



2025 SUSTAINABILITY REPORT



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About This Report

Report Overview

This report is the third sustainability report prepared and issued by Dajin Heavy Industry Co., Ltd. (hereinafter referred to as “Dajin Heavy Industry”, “the Company”, “the Group” or “We”). It aims to disclose the Company’s latest progress in sustainable development initiatives as well as its environmental, social and governance (ESG) management performance in an objective, fair and transparent manner, so as to enable stakeholders to gain a more comprehensive understanding of Dajin Heavy Industry.

Report Scope

Reporting Period: January 1, 2025 to December 31, 2025. To improve comparability and completeness, certain information is extended appropriately to prior and subsequent periods.

Reporting Boundary: The organizational scope of this report covers Dajin Heavy Industry and its subordinate production facilities, wind farms and PV Power Station, consistent with the scope of the annual report. For the manufacturing segment of the Tangshan facility, only sustainable development-related information and data pertaining to the project construction phase are included. Financial data presented in this report are derived from the Company’s annual report, while other data are sourced from internal statistics. Standards referenced for data calculations are clearly indicated in the report. Unless otherwise specified, all monetary amounts are denominated in RMB.

Basis of Preparation

This report has been prepared in accordance with relevant requirements including the *Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operation of Main Board Listed Companies* and *Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Reports (for Trial Implementation)* issued by the Shenzhen Stock Exchange, as well as the *Corporate Sustainability Disclosure Standards – Basic Standards (for Trial Implementation)* issued by the Ministry of Finance. Reference has also been made to the GRI Standards: *Sustainability Reporting Standards* by the Global Reporting Initiative (GRI), *the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*, and the United Nations Sustainable Development Goals (UNSDGs).

Definition of Abbreviations

Abbreviation	Full Name
Penglai Facility	Penglai Dajin Offshore Heavy Industry Co., Ltd.
Tangshan Facility	Tangshan Dajin Offshore Engineering Equipment Manufacturing Co., Ltd.
Fuxing Facility	Dajin Heavy Industry Co., Ltd.
Zhangjiakou Facility	Zhangjiakou Dajin Wind Power Equipment Co., Ltd.
Yangjiang Facility	Yangjiang Dajin Wind Power Offshore Engineering Technology Co., Ltd.
Xing An’meng Facility	Xing An’meng Dajin Heavy Industry Co., Ltd.
Panjin Facility	PanJin Dajin Offshore Engineering Co., Ltd.


Access to the Report

This report is available for public download via the Shenzhen Stock Exchange website and the official website of Dajin Heavy Industry. The report is published in both Simplified Chinese and English. In the event of any inconsistency between the two versions, the Simplified Chinese version shall prevail.

Feedback

We greatly value stakeholders’ feedback and welcome readers to contact us via the contact information provided below. Your input will help us further refine this report and enhance the Group’s overall environmental, social and governance (ESG) performance.

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Message from Chairman



In 2025, the global energy transition continued to advance in depth. The combined pressures of climate change and energy security have prompted countries around the world to accelerate the development of renewable energy. As a key pillar of the global energy transition, offshore wind is entering a new stage characterized by both large-scale deployment and technological upgrading.

—
Jin Xin, Chairman for Dajin Heavy Industry

In 2025, the global energy transition continued to advance in depth. The combined pressures of climate change and energy security have prompted countries around the world to accelerate the development of renewable energy. As a key pillar of the global energy transition, offshore wind is entering a new stage characterized by both large-scale deployment and technological upgrading. At the same time, the industry is facing higher expectations in areas such as technology and low-carbon emission standards, supply chain resilience, and global competition. The coexistence of challenges and opportunities is reshaping the development landscape of the offshore wind industry.

Against this backdrop, Dajin Heavy Industry has remained firmly committed to sustainability as a guiding principle, striving to achieve both high-quality corporate development and greater contributions to the industry. During the year, while continuing to strengthen our manufacturing core, we also accelerated the integrated development of the upstream and downstream industrial chain, driving breakthrough progress across multiple businesses. In equipment manufacturing, we achieved simultaneous advances in capacity, market presence, and technology. Leveraging our three major offshore facilities around the Bohai Rim, we established a coordinated development layout, led the industry in monopile deliveries to the European market, secured overseas orders on hand exceeding RMB 10 billion, and expanded our business footprint across major core projects in Europe. In shipbuilding, focusing on the transport capacity constraints faced by the industry, we successfully delivered our first 40,000-ton deck carrier and subsequently secured major orders from shipowners in South Korea and Norway, marking our successful entry into the international shipbuilding market and a critical breakthrough from zero to one. In ocean transportation and special logistics services, we achieved a full-chain capability upgrade, with the DAP delivery model becoming the mainstream cooperation model for overseas projects. We successfully completed all transportation tasks during the year, and the outline of our full-industry-chain service system—featuring self-owned factories, self-owned goods, self-owned vessels, and self-managed ports—has now begun to take shape.

During the year, Dajin Heavy Industry received multiple distinctions in globally recognized ESG ratings. Our Penglai Facility officially passed validation by the Science Based Targets initiative (SBTi), becoming the first, and currently the only, offshore wind foundation manufacturer in the industry to have both near-term and net-zero targets validated by the SBTi. At the same time, the Company was awarded the EcoVadis Silver Medal (ranking among the top 8% of rated companies globally), a CDP Climate Change rating of B, and a Water Security rating of B-, placing our climate management capabilities among the global leaders in our sector. These recognitions are not only a strong endorsement of our green practices, but also have helped us build a robust “green moat” for expanding into overseas markets.

In response to the global low-carbon emission development trend, we have used science-based targets as a guiding framework to systematically advance decarbonization across the entire value chain. On the supply chain side, we have built a sustainable management system covering the full supplier lifecycle, deepened cooperation on the R&D and application of green steel, and established carbon emissions data management mechanisms for key raw materials, using responsible procurement to drive the development of a green value chain. On the operations side, we have advanced green upgrading of production processes, optimized our energy structure, and expanded the use of clean energy. At the same time, leveraging our own shipping capabilities, we have developed green logistics and low-carbon emission shipping solutions, systematically carried out climate risk identification, and actively responded to international regulatory requirements such as the EU Carbon Border Adjustment Mechanism (CBAM). In doing so, we have embedded low-carbon emission principles throughout the full process of design, manufacturing, and project delivery, enabling coordinated progress between corporate development and ecological protection.

We firmly believe that talent is the core support for a company’s global development, and that sound compliance governance is the fundamental safeguard for long-term and steady growth. In 2025, the Company continued to improve its global talent cultivation and development system, enrich the development of cross-cultural collaboration teams, and strengthen employee rights protection and a culture of diversity and inclusion. In corporate governance, we continuously optimized our governance structure, improved our risk management and compliance system, advanced anti-bribery management system certification, and further enhanced the transparency of information disclosure and the quality of investor communication. At the same time, the Company actively worked together with global customers, suppliers, and partners to promote supplier due diligence for sustainable supply chain development, building a mutually beneficial and win-win industrial ecosystem.

Though the road ahead may be long, with sustained effort we will reach our destination. Standing at the new starting point of 2026, Dajin Heavy Industry will continue to uphold responsibility and commitment, remain true to its original aspiration for sustainable development, deeply embed green principles into the entire process of R&D, manufacturing, and service, and continuously strengthen its full-industry-chain service capabilities. Together with our global partners, we will move forward side by side and contribute Dajin’s strength to the global energy transition and to a sustainable future for humankind.

Jin Xin
Chairman

About us

Company Profile

Founded in 2003 and listed on the Shenzhen Stock Exchange in 2010, Dajin Heavy Industry is the first listed company in China engaged in wind turbine tower and foundation manufacturing, as well as a global leader in offshore wind foundation structures and tower solutions. The Company mainly manufactures and sells offshore wind monopile foundations, transition pieces, jacket foundations, floating foundations and tower products, and provides clients with one-stop integrated solutions covering “Fabrication + Transportation + Delivery” for offshore wind equipment, capable of meeting the diversified demands of offshore wind projects across different regions worldwide.

Since launching the construction of its Penglai offshore engineering facility in 2010, the Company has steadily advanced its “second growth curve” — the strategic layout and implementation of its overseas offshore wind equipment business, which has achieved remarkable results in recent years with a continuous expansion of European orders. In the reporting year, the Company continued to implement its “Offshore & Overseas Strategy”, focusing on the high technical standards, stringent quality requirements and high value-added characteristics of offshore wind markets in developed economies worldwide. We have continuously advanced the iteration of its markets and products, and steadily enhanced our competitiveness and market share in the offshore wind markets of major developed economies globally.

Meanwhile, the Company is actively fostering its future “third growth curve” by partnering with international leading providers of floating foundation solutions, establishing a global floating business center, and accelerating the R&D and engineering application of a new generation of floating foundation products.

Leveraging our new Panjin facility and the cluster of coastal high-end offshore engineering facilities, the Company continues to strengthen its in-house vessel manufacturing capacity and specialized transportation fleet, building a global logistics and delivery network covering major offshore wind markets. It has gradually developed an integrated solution capability spanning “manufacturing, transportation and delivery”.

With the operation of overseas wind power mother ports, Dajin Heavy Industry has formally established a full industrial chain closed-loop featuring “self-owned factories, self-owned cargoes, self-owned vessels and self-owned ports”. This has laid a solid foundation for the Company to deepen its presence in the deep-water offshore market, improve cross-regional project delivery efficiency and risk control capabilities, and develop comprehensive EPCI service capabilities. It has also significantly enhanced the Company’s systematic competitive advantages in the global high-end offshore wind market.

