of the Company's products are exported to overseas markets, failure to meet carbon accounting and disclosure requirements in a timely manner may increase compliance and data management costs, and affect international project bidding and customer evaluations.	Medium to long term	High	The Company continuously monitors international climate policies and regulatory developments, and advances carbon footprint accounting and Environmental Product Declaration (EPD) initiatives for key products to enhance carbon data management and disclosure capabilities. At the same time, the Company strengthens supply chain carbon management by engaging with key raw material suppliers to understand their emissions profiles and decarbonization pathways, and progressively collects carbon data from upstream production processes.

Table 1 Climate-related Risk Analysis (Table Continued)

Risk Type	Risk Category	Description	Potential Impact on the Company	Time Horizon	Impact Level	Response Approach
Transition Risk	Upstream Steel Cost Transmission Risk	As China incorporates the steel industry into the national carbon emissions trading system from 2025, steel producers face increased carbon compliance costs and decarbonization investments, which may be passed through the supply chain and reflected in steel prices.	The Company relies heavily on steel products such as plates and flanges. Rising upstream carbon costs may increase raw material procurement costs and affect project cost control and profitability.	Medium to long term	Medium to high	The Company continues to promote energy efficiency upgrades and optimize its energy mix, including the installation of rooftop photovoltaic systems and procurement of green electricity across Yards, to reduce energy consumption and carbon intensity. It also enhances monitoring of suppliers' low-carbon transition progress to better manage raw material-related emissions and cost fluctuations.
Transition Risk	Increasing Customer Low-carbon Requirements	With the advancement of global energy transition, international energy companies and major clients are raising requirements for low-carbon supply chain management, increasingly considering product carbon footprint, green manufacturing, and ESG performance in tendering and supplier evaluation processes.	Insufficient preparation in product carbon management and green manufacturing may affect access to international clients and supply chain ratings.	Medium to long term	Medium	The Company continues to advance energy-saving and carbon reduction practices, conducts product carbon footprint assessments, and strengthens its ESG management system to meet customers' low-carbon procurement requirements.
Transition Risk	Climate-related Reputation and ESG Rating Risk	Investors, customers, and the public are increasingly focusing on companies' climate action and low-carbon transition performance, making climate governance and ESG disclosure key evaluation criteria.	Inadequate performance in climate governance or disclosure may affect the Company's brand image, customer trust, and ESG ratings.	Medium to long term	Medium	The Company continues to improve its ESG management system, strengthen climate-related disclosures, and enhance its reputation through energy-saving, emission reduction, green manufacturing, and sustainability practices.

Table 1 Climate-related Risk Analysis (Table Continued)

Risk Type	Risk Category	Description	Potential Impact on the Company	Time Horizon	Impact Level	Response Approach
Physical Risk (Acute)	Extreme Weather Risk	Climate change may lead to an increase in extreme weather events such as typhoons, heavy rainfall, and heatwaves.	Extreme weather may disrupt production schedules, increase equipment maintenance costs, and cause logistics delays, thereby affecting project timelines and delivery schedules.	Short to long term	Medium	The Company strengthens typhoon prevention, flood control, and safety management measures at its Yards, establishes emergency response mechanisms, and enhances operational resilience through equipment maintenance and safety management systems.
Physical Risk (Acute)	Logistics and Transportation Risk	Extreme weather may disrupt port operations and maritime transport, causing delays in the transportation of large components.	Due to the large size and weight of its products, the Company relies heavily on maritime transport. Disruptions may affect delivery schedules, increase logistics and project management costs, and potentially lead to contractual risks or claims.	Short to medium term	Medium	The Company enhances transportation planning and coordination with logistics providers and port operators, and optimizes shipping schedules to mitigate logistics risks.
Physical Risk (Chronic)	Production Environment Risk	Rising global temperatures may affect workshop environments, equipment performance, and employee working conditions.	High temperatures may increase the demand for ventilation, cooling, and dehumidification, leading to higher energy consumption and operational costs.	Medium to long term	Medium	The Company continues to optimize production environment management and has adopted energy-efficient technologies such as ice slurry cooling and dehumidification systems at certain Yards to improve operational stability and reduce energy consumption.

Table 2 Climate-related Opportunities Analysis

Opportunity Type	Opportunity Category	Description	Potential Value to the Company	Time Horizon	Impact Level	Response Approach
Transition Opportunity	Offshore Wind and New Energy Infrastructure Development	As the global energy structure shifts towards low carbon, the offshore wind and renewable energy sectors continue to expand, driving increasing demand for offshore wind foundation structures and related equipment.	The Company has established technical and manufacturing capabilities in offshore wind foundation structures and can expand market opportunities and secure new business by participating in renewable energy projects.	Medium to long term	High	The Company continuously monitors trends in the renewable energy sector and actively participates in offshore wind and clean energy infrastructure projects, aligning its business development with energy transition trends.
Market Opportunity	Green Manufacturing and Energy Efficiency	With increasing requirements for green manufacturing and energy conservation, the implementation of energy-saving technologies and optimization of energy structure can effectively reduce energy consumption and carbon intensity in production processes.	Enhances resource efficiency, reduces energy costs, and improves the Company's green manufacturing capabilities.	Medium to long term	Medium	he Company continues to implement energy efficiency upgrades and optimize its energy mix by installing rooftop photovoltaic systems at Yards and procuring green electricity, while enhancing energy management practices to improve efficiency.
Market Opportunity	Green Supply Chain Development	As customers place increasing emphasis on supply chain carbon management and product carbon footprint, low-carbon products and green supply chains are becoming key competitive factors in the market.	Improving product carbon management and advancing green supply chain practices can enhance market competitiveness and meet customers' low-carbon procurement requirements.	Medium to long term	Medium	The Company progressively advances product carbon footprint management and strengthens engagement with key raw material suppliers to collect carbon emissions data from upstream processes, thereby improving supply chain carbon transparency.
Market Opportunity	Climate Governance and ESG Value Enhancement	Climate change has become an increasingly important focus for investors, customers, and the public. Strengthening climate governance and ESG management can enhance corporate reputation and market recognition.	Strengthens brand value and customer trust, and creates more opportunities in project cooperation and market expansion.	Medium to long term	Medium	The Company continues to improve its ESG management system, strengthen climate-related disclosures, and enhance its sustainability performance through energy-saving, emission reduction, and green manufacturing practices.

04 Carbon Management Actions

The Company has progressively advanced carbon management practices at both the product and operational levels, focusing on carbon emissions management and energy use optimization.

1 Product Carbon Footprint Assessment –Jackets

During the Reporting Period, the Company completed the carbon footprint assessment of jacket products.

Calculation Boundary: A1–A3, Cradle-to-Gate

Life Cycle Phase	Carbon Footprint	Contribution
Raw material acquisition stage	2.9847 tCO_2-eq/t	84.35%
Material transport stage	0.1884 tCO_2-eq/t	5.33%
Construction phase	0.3683 tCO_2-eq/t	10.32%
Total cradle-to-gate carbon footprint	3.5385 tCO_2-eq/t	100%

2 Environmental Product Declaration(EPD)–Tubular Pile

During the Reporting Period, the Company completed the verification of the Environmental Product Declaration for tubular piles and published it under The International EPD® System. The EPD was developed based on life cycle assessment in accordance with standards such as EN 15804 and verified by an independent third-party organization.

EPD Result:

Calculation Boundary: A1–A3 Cradle-to-Gate

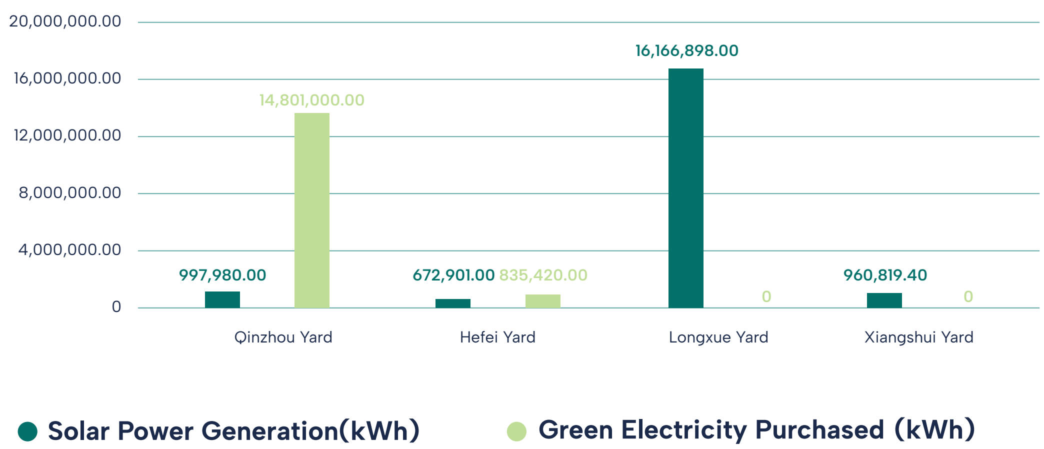
GWP-total: 3.01 tCO_2 e/t

③ Renewable Energy Use

In terms of energy use, the Company has progressively promoted the application of renewable energy. Certain Yards have installed photovoltaic systems, increasing the share of clean energy through self-consumption and surplus electricity fed into the grid.

At the same time, the Company explores the procurement of green electricity in regions where conditions permit, further optimizing its energy mix and reducing the carbon intensity of operations.

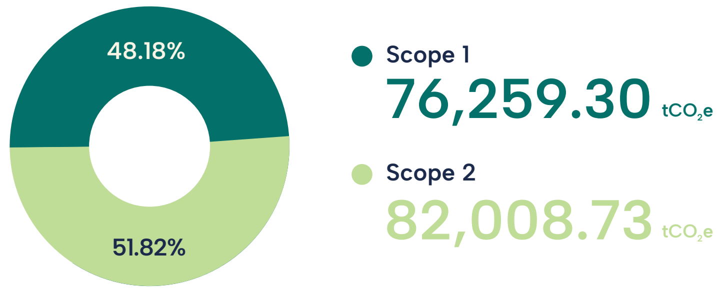
During the Reporting Period, the renewable energy usage of relevant Yards is as follows:



④ Greenhouse Gas Emissions

The Company accounts for greenhouse gas emissions generated during its operations in accordance with relevant standards. During the Reporting Period, Scope 1 emissions primarily originated from direct emissions due to fuel combustion, including the use of diesel and natural gas, while Scope 2 emissions mainly resulted from indirect emissions associated with purchased electricity.

For 2025, the Company's Scope 1 and Scope 2 greenhouse gas emissions are as follows:



Note: The greenhouse gas emissions data disclosed in this report are calculated based on energy consumption data from the Company's Yards. The calculation methodology references the Greenhouse Gas Protocol (GHG Protocol) and the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions – Part 29: Machinery Manufacturing Enterprises (GB/T 32151.29-2024). The activity data and emission factor method is applied, and all emissions are converted into carbon dioxide equivalent (tCO_2e) for disclosure.

Environmental Compliance Management

01

Environmental Management System

During the Reporting Period, the Company continuously improved its environmental management system by integrating environmental requirements into all aspects of production and operations. In accordance with the ISO 14001 Environmental Management System standard, the Company has standardized its environmental management practices and continuously enhanced related policies and operational procedures in areas such as pollutant emission control, energy use, and resource utilization, providing a solid institutional foundation for environmental management.

At the same time, the Company has optimized relevant management processes based on actual production conditions to ensure the effective operation of the environmental management system across all Yards.

Key Indicators

Yard	Investment in Energy Conservation and Environmental Protection in 2025 (RMB)	Number of Environmental Training Sessions in 2025
Hefei Yard	8,620.00	3
Jiangyin Yard	600,000.00	4
Lingang Yard	0	6
Longxue Yard	11,044,800.00	18000 (participants)
Qinzhou Yard	600,000.00	5
Xiangshui Yard	0	4
Zhuhai Yard	0	2

02 Environmental Compliance and Risk Control

1 Wastewater Management

Wastewater generated at the Company's Yards mainly originates from domestic sewage, which is treated and discharged in accordance with relevant requirements. The Company engages qualified third- party institutions to conduct regular monitoring of wastewater discharge.

Monitoring parameters include key indicators such as pH value, suspended solids (SS), chemical oxygen demand (COD), biochemical oxygen demand (BOD), and ammonia nitrogen.

2 Exhaust Gas Management

For exhaust gases generated from processes such as blasting, painting, welding, and cutting, the Company has installed corresponding collection and treatment facilities to control pollutants including particulate matter and volatile organic compounds.

Regular monitoring of exhaust gas emissions is conducted to ensure that both organized and fugitive emissions comply with relevant standards.

3 Solid Waste Management

In accordance with classification management requirements, the Company implements categorized collection and standardized management of general industrial waste and hazardous waste. Qualified third-party institutions are engaged for transportation and disposal. Each Yard has established designated hazardous waste storage areas, which are managed in compliance with relevant standards to prevent environmental risks.

4 Noise Management

The Company reduces production noise through equipment management and operational controls, and conducts regular noise monitoring at site boundaries and key areas to ensure compliance with applicable standards.

During the Reporting Period, wastewater and exhaust gas emissions at all Yards met relevant discharge standards, waste disposal was compliant, and no major environmental violations occurred.

Key Indicators(2025)

Environmental pollution incidents	0
Wastewater discharge compliance rate	100%
Exhaust gas (VOCs, particulate matter) compliance rate	100%
Boundary noise compliance rate	100%
Hazardous waste compliant disposal rate	100%

03 Energy Management

During the Reporting Period, the Company carried out initiatives focusing on optimizing energy structure and improving energy efficiency.

Smart Air Compression Station Upgrade and Optimization

The Company has continued to advance the upgrade of the smart air compression station at Longxue Yard by introducing high-efficiency equipment and intelligent management systems to improve the overall operational efficiency of the compressed air system.

During the Reporting Period, Longxue Yard completed the Phase II expansion of the air compression station, installing three high-efficiency centrifugal air compressors. Combined with an intelligent control system, the upgrade enables on-demand air supply and optimized system coordination.

Key results of the upgrade:

Additional Air Supply Capacity: **1,070** m³/min

Unit Energy Consumption: **0.1145** kWh/m³

Energy Intensity Reduction: approx. **25.7**%

Ice Slurry Cooling and Dehumidification System

To further improve production environment control efficiency, Longxue Yard constructed and commissioned an ice slurry cooling and dehumidification system. Through an operational model of "peak shaving and valley filling plus cold energy storage", the system enables efficient operation of the cooling system and optimized energy allocation.

Project Completion Date: March 2025

Total Capacity: **1,400** RT, with three refrigeration and ice storage units

Coefficient of Performance (COP): **3.80**, increased from 1.89

04

Water Resource Management

In terms of water resource management, the Company continuously improves water use efficiency and reduces reliance on freshwater resources by strengthening water conservation practices, optimizing water use structure, and promoting water recycling and reuse.

Wastewater Treatment Plant at Longxue Yard

The wastewater treatment plant at Longxue Yard was commissioned in 2009, with a designed treatment capacity of 45 m^3/h. It adopts an integrated treatment process combining wastewater collection, biological treatment, sedimentation, and advanced treatment to systematically treat domestic wastewater generated within the Yard.

Wastewater is collected through a pipeline network and treated sequentially through screening, biological treatment (SBR process), sedimentation, and advanced purification, effectively removing pollutants and improving effluent quality.

After treatment and disinfection, the reclaimed water meets the standard for urban miscellaneous water use under the Code for Design of Wastewater Reuse Engineering (GB 50335-2002), and is reused for landscaping, road cleaning, and toilet flushing within the Yard, thereby achieving water recycling.

During the Reporting Period, the overall operational performance of the wastewater treatment plant at Longxue Yard was as follows:

Water Utilization:

Reused water volume: 298,100 tonnes

Wastewater Treatment and Reuse:

Annual wastewater treated: 230,000 tonnes

Reuse rate of reclaimed water: 100%

(fully reused within the Yard, achieving zero discharge)

In 2025, the project's operational performance was recognized by the Nansha District Water Affairs Bureau of Guangzhou, and resulted in an annual reduction of wastewater treatment fees of approximately RMB 1.79 million.

Resource Consumption by Yard (2025)

Item	Unit	Heifei Yard	Jiangyin Yard	Lingang Yard	Longxue Yard	Qinzhou Yard	Xiangshui Yard	Zhuhai Yard
Electricity	kWh	1,508,321.00	2,937,826.00	12,866,970.00	169,733,130.00	1,579,890.00	5,369,700.00	2,540,200.00
Water	tonnes	22,518.29	1,938.00	100,205.00	1,810,100.00	34,008.00	22,307.00	4,980.00
Lubricants	tonnes	3.4	-	-	-	-	-	-
Fuel Oil	tonnes	-	-	-	1,373.78	-	-	-
Oxygen	tonnes	122.76	0.29	-	9,390.12	637.22	614.1	678.2
	m^3	-	-	359,712.30	-	-	-	-
Carbon Dioxide	tonnes	64.56	0.26	-	22,135.39	222.78	40.43	126.48
	m^3	-	-	509,408.88	-	-	-	-
Natural Gas	tonnes	11.58	36.6	-	1,431.83	1410.7	-	-
	m^3	-	-	2,124,720.00	2,156,555.00	-	494,500	136,748
Diesel	tonnes	-	19.88	28	9,058.03	96.83	63.04	7.91
Gasoline	tonnes	-	6.98	2	137.82	-	-	-

Biodiversity Conservation

The Company places high importance on biodiversity protection, closely monitors the potential impacts of its production and operations on surrounding ecosystems, and incorporates relevant requirements into its environmental management system for unified management.

During the project siting and construction phases, the Company conducts environmental impact assessments in accordance with applicable regulations, carefully evaluating potential impacts on the ecological environment. During the Reporting Period, none of the Company's Yards were located within national or regional nature reserves, ecological redline areas, or other biodiversity-sensitive areas.

In daily operations, the Company minimizes its impact on surrounding ecosystems by strengthening pollutant emission control, standardizing waste management, and improving resource utilization efficiency.

Social

- Customer Value and Quality Management
- Responsible Supply Chain
- People-oriented Management

Customer Value and Quality Management

- Quality Assurance
- Research and Innovation
- Customer Service

Quality Assurance

01 Quality Management System

CWHI consistently upholds the management policy of "Compliance in Operations and Excellence in Quality". In line with the Company's global business layout, the Company continues to improve a quality management system covering the entire business chain and supporting the coordinated operation of multiple production Yards.
By strictly adhering to domestic and international laws, regulations and high industry standards, the Company ensures that all quality management activities comply with applicable legal and regulatory requirements as well as international standards, thereby providing customers with stable and reliable products and services featuring full-process traceability.

In terms of compliance management, the Company strictly complies with relevant laws and regulations, including the Product Quality Law of the People's Republic of China, and continuously optimises and dynamically updates its quality management system in conjunction with internationally recognised standards and advanced industry methodologies, such as APQP4WIND.
This ensures the efficient operation of the quality management system on a lawful and compliant basis, while strengthening product quality control and risk prevention capabilities at the source.

In terms of system development, the Company continues to improve a quality management mechanism covering the entire product life cycle. Focusing on key stages including product design, raw material procurement, manufacturing process control, inspection and testing, delivery management and after-sales service, the Company has established a standardised, process-driven and clearly accountable quality management system.
By strengthening process control and the management of critical quality control points, the Company promotes the transformation of quality management from a results-oriented approach to one focused on process control and prevention, thereby continuously enhancing the stability and controllability of quality management.

APQP4WIND Membership Certificate

At the same time, the Company continues to optimise its "one Company with multiple Yards" quality management model. Through unified quality standards, enhanced cross-Yard collaboration and stronger resource integration, the Company improves consistency and coordination efficiency in production organisation, quality control and delivery management across all Yards, ensuring the stability and uniformity of product quality among different production Yards.

During the reporting period, the Company and all production Yards not only continuously maintained ISO 9001 Quality Management System certification, with a certification coverage rate of 100%, but also successively obtained a number of authoritative industry certifications, including EN 1090 EXC4, ISO 3834 and API 2B.

02 Quality Risk Control

The Company regards quality risk management as a key lever for ensuring product quality stability and customer satisfaction, and continues to promote the transformation of quality risk control from "process control" to "risk prevention and proactive management." Leveraging the ISO 9001 Quality Management System and advanced industry methodologies, the Company has established a quality risk management mechanism covering the entire project life cycle, enabling closed-loop management of risk identification, assessment, monitoring and response, and effectively enhancing its capability to anticipate and control major quality risks.

1 Risk Identification and Proactive Management for the "Four News"

Focusing on high-risk business scenarios involving new products, new requirements (applications), new processes/production lines and new customers, the Company has advanced quality risk management to the project initiation and design stages. Through a cross-functional collaboration mechanism, the Company conducts systematic risk assessments to strengthen source control:

- **New products**

During product development and initial mass production, the Company carries out technical feasibility reviews and quality risk analyses, and formulates dedicated quality control and validation plans to ensure that design outputs meet application and specification requirements.

- **New requirements / new applications**

For customer-specific or functional requirements, multiple departments, including technical, production and quality, jointly conduct reviews to verify process suitability and quality stability, thereby preventing quality risks arising from design deviations.

- **New processes / production lines**

For newly introduced or upgraded processes, the Company implements process validation, trial production and process capability assessments to ensure that key procedures remain stable and under control, thereby reducing batch-related quality risks.

- **New customers**

In the case of first-time cooperation or changes in the cooperation model, the Company carries out systematic assessments covering technical standards, quality requirements and delivery capability, and formulates quality assurance and risk response measures in advance.

2 Supply Chain Quality Risk Control

- Strengthening the supplier admission review mechanism and conducting comprehensive assessments of suppliers' capabilities, technical standards and compliance performance;
- Implementing tiered management and focused monitoring for different categories of suppliers. During the reporting period, both the quality audit coverage rate and issue rectification rate for key suppliers reached 100%, providing strong assurance for the quality stability of core materials;
- Enhancing the overall quality assurance capability of the supply chain through periodic evaluation and continuous improvement mechanisms.

③ Production Process and Delivery Risk Control

During the production and delivery stages, the Company relies on digital platforms and process control mechanisms to achieve dynamic monitoring and rapid response to key quality risks:

- **Process monitoring and key quality control (KQC):**

Establishing quality control points around critical procedures and continuously monitoring key parameters and process execution to ensure that the production process remains stable and under control;

- **Patrol inspection and sampling inspection mechanisms:**

Conducting workshop patrol inspections and finished-product sampling inspections to dynamically track key product performance and quality indicators, and to promptly correct any abnormalities identified;

- **Third-party full-process supervision mechanism:**

The Company engages an independent third-party institution to participate deeply in and lead quality supervision throughout the full project process, covering every critical stage from steel plate input to finished product delivery.

- **Product traceability management:**

Through unique product identification, the Company links production data, inspection records and delivery information, establishing a complete product life-cycle traceability system and improving the efficiency of quality issue identification and response.

④ Risk Response and Continuous Improvement Mechanism

The Company has established a quality improvement mechanism centred on the PDCA cycle to ensure that quality risks can be addressed promptly and continuously optimised:

- **Rapid response mechanism:**

In response to quality incidents or customer feedback, the Company promptly initiates dedicated analysis and rectification procedures, clarifies responsibilities and implements improvement measures;

- **Root cause analysis and preventive measures:**

Through systematic analytical methods, the Company identifies the root causes of issues and formulates targeted corrective and preventive actions to prevent recurrence of similar issues;

- **Target management and performance evaluation:**

Focusing on key indicators such as scrap rate, first-pass yield, customer complaint rate and on-time delivery rate, the Company continuously evaluates the effectiveness of quality risk control and incorporates the results into the performance management system, thereby driving continuous improvement in quality management.

03

Quality Culture

The Company continues to advance the development of its quality culture by embedding the philosophy of "quality first and continuous improvement" throughout its operations and daily management. Through a variety of approaches, including institutional guidance, training empowerment and cultural activities, the Company promotes the effective implementation of quality awareness among all employees and gradually fosters a quality culture featuring "full participation, whole-process control and all-round improvement."

In terms of quality culture communication, the Company continuously conveys quality management requirements to all production Yards and frontline positions through diversified channels such as pre-shift meetings and "Quality Month" activities.