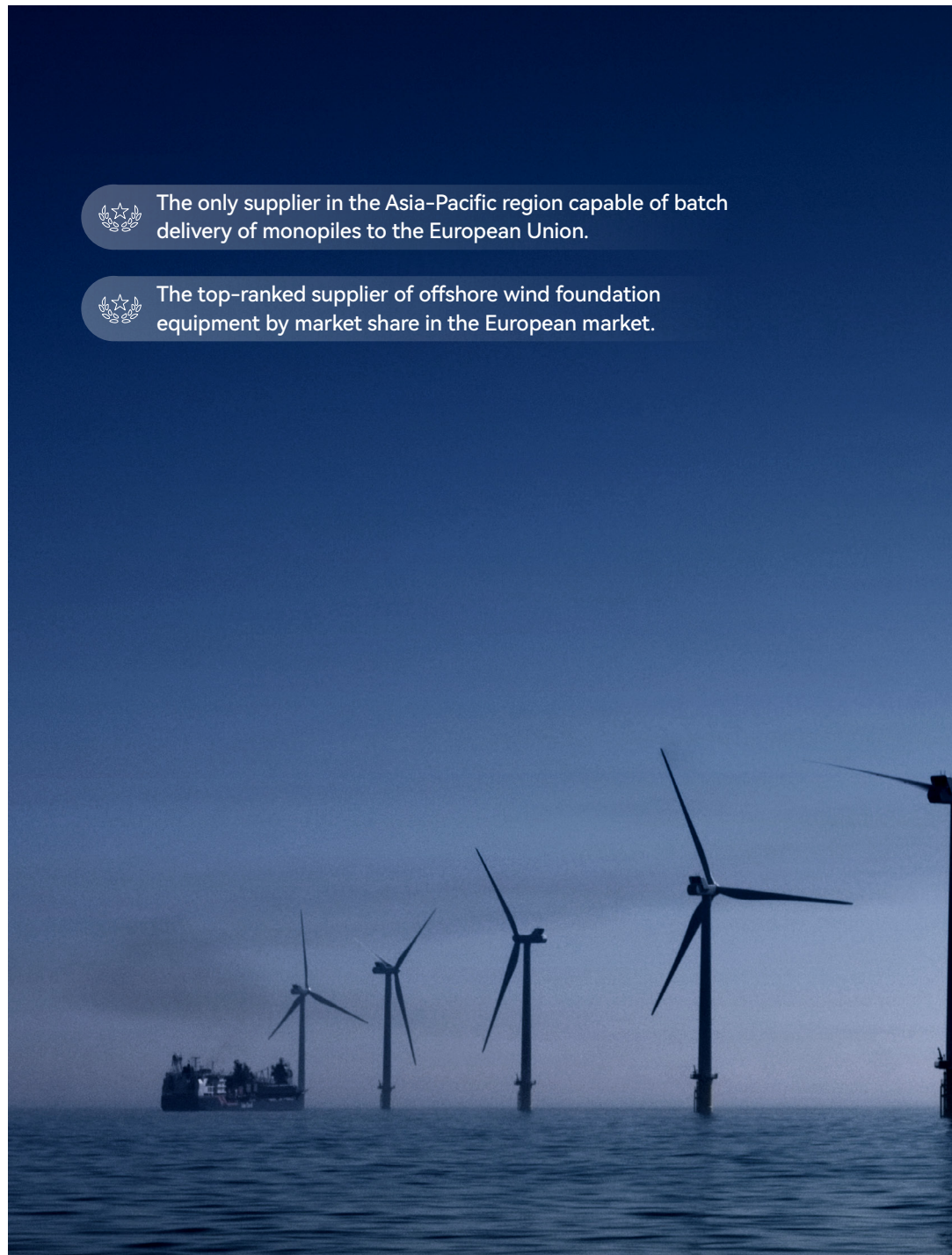
Since 2023, the Company has firmly implemented the “New Overseas & Offshore Strategy”. With the continuous expansion of its overseas business share, its leading position in the global industry has become increasingly consolidated. Overseas offshore engineering products have become the core engine driving the improvement of the Company’s profitability. Particularly in the European offshore wind market with high entry barriers and high added value, the Company has achieved rapid performance growth, ranked among the world’s first-class offshore wind equipment suppliers, established long-term cooperative relationships with several global leading energy developers, and continuously accumulated international brand reputation. Driven by this, the Company’s business development in regional markets such as Japan, South Korea and Australia has advanced steadily, the scope of project coverage has been continuously expanded, and the global layout has been further deepened.



The only supplier in the Asia-Pacific region capable of batch delivery of monopiles to the European Union.



The top-ranked supplier of offshore wind foundation equipment by market share in the European market.





Company Business Segments



R&D and Manufacturing of Offshore Wind Foundation Equipment

The main products include monopile foundations, transition pieces, jackets floating foundations, and towers.

Ocean-Going Specialized Transportation

Include one-stop solutions for heavy marine engineering logistics such as transportation planning, marine engineering design, and port loading/unloading operations.

Vessel Design and Construction

Independently design and develop deck transport vessels, heavy-lift transport vessels, and build a professional fleet.

New Energy Development and Operation

Development, construction and operation of wind farms and photovoltaic power plants.

Global Business Layout



Dajin Heavy Industry has established more than **40** member enterprises across European countries including Germany and Poland, as well as multiple Chinese provinces and autonomous regions such as Liaoning, Inner Mongolia, Hebei, Shandong and Guangdong. The Company has built a client and sales network covering more than **30** countries and regions worldwide.

With excellent product quality, a stable supply chain system and strong sustainable development capabilities, the Company works closely with global wind power developers, energy enterprises and partners to jointly drive the transformation and upgrading of the global energy structure toward low-carbon and sustainable development.

Awards & Honors



SBTi
 ★ ★ ★
 SBTi Science Based Targets
 Certification

ecovadis



★ ★ ★
 EcoVadis Silver Medal



★ ★ ★
 Member of
 Responsible Steel

SEA



★ ★ ★
 CDP SEA (Supplier Engagement
 Assessment): A

Climate



★ ★ ★
 CDP Climate Change: B

Water



★ ★ ★
 CDP Water Security: B-

Sustainable Development Highlights



Environmental

53,291.10 tCO₂e

Total greenhouse gas emissions of Scope 1 and Scope 2: 53,291.10 tCO₂e

34%

GHG emissions per million RMB of operating revenue: 34% decrease compared with 2024

500MW

Cumulative grid-connected power generation projects: 500 MW installed capacity

0

Number of environmental penalties

96.1%

Production recovery rate: 96.1%



Social

2,303

Total number of employees: 2,303

23,381

Total employee training hours: 23,381 hours

0

Number of major safety and quality liability accidents

100%

100% of all new and renewed suppliers have signed the *Integrity Cooperation and Compliance Agreement*

100%

100% of suppliers with potential conflict mineral risks have signed the Commitment to *Not Using Conflict Minerals*

Sustainability Management

- Sustainability Governance
- Stakeholder Engagement
- Double Materiality Assessment



Sustainability Governance

Dajin Heavy Industry has established a sustainability governance system aligned with the Company’s global operations and ESG management requirements, forming a three-tier governance structure consisting of decision-making, management and execution levels. With clear roles and responsibilities, the Company achieves closed-loop management of the sustainability strategy from formulation to full implementation.

The decision-making level is the Board of Directors. As the Company’s top governance and oversight body, the Board bears ultimate responsibility for material sustainability-related matters. It oversees the advancement of ESG initiatives through its dedicated Strategy and Sustainability Committee.


The Committee is responsible for reviewing the Company’s sustainability strategy, annual priorities and medium-to-long-term sustainability goals, regularly assessing performance and risk management, and providing decision-making recommendations to the Board on key issues. This ensures the Company continuously aligns its operations with domestic and international regulatory requirements and industry best practices, steadily advancing the achievement of sustainability objectives.

The management level consists of four specialized committees under the Strategy and Sustainability Committee (the Green Steel Committee, Carbon Emission Reduction Committee, Sustainability Risk Assessment Committee, and Sustainable Procurement Committee) as well as the Sustainability Center. It is responsible for translating the strategic plans of the decision-making level into implementable management measures and specialized actions.


Through the collaborative operation of the four professional committees and the Sustainability Center, the Company has formed a professional management system covering low-carbon raw materials, carbon emission reduction management, risk assessment and supply chain management, which effectively supports the Company’s sustainable development practices in the global offshore wind power industry chain.

The execution level comprises the Sustainability Department, various production facilities, business divisions and relevant departments of subsidiaries. It is responsible for the concrete implementation of the Company’s sustainability strategy and management requirements, integrating ESG principles into daily operations, production management and business development.