Quality incentives and full participation

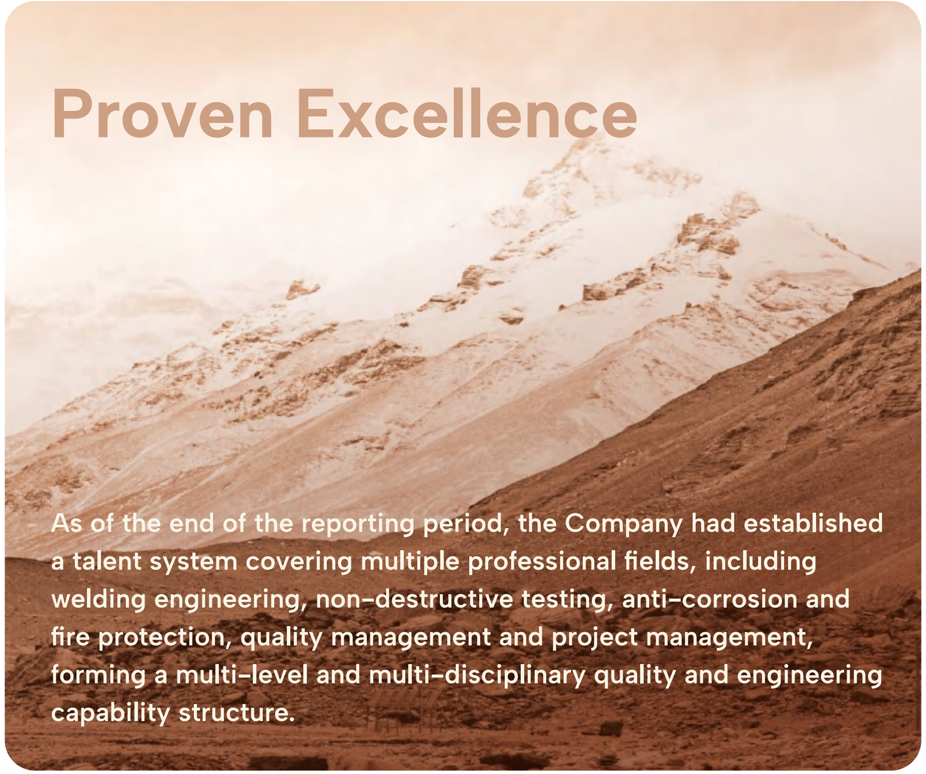
To reflect the principle of full participation, the Company has established dedicated quality and safety incentive schemes during project execution, under which differentiated rewards are granted to management personnel and construction personnel with outstanding performance in quality and safety management.

Quality Star Evaluation – Qinzhou Yard

In terms of training and professional capability building, the Company continues to advance the development of a quality talent pipeline by establishing a quality training mechanism covering different positions and levels, and encouraging employees to obtain qualifications related to quality management, such as internal auditor certification, thereby continuously enhancing the professionalism of the quality management team. At the same time, the Company continues to carry out specialised quality training and job-specific skills enhancement activities to strengthen employees' capabilities in process control, quality inspection and problem analysis, thereby promoting the transformation of quality management from "system-based constraint" to "capability-driven" management.

Radiographic Personal Radiation Safety Training (Hefei Yard)

Training on the Quality and Safety Management System for Special Equipment Production (Lingang Yard)



Proven Excellence

As of the end of the reporting period, the Company had established a talent system covering multiple professional fields, including welding engineering, non-destructive testing, anti-corrosion and fire protection, quality management and project management, forming a multi-level and multi-disciplinary quality and engineering capability structure.

Welding Engineering and Welding Quality Competence

- IWE
- AWS CWI/SCWI
- CSWIP

Non-Destructive Testing (NDT) Competence

- EN ISO 9712
- BRIPC
- RINA
- Level II/III(UT、RT、MT、PT、TOFD、PAUT)

Anti-corrosion, Fire Protection and Coating Competence

- AMPP
- SSPC
- NACE CIP
- Chartek
- FROSIO
- Ceilcote

Quality Management and Management System Auditing Competence

- ISO 9001/14001/45001 Lead Auditor
- LRQA/BV Auditor
- APQP4Wind Specialist

Engineering Project Management Competence

- MP
- IPMA Level C
- Project Management Training

Engineering Technical Titles and Professional Qualifications

- Engineer Title
- Constructor Qualification
- Quality Engineer

Specialised Construction and On-site Competence

- Scaffolding Inspection
- Industrial Coating Training

The overall quality objectives of CWHI for 2025 and their achievement status are as follows:

No.	Item	2025 Target	2025 Actual Performance
1	Customer Satisfaction	>90%	Achieved
2	First-Pass Acceptance Rate for External Inspection	≥ 97%	Achieved
3	Number of Major Non-conformities in External Audits	0	Achieved

Research and Innovation

The Company continues to carry out technology research, development and innovation activities in response to the manufacturing needs of large-scale offshore engineering structures and process optimisation, and regards R&D investment as an important foundation for supporting business development and enhancing engineering manufacturing capabilities.

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R&D management

The Company carries out technology development in line with specific project execution needs and has gradually established a transformation mechanism from process R&D and technical validation to production application, thereby promoting the practical implementation of R&D achievements in actual projects and realising the effective integration of technology and engineering practice.

R&D talent

The Company continues to strengthen the development of its technical teams by carrying out training and practical programmes for key technical positions, thereby enhancing the professional capabilities of R&D personnel.

Relevant Indicators

Yard	R&D Investment in 2025 (RMB ten thousand)	Planned R&D Investment in 2026 (RMB ten thousand)	Number of R&D Personnel in 2025	Number of Patents Granted in 2025
Hefei Yard	1,267.00	1,000.00	29	5
Jiangyin Yard	822.50	820.00	23	24
Lingang Yard	5,592.41	5,300.00	158	10
Longxue Yard	90,461.00	92,350.00	1,355	267
Qinzhou Yard	3,163.13	–	29	4
Xiangshui Yard	1,331.00	1,290.00	13	4

Customer Service

The Company continues to improve its customer service management mechanism in line with project execution and customer response needs. By integrating customer needs throughout the full project life cycle and relying on standardised processes and continuous improvement mechanisms, the Company enhances service quality and customer satisfaction.

Customer Communication and Demand Management

The Company conducts customer communication and demand collection through multiple channels, including industry exhibitions, customer visits, project communication and technical exchanges, in order to continuously obtain customer feedback on product performance, delivery schedules and service response.

2025 ADIPEC

2026 Smart Energy Week

During project execution, the Company has established a collaborative mechanism involving departments such as marketing, technical, quality, EHS, production and project management. Through this mechanism, customer requirements are translated into specific technical solutions and execution requirements and implemented across the design, procurement and manufacturing stages, ensuring that products and services meet project delivery standards.

01

02 Customer Satisfaction Management

During the reporting period, the Company systematically carried out customer satisfaction surveys, conducting comprehensive evaluation and analysis of customer experience across key dimensions such as product quality, delivery management, communication efficiency and after-sales service.

According to the weighted statistics of customer satisfaction survey data from all production Yards, the Company collected a total of 159 valid questionnaires during the reporting period, with overall customer satisfaction reaching 98.95%.

03 Customer Feedback and Complaint Handling Mechanism

The Company has established a closed-loop management mechanism for customer issues covering acceptance, handling, feedback and improvement. Customer feedback is centrally registered and categorised, with responsible departments and handling timelines clearly defined to ensure timely response to issues.

For quality issues or service feedback arising during project execution, the Company promotes the optimisation of relevant processes and management measures through issue review and root cause analysis, thereby reducing the risk of similar issues recurring.

04 Customer Information Protection and Compliance

The Company attaches great importance to customer information security and commercial confidentiality requirements. In strict accordance with relevant laws, regulations and internal management systems, the Company implements classified management and access control over customer information.

During project cooperation, the Company signs confidentiality agreements with customers and standardises the management of technical documentation and commercial information involved, so as to prevent the risk of information leakage and safeguard customers' legitimate rights and interests.

Responsible Supply Chain

- Supplier Management Framework
- Conflict Minerals Management

Supplier Management Framework

The Company continues to improve its supply chain management system by integrating compliance management, quality control and sustainability requirements throughout the full life cycle of supplier management. It has established a closed-loop management mechanism covering supplier admission, audit, evaluation and exit, thereby enhancing supply chain stability and risk control capability.

In the supplier management process, the Company conducts systematic assessments of suppliers in such areas as compliant operations, product quality, environmental and occupational health and safety (HSE), and social responsibility through the collaboration of multiple departments, including compliance, technical, quality and EHS, so as to ensure that procured products and services meet the Company's business and sustainability requirements.

01

Supplier Admission Management

The Company implements a graded admission management mechanism for new suppliers. Based on the importance of the products or services provided by suppliers, differentiated audits and assessments are carried out to ensure that they possess the corresponding compliance and fulfilment capabilities.

- Compliance risk assessment: conducting basic compliance reviews of suppliers to identify potential risks in areas such as trade compliance, business ethics and labour practices, and ensuring that no material compliance risks exist;
- Qualification and capability review: conducting comprehensive assessments of suppliers' corporate qualifications, quality management systems, environmental and safety management systems, and production capabilities;
- Graded review mechanism: carrying out more stringent technical capability assessments and on-site evaluations for key suppliers, such as suppliers of critical raw materials and components; for general suppliers, conducting reviews based on qualification documents.

Suppliers that pass the review are included in the qualified supplier list, with their supply scope and management requirements clearly defined.

02

Supplier Audit Management

The Company implements ongoing audit management for suppliers and dynamically conducts audits and re-audits in light of business cooperation status and risk levels.

This mainly includes:

- **Regular audits**

  conducting periodic audits of key suppliers to assess their performance in quality, delivery and HSE management;

- **Special audits**

  carrying out targeted audits in the event of major quality issues, business adjustments or key changes;

- **Re-audits and spot checks**

  conducting irregular reviews of key suppliers to verify their continued compliance with management requirements.

For issues identified during audits, suppliers are required to formulate corrective measures and implement follow-up actions to ensure that risks are effectively controlled.

03 Supplier Performance Evaluation

The Company has established an annual supplier performance evaluation mechanism to comprehensively assess suppliers from such dimensions as quality performance, delivery capability, service level, compliance management and HSE performance.

The evaluation results serve as an important basis for subsequent procurement decisions, adjustments to cooperative relationships and optimisation of the supplier structure, thereby supporting long-term cooperation with high-quality suppliers and the allocation of resources.

04 Supplier Exit Management

The Company implements dynamic management of suppliers. For suppliers with major quality issues, compliance risks or continuous failure to meet evaluation requirements, measures such as restricting cooperation, suspending supply or removing them from the supplier list are adopted to ensure that overall supply chain risks remain under control.

05 Sustainable Procurement Management

The Company systematically embeds environmental and social responsibility requirements throughout the procurement management process. By gradually introducing sustainability-related standards into supplier admission, assessment and cooperation management, the Company is promoting the transformation of procurement management from a traditional quality- and cost-oriented approach to a multi-dimensional collaborative management model centred on "quality, compliance and sustainability."

- **Environmental management**

  focusing on suppliers' performance in such areas as energy conservation and emissions reduction, resource utilisation efficiency, pollutant control and the establishment of environmental management systems; encouraging suppliers to continuously improve environmental performance and reduce the environmental impacts of their production processes;

- **Social responsibility**

  requiring suppliers to comply with applicable labour laws and regulations and protect the legitimate rights and interests of employees, with a focus on such key issues as labour compliance, occupational health and safety, labour protection and working conditions;

- **Compliance and business ethics**

  strengthening requirements for the regulation of suppliers' business conduct, with attention to risk areas such as anti-bribery, anti-corruption, fair competition and information security, and promoting suppliers to establish sound compliance management mechanisms.

06
Logistics Supplier Management

For transport and logistics service suppliers, the Company has established dedicated management requirements and conducts reviews and assessments of their qualifications, transportation capabilities and safety management standards.

During transportation, relevant suppliers are required to comply with applicable safety and environmental protection requirements so as to reduce the potential impact of transportation activities on the environment and project execution, and to safeguard the safety and stability of project delivery.