Responsibilities of the Specialized Committee

Governance Structure	Governance Body	Responsibility Description
 <p>Decision-Making Level</p>	<p>Board of Directors</p>	<p>As the Company’s top governance and oversight body, the Board of Directors bears ultimate decision-making and oversight responsibility for material sustainability-related matters of the Company, ensuring that ESG management aligns with the Company’s overall development strategy and meets regulatory requirements and Shareholders’ Meeting expectations. Its core responsibilities include:</p> <ul style="list-style-type: none"> ▪ Reviewing and approving the Company’s sustainability strategy, medium- and long-term goals, and major management policies; ▪ Integrating environmental, social and governance-related matters into the Company’s overall strategy and major operational decisions; ▪ Overseeing risk management and compliance in the Company’s ESG domain; ▪ Reviewing annual key sustainability initiatives and performance achievement; ▪ Reviewing the Company’s sustainability report and relevant information disclosure; ▪ Guiding the Company’s overall direction on material issues such as climate change, supply chain management and social responsibility.
	<p>Strategy and Sustainability Committee</p>	<p>As a special committee under the Board of Directors, the Strategy and Sustainability Committee is responsible for conducting overall research, professional review and continuous supervision on the Company’s sustainability-related work, and providing decision support and recommendations to the Board of Directors. Its main responsibilities include:</p> <ul style="list-style-type: none"> ▪ Researching and proposing the Company’s sustainability strategy, annual work priorities and phased goals; ▪ Reviewing ESG-related policies, systems and special work plans; ▪ Tracking the achievement of the Company’s sustainable development goals and key performance indicators; ▪ Review important ESG topics such as climate change, supply chain management, compliance and risk; ▪ Guide the Company’s sustainable development information disclosure and external communication work; ▪ Regularly report the progress and improvement suggestions of ESG work to the board of directors, and promote the implementation of relevant decisions.

Governance Structure	Governance Body	Responsibility Description
 <p>Management Level</p>	Sustainability Center	<p>As the permanent coordinating body for the Company's sustainability initiatives, the Sustainability Center undertakes day-to-day implementation and integrated management functions at the management level, and provides support to the four specialized committees. Its main responsibilities include:</p> <ul style="list-style-type: none"> ▪ Coordinating the implementation of the Company's sustainability strategy and annual work plan; ▪ Conducting research on ESG policies and regulations, and tracking international standards and industry trends; ▪ Managing sustainability data, monitoring indicators and tracking performance; ▪ Organizing the preparation of the sustainability report and related information disclosure; ▪ Coordinating various departments to advance ESG projects and cross-departmental collaboration; ▪ Supporting external ratings, client audits and stakeholder communication; ▪ Regularly reporting work progress and improvement recommendations to the decision-making level.
	Green Steel Special Committee	<p>Focusing on the low-carbon transformation of core raw materials for the Company's offshore wind equipment manufacturing business, the Green Steel Special Committee coordinates the promotion of green steel application and low-carbon supply chain cooperation. Its main responsibilities include:</p> <ul style="list-style-type: none"> ▪ Formulating the Company's green steel application and supply chain low-carbon transformation strategies; ▪ Establishing strategic cooperation mechanisms with major steel suppliers to promote the development and application of low-carbon steel; ▪ Promoting the collection, accounting and third-party verification of steel carbon footprint data; ▪ Supporting overseas clients' low-carbon procurement and project carbon emission management requirements; ▪ Tracking the development of green material technologies and policy trends in the industry.
	Carbon Emission Reduction Special Committee	<p>Responsible for the Company's overall carbon management and carbon reduction path planning, and promoting carbon reduction actions at the operational and supply chain levels. Its main responsibilities include:</p> <ul style="list-style-type: none"> ▪ Formulating the Company's carbon reduction roadmap and annual action plans; ▪ Promoting energy management, energy conservation and consumption reduction, and the application of low-carbon technologies; ▪ Coordinating the accounting and management of greenhouse gas emission data; ▪ Supporting international climate-related goals and disclosure work (such as carbon emission targets, carbon footprint management, etc.); ▪ Researching the impact of domestic and international carbon regulatory policies on the Company's business and putting forward response measures.
	Sustainability Risk Assessment Special Committee	<p>Focuses on the identification and management of ESG risks in the Company's operations and global business, with the aim of enhancing risk prevention and control capabilities. Its main responsibilities include:</p> <ul style="list-style-type: none"> ▪ Establishing ESG risk identification and assessment mechanisms; ▪ Conducting regular assessments of risks related to climate change, supply chain, compliance and social responsibility; ▪ Promoting the integration of ESG risks into the Company's overall risk management system; ▪ Performing sustainability risk reviews for major projects and overseas business operations; ▪ Providing risk assessment results and improvement recommendations to the decision-making level.
	Sustainable Procurement Special Committee	<p>Responsible for advancing sustainable supply chain management and enhancing suppliers' ESG capabilities. Its main responsibilities include:</p> <ul style="list-style-type: none"> ▪ Formulating sustainable procurement policies and management requirements; ▪ Promoting the development of supplier ESG evaluation and audit mechanisms; ▪ Driving compliance and improvement of the supply chain in environmental, social and governance aspects; ▪ Supporting procurement practices such as low-carbon materials and green logistics; ▪ Strengthening sustainable cooperation and capacity building with key suppliers.

Governance Structure	Governance Body	Responsibility Description
 Execution Level	Sustainability Department, production facilities, business divisions and relevant departments of subsidiaries	The execution level is responsible for the concrete implementation of the Company’s sustainability strategy and management requirements, integrating ESG principles into daily operations, production management and business development. Its main responsibilities include: <ul style="list-style-type: none"> ▪ Implementing environmental, safety and compliance management requirements; ▪ Carrying out energy conservation, emission reduction and energy management; ▪ Assisting in ESG data collection, calculation and disclosure; ▪ Promoting employee development, supply chain management and compliant operations; ▪ Supporting sustainability-related audits, ratings and client assessments.

During the reporting period, the Strategy and Sustainability Committee convened 5 meetings and reviewed 16 proposals, including the annual sustainability report, and submitted the aforementioned proposals to the Board of Directors or the Shareholders’ Meeting for deliberation.













Stakeholder Engagement

Dajin Heavy Industry has continuously improved its stakeholder identification and communication mechanism, established diversified and regular communication channels, maintained high-frequency interactions with various stakeholder groups, and timely addressed and responded to their concerns and expectations.

Based on our business model, global layout and priority sustainability issues, the Company systematically identifies and dynamically manages its stakeholder groups, and integrates communication outcomes into corporate strategy formulation, risk management and operational decisions, so as to continuously enhance governance capabilities and long-term value creation.

The Company's key stakeholders include government and regulatory authorities, domestic and international clients, shareholders and potential investors, employees, suppliers and contractors, financial institutions, communities and the public, industry associations and media.

The Company conducts regular and ad-hoc exchanges through multiple communication channels to ensure information transparency and two-way feedback.

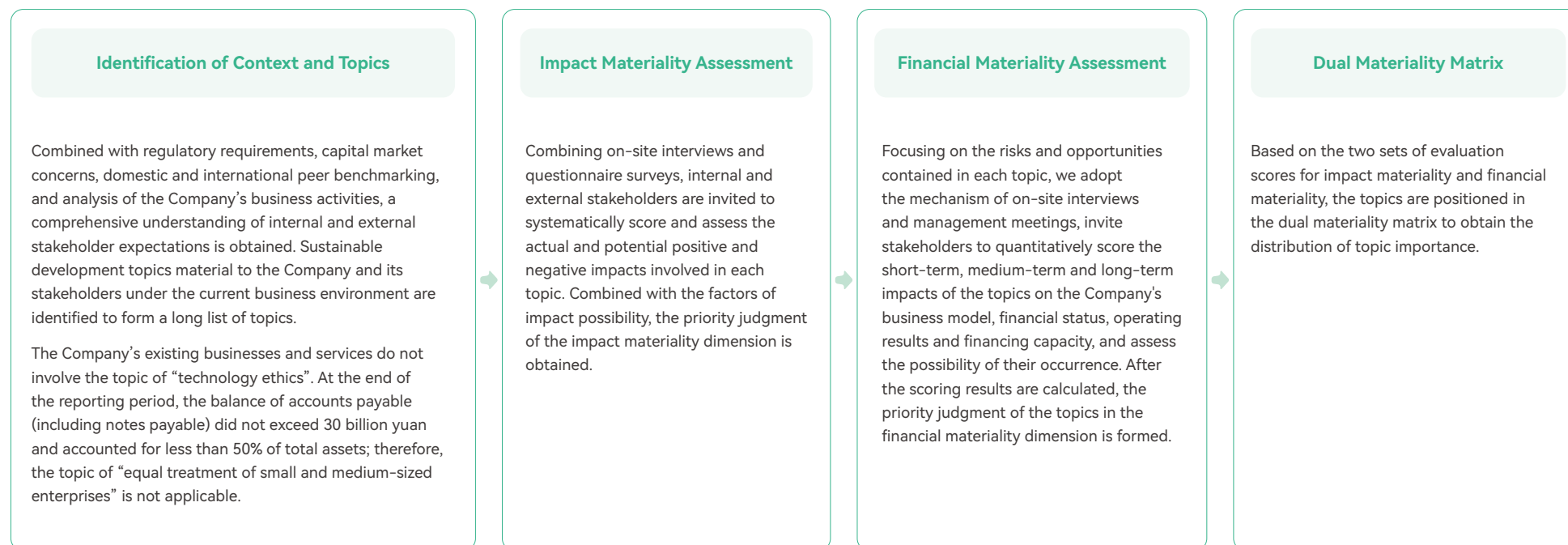
Stakeholder Category	Communication Channels
 Domestic and Overseas Clients	Business cooperation, factory audits, on-site visits, customer service hotlines, customer satisfaction surveys, customer meetings, correspondence emails, official website and other online platforms, etc.
 Shareholders and Potential Investors	Stock exchange and company official website, interactive investor platforms, telephone and email, company announcements, shareholders' meetings, analyst strategy meetings, performance briefings, on-site visits, etc.
 Government and Regulatory Authorities	Meetings with government and regulatory authorities, cooperation on training programs, information disclosure, official document correspondence, policy consultation, etc.
 Directors and Senior Management	Shareholders' meetings, meetings of the Board of Directors and its special committees, exclusive meetings of independent directors, etc.
 Employees	Staff representative assemblies, employee suggestion boxes, employee satisfaction surveys, employee activities, employee training, etc.
 Suppliers and Contractors	Business cooperation communication, supplier evaluation and audit, training and exchange meetings, on-site visits, contract negotiations, communication via supply chain management systems, etc.
 Partners and Research Institutions	Technical cooperation meetings, project collaboration, industry seminars, technical exchanges, etc.
 Communities and the Public	Community service activities, company official website and other online platforms, etc.
 Media and Industry Associations	On-site industry exchange meetings, online industry seminars, cooperation correspondence emails, telephone communication, press releases, company announcements, media interviews, etc.
 Rating and Audit Institutions	ESG rating communication, audits and verifications, support for information disclosure, etc.

Double Materiality Assessment

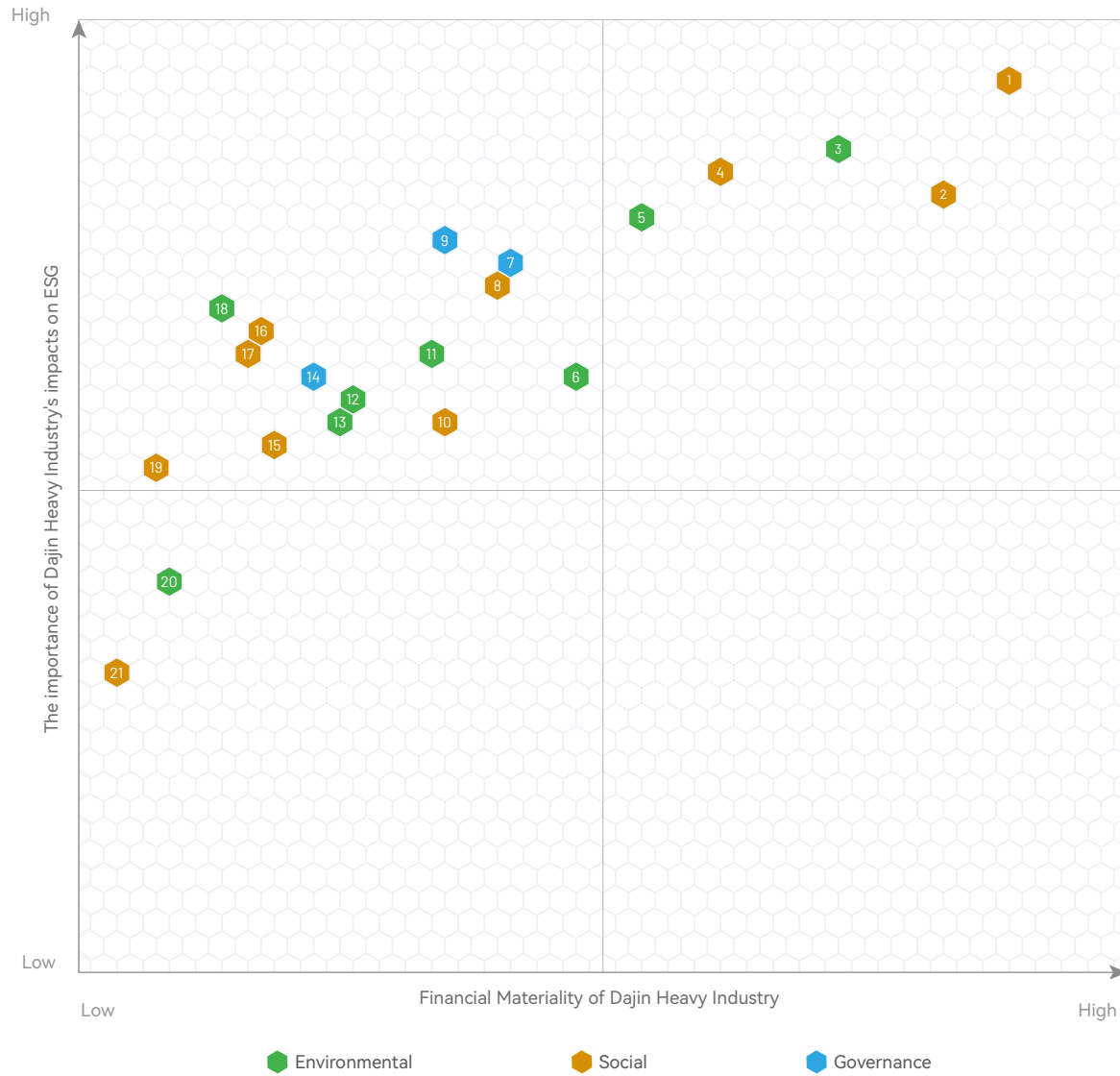
Dajin Heavy Industry regards materiality assessment as a key foundation for sustainability management. In 2025, the Company conducted its first systematic assessment in accordance with the double materiality principle, with reference to the relevant requirements of the Shenzhen Stock Exchange's *Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainable Development Report (for Trial Implementation)* and *Self-Regulatory Guidelines for Listed Companies No. 3 – Preparation of Sustainable Development Reports*.

The Company identified a long list of topics through internal and external stakeholder surveys, conducted quantitative analysis from the two dimensions of financial materiality and impact materiality, and finally formed a double materiality matrix, providing a decision-making basis for annual actions and strategy integration.

Main Process of Dajin Heavy Industry's Double Materiality Assessment



Double Materiality Matrix of Material Topics of Dajin Heavy Industry in 2025



No.	Topics	Level of Materiality
1	Products Services and Quality	Financial Materiality, Impact Materiality
2	Health and Safety	Financial Materiality, Impact Materiality
3	Addressing Climate Change	Financial Materiality, Impact Materiality
4	Sustainable Supply Chain Management	Financial Materiality, Impact Materiality
5	Opportunities in Clean Technologies	Financial Materiality, Impact Materiality
6	Energy Management	Impact Materiality
7	Risk Management	Impact Materiality
8	Innovation-Driven Development	Impact Materiality
9	Business Ethics	Impact Materiality
10	Employee Rights and Interests	Impact Materiality
11	Environmental Compliance Management	Impact Materiality
12	Promoting Circular Economy	Impact Materiality
13	Ecosystem and Biodiversity Conservation	Impact Materiality
14	Corporate Governance	Impact Materiality
15	Remuneration and Benefits	Impact Materiality
16	Information Security and Privacy Protection	Impact Materiality
17	Employee Training and Development	Impact Materiality
18	Pollutant and Waste Management	Impact Materiality
19	Water Resource Management	Impact Materiality
20	Diversity and Inclusion	N/A
21	Social Contribution and Rural Revitalization	N/A

The double materiality assessment has identified five topics of financial materiality. For these topics, we have systematically organized elements including governance, strategy, impacts, risk and opportunity management, as well as indicators and targets.

Topic	Impact Description	Time Dimension			Value Chain Scope	Current Financial Impact	Indicators and Targets
		Short-term	Medium-term	Long-term			
Product Service and Quality	As a global manufacturer of wind power and offshore engineering equipment, product quality is directly related to the long-term operational safety and power generation efficiency of wind farms, and is the core cornerstone for the Company to win the trust of international customers and maintain its industrial competitiveness.	●	●	●	Own Operations, Downstream of the Value Chain	Costs, Revenue	See Section 2.1 Product Quality and Safety and the Key Performance Indicators Table
Sustainable Supply Chain Management	Raw materials account for the main part of the product carbon footprint, and the Company is facing regulatory constraints such as the EU Carbon Border Adjustment Mechanism (CBAM). Building a green and transparent supply chain is a key guarantee for the Company to meet overseas market access requirements and reduce compliance risks.		●	●	Upstream Value Chain, Own Operations	Costs	See Special Topic 2: Reshaping Responsible Procurement, Forging a Sustainable Value Chain
Addressing Climate Change	The global energy transition not only drives the growth of the Company's offshore wind power business, but also puts forward higher requirements for the operational resilience of coastal production facilities. Climate factors are incorporated into the strategy, and the Company seizes opportunities and prevents risks.		●	●	Upstream of the value chain, own operations, downstream of the value chain	Costs, Revenue	See Section 1.1 Addressing Climate Change and the Key Performance Indicators Table
Clean Technology Opportunities	Forward-looking layout of new energy and other clean technologies is an important support for the Company to seize the initiative in future market competition.			●	Own operations, downstream of the value chain	Costs, Revenue	See Section 1.2 Green Operations Chapter
Health and Safety	Ensuring the occupational health and safety of employees and subcontractors is the basic premise for maintaining stable operations and meeting the audit requirements of international clients.	●	●	●	Upstream of the value chain, own operations, downstream of the value chain	Costs	See Section 2.2 Safety and Efficient Production and the Key Performance Indicators Table

Special Topics

- Special Topic 1: Green shipping undergoes further upgrades, leveraging autonomous shipping capabilities to establish a new global delivery advantage
- Special Topic 2: Reshaping Responsible Procurement and Forging a Sustainable Value Chain