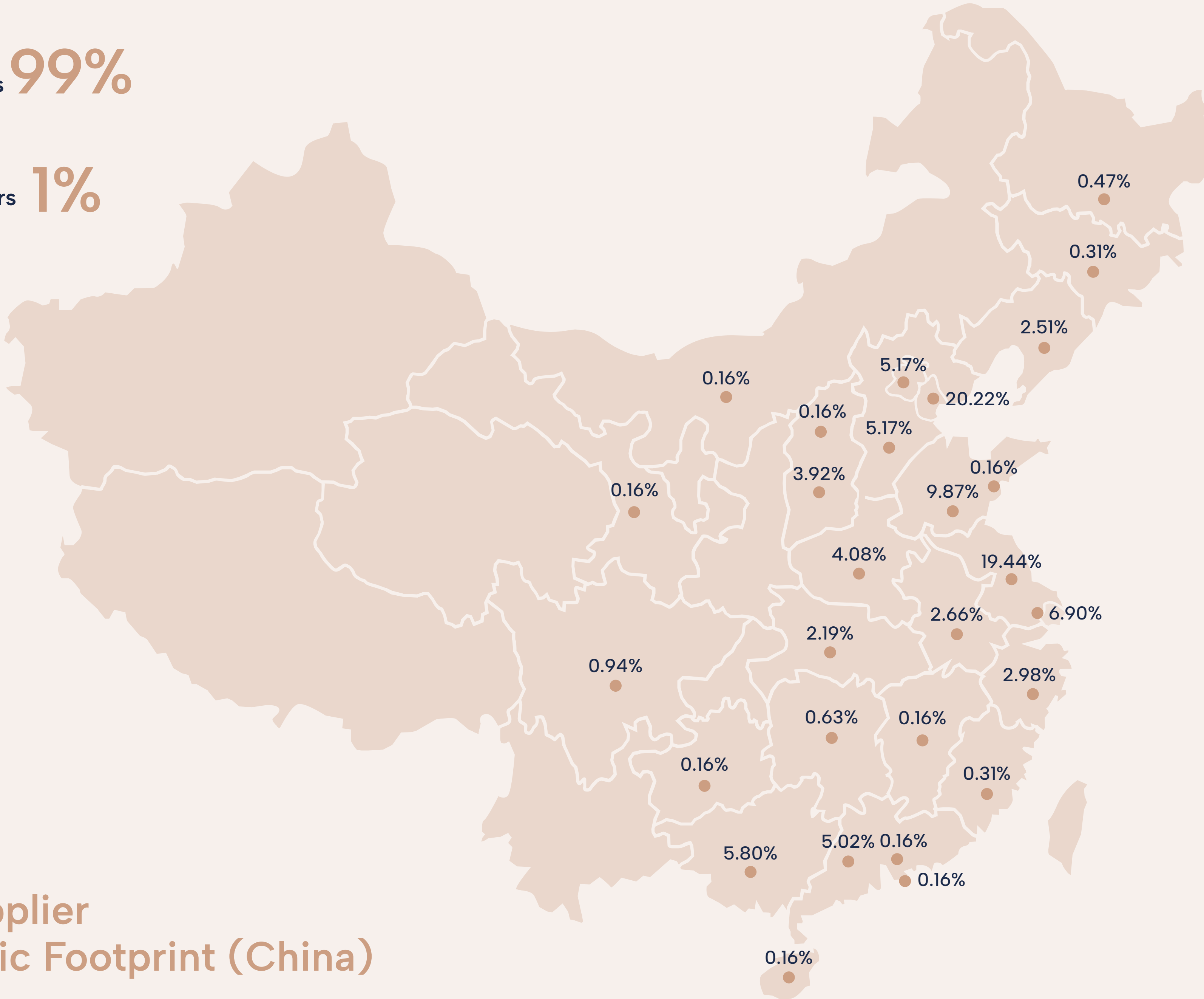
07
Supply Chain Collaboration and Capability Enhancement

Upholding the cooperative philosophy of "sharing, co-creation and co-governance," the Company not only safeguards its own procurement needs, but also actively promotes the overall enhancement of supply chain capabilities, thereby supporting the common development of upstream partners.

In practice, the Company helps suppliers improve their quality management standards, production and operational efficiency, and compliance management capabilities through technical exchanges, management experience sharing, introduction of quality standards and training support. The Company also encourages suppliers to participate in quality improvement projects, process optimisation activities and the collaborative advancement of sustainability topics, thereby promoting the formation of a supply chain ecosystem characterised by two-way empowerment and win-win cooperation.

2025
Proportion of
Chinese Suppliers **99%**

2025
Proportion of
Overseas Suppliers **1%**



CWHI Supplier Geographic Footprint (China)

Conflict Minerals Management

The Company continuously integrates responsible mineral sourcing into its supply chain management system. Based on its business characteristics, it conducts risk identification and management of mineral sources within the steel and related materials supply chain, enhancing supply chain transparency and compliance.

In line with internationally recognized frameworks, including the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the Company has established a conflict minerals management mechanism covering identification, assessment, mitigation, and disclosure. The mechanism focuses on minerals such as tin, tantalum, tungsten, and gold (3TG), with particular attention to their origin and associated supply chain risks.

In terms of management requirements, the Company has incorporated conflict minerals-related clauses into its supplier onboarding and management processes. Through supplier questionnaires and commitment mechanisms, suppliers are required to disclose the source of minerals and confirm that their products do not involve illegal or non-compliant minerals originating from conflict-affected or high-risk areas.

During the Reporting Period, the Company continued to implement and optimize its conflict minerals management mechanism, and no significant risks related to conflict minerals were identified within the supply chain.

People-oriented Management

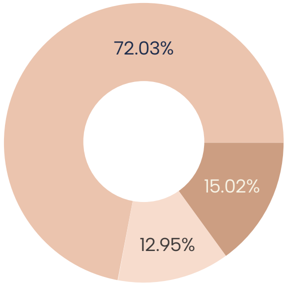
- Workforce Overview
- Talent Recruitment
- Employee Rights and Protection
- Employee Development
- Compensation and Benefits
- Health and Safety
- Community Management and Social Engagement

Workforce Overview

The Company adheres to a "people-oriented" development philosophy and integrates human resources management into its sustainability framework, continuously improving its employment management mechanisms.

In employee management, the Company strictly complies with applicable labor laws and regulations, standardizes employment processes, ensures legal compliance, and effectively safeguards employees' legitimate rights and interests. At the same time, the Company upholds the principle of equal opportunity, respects the diverse backgrounds of its employees, and fosters a structured, inclusive, and open working environment to support employee stability and long-term retention.

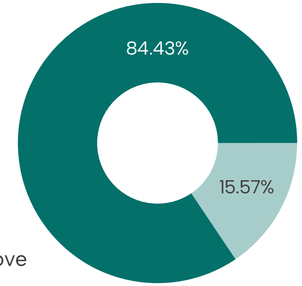
Employee Profile (2025)



Employees under 30
15.02%

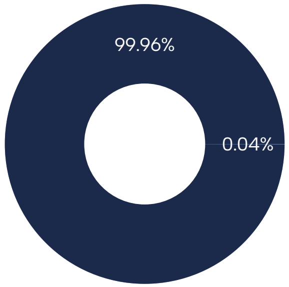
Employees aged 30–50
72.03%

Employees aged 50 and above
12.95%



Male employees
84.43%

Female employees
15.57%



Chinese employees
99.96%

International employees
0.04%

4.11%	Ethnic minority employees
0%	Employees from vulnerable groups

Talent Recruitment

The Company regards talent acquisition as a fundamental pillar supporting its strategic development. In alignment with business needs and organizational capability building, the Company continuously improves its recruitment management system and processes to ensure that human resource allocation is aligned with its medium-to long-term development strategy.

01 Recruitment Management Mechanism

The Company has established a full-cycle recruitment management system covering "workforce planning – job analysis – talent selection – hiring approval – onboarding and integration," ensuring that recruitment activities are conducted in a standardized and orderly manner.

In accordance with the Recruitment and Staffing Management Procedure, the Company initiates recruitment based on its annual human resources plan. Each department proposes staffing needs based on business development, project requirements, and workforce structure. These needs are then consolidated and analyzed by the Human Resources Department and submitted to management for approval prior to implementation.

For position management, the Company utilizes a standardized Job Requisition Form to define job responsibilities, qualification requirements, and candidate profiles. Evaluations are jointly conducted by hiring managers, the Human Resources Department, and management to ensure the rationality and accuracy of position design. In addition, a multi-dimensional assessment mechanism is applied to systematically evaluate candidates' professional competencies, overall capabilities, and role suitability, thereby improving recruitment quality and job matching.

02 Recruitment Principles and Compliance

The Company strictly adheres to lawful and compliant employment practices and upholds the following principles throughout the recruitment process:

- **Prohibition of Forced Labor and Fraudulent Recruitment**

  The Company strictly prohibits all forms of forced labor and deceptive recruitment practices. All candidates participate in the recruitment process on a voluntary basis and are provided with accurate and transparent information regarding job roles and working conditions, ensuring their right to information and freedom of choice.

- **Fairness and Diversity in Recruitment**

  The Company implements a non-discriminatory recruitment policy, treating candidates equally regardless of gender, age, ethnicity, religion, or cultural background. Through diversified recruitment channels, the Company actively attracts talent and continuously promotes an inclusive and diverse workforce structure.

03 Recruitment Process and Implementation

The Company has established a standardized and traceable recruitment process to ensure transparency and efficiency throughout all stages:

01 Demand Confirmation and Job Posting

Based on the annual human resources plan and project needs, hiring departments submit job requests. Upon approval, job vacancies are published through recruitment platforms, industry channels, and internal referrals.

02 Talent Sourcing and Screening

The Human Resources Department conducts talent sourcing through multiple channels, including recruitment websites, industry networks, internal referrals, and executive search firms, followed by preliminary screening based on job requirements.

03 Interview and Evaluation

The Company adopts structured interviews and multi-round evaluation mechanisms. Hiring managers, the Human Resources Department, and relevant management jointly assess candidates in terms of professional competence, overall capabilities, and development potential.

04 Hiring Decision and Approval

Candidates who pass the interview process are subject to management approval. Background checks, medical examinations, and other compliance procedures are completed before a formal offer is issued.

05 Onboarding and Integration

The Company provides a structured onboarding program and a “mentor / buddy system” to support new employees in integrating into the team. Onboarding training and ongoing communication are also implemented to enhance employee experience.

Multi-channel Recruitment and Talent Acquisition

The Company has established a diversified recruitment channel system, leveraging multiple approaches including social recruitment, campus recruitment, and internal referrals to continuously expand its talent sourcing channels:

- ### Social Recruitment

  The Company recruits experienced professionals through mainstream recruitment platforms, industry networks, and professional executive search firms to meet the needs of project execution and specialized positions.

- ### Campus Recruitment

  The Company collaborates with universities to attract fresh graduates with strong academic backgrounds and development potential, building a sustainable talent pipeline.

- ### Internal Referral Mechanism

  The Company encourages employee participation in talent referrals to improve recruitment efficiency and enhance job matching.

- ### International and Localized Recruitment

  In alignment with overseas project needs, the Company promotes localized hiring and supports the globalization of its business operations.

Tongji University Campus Recruitment Fair

Zhejiang University Campus Recruitment Fair

During the Reporting Period, the Company continued to advance multi-channel recruitment initiatives, conducting five campus recruitment activities. In addition, the Company organized multiple online and offline social recruitment campaigns targeting key positions such as EHS, project management, planning, and quality management. Employee referral initiatives were also implemented concurrently, providing strong talent support for business development.

Employee Rights and Protection

The Company consistently regards the protection of employee rights as a fundamental pillar of sustainable development. In compliance with national laws and regulations and international human rights standards, the Company has established a management system covering human rights protection, employee rights safeguarding, and communication and feedback mechanisms, fostering a fair, respectful, and safe working environment.

Based on the Labor and Human Rights Policy, the Company integrates employee rights protection requirements into all stages of employment, including recruitment, employment management, compensation and benefits, and employee development, ensuring comprehensive protection throughout its operations.

01

Human Rights Governance and Compliance

The Company strictly complies with applicable laws and regulations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. It also aligns with internationally recognized standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and relevant International Labour Organization (ILO) standards to establish its human rights management framework and define key principles for employee rights protection.

The Company focuses on the following areas:

1 Prohibition of Child Labor and Forced Labor

The Company strictly implements identity verification and employment compliance checks. During recruitment and onboarding, employee identity information is verified to ensure that no individuals below the legal working age are employed. In addition, standardized labor contract processes, clearly defined working hours, and transparent wage payment standards ensure that all employment is voluntary and fair, eliminating any form of forced or involuntary labor.

During the Reporting Period, no such violations were identified.

2 Anti-Discrimination and Equal Employment

The Company applies unified standards across recruitment, compensation, and promotion processes, clearly defining job requirements and evaluation criteria to prevent bias and ensure fairness. Through policy communication and daily management practices, the Company strengthens compliance awareness among managers and fosters a diverse and inclusive working environment, ensuring equal opportunities for all employees in their career development.

3 Employee Expression and Communication

The Company has established multi-channel communication mechanisms to ensure that employees can express their opinions and concerns in a timely manner. These include routine communication, management engagement, and digital feedback platforms. A tracking and response mechanism is in place to ensure that employee feedback is addressed effectively by relevant departments.

4 Occupational Health and Safety

The Company continuously improves its occupational health and safety management system by clarifying safety responsibilities, conducting regular inspections and hazard identification, and enhancing employee safety awareness through training and communication. In addition, necessary labor protection measures and occupational health support are provided to employees, and continuous improvements are made to the working environment and operating conditions (see "Social – Health and Safety" section for details).

02

Employee Communication and Feedback Mechanisms

The Company has established a multi-level communication framework to facilitate effective dialogue between management and employees:

- Regular employee communication activities are conducted to understand employees' needs in both work and daily life;
- Employee feedback and suggestions are collected through departmental communication and management engagement;
- A tracking and feedback mechanism is implemented to ensure closed-loop management of employee concerns.

In addition, the Company leverages digital platforms to enhance feedback channels. Employees may submit opinions and suggestions through the "Complaints and Suggestions" module on the internal system (Workbench).
The "Complaint" channel supports anonymous submissions, with relevant information directly reported to Company management to ensure timely and effective attention and resolution.

03

Employee Grievance Mechanism and Rights Protection

The Company has established the Employee Grievance Management Procedure, providing a formal and transparent grievance handling mechanism to ensure that employees can report concerns and seek resolution when their legitimate rights and interests are affected.

Multiple grievance channels are available, including a dedicated grievance email (workercommittee@cwhi.com), management communication channels, and anonymous reporting options, enabling employees to choose appropriate channels based on their needs.

During the grievance handling process, the Company adheres to the principles of fairness, confidentiality, and non-retaliation. All cases are subject to objective review, and the confidentiality of complainants is strictly protected. Any form of retaliation is strictly prohibited. A tracking and feedback mechanism ensures closed-loop management of grievances, enhancing both efficiency and transparency.

During the Reporting Period, no significant employee rights disputes were reported.

Employee Development

The Company adheres to a “people-oriented and talent-driven” development philosophy, deeply integrating employee growth with its strategic development. It has established a full-cycle management system covering talent development, capability enhancement, and career progression, continuously strengthening employees’ professional capabilities and organizational competitiveness.

01

Talent Development System

In accordance with internal policies such as the Talent Development and Training Plan, the Company defines clear career development pathways and advances talent development through the following initiatives:

- **Tiered and Categorized Development Mechanism**

Differentiated development programs are designed for various employee groups, including new hires, technical professionals, and management personnel.

- **Competency Model Development**

Based on job responsibilities, the Company establishes competency standards and development directions to enhance the relevance and effectiveness of talent development.

- **Talent Pipeline Development**

Through the identification of key positions and the cultivation of talent reserves, the Company continuously strengthens its talent pipeline, improving organizational stability and long-term sustainability.

02

Training and Capability Enhancement

The Company has established a multi-level training system covering all stages of employees' career development, supporting continuous capability enhancement.

Key training programs include:

- ## Onboarding Training

  Comprehensive training is provided to new employees, covering corporate culture, compliance requirements, safety awareness, and job-specific skills, achieving a 100 percent onboarding training coverage rate.

- ## Professional Skills Training

  Regular training sessions are conducted focusing on production operations, technical competencies, and safety standards to enhance employees' job performance capabilities.

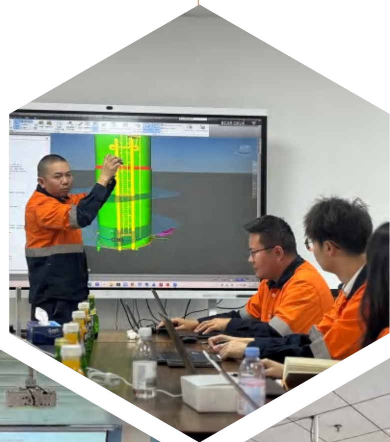
- ## Management Training

  Leadership, team management, and decision-making training programs are provided for management personnel and high-potential employees to strengthen managerial capabilities.

In addition, the Company continuously optimizes training content and delivery methods by combining internal and external resources, including online learning platforms, internal knowledge sharing, and specialized training programs, thereby improving the flexibility and effectiveness of training.

CWHI Product On-site Introduction

Construction and Fabrication Process Training



CWHI Safety Leadership Training

CWHI Management Trainee Program Kick-off Ceremony

03

Career Development and Promotion Mechanism

The Company has established a transparent and structured career development and promotion system, providing employees with diversified development pathways and supporting their career growth in alignment with their capabilities and aspirations.

The Company has developed multiple career pathways, including:

- **Technical Career Path**

  Supporting technical personnel in deepening their expertise within their respective fields and enhancing their professional and technical capabilities.

- **Management Career Path**

  Providing employees with leadership potential opportunities to develop into management roles.

- **Functional Career Path**

  Expanding employees' career development opportunities through job rotation and capability enhancement.

In terms of promotion management, the Company adheres to the principles of fairness, transparency, and objectivity. Promotion decisions are based on a comprehensive assessment of employee performance, competencies, and development potential, ensuring that employees' contributions and growth are appropriately recognized.

04

Performance Management and Evaluation

The Company has established a standardized performance management system and adopts a multi-dimensional evaluation mechanism to continuously track employee development and enhance both individual capabilities and organizational performance.

- Regular performance evaluations are conducted to comprehensively assess employees' work performance and contributions;
- Multi-dimensional evaluation mechanisms (such as multi-source feedback) are applied to key positions and management personnel to improve evaluation comprehensiveness;
- Performance results are linked with training and development, job adjustments, and incentive mechanisms to support continuous employee growth.

Continuous Learning and Development Support

05

The Company has established a structured learning and development support system, providing employees with access to professional training and development opportunities. Employees are supported in continuously enhancing their capabilities through both on-the-job learning and structured training programs. At the same time, the Company encourages employees to engage in self-directed learning aligned with their roles to further strengthen their overall competencies.

- **Learning and Development Support**

  Employees are supported in enhancing their professional and business capabilities through internal training resources and external training opportunities;

- **Talent Acquisition Incentive Mechanism**

  Incentives such as internal referral rewards are provided to encourage employee participation in talent acquisition and enhance organizational vitality;

- **Knowledge Sharing and Experience Transfer**

  Internal communication and knowledge-sharing mechanisms are established to facilitate knowledge accumulation and promote collaborative team development.

Compensation and Benefits

The Company adheres to a "people-oriented and value co-creation" philosophy and regards its compensation and benefits system as a key foundation for attracting and retaining talent. Centered on employee capabilities, job value, and performance contributions, the Company continuously improves a market-competitive and internally equitable incentive system to promote shared growth between employees and the Company.

01 Compensation and Incentive Mechanism

The Company follows the principle of "grading based on capability, compensation based on grade, and rewards based on performance," and has established a fair, transparent, and incentive-driven compensation and reward management system that reflects a value-creation-oriented approach and supports the joint development of employees and the Company.

In compensation management, the Company adheres to the following principles:

- ### Value Orientation

  Compensation is primarily based on employee performance and value contribution, promoting a distribution mechanism that emphasizes shared benefits and rewards high performers;

- ### Capability Alignment

  Compensation levels are determined by considering employees' experience, capabilities, and job requirements, ensuring alignment between individuals and roles;

- ### Compliance and Standardization

  The Company strictly implements compensation management policies, standardizes payroll calculation and payment processes, and ensures compliance and stability in compensation management.

In terms of compensation structure, the Company adopts a combination of fixed and variable compensation:

- ### Fixed Compensation

  Includes base salary and position-based salary, reflecting job value and employee capability;

- ### Variable Compensation

  Includes performance bonuses, special incentives, and allowances, which are linked to both Company performance and individual performance to provide dynamic incentives.

In addition, the Company has established a multi-level incentive system beyond base compensation:

- ### Performance and Special Incentives

  Performance bonuses, special awards, and innovation or technology-related incentives are provided to encourage continuous value creation in business operations and innovation;

- ### Medium- and Long-term Incentives

  For key personnel and critical positions, the Company explores diversified incentive approaches (such as project-based incentives and development incentives) to enhance organizational stability and talent retention;

- ### Stage-based Incentives

  Incentives are implemented for key projects and milestone achievements in alignment with the Company's development objectives, strengthening goal orientation and accountability.

Through these mechanisms, the Company effectively integrates short-term and long-term incentives, continuously enhancing employee motivation and organizational vitality.

02 Employee Benefits Framework

On the basis of ensuring statutory employee rights, the Company has established a multi-dimensional benefits system covering "protection, care, and development," continuously enhancing employees' sense of well-being and engagement.

1 Statutory Protection and Basic Benefits

The Company provides employees with statutory social insurance, including pension insurance, medical insurance (including maternity insurance), unemployment insurance, work-related injury insurance, and housing provident fund, achieving a 100% coverage rate during the Reporting Period. In addition, employees are entitled to statutory holidays, paid annual leave, and high-temperature allowances.

2 Health and Safety Protection

The Company places great importance on employees' physical and mental well-being by providing annual health check-ups and supplementary commercial insurance (including medical and accident insurance). Occupational health examinations are also conducted based on job requirements to further enhance health protection.

3 Living Support and Allowances

The Company provides a variety of allowances and living support measures, including but not limited to communication allowances, transportation subsidies, meal allowances, and travel allowances, helping to reduce employees' daily living costs. Flexible support is also provided based on employees' actual needs to promote work-life balance.

④ Employee Care and Cultural Benefits

The Company implements a range of employee care initiatives aligned with key life events and corporate culture development, including holiday benefits, birthday gifts, marriage and childbirth allowances, employee anniversary recognition, and team-building activities, enhancing employees' sense of belonging and organizational cohesion.

2025 Team Building

Halloween 2025

Health and Safety

01

Occupational Health and Safety Management System

The Company consistently regards occupational health and safety (OHS) management as a fundamental component of its operations. Guided by the principles of "prevention first, risk control, and continuous improvement", the Company continuously enhances an OHS management system covering all employees and the entire operational process.

During the Reporting Period, all Yards maintained effective operation of the ISO 45001 OHS management system, with a coverage rate of

100%


格式：TR07035R06

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

职业健康安全管理体系认证证书
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE

兹证明 编号：No.00526S00023R101

施璐德文冲重工（广州）有限公司
（注册地址：广州市南沙区双山大道5号1223房；统一社会信用代码：91440115MA9YBWR03T）
（运营地址：广州市海珠区新港东路1166号环汇商业广场南塔1602室）

This is to certify that the Occupational Health and Safety Management System (OHSMS) of

CNOOD-WENCHONG HEAVY INDUSTRIES CO., LTD.
(Registered Add: Room 1223, No. 5 Shuangshan Avenue, Nansha Area, Guangzhou City; Uniform Code of Social Credit: 91440115MA9YBWR03T)
(Operation Add: Room 1602, South Tower, International Commercial Place, No. 1166, Xingangdong Road, Haizhu District, Guangzhou City, Guangdong Province, P.R. China)

建立的职业健康安全管理体系符合标准：**GB/T45001-2020/ISO45001:2018《职业健康安全管理体系 要求及使用指南》**。
has been found to conform to standard: **GB/T45001-2020/ISO45001:2018 Occupational health and safety management systems-Requirements with guidance for use.**

本证书对下述范围的职业健康安全管理体系有效：***海上平台钢制基桩及附属钢结构的制造和销售***。
This certificate is valid to the following scope for OHSMS: ***Manufacture and sales of steel foundation pile and relevant steel structure for offshore platform***.

上一认证周期截止时间：2026年01月27日/Last cycle Deadline:27 January 2026
再认证审核时间：2025年12月10日 - 2025年12月12日/Recertification audit time: 10 December 2025-12 December 2025

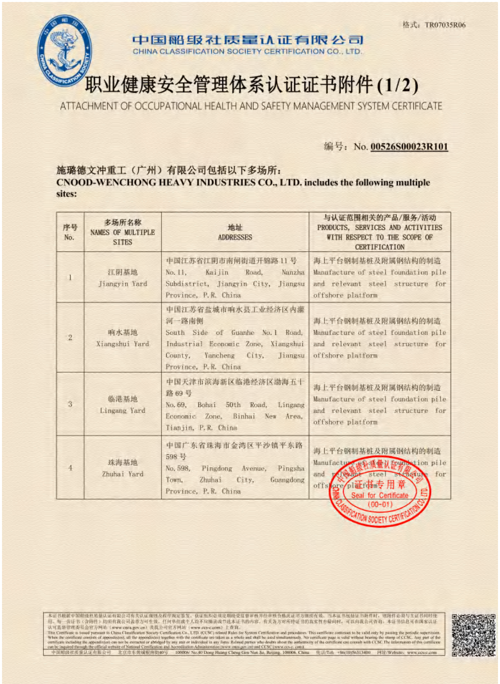
本证书有效期至：2029年01月27日。
This certificate is valid until: 27 January 2029.

注1：本证书包含的子证书见附件。 Note1: The sub-certificate(s) attached to this certificate.
注2：本证书覆盖的多场所见附件。 Note2: See the details of sites in the appendix.

OHSMS IAF CNAS 中国认可 国际互认 管理体系 MANAGEMENT SYSTEM CNAS C005-M

换证日期：2026年01月26日。
Reissued on: 26 January 2026.
发证日期：2026年01月07日。
Issued on: 07 January 2026.
签 发：田伟
Issued by: Tian Wei

中国船级社质量认证有限公司 证书专用章 Seal for Certificate (00-01)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中国船级社质量认证有限公司
CHINA CLASSIFICATION SOCIETY CERTIFICATION CO., LTD.