Contribution to the SDGs



SPECIAL TOPIC 1

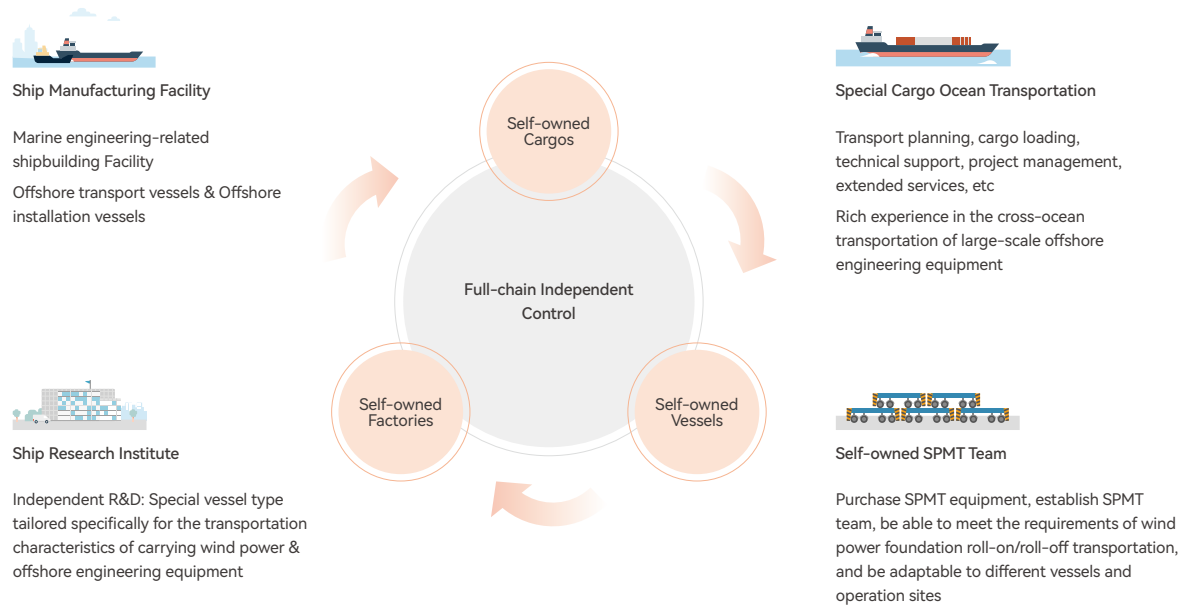
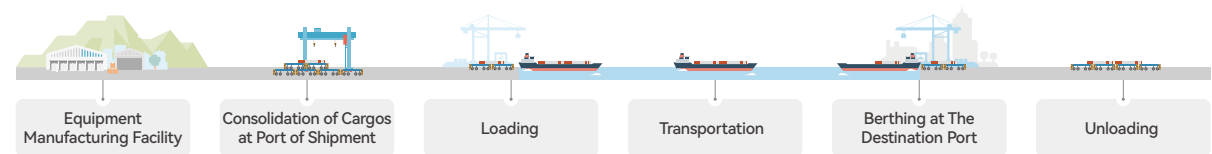
Green shipping undergoes further upgrades, leveraging autonomous shipping capabilities to establish a new global delivery advantage

Currently, the global energy transition has entered a critical deep-water stage. As the core engine of this transition, the offshore wind energy industry is currently experiencing a crucial period of scale expansion and potential release. According to the statistics of the Wind Energy Council, by the end of 2024, the global installed capacity of offshore wind power reached 75GW, and it is expected to rise to 410GW by 2035. Although the market scale is huge, behind the rapid expansion of the industry, problems such as insufficient transportation capacity and low operational efficiency, etc. have become increasingly prominent, and have become the core bottleneck restricting the acceleration of the development of the wind power industry.

Dajin Heavy Industry is a leading enterprise in the global field of wind power foundation equipment manufacturing. It has been deeply engaged in the wind power industry for nearly two decades and has successfully completed strategic upgrades from onshore wind power steel structures to offshore wind power foundations, and from equipment manufacturing to destination port delivery services. In 2025, the Company further clarified its development positioning of “Moving from the blue ocean to the deep blue ocean, and transforming from an equipment supplier to a system service provider”, dedicated to solving industry development bottlenecks, accelerating the commercialization process of the deep-sea wind power foundation industry, and helping global sustainable energy development to expand further into the deep blue ocean.

The Company has established a complete process service system covering all aspects such as ship construction, ship design, transportation planning, loading and unloading schemes, etc., by acquiring shipbuilding Facilities, establishing a ship research and design institute, independently developing special ship types, purchasing roll-on/roll-off SPMT vehicles, and forming a professional shipping team. This has enabled the realization of the "Self-owned Cargos+ Self-owned Vessels + Self-owned Factories + Self-owned Ports" DAP delivery model. This model not only provides a full-process logistics guarantee for project delivery, effectively controls logistics costs, but also significantly enhances product value and project core competitiveness.

The entire chain of ocean-going special transportation is independently controllable



Comprehensive planning of shipping industry

In the context of the global energy structure accelerating its transition towards cleaner and lower-carbon forms, offshore wind power, as an important pillar of renewable energy, is experiencing unprecedented development opportunities. Since 2023, Dajin Heavy Industry has been proactively planning for the shipping sector, focusing on overseas markets and concentrating on offshore wind power products. The Company has launched the "New Off-shore & Overseas" strategy, aiming to complete the strategic transformation from "equipment supplier" to "system service provider". Meanwhile, Dajin Heavy Industry is well aware of the pain points of the traditional FOB (Free on Board, i.e. "delivery on board the vessel at the port of loading") model, such as high costs, uncontrollable transportation capacity and difficulties in controlling carbon emissions. Therefore, the Company has decisively implemented the cross-border shipbuilding strategy, and completed the integration of Panjin Shipyard in 2023. As the shipping sector operation becomes increasingly mature, the Company officially innovatively launched the DAP (Delivered At Place) one-stop delivery model in 2024, incorporating the entire chain of product manufacturing, loading at port of loading, ocean transportation, unloading at port of discharge and etc. into the service system. In 2025, the Company's representative deck barge M/V KING ONE successfully launched, marking a milestone breakthrough. Thus, the dual-drive model of "Ocean-going Specialized Transportation + Ship Design and Construction" has begun to take shape. This new business model is a bold breakthrough in the field of offshore wind power equipment, without minor innovations, directly addressing the core cost and efficiency pain points of the industry, opening up a new space through differentiated paths and leading the industry upgrade direction.



Dual-wheel drive model of "Ocean-going Specialized Transportation + Ship Design and Construction", helping to form unique competitive advantages and new growth curves

The self-built special transportation fleet is not subject to the capacity and schedule restrictions of the external shipping market. The Company can independently arrange transportation plans to ensure the timeliness of delivery, reduce the transportation costs, provide customers with higher added value, and create a larger profit margin.

Ocean-going Transportation
Door to Door

Ship Design and Construction
Industrial Chain Expansion

The independently designed ship type better meets the transportation requirements for core components such as large-scale wind power monopile foundation and towers.

Undertaking external shipbuilding orders will also become a new source of performance growth for the Company.

The entire process will be handled by Dajin

Construction

Loading

Transportation

Installation



Delivery

Innovative ship design, escorted by authoritative certification

Dajin Heavy Industry has demonstrated outstanding independent R&D and system integration capabilities in the field of offshore engineering special vessels. Leveraging its 20-year accumulation in offshore wind power engineering, the Company has launched the layout of serialized and specialized vessel types:

KING Series Large Deck Barge: Length 240 meters, Width 51 meters, Deck area 12,000 square meters, Maximum load capacity 40,000 tons. It adopts a dual-engine & dual-propeller propulsion system, with a maximum speed of 13 knots and a cruising range exceeding 16,000 nautical miles. It can comfortably meet the needs of the global long-distance navigation and is perfectly suitable for the special transportation scenarios of large-scale engineering equipment of offshore wind power and oil & gas.

Emperor Series Large Deck Barge: This is a self-transcendence of Dajin based on the KING Series vessel. It is the largest deck barge with the largest deck area in the world, and its transportation capacity has been further enhanced. The ship has a breadth of 61 meters, a deck cargo area of 135,000 square meters, and a maximum load capacity of 60,000 tons. It is suitable for transporting super-large equipment such as floating foundations and oil & gas modules. Except the semi-submersible function, all the other configurations are benchmarked against semi-submersible vessels, making it the optimal vessel type for cross-ocean transportation within the industry.

<ul style="list-style-type: none"> ▪ Extra-large deck ▪ Specially designed for large-scale offshore equipment 		<table border="1"> <tr> <td style="padding: 5px;">239.8 m</td> <td style="padding: 5px;">Overall Length</td> <td style="padding: 5px;">245 m</td> </tr> <tr> <td style="padding: 5px;">51 m</td> <td style="padding: 5px;">Moulded Breadth</td> <td style="padding: 5px;">61 m</td> </tr> <tr> <td style="padding: 5px;">11322 m²</td> <td style="padding: 5px;">Cargo Deck Area</td> <td style="padding: 5px;">13529.8 m²</td> </tr> <tr> <td style="padding: 5px;">40000 t</td> <td style="padding: 5px;">Load Deadweight</td> <td style="padding: 5px;">60000 t</td> </tr> </table>	239.8 m	Overall Length	245 m	51 m	Moulded Breadth	61 m	11322 m ²	Cargo Deck Area	13529.8 m ²	40000 t	Load Deadweight	60000 t	<ul style="list-style-type: none"> ▪ World's largest deck area ▪ Suitable for transporting oversized equipment, such as floating foundations and oil & gas modules 	
239.8 m	Overall Length	245 m														
51 m	Moulded Breadth	61 m														
11322 m ²	Cargo Deck Area	13529.8 m ²														
40000 t	Load Deadweight	60000 t														



Adopting the low-carbon path

Facing the low-carbon regulatory requirements in the global market, especially in the European market, Dajin Heavy Industry has proactively benchmarked against the *FuelEU Maritime regulations* and the relevant provisions of the *EU Emissions Trading System (EU ETS)*, and has made early preparations for low-carbon shipping solutions. The Company is also closely monitoring the adoption and implementation progress of the International Maritime Organization (IMO)'s *Net-Zero Framework*. The Company has established a shipping ESG team to study green & low-carbon shipping policies and regulations, risks and opportunities, response methods and internal implementation paths, and has also conducted scenario analyses for different implementation paths and calculated the inputs and returns under different scenarios. Regarding the most critical fuel usage factors affecting green shipping, Dajin Heavy Industry has initially explored the optimal proportion scheme for the use of clean and compliant fuels and will further optimize and explore the solutions that are suitable for Dajin's actual situation.