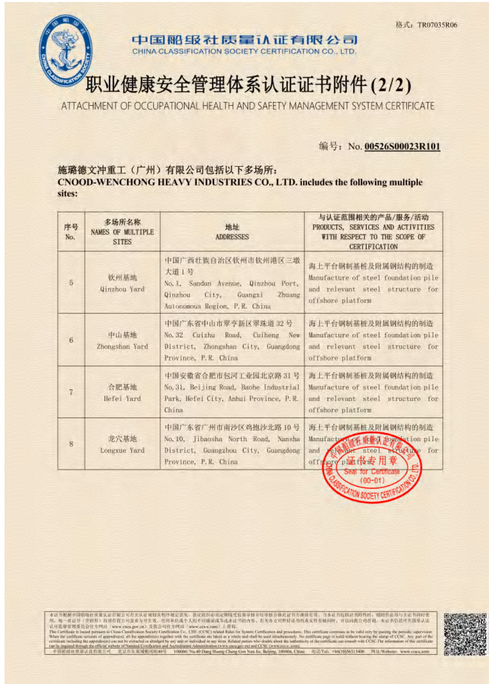
职业健康安全管理体系认证证书附件(1/2)
ATTACHMENT OF OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE

编号：No. 00526S00023R101

施璐德文冲重工（广州）有限公司包括以下多场所：
CNOOD-WENCHONG HEAVY INDUSTRIES CO., LTD. includes the following multiple sites:

序号 No.	多场所名称 NAMES OF MULTIPLE SITES	地址 ADDRESSES	与认证范围相关的产品/服务/活动 PRODUCTS, SERVICES AND ACTIVITIES WITH RESPECT TO THE SCOPE OF CERTIFICATION
1	江阴基地 Jiangyin Yard	中国江苏省江阴市南闸街道开锦路11号 No. 11, Kaijin Road, Nanzha Subdistrict, Jiangyin City, Jiangsu Province, P.R. China	海上平台钢制基桩及附属钢结构的制造 Manufacture of steel foundation pile and relevant steel structure for offshore platform
2	响水基地 Xiangshui Yard	中国江苏省盐城市响水县工业经济区内灌河一路南侧 South Side of Guanhe No.1 Road, Industrial Economic Zone, Xiangshui County, Yancheng City, Jiangsu Province, P.R. China	海上平台钢制基桩及附属钢结构的制造 Manufacture of steel foundation pile and relevant steel structure for offshore platform
3	临港基地 Lingang Yard	中国天津市滨海新区临港经济区渤海五十路69号 No. 69, Bohai 50th Road, Lingang Economic Zone, Binhai New Area, Tianjin, P.R. China	海上平台钢制基桩及附属钢结构的制造 Manufacture of steel foundation pile and relevant steel structure for offshore platform
4	珠海基地 Zhuhai Yard	中国广东省珠海市金湾区平沙镇平东路598号 No. 598, Pingdong Avenue, Pingsha Town, Zhuhai City, Guangdong Province, P.R. China	海上平台钢制基桩及附属钢结构的制造 Manufacture of steel foundation pile and relevant steel structure for offshore platform

中国船级社质量认证有限公司 证书专用章 Seal for Certificate (00-01)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中国船级社质量认证有限公司
CHINA CLASSIFICATION SOCIETY CERTIFICATION CO., LTD.

职业健康安全管理体系认证证书附件(2/2)
ATTACHMENT OF OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE

编号：No. 00526S00023R101

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CNOOD-WENCHONG HEAVY INDUSTRIES CO., LTD. includes the following multiple sites:

序号 No.	多场所名称 NAMES OF MULTIPLE SITES	地址 ADDRESSES	与认证范围相关的产品/服务/活动 PRODUCTS, SERVICES AND ACTIVITIES WITH RESPECT TO THE SCOPE OF CERTIFICATION
5	钦州基地 Qinzhou Yard	中国广西壮族自治区钦州市钦州港区三墩大道1号 No.1, Sandun Avenue, Qinzhou Port, Qinzhou City, Guangxi Zhuang Autonomous Region, P.R. China	海上平台钢制基桩及附属钢结构的制造 Manufacture of steel foundation pile and relevant steel structure for offshore platform
6	中山基地 Zhongshan Yard	中国广东省中山市翠亨新区翠珠道32号 No.32 Cuizhu Road, Cuiheng New District, Zhongshan City, Guangdong Province, P.R. China	海上平台钢制基桩及附属钢结构的制造 Manufacture of steel foundation pile and relevant steel structure for offshore platform
7	合肥基地 Hefei Yard	中国安徽省合肥市包河工业园北京路31号 No.31, Beijing Road, Baohe Industrial Park, Hefei City, Anhui Province, P.R. China	海上平台钢制基桩及附属钢结构的制造 Manufacture of steel foundation pile and relevant steel structure for offshore platform
8	龙穴基地 Longxue Yard	中国广东省广州市南沙区鸡抱沙北路10号 No.10, Jibaosha North Road, Nansha District, Guangzhou City, Guangdong Province, P.R. China	海上平台钢制基桩及附属钢结构的制造 Manufacture of steel foundation pile and relevant steel structure for offshore platform

中国船级社质量认证有限公司 证书专用章 Seal for Certificate (00-01)

Safety Production Targets and Performance

The Company has established a safety target management mechanism oriented toward risk prevention and process control. Key safety indicators are integrated into daily operations and performance evaluation systems. Through hierarchical target decomposition and dynamic monitoring, safety responsibilities are effectively implemented at all organizational levels.

Focusing on key operational risks, the Company sets safety targets across accident control, risk prevention, operational management, and equipment safety, forming a structured indicator system that is implemented across all Yards to ensure effective execution throughout the production process.

The overall safety performance of CWHI in 2025 is as follows:

Indicator	Unit	Target (2025)	Actual (2025)
Fatal accidents	Cases	0	0
Major or above fire/explosion accidents	Cases	0	0
Severe injury rate	‰	0	0
Minor injury rate	‰	‹1.5	0.079
Safety training plan completion rate	%	100	100
Self-reporting rate of violations and hazards	%	100	100
Hazard identification rate	%	100	100
Hazard rectification rate	%	100	100
Reduction rate of violations	%	10	15
Completion rate of safety technology projects	%	96	100
Growth rate of safety technology projects	%	10	100
Growth rate of safety technical project initiation	%	10	20
Standardization rate of process tooling	%	80	90
Certification rate for special operations and equipment operators	%	100	100
Certification rate of key safety personnel	%	100	100
Signing rate of safety agreements with related parties	%	100	100
Safety communication rate with related parties	%	100	100
Safety investment fulfillment rate	%	100	100

Safety Risk Prevention and Control

1 Risk Identification and Hazard Management

The Company has established a normalized mechanism for safety risk identification and hazard management, continuously conducting risk identification, graded control, and hazard inspection across key operational processes.

Each Yard conducts regular safety inspections and targeted checks based on operational characteristics, focusing on high-risk activities such as lifting operations, working at height, hot work, electrical operations, and hazardous chemical handling. Identified hazards are managed through a graded approach, with clearly defined responsibilities, corrective measures, and timelines.

At the same time, the Company has implemented a closed-loop hazard management system, ensuring full lifecycle tracking of issues through "identification–rectification–verification–closure", thereby preventing recurrence and ensuring effective resolution.

During the Reporting Period, a total of 6,048 safety hazards and good practices were reported, with a 100% closure rate.

2 Special Equipment Safety Management

The Company places high importance on the safety management of special equipment and strictly manages equipment such as lifting machinery, pressure vessels, and pressure pipelines in accordance with applicable laws, regulations, and technical standards.

In terms of equipment management, the Company has established a comprehensive equipment registry system, covering procurement, installation, operation, maintenance, and decommissioning. Regular inspections and testing are conducted in accordance with regulatory requirements to ensure safe operating conditions.

In terms of personnel management, the Company strictly enforces certification requirements for operators of special equipment, ensuring that all relevant personnel possess the necessary qualifications and competencies. Regular training and on-site supervision are conducted to standardize operational practices and reduce operational risks.

Special Equipment Maintenance (Qinzhou Yard)

③ Emergency Management and Drills

The Company has established an emergency management system and continuously develops and improves emergency response plans based on key safety risks in its operations. These plans define the emergency organizational structure, roles and responsibilities, and response procedures, enhancing the Company's capability and efficiency in responding to emergencies.

Fire Emergency Drill (Hefei Yard)

Hefei Yard

In 2025, Hefei Yard conducted a total of 8 emergency drills, focusing on production safety, occupational health, and comprehensive emergency response scenarios to enhance on-site response, coordination, and risk prevention capabilities.

Production Safety Drills 6 drills	Covered typical risk scenarios such as electric shock, fire and explosion, mechanical injury, falls from height, lifting equipment accidents, and struck-by incidents. These drills focused on high-risk operations, strengthening employees' capabilities in on-site response, incident reporting, and coordinated rescue.
Occupational Health and Special Operations Drill 1 drill	Conducted an emergency drill for poisoning and asphyxiation in confined spaces, enhancing risk identification, rescue response, and protective measures in confined space operations.
Comprehensive Emergency Drill 1 drill	Simulated combined emergency scenarios, including fire and personnel entrapment, to test emergency command, evacuation, and external coordination capabilities.

Lingang Yard

In 2025, Lingang Yard conducted 13 emergency drills, covering production safety, environmental protection, and occupational health risks to enhance multi-scenario emergency response capabilities.

Production Safety Drills 11 drills	Covered scenarios such as special equipment accidents, electric shock, confined space incidents, falls from height, vehicle-related injuries, struck-by incidents, fire and explosion, and port lifting accidents. Flood prevention and typhoon response drills were also conducted. Both practical drills and tabletop exercises were implemented.
Environmental Emergency Drill 1 drill	Conducted an oil spill emergency drill to test response procedures and pollution control capabilities.
Occupational Health Drill 1 drill	Conducted a radiation incident drill to enhance risk identification and protection capabilities in special operational environments.

Confined Space Incident Drill (Lingang Yard)

Longxue Yard

In 2025, Longxue Yard conducted 16 emergency drills, covering comprehensive emergency response, specialized accident scenarios, and on-site response plans.

Comprehensive Emergency Drills 4 drills	Focused on "Three Prevention" scenarios (typhoon, flood, and fire), strengthening unified command, resource coordination, and cross-department collaboration under extreme conditions.
Specialized Emergency Drills 11 drills	Covered confined space incidents, lifting accidents, special equipment failures, fire and explosion, and collapse incidents, enhancing response capabilities in high-risk environments.
On-site Response Drill 1 drill	Conducted at operational and team levels, focusing on typical frontline risks such as falls, struck-by incidents, and electric shock, improving rapid response and initial handling capabilities.

Zhuhai Yard

In 2025, Zhuhai Yard conducted 5 emergency drills, covering production safety, natural disasters, and occupational health.

Production Safety Drills 2 drills	Included pressure vessel and pipeline incident drills, as well as fire and evacuation drills, enhancing response capabilities in equipment and fire scenarios.
Natural Disaster Drill 1 drill	Conducted a typhoon and flood response drill to improve emergency response under extreme weather conditions.
Occupational Health Drill 1 drill	Conducted occupational health-related emergency drills to enhance risk identification and response capabilities.
Comprehensive Fire Drill 1 drill	Conducted evacuation drills to strengthen fire escape, self-rescue, and mutual rescue capabilities.

Xiangshui Yard

In 2025, Xiangshui Yard conducted 5 emergency drills, focusing on production safety and environmental risks.

Production Safety Drills 4 drills	Covered lifting accidents, confined space incidents, fire evacuation, and falls from height, strengthening rapid response and standardized handling capabilities.
Environmental Emergency Drill 1 drill	Conducted a hazardous chemical leakage drill to test emergency response and pollution control capabilities.

Jiangyin Yard

In 2025, Jiangyin Yard conducted 3 emergency drills, focusing on production safety and fire safety to enhance employees' response and on-site handling capabilities.

Production Safety Drills 2 drills	Covered mechanical injury and lifting operation incidents, strengthening emergency response, rescue, and risk isolation capabilities.
Fire Safety Drill 1 drill	Included emergency evacuation, use of firefighting equipment, and initial fire response to enhance fire safety awareness and response capability.

Qinzhou Yard

In 2025, Qinzhou Yard conducted 8 practical emergency drills, focusing on production safety, natural disasters, and public incidents.

Comprehensive Emergency Drill 1 drill	Conducted a production safety (struck-by incident) drill to enhance multi-department coordination and on-site response.
Specialized Emergency Drills 3 drills	Covered typhoon and flood response, public health emergencies, and fire incidents, strengthening emergency response and coordination capabilities.
On-site Response Drills 4 drills	Focused on mechanical injury, poisoning/heatstroke, falls from height, and man-overboard scenarios, enhancing rapid response and frontline safety control.