In addition, Dajin Heavy Industry is also actively exploring other paths for green & low-carbon shipping. The Company is promoting low-carbon response strategies at multiple stages such as ship design, product loading and unloading and route operation, seizing every opportunity to help the Company reduce its overall carbon emissions and achieve its scientific carbon targets. For information on carbon reduction during the manufacturing process, please refer to Section 1.2 Green Operations of the Environmental Chapter in this report.

Response Strategies	Descriptions
Low-carbon Design	Enhance transportation efficiency and reduce energy consumption by designing larger decks, adopting advanced hull shape designs, and adding vortex-dissipating fins, etc.
Optimize Routes	Optimize the routes for each vessel based on vessel type, loading capacity, voyage duration, speed, and fuel consumption.
Economic Speed	Require the vessels to sail at the economic speed as much as possible.
Reduce Resistance	Remove marine organisms from the bottom of the leased vessels to maintain the sailing speed and reduce energy consumption.
Install Outrigger Supports	By adding outrigger supports, the cargo carrying capacity of the vessel can be increased, while the number of voyages can be reduced under the same total cargo volume, thereby decreasing the emission of greenhouse gases.
Connect to Shore Power for Charging	After the vessels dock, they connect to shore power, achieving less emissions during port operations.



Guarantee the quality of shipping

The Company has always placed the quality of maritime services and safety compliance at the core. All its own and partner-operated vessels strictly adhere to the norms of the International Maritime Organization (IMO) to ensure that the design, construction and maintenance of the vessels meet the supervision requirements of the major port-states in the world.

Before each voyage departs, a standardized three-level pre-voyage joint inspection regime is continuously implemented: the ship management team and a third-party marine warranty surveyor jointly conduct a comprehensive inspection of the ship's structure, securing systems, deck strength, loading and unloading balance, navigation and communication equipment, and emergency facilities, to ensure that the vessel's dispatch meets the quality and safety compliance requirements.

In addition, the Company is also committed to enhancing the knowledge and skills of its employees through systematic and scientific training, in order to ensure the quality and safety of shipping. The Company has established a comprehensive and multi-dimensional training system for employees in various aspects such as ship design capabilities, onshore operation capabilities, and shipping operation capabilities. The Company regards personnel capability building as the core support for shipping service quality.

During the reporting period, Dajin Heavy Industry

had not experienced any major accidents in ocean shipping.

Case Study

Training on Safety and Standards for Loading and Unloading Operations

The shipping loading and unloading operations involve cross-departmental collaboration among multiple entities. The standardization of the operation process, the safety of the on-site environment, and the smoothness of team collaboration are directly related to the quality of shipping services, operation efficiency, and personnel safety. In order to clarify the standardized operation procedures for loading and unloading, and to strengthen the awareness of implementing the health, safety, and environment (HSE) management system for all personnel, training for relevant personnel were conducted before each loading and unloading operation in 2025. Each training session lasted for no less than one hour.

The training achieved "zero-distance between training scenarios and operation scenarios" and began with the triple confirmation work of "equipment, environment and personnel" in a pre-positioned manner. It was guaranteed by entering into concentrated lectures and practical drills. Combined with past typical operation scenarios, through simulation operations and role-playing, it strengthened the team collaboration process of multiple positions such as "operation supervision position", "risk reminder position" and "collaboration connection position", ensuring that each trainee mastered the key points of collaboration.

In 2025, no safety accidents occurred during loading and unloading operations due to improper wearing of labor protection equipment, improper setting of warning lines, or equipment malfunctions, etc. The annual accident rate was zero, and the average duration of each loading and unloading operation was reduced, while the operational efficiency was significantly improved.



On-site diagram of safety and standard training for loading and unloading operations

SPECIAL TOPIC 2

Reshaping Responsible Procurement and Forging a Sustainable Value Chain

As a global provider of offshore wind foundation structures and tower solutions, Dajin Heavy Industry regards its supply chain as a critical foundation for achieving its sustainability goals and ensuring compliance across its global operations. Guided by the principles of responsibility, compliance, low-carbon emission, and collaboration, the Company has established a sustainable supply chain management system covering the entire supplier lifecycle. ESG requirements are comprehensively integrated into every stage of supplier management, including onboarding, evaluation, cooperation, and exit, thereby continuously enhancing the overall resilience and sustainable competitiveness of the value chain.

Against the backdrop of the green transition in the global offshore wind supply chain, the Company focuses on green steel application, low-carbon emission manufacturing, and supply chain compliance to promote collaborative decarbonization and responsible management across upstream and downstream partners. Through these efforts, Dajin is progressively building a supply chain governance system aligned with the expectations of high-end overseas markets.

I Sustainable Supply Chain Governance Structure and Strategy

The Company has established a sustainable supply chain management structure led by the Sustainable Procurement Committee, coordinated by the Sustainable Development Department, and executed by the procurement and business departments. In 2025, the Company officially established a dedicated Sustainable Procurement Committee and clarified a cross-functional coordination mechanism to oversee the following areas: formulation of supply chain ESG Management policies, identification and assessment of supply chain risks, promotion of green steel and low-carbon emission materials, supplier compliance and performance management, and supply chain carbon data management.

At the same time, the Company issued its *Sustainable Procurement Policy*, committing to incorporate environmental, social, and governance factors into procurement decisions, prioritize responsible suppliers, promote the low-carbon emission transition of the supply chain, and reduce the impact of procurement activities on the climate and local communities.

Against the backdrop of the Company's "New Overseas & Offshore Strategy" and ongoing expansion into overseas markets, the Company continues to strengthen the international compliance capabilities of its supply chain in order to support business development in high-standard markets such as Europe.

II Supplier Lifecycle Management

The Company has established a full-lifecycle supplier management system covering supplier pre-qualification, evaluation, cooperation, monitoring, improvement, and elimination, ensuring that supply chain management is standardized and transparent. Supported by systematic policy documents and standardized operational procedures, the Company maintains clear roles and responsibilities as well as orderly implementation across all stages. ESG factors have been fully integrated into this system and have become a standard consideration in supplier management.

1. Pre-qualification Management

1.1 The Company implements a stringent supplier pre-qualification review mechanism, adopting a dual assessment approach that combines document review with on-site assessment to ensure that suppliers meet the Company's requirements in terms of quality, environment, health and safety, and social responsibility.

1.2 During the supplier pre-qualification stage, the Company focuses on reviewing the following:

- Business license and production qualifications
- Quality management system (ISO 9001)
- Environmental management system (ISO 14001)
- Occupational health and safety management system (ISO 45001)

- ESG-related policy and management documents
- *Declaration of Non-Use of Conflict Minerals*
- *Human Rights Agreement*
- *Green Supply Chain Self-Assessment Form*

1.3 Starting from 2025, the Company has made ESG a mandatory review dimension for supplier pre-qualification. Through the *Supplier ESG Assessment Form*, suppliers are evaluated across three dimensions—environmental, social, and corporate governance—to ensure that new partners meet the Company's sustainability standards.

2. Audit Mechanism

- 2.1 The Company has established a tiered audit mechanism covering pre-award audits for first-time suppliers, annual routine audits, and on-site audits for key suppliers.
- 2.2 In principle, the audit cycle is designed to achieve full supplier coverage every three years, with enhanced review measures applied to core suppliers. Key areas of focus include environmental compliance records, labor and social insurance practices, business ethics, and ESG management systems.
- 2.3 In 2025, leveraging the database of the Institute of Public & Environmental Affairs (IPE), the Penglai Facility conducted dynamic monitoring of the environmental performance of Class A core suppliers¹, regularly reviewing their emissions and compliance information and incorporating the results into annual performance evaluations.

3. Performance and Assessment Management

- 3.1 In accordance with the *Control Procedure for Sustainable Procurement Supplier Management*, the Company conducts dynamic performance assessments of suppliers. Assessment dimensions include product quality, delivery capability, service responsiveness, ESG performance, and compliance status.
- 3.2 In 2025, through its supplier quality interview mechanism and dedicated improvement plans, the Company carried out targeted enhancement actions for suppliers with quality issues. At the same time, it continued to improve the overall quality level of the supply chain through measures such as pre-tender technical and quality briefings and the compilation of common errors in outsourced auxiliary materials and components.

4. Supplier Elimination Mechanism

The Company has established a clear supplier elimination mechanism for suppliers with material compliance or ESG-related risks. Where a supplier is found to have serious quality issues, environmental violations, integrity breaches, human rights violations, refusal to implement corrective actions, or other comparable circumstances, the Company will freeze the supplier in the Yicaitong system and initiate the elimination process, thereby terminating the business relationship.

¹ Preferred and Long-term Strategic Partners

III. Supplier Tiered Management

In response to the offshore wind equipment manufacturing industry's stringent requirements for quality stability, delivery reliability, and supply chain compliance, Dajin Heavy Industry has established a supplier tiered management mechanism based on quality and delivery performance, with ESG performance serving as an important evaluation dimension. Suppliers are classified into four categories—A, B, C, and D—and differentiated procurement and cooperation strategies are applied according to their respective ratings. The tiered assessment is conducted across multiple dimensions, including product quality, technical capability, delivery performance, service, and sustainability performance.