Safety Investment by Yard (2025)

Yard	Total Safety Investment (RMB 10,000)
Qinzhou Yard	115.00
Hefei Yard	100.60
Jiangyin Yard	470.00
Lingang Yard	526.00
Longxue Yard	4,828.80
Xiangshui Yard	219.91
Zhuhai Yard	79.47

Man Overboard On-site Response Drill (Qinzhou Yard)

Fall from Height Emergency Drill (Qinzhou Yard)

03

Occupational Health Management

The Company strictly complies with applicable occupational health laws and regulations as well as internationally recognized standards. It continuously optimizes its occupational health and safety management system and integrates occupational health management throughout its operational processes.

Centered on risk identification and preventive control, the Company has established a systematic and closed-loop occupational health management mechanism covering key areas such as working environment conditions, job exposure, occupational hazards, and employee health management. This ensures that occupational health risks are effectively identified, controlled, and continuously improved.

Occupational Health Indicators (2025)

100%

Occupational Health Examination Coverage

0

Number of Occupational Disease Cases

Safety Culture Development

The Company continuously promotes the development of its safety culture system by integrating safety concepts into corporate governance and daily operations. Through diversified approaches and innovative mechanisms, the Company fosters a culture of full participation and continuous improvement, driving the transition of safety management from system-driven to culture-driven.

In terms of cultural promotion and activities, the Company leverages themed initiatives such as "Work Safety Month," "Fire Safety Awareness Month," and "World Environment Day" to organize a variety of activities, including safety knowledge competitions, emergency drills, safety training sessions, thematic campaigns, and suggestion programs. These initiatives continuously enhance employees' safety awareness and risk prevention capabilities, fostering a strong safety culture atmosphere.

Safety Inspection
(Longxue Yard)

Fire Safety Month Activities (Longxue Yard)

In daily operations, the Company focuses on building a proactive safety culture driven by positive incentives, full participation, and active engagement. By combining recognition and material rewards, the Company motivates employees to prioritize, participate in, and safeguard safety, making "proactive safety and responsible performance" a shared behavioral norm across the workforce.

The Company has established a normalized safety recognition and reward mechanism, conducting weekly and monthly safety evaluations and commendations. Outstanding individuals, high-performing teams, and employees who proactively identify and report safety hazards are recognized and rewarded. Through benchmarking and the promotion of best practices, the Company fosters a culture of "learning from excellence and striving for continuous improvement."

Outstanding Safety Performance Award (Longxue Yard)

Outstanding Safety Performance Award (Qinzhou Yard)

In terms of employee engagement, the Company has established a "Safety Whistleblower" mechanism. Employees can scan QR codes displayed on-site to report hazards through digital tools, forming a closed-loop management process of "identification – reporting – rectification". This mechanism enhances employees' proactive participation in safety management.

Community Management and Social Engagement

The Company continuously integrates community management and social responsibility into its sustainability framework. In the course of its operations, it emphasizes building stable and trust-based relationships with local communities, promoting the alignment of business development with community interests through compliant operations and proactive communication.

In community governance, the Company abides by local laws and customs, incorporates community needs into projects, and consults stakeholders to lower operational impacts.

In community engagement, the Company drives local employment and industry via local hiring and supply chain cooperation, plus targeted charity to improve livelihoods.

- **Donation**
  RMB **300,000**
- **Recipient**
  Beijing Lingfeng Public Welfare Foundation
- **Supported project**
  "Chinese Volunteer Doctors Program" African medical outreach initiative
- **Implementation location**
  Ethiopia
- **Fund usage**
  Arrange clinical experts for grassroots medical services and technical training
- **Purpose**
  Deliver quality medical care and ease local community medical resource shortage

Looking ahead, the Company will continue to improve its community management mechanisms and deepen its community engagement practices, creating long-term value for local communities while achieving sustainable business growth.

Governance

- Corporate Governance
- Risk Management
- Tax Management
- Business Ethics
- Information Security

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Corporate Governance

Against the backdrop of a constantly evolving business environment, CWHI consistently adheres to compliance as its foundation and risk as its guide, continuously strengthening its capabilities in strategic management, risk control, and compliance management, thereby steadily elevating its governance standards. By refining its decision-making and execution mechanisms, the Company enhances management efficiency and supervisory effectiveness, providing robust support for its long-term stable development.

01

Governance Structure and Operating Mechanism

The Company continuously optimizes its governance structure, comprising the Shareholders' Meeting, the Board of Directors, and Management, forming a system where decision-making, execution, and supervision are mutually coordinated and effectively balanced.

- **Shareholders' Meeting**

  Performing its statutory responsibilities in making decisions on major matters, ensuring alignment between the Company's development direction and the overall interests of shareholders.

- **Board of Directors**

  Focusing on key areas such as strategic planning, major investments, and risk management, enhancing the forward-looking and systematic nature of decision-making.

- **Management**

  Responsible for operational execution and resource allocation, driving the effective realization of strategic objectives, while strengthening process control and risk prevention during operations.

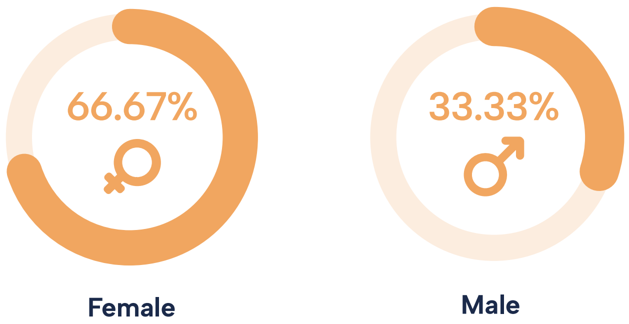
Regarding operating mechanisms, the Company continuously drives the transition of governance from "establishing systems" to "effective operation". By optimizing meeting rules, strengthening process management, and enhancing information transparency, it steadily improves the execution capability and responsiveness of its governance system.

02

Board Structure and Diversity

The Company places great emphasis on continuously optimizing its Board structure, considering professional competence and experience composition as crucial foundations for improving governance quality, thereby fostering a diverse, complementary, and well-structured Board.

Composition of Board Members



03

Remuneration Mechanism for Directors and Senior Management

The Company has established a remuneration management system aligned with its strategic direction. Through a mechanism combining market orientation and performance-based incentives, it ensures alignment between management and the Company's long-term development goals.

The remuneration system consists of fixed and performance-based components. Fixed remuneration reflects position value and market levels, while performance-based remuneration is linked to the Company's operational results, risk control, and individual performance, reinforcing guidance towards operational quality and value creation.

Regarding the management mechanism, the Company dynamically adjusts remuneration based on annual operating targets and performance evaluation results, promoting effective linkage between incentive mechanisms and strategic execution, operational quality, and risk management, thereby enhancing the effectiveness of the incentive and restraint system.

Risk Management

Amidst increasing global economic uncertainty, ongoing industrial restructuring, and stricter regulatory requirements, and guided by the pursuit of high-quality development, the Company continuously improves its risk management system and operating mechanisms.

It deeply integrates risk management into business decision-making and execution processes, enhancing its resilience and responsiveness in a complex environment.

01 Risk Management System

The Company has established a risk management system covering its entire business chain, embedding risk management requirements into key processes such as raw material procurement, manufacturing, project delivery, and supply chain management, achieving full-process control over major operating activities.

02 Risk Management Structure

The Company has established a top-down risk management organizational structure, clearly defining responsibilities at each level, forming a clear, collaborative, and efficient risk management system.

1 Board of Directors

Bears ultimate responsibility for the Company's overall risk management, oversees risk management strategies and major risk decisions, ensuring alignment between risk management and the Company's development strategy.

2 Management

Responsible for implementing the risk management system, integrating risk management requirements into all aspects of operational management, facilitating the effective implementation of risk identification, assessment, and response measures, and reporting major risk matters to the Board.

3 ESG Committee

Plays a coordinating role in the Company's risk management system, promoting the identification and integration of environmental, social, and governance-related risks, and fostering coordinated management of ESG risks with traditional operational risks.

4 Business Departments

Serve as the primary executing entities for risk management, conducting risk identification and daily control related to specific business activities, forming a risk prevention and control system that covers all employees and runs through all processes.

Risk Management and Control Mechanisms 03

01 First Line of Defense

– Business Departments

As the front-line executing entities for risk management, responsible for identifying, assessing, and controlling business risks in daily operations, embedding risk management requirements into specific business processes to achieve source control.

02 Second Line of Defense

– Risk Management and Related Functional Departments

Responsible for formulating risk management policies and standards, coordinating risk identification, assessment, and monitoring activities, guiding and supervising the risk management performance of business departments, and promoting the effective operation of the risk management system.

03 Third Line of Defense

– Internal Audit Team

Independently audits and evaluates risk management and internal controls, verifies the effectiveness of the risk management system, and promotes issue remediation and continuous improvement.

Through the coordinated operation of these "Three Lines of Defense", the Company continuously improves the timeliness of risk identification, the effectiveness of risk control, and the independence of risk supervision, strengthening its overall risk prevention and control capabilities.

Risk Management Mechanisms and Methods 04

The Company continuously refines its risk management operating mechanisms, forming a closed-loop management process covering risk identification, assessment, response, and monitoring, enhancing the systematic nature and effectiveness of risk management.

- **Risk Identification**

  Based on industry trends and business characteristics, the Company conducts multi-dimensional risk identification focusing on key areas such as policy compliance, market volatility, supply chain stability, production safety, and environmental management, ensuring timely identification and attention to major risks.

- **Risk Assessment**

  Combining qualitative and quantitative methods, the Company conducts comprehensive analyses of risk likelihood and potential impact. It prioritizes risks through a tiered management approach, enhancing the scientific basis and comparability of risk assessment.

- **Risk Response**

  Based on risk level and nature, the Company formulates differentiated response strategies, effectively reducing the probability and potential impact of risks by optimizing management processes, strengthening control measures, and allocating resources appropriately.

- **Risk Monitoring and Reporting**

  The Company has established a routine tracking and evaluation mechanism, dynamically monitoring key risks. Through standardized information reporting pathways, it ensures timely communication of risk information to management and decision-making levels, supporting business decisions.

05

Management of Major and Emerging Risks

Aligned with its strategic goals and business characteristics, the Company continuously identifies and assesses major and emerging risks, focusing on key risk areas that materially impact its operations. It has established dynamic tracking and response mechanisms to enhance the proactivity and relevance of risk management.

During the Reporting Period:

• Regarding Major Risks

The Company focuses on the impact of macroeconomic fluctuations, industry cycle changes, and uncertainties in the international trade environment on its business. Considering the characteristics of the engineering and manufacturing industry, it continues to strengthen the management of project performance risks and supply chain stability, paying attention to factors such as volatility in bulk raw material prices, availability of key equipment and materials, project delivery timelines, and uncertainties in maritime logistics.

• Regarding Emerging Risks

The Company focuses on policy and market changes driven by the global green and low-carbon transition, particularly the potential impact of stricter carbon emission regulations and international rules such as the EU Carbon Border Adjustment Mechanism (CBAM) on business models and cost structures. It also pays attention to the impact of changing international compliance requirements and technological developments on its business, enhancing its ability to identify and respond to emerging risks.

Tax Management

01

Tax Governance and Management Structure

The Company has established a tax governance system coordinated by Management and centrally managed by the finance function, integrating tax management into its overall risk management and internal control framework. The finance department is responsible for the tax management function, covering key areas such as tax compliance, tax planning, tax risk identification, and cross-border tax management.

02

Tax Compliance and Operating Principles

The Company adheres to lawful tax payment and honest operations, strictly complying with tax laws and regulations in the countries and regions where it operates. It embeds tax compliance requirements into business processes such as procurement, contract management, sales, financial accounting, and reporting, achieving full-process coverage of tax management.

In practice, the Company

- **does not** utilize differences in tax systems for tax arrangements lacking commercial substance,
- **does not** engage in aggressive tax planning,
- **and does not** shift profits to low-tax or no-tax jurisdictions through tax avoidance structures.

The Company maintains good communication with tax authorities in various locations, enhancing tax compliance and certainty through standardized filing and information disclosure.

03

Tax Risk Management

The Company integrates tax risk into its overall risk management system, establishing a systematic management mechanism covering identification, assessment, response, and monitoring. It focuses on the following key risk areas and continuously improves its ability to identify and respond to tax risks through system development, process control, and professional support mechanisms:

- Compliance risks arising from changes in international tax policies and stricter supervision;
- Uncertainty regarding the application of tax policies and recognition of preferential treatments;
- Impact of business model adjustments on tax structure.

During the Reporting Period, the Company had no significant tax violations or penalties.

04

Tax Transparency and Information Disclosure

The Company adheres to the principle of tax transparency and gradually improves its tax information disclosure level based on regulatory requirements and stakeholder concerns. Relevant tax information is presented through financial reports and related disclosure documents, ensuring that information is true, accurate, and traceable.