In 2025, the Company continued to optimize its supplier tiered management mechanism, with a focus on strengthening the dynamic tracking of quality and sustainability performance:

- establishing a Supplier Quality Review and Communication Meeting mechanism to ensure timely feedback and closed-loop follow-up on critical quality issues;
- introducing a Non-Conformance Report (NCR) closed-loop management mechanism to enable quality tracking and accountability tracing throughout the entire process, from incoming material inspection and production use to project delivery;
- incorporating supplier ESG performance into the tiered evaluation system and gradually increasing the weighting of sustainability performance.

For suppliers whose performance requires improvement, the Company adopts a management approach that combines supervision with capacity building. Through one-on-one improvement coaching, thematic training, on-site communication, and guidance on corrective action plans, the Company helps suppliers strengthen their quality management and ESG compliance capabilities, thereby continuously enhancing the overall sustainability performance of the supply chain.

IV. Supply Chain Audit and Compliance Management

As a manufacturer of offshore wind foundation structures and tower equipment, Dajin Heavy Industry's supply chain involves a wide range of critical materials and services, including steel plate, flanges, offshore engineering supporting components, and specialized services. Given its long business chain, extended project cycles, and stringent overseas compliance requirements, the Company continues to strengthen its supply chain audit and compliance management mechanisms in order to ensure that procurement activities are standardized and transparent and that supply chain operations remain stable and controllable. The Company exercises systematic oversight over procurement processes and full-lifecycle supplier management.

In 2025, the Company systematically carried out supply chain audits and internal control reviews, with a particular focus on two key areas: procurement process management and full-lifecycle supplier management. Led by the Internal Control Office of the Procurement Management Department, cross-functional teams conducted mutual reviews across departments. The reviews covered key aspects such as procurement pricing mechanisms, tendering and quotation comparison procedures, contract execution and performance fulfillment, supplier onboarding and full-lifecycle management, customs affairs, and terminal logistics management. Spot checks and verification were conducted on tender acknowledgements, quotation documents, procurement contracts, supplier qualifications, and contract performance records. Through these efforts, the Company promptly identified operational risks and management weaknesses, continuously optimized procurement processes and internal control mechanisms, and ensured that procurement activities were lawful, compliant, transparent, and efficient.

V. Development of the Sustainable Supply Chain Management System

As an equipment manufacturer with a strong presence in the global offshore wind market, Dajin Heavy Industry places great importance on the critical role of the supply chain in its sustainability strategy. Benchmarking against international best practices in sustainable procurement, and in line with the *Ten Principles of the United Nations Global Compact*, *GB/T 41835-2022 Guidelines for Sustainable Procurement*, *ISO 20400:2017 Sustainable Procurement—Guidance*, and other relevant laws, regulations, and industry standards, the Company has established a sustainable supply chain management system with sound policies, clear responsibilities, and standardized operations. ESG requirements are systematically embedded throughout the entire procurement decision-making and supplier management process.

In March 2025, the Company officially established the Sustainable Procurement Special Committee, clarifying its overall coordinating responsibilities for supply chain ESG management. At the same time, the Company issued the *Job Responsibilities Description for the Sustainable Procurement Committee*, further defining the organizational structure and division of responsibilities, strengthening cross-functional coordination mechanisms, and ensuring that sustainable procurement efforts remain aligned with the Company's overall development strategy.

In terms of supplier management, in accordance with the *Control Procedure for Sustainable Procurement Supplier Management*, the Company has established an audit mechanism covering the entire supplier lifecycle, from pre-qualification and cooperation to elimination

- conducting pre-award reviews for first-time suppliers, with a focus on their quality systems, environmental and safety management, compliance records, and sustainability performance;
- carrying out annual routine reviews and on-site visits for existing suppliers, with particular attention to production governance, delivery capability, environmental compliance, and labor management;
- implementing enhanced reviews and dynamic tracking for core and high-risk suppliers to ensure that issues can be identified, rectified, and traced.

By combining institutionalized audits with dynamic supervision, the Company continues to strengthen its supply chain compliance management and risk prevention capabilities, providing a solid supply chain safeguard for overseas project delivery and global business expansion.

At the system-building level, with *ISO 20400:2017 Sustainable Procurement—Guidance* as the framework and taking into account the characteristics of the offshore wind industry, the Company has developed a full-process institutional system covering procurement planning, supplier pre-qualification, performance evaluation, risk management, and continuous improvement. Centered on *the Sustainable Procurement Management Manual*, this system is supported by multiple management procedures and operational guidelines, providing systematic support for sustainable procurement practices.

Through the continuous optimization of its management system and implementation mechanisms, the Company has steadily enhanced supply chain transparency and resilience, providing institutional safeguards and management support for project delivery in high-standard overseas markets and for the achievement of its low-carbon emission transition goals.

Case Study

Sustainable Procurement Special Committee

The Sustainable Procurement Special Committee is one of the management-level specialized committees established under the Company’s Strategy and Sustainability Committee. It serves as the overall coordination body for the Company’s sustainable supply chain management, with the Sustainable Development Department providing day-to-day organizational and implementation support. At the management level, the Committee is responsible for advancing the implementation of sustainable procurement policies, strengthening supply chain ESG risk control, and improving supplier performance. Relevant work is reported regularly to the Strategy and Sustainability Committee and is subject to the oversight and guidance of the Board of Directors.

The Committee’s work is coordinated and managed by the General Manager of the Procurement Management Center. Through the establishment of annual work reviews and phased evaluation mechanisms, the Committee summarizes execution progress on key sustainable procurement tasks, supplier performance outcomes, and the effectiveness of risk control measures, while promoting continuous improvement. Based on the characteristics of the Company’s offshore wind equipment business, the Committee coordinates procurement planning and supply chain resource allocation, advances procurement plan management and assessment of the timing for key material purchases, continuously optimizes procurement processes and cross-functional coordination mechanisms, improves

procurement efficiency and supply assurance capabilities, and supports the on-time delivery of major projects.

In the area of sustainability, the Committee is responsible for promoting the implementation of ESG requirements throughout the supply chain. Its work includes communicating the Company’s sustainable procurement policy and ESG management requirements to suppliers; promoting the green and low-carbon emission transition of key raw material suppliers and core supporting suppliers; organizing supplier ESG training and capacity-building activities; guiding suppliers in carbon emissions data collection and compliance management; and coordinating supply chain risk identification and corrective action mechanisms. In 2025, under the overall coordination of the Sustainable Procurement Committee, the Company further improved its supplier sustainability performance evaluation system by incorporating environmental, social, and governance indicators into the comprehensive supplier assessment framework and gradually expanding its coverage. As a result, sustainability evaluation management has already been applied to more than 80% of core suppliers, providing strong support for the Company’s overseas project compliance, low-carbon emission transition, and long-term supply chain resilience.



Kick-off Meeting of the Sustainable Procurement Committee

In 2025, Dajin Heavy Industry was awarded the ISO 20400 Statement of Conformity for Sustainable Procurement by the British Standards Institution (BSI), marking the Company’s alignment with international best practices in areas such as sustainable procurement policy formulation, supplier management, risk identification, and continuous improvement. This recognition demonstrates that the standardization and effectiveness of the Company’s management system have been acknowledged by an internationally authoritative third party.

In the same year, the Company was awarded the EcoVadis Silver Medal, reflecting its continued improvement in overall performance across environmental management, labor and human rights, business ethics, and sustainable procurement. These certifications and rating results not only strengthened the Company’s collaborative capabilities with international customers in the field of sustainable supply chains, but also provided strong support for its overseas market expansion and the deepening of green supply chain cooperation.



ISO 20400 Statement of Conformity

Case Study

Special Training on the Green Supply Chain Management Measures

To promote the effective implementation of its sustainable procurement management system in day-to-day operations, Dajin Heavy Industry has continued to strengthen the professional capabilities of its procurement and related business teams. In 2025, the Company organized a special training session on *the Green Supply Chain Management Measures* for the Procurement Management Center and relevant functional departments, providing systematic explanations and case sharing on topics including the Company's sustainable procurement policy, supplier ESG management requirements, green material application, and supply chain compliance risk control.

The training was designed in close connection with the characteristics of the offshore wind equipment manufacturing industry. Focusing on practical business scenarios such as green steel application, the low-carbon emission transition of key raw materials, supplier environmental and compliance management, and the integration of ESG considerations throughout the procurement process, the program helped employees deepen their understanding of green supply chain concepts and related policy requirements, while enhancing their ability to apply these principles in procurement planning, supplier evaluation, and day-to-day management.

By combining thematic training with practical business needs, the Company further strengthened the internal communication and implementation of green procurement principles. It has encouraged procurement personnel to consider environmental and social responsibility factors more systematically in supplier selection, performance evaluation, and cooperation management, thereby gradually fostering a positive working culture of broad participation and coordinated advancement in sustainable supply chain development, and providing strong support for the Company's low-carbon emission transition and global business compliance.



VI. Supply Chain ESG Risk and Opportunity Management

In accordance with the *Control Procedure for Sustainable Procurement Risk and Opportunity Management*, the Company has established a supply chain ESG risk and opportunity management mechanism covering the entire procurement process, incorporating risk identification and opportunity assessment into its sustainable supply chain management system and day-to-day procurement decision-making.