Within compliance boundaries, the Company actively engages in communication and information exchange with tax authorities, promoting consistency and certainty in tax treatments and enhancing the transparency and credibility of tax management.

05

Tax Strategy and Long-term Value Orientation

Tax Strategy Principles:

Compliance First, Prudent Planning, Value Orientation.

Tax management does not aim solely to minimize short-term tax burdens. Instead, it comprehensively considers compliance risks, business sustainability, and reputational impact, ensuring that tax arrangements align with the Company's overall development strategy and ESG goals, thereby promoting long-term and stable corporate development.

Business Ethics

The Company regards business ethics and compliance management as crucial foundations for stable operations and sustainable development. It consistently adheres to the principles of legal compliance, honest operations, and fair competition, continuously improving its compliance management system covering the entire business chain. The Company integrates business ethics requirements into its governance structure and daily operations through system development, risk control, and cultural guidance, ensuring all business activities comply with applicable laws, regulations, and international codes of business conduct.

01

Compliance Governance Structure

The Company has established a compliance governance system involving the Board of Directors, Management, and various business departments, forming a "Decision – Making – Management – Execution" integrated governance structure with clear roles and responsibilities:

- **Board of Directors**

  Responsible for reviewing the Company's compliance strategy and major compliance matters, bearing ultimate responsibility for the effectiveness of the compliance management system.

- **Management and Compliance Functions**

  Responsible for system development, risk identification, and daily supervision, coordinating the operation of the Company's compliance system.

- **Business Departments**

  As the primary responsible entities for compliance management, they embed compliance requirements into specific business processes to achieve implementation-level execution.

02

Business Ethics and Compliance Management System

1 Code of Conduct and System Framework

The Company, centered on its Code of Business Conduct, defines behavioral requirements for employees, management, and business partners, focusing on:

- Prohibition of any form of bribery, corruption, and improper transfer of benefits;
- Management of gifts, entertainment, and conflicts of interest;
- Adherence to fair competition principles, prohibiting monopolies and unfair competition;
- Strengthening anti-fraud and anti-money laundering management;
- Enhancing data security and information confidentiality responsibilities;
- Respecting human rights and labor rights, fulfilling corporate social responsibilities.

Concurrently, the Company extends these requirements to its supply chain, requiring suppliers to abide by the Supplier Code of Conduct, ensuring consistency of business ethics standards across the value chain.

② ISO 37001 Anti-Bribery Management System

During the Reporting Period, the Company obtained ISO 37001 Anti-Bribery Management Systems certification, marking the establishment of a system framework aligned with international standards in anti-corruption governance and integrating anti-bribery management into the Company's overall governance and risk management system.

Regarding system operation, the Company focuses on the following management elements:

- **Risk Identification and Assessment**

  Based on business characteristics and regional risks, conducts anti-bribery risk identification and tiered management for key positions, business scenarios, and third-party collaborations.

- **Third-party Management and Due Diligence**

  Conducts risk-based due diligence on suppliers, agents, and other business partners to ensure their alignment with the Company's business ethics and compliance requirements.

- **Internal Control and Process Integration**

  Integrates anti-bribery requirements into business processes such as procurement, sales, and project execution through approval authorization, segregation of duties, and control at key points.

- **Training and Compliance Promotion**

  Provides targeted anti-corruption training for different roles, enhancing employees' understanding and implementation of business ethics and compliance requirements.

- **Monitoring and Continuous Improvement**

  Periodically evaluates and optimizes system operation through internal audits and compliance assessments, ensuring management effectiveness.

③ Compliance System Operating Mechanisms

Based on a risk-oriented approach, the Company embeds compliance management throughout its operational processes:

- **Risk Identification and Dynamic Assessment**

  Continuously identifies key risks (anti-corruption, anti-monopoly, trade compliance, etc.) considering business models, regulatory environments, and regional differences, conducting tiered assessments and dynamic updates.

- **Process Integration and Front-end Control**

  Embeds compliance requirements into key business processes (procurement, sales, project execution), reducing the probability of compliance risks through front-end control.

- **Training and Awareness Enhancement**

  Provides tiered and targeted training for different roles, strengthening employee compliance awareness and risk identification capabilities.

- **Monitoring and Correction Mechanisms**

  Timely identifies and corrects deviations through routine monitoring and special inspections, ensuring the effectiveness of system implementation.

- **Violation Response and Closed-loop Management**

  Conducts investigations and remediations for violations, continuously optimizing systems and processes through experience feedback.

03 Reporting and Investigation Mechanism

The Company has established a standardized and transparent reporting and investigation mechanism, encouraging employees and relevant parties to report potential violations or misconduct, and ensuring timely, prudent, and fair handling of reports.
The Company places high importance on whistleblower protection, strictly adhering to confidentiality principles, fully protecting the identity and related information of whistleblowers, and prohibiting any form of retaliation, thereby fostering a safe and trustworthy reporting environment.

Reporting Channels: Reporting email address, telephone hotline, and internal feedback channels.

Regarding investigation and handling, the Company conducts independent and objective investigations into reported matters, tracks and provides feedback on case handling, forming a closed-loop "Identification – Investigation – Remediation – Improvement" mechanism.

04 Internal Audit and Oversight

The Company has established standardized internal audit and oversight mechanisms, integrating compliance management into its internal control system, with the compliance department coordinating audit and oversight activities.

Regarding audit mechanisms, considering business risk characteristics and key areas, the Company regularly conducts internal audits, focusing on areas such as anti-corruption and business ethics, trade and contract compliance, financial management, and key business processes.

Regarding issue remediation and tracking, the Company formulates remediation lists for issues identified during audits, specifying responsible departments and deadlines, and ensures effective implementation of corrective measures through continuous tracking and review mechanisms, driving management improvements.

Information Security Management

The Company strictly complies with applicable laws and regulations, including the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China. It has established a management system covering the full lifecycle of information assets and continuously enhances its information security protection capabilities through a combination of institutional frameworks and technical measures.

01 Information Security Management System

The Company has established an information security management system coordinated by Management, responsible for by specialized functions, and collaboratively executed by business departments, clearly defining information security roles and responsibilities, and embedding information security requirements into daily business operation processes.

Regarding system development, the Company has formulated and continuously refined relevant management policies and operating procedures in key areas such as information asset management, access control, system security, data protection, and incident response, ensuring systematic and executable information security management.

02 Information Security Risk and Emergency Management

Based on its information security management system, the Company has established an integrated management mechanism covering "Risk Identification – Risk Assessment – Risk Treatment – Continuous Monitoring – Emergency Response", organically combining information security risk management with incident response capabilities to enhance overall protection and response levels.

Regarding Risk Management:

1. The Company continuously conducts information security risk identification and assessment, systematically reviewing information systems, data assets, and key business processes to identify potential network and data security risks. It implements tiered management based on risk likelihood and potential impact, forming a risk register.
2. For key risks, the Company implements risk controls through technical reinforcement, access rights optimization, and process improvements, continuously tracking risk changes and the effectiveness of response measures through routine monitoring and periodic evaluation mechanisms.

Regarding Incident Management and Emergency Response:

1. The Company has established a tiered information security incident response mechanism, defining incident reporting, response handling, and post-event review processes, ensuring timely and standardized handling of unexpected information security incidents.
2. The Company has developed information security emergency plans and regularly conducts emergency drills and simulation tests, continuously improving its emergency response capabilities to cyber-attacks, system failures, and data security incidents, as well as cross-departmental coordination capabilities.

During the Reporting Period, the Company experienced no significant information security incidents causing material adverse impact on customers or employees, and obtained ISO 27001 Information Security Management Systems certification.

03

Information Security Training and Awareness Enhancement

The Company values the cultivation of employee information security awareness. It regularly organizes information security training and awareness campaigns covering data protection, network security risk prevention, and daily operating procedures.

Through training and promotion, the Company continuously improves employees' ability to identify information security risks and their awareness of prevention, fostering a strong information security culture.

Information Security Training

GRI Content Index

Statement of use	CNOOD-Wenchong Heavy Industries Co., Limited has reported the information cited in this GRI content index for the period January 1, 2025, to December 31, 2025, 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	About CWHI
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-5 External assurance	-
	2-6 Activities, value chain and other business relationships	About CWHI
	2-7 Employees	Social - Workforce Overview
	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
	2-17 Collective knowledge of the highest governance body	ESG Management
	2-18 Evaluation of the performance of the highest governance body	Governance - Corporate Governance
	2-19 Remuneration policies	Governance - Corporate Governance
	2-20 Process to determine remuneration	Governance - Corporate Governance
	2-21 Annual total compensation ratio	-
	2-22 Statement on sustainable development strategy	Message from Senior Management
	2-23 Policy commitments	Governance - Business Ethics
	2-24 Embedding policy commitments	Governance - Business Ethics

GRI STANDARD	DISCLOSURE ITEM	Location
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Social – Employee Rights and Protection
	2-26 Mechanisms for seeking advice and raising concerns	Social – Employee Rights and Protection
	2-27 Compliance with laws and regulations	Governance – Corporate Governance
	2-28 Membership associations	–
	2-29 Approach to stakeholder engagement	ESG Management
	2-30 Collective bargaining agreements	Social – Employee Rights and Protection
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Management
	3-2 List of material topics	ESG Management
	3-3 Management of material topics	ESG 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 – Compensation and Benefits
	201-4 Financial assistance received from government	–
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 Management and Social Engagement
	203-2 Significant indirect economic impacts	–
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social – Supplier Management Framework
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	Governance – Tax Management
	207-2 Tax governance, control, and risk management	Governance – Tax Management
	207-3 Stakeholder engagement and management of concerns related to tax	Governance – Tax Management
	207-4 Country-by-country reporting	–

GRI STANDARD	DISCLOSURE ITEM	Location
GRI 301: Materials 2016	301-1 Materials used by weight or volume	-
	301-2 Recycled input materials used	Environmental - Climate Change Response
	301-3 Reclaimed products and their packaging materials	Environmental - Climate Change Response
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental - Environmental Compliance Management
	302-2 Energy consumption outside of the organization	-
	302-3 Energy intensity	-
	302-4 Reduction of energy consumption	Environmental - Environmental Compliance Management
	302-5 Reductions in energy requirements of products and services	Environmental - Environmental Compliance Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental - Environmental Compliance Management
	303-2 Management of water discharge-related impacts	Environmental - Environmental Compliance Management
	303-3 Water withdrawal	Environmental - Environmental Compliance Management
	303-4 Water discharge	Environmental - Environmental Compliance Management
	303-5 Water consumption	Environmental - Environmental Compliance Management
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
	304-2 Significant impacts of activities, products and services on biodiversity	Environmental - Biodiversity Conservation
	304-3 Habitats protected or restored	-
	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 Compliance Management
	305-7 Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions	Environmental - Environmental Compliance Management

GRI STANDARD	DISCLOSURE ITEM	Location
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental – Environmental Compliance Management
	306-2 Management of significant waste-related impacts	Environmental – Environmental Compliance Management
	306-3 Waste generated	Environmental – Environmental Compliance Management
	306-4 Waste diverted from disposal	Environmental – Environmental Compliance Management
	306-5 Waste directed to disposal	Environmental – Environmental Compliance Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social – Supplier Management Framework
	308-2 Negative environmental impacts in the supply chain and actions taken	Social – Supplier Management Framework
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	–
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social – Compensation and Benefits
	401-3 Parental leave	Social – Compensation and Benefits
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	–
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Social – Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Social – Health and Safety
	403-3 Occupational health services	Social – Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Social – Health and Safety
	403-5 Worker training on occupational health and safety	Social – Health and Safety
	403-6 Promotion of worker health	Social – Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social – Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Social – Health and Safety
	403-9 Work-related injuries	Social – Health and Safety
	403-10 Work-related ill health	Social – Health and Safety
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 – Employee Development
	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 – Workforce Overview
	405-2 Ratio of basic salary and remuneration of women to men	–

GRI STANDARD	DISCLOSURE ITEM	Location
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Social – Employee Rights and Protection
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 – Employee Rights and Protection
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social – Employee Rights and Protection
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social – Employee Rights and Protection
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Social – Employee Rights and Protection
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 – Community Management and Social Engagement
	413-2 Operations with significant actual and potential negative impacts on local communities	Social – Community Management and Social Engagement
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social – Supplier Management Framework
	414-2 Negative social impacts in the supply chain and actions taken	Social – Supplier Management Framework
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 Assurance
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social – Quality Assurance
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social – Quality Assurance
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social – Quality Assurance
	417-3 Incidents of non-compliance concerning marketing communications	Social –Customer Service
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social –Customer Service

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marketing@cwhi.com

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