The Company conducts systematic assessments of its supply chain across three dimensions—environmental, social, and governance—with a particular focus on key issues such as climate change and carbon emissions management, labor and human rights protection, business ethics and anti-corruption, compliance and export control risks, fair business practices, and supply chain governance capabilities. Through a combination of annual risk identification and dynamic monitoring, the Company classifies and manages various potential risks, while continuously refining its risk assessment indicators and management measures in light of overseas project requirements and key areas of focus in international customer audits.

For risk classification, the Company adopts a three-tier assessment approach of high, medium, and low, making comprehensive judgments based on factors such as the likelihood of occurrence, degree of impact, and level of controllability. Priority control measures are applied to identified material issues. In 2025, the Company identified eight high-risk issues, including climate change mitigation and adaptation, anti-corruption

and integrity management, and human rights and labor protection. In response to different types of risks, the Company formulated targeted control measures, including strengthening supplier pre-qualification reviews, improving contractual clauses, conducting dedicated training and on-site audits, and promoting supplier corrective actions and performance improvement.

While strengthening risk control, the Company also pays close attention to the development opportunities arising from the green transition and compliance upgrading of the supply chain. With the implementation of the EU Carbon Border Adjustment Mechanism (CBAM) and growing international customer demand for low-carbon emission materials, the Company has strengthened communication and collaboration with core raw material suppliers, advanced carbon data management and the application of low-carbon emission technologies, and continuously enhanced the supply chain's low-carbon emission competitiveness and adaptability to international markets. By managing both risks and opportunities in a balanced manner, the Company continues to improve supply chain resilience and sustainability performance, providing strong support for overseas business expansion and long-term value creation.

VII. Supply Chain Human Rights Management

Dajin Heavy Industry attaches great importance to human rights protection within its supply chain and regards it as a key cornerstone of sustainable supply chain management. In accordance with institutional documents such as the *Code of Conduct for Business Partners*, *the Human Rights Agreement*, and the “*Ten ESG Red Lines*”, the Company explicitly requires suppliers to comply with internationally recognized human rights and labor standards, and strictly prohibits the use of child labor, forced labor, any form of employment discrimination, harassment, or any other practices that infringe upon the legitimate rights and interests of employees.

In terms of implementation, the Company has embedded human rights clauses into supplier pre-qualification, contract signing, and annual evaluation processes, and has incorporated labor compliance as an important assessment criterion in supplier tiered management. In 2025, the Company systematically carried out supplier human rights risk identification and due diligence covering three categories of core suppliers, with a focus on labor compliance, social insurance contributions, working hours management, and occupational health and safety protection. For any potential risks identified, the Company required corrective actions and followed up on their implementation.

In the area of conflict minerals management, the Company follows the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and conducts risk screening across supply chains involving key materials such as tin. For suppliers potentially exposed to higher risks, the Company requires the signing of a *Self-Declaration on Non-Use of Conflict Minerals* and, through a combination of on-site audits and document verification, confirms that raw material sources do not involve areas affected by armed conflict or serious human rights risks.

During the reporting period, the signing rate of *the Code of Conduct* for Business Partners reached 100%, and all newly added and renewed suppliers completed the relevant human rights and compliance commitments. The signing rate of commitment letters for suppliers potentially involving conflict minerals risks also reached 100%. By combining institutional requirements with ongoing supervision, the Company continues to strengthen human rights management across its supply chain and safeguard the responsible and compliant operation of its value chain.

VIII. Supply Chain Business Ethics

Dajin Heavy Industry adheres to lawful and compliant operations and integrates the principles of integrity and fair competition throughout the entire supply chain management process, while continuously improving its supplier business ethics management system. Through institutional documents such as the *Integrity Cooperation and Compliance Agreement* and *the Code of Conduct for Business Partners*, the Company clearly sets out requirements relating to anti-bribery, anti-corruption, anti-unfair competition, and conflict of interest management. Business ethics clauses are incorporated into supplier pre-qualification reviews and contract management processes to ensure that business interactions with partners are conducted within a compliant framework.

In 2025, the Company continued to advance the “Source-Sealing Initiative”, a dedicated program for supply chain integrity management. Under this initiative, integrity supervision mechanisms were embedded into key stages such as supplier pre-qualification assessment, on-site inspections, commercial negotiations, and contract signing. By combining institutional requirements with process controls, the Company further strengthened risk prevention and control at the source. For suppliers found to have engaged in integrity violations, the Company strictly implements disciplinary measures in accordance with contractual terms and internal policies, including suspension of cooperation, contract termination, and legal accountability where applicable, so as to ensure transparent and standardized supply chain operations.

With respect to supervision and feedback mechanisms, the Company has established accessible channels for reporting integrity-related concerns, including a telephone hotline, email address, and official website reporting platform, and has implemented a *Whistleblower Reward Policy* to ensure that employees, suppliers, and other stakeholders may submit reports of misconduct anonymously. The Company treats all reported information with strict confidentiality and investigates and handles such cases in accordance with the law, thereby safeguarding the legitimate rights and interests of whistleblowers.

During the reporting period, the signing rate of *the Integrity Cooperation and Compliance Agreement* reached 100% for all newly added and renewed suppliers. The Company also sent the *Code of Conduct for Business Partners* by email to 19 Class A suppliers, all of whom completed internal communication and training on the Code and returned acknowledgements. By combining institutional requirements, process controls, and supervision mechanisms, the Company continues to strengthen business ethics management across its supply chain and foster a fair, transparent, and healthy cooperation environment.

IX. Supply Chain Decarbonization and Green Steel Collaboration

Against the backdrop of the accelerating global energy transition and increasingly stringent low-carbon emission market access requirements in Europe, Dajin Heavy Industry regards supply chain decarbonization and green steel collaboration as a strategic priority for enhancing its international competitiveness. The implementation of the EU Carbon Border Adjustment Mechanism (CBAM), together with overseas customers' growing requirements for low-emission steel ("green steel") and product carbon footprint transparency, has further driven the Company to accelerate the low-carbon transition of its supply chain.

In 2025, the Company carried out systematic preparatory work for CBAM compliance, including dedicated policy research and internal training. It conducted in-depth analysis of the emissions accounting logic applicable to the Company's products and precursor materials, and clarified supply chain data management requirements. On this basis, the Company focused on collecting and internally verifying carbon emissions data from suppliers of key raw materials such as steel plates and flanges, established a dynamic supplier carbon emissions data registry, and progressively improved its carbon intensity database for key materials, thereby providing data support for future carbon cost calculations and CBAM cost risk management in cross-border procurement.

At the same time, in alignment with its green steel strategy, the Company maintained frequent communication and on-site engagement with core steel mill suppliers, conducting technical exchanges on topics such as production process routes, energy structure optimization, the proportion of renewable electricity used, and methodologies for product carbon footprint accounting. These efforts were aimed at advancing feasibility assessments for the application of low-emission steel in overseas offshore wind projects. Through coordinated cooperation with upstream suppliers, the Company has gradually built a supply chain decarbonization pathway centered on data transparency, technical collaboration, and low-carbon emission substitution. During the expansion of overseas projects, the Company has actively provided customers with raw material carbon emissions data support and explanations of green steel solutions, thereby offering compliance support for project bidding and delivery in high-standard markets such as Europe.

These green steel solutions not only help reduce lifecycle carbon emissions at the project level and support European developers in achieving their carbon neutrality and even net-zero goals, but also provide important data and compliance support for their applications for various sustainability-related incentive policies and subsidies during the project bidding, development, and operational stages. Through coordinated efforts with developers and core suppliers, the Company continues to enhance the low-carbon competitiveness of its products and supply chain, providing strong support for project delivery and green value creation in high-standard markets such as Europe.

X. Sustainable Supply Chain Performance Targets and Management

To ensure the effective implementation of sustainable supply chain management requirements, Dajin Heavy Industry has translated key supply chain ESG risks and management priorities into annual performance targets that are measurable, trackable, and assessable. Focusing on core topics such as human rights and labor, environmental compliance, business ethics, and fair operations, the Company has established a closed-loop management mechanism covering target setting, implementation tracking, and outcome evaluation, thereby ensuring that all control measures have clear direction, defined implementation pathways, and performance feedback.

2025 Sustainable Supply Chain Performance Targets and Performance

Topic	Management Target	2025 Performance	
Human Rights and Compliance	Zero incidents of child labor, forced labor, discrimination, or other related violations	No such violations occurred	✓
	100% signing rate of the Supplier Code of Conduct	Achieved	✓
	90% supplier training coverage	Supplier training coverage reached 100%	✓
Labor Practices	Suppliers to employ labor in compliance with applicable laws and regulations, with 100% statutory social insurance coverage	Achieved	✓
Environmental Management	100% compliance with wastewater and air emissions standards by Class A suppliers of key core materials	Achieved	✓
Fair Business Practices	100% signing rate of supplier integrity agreements	Achieved	✓
	Supplier awareness rate of reporting and grievance channels $\geq 90\%$	Continually advanced	✓

To strengthen the implementation of performance targets, the Company has incorporated sustainable supply chain management requirements into its internal performance evaluation system and established a mechanism linking employee performance with supply chain management outcomes. In 2025, the Procurement Management Center included compliance with the *Code of Conduct for Procurement Management Center Personnel* in its annual performance evaluation. Through *the Supplier Interview Management Policy*, the Company also clarified communication requirements relating to ESG topics and directly linked the quality of supplier interviews to performance scoring. At the same time, leveraging *the Supplier Full-Lifecycle Management Form*, the Company dynamically tracked suppliers throughout the entire process from pre-

qualification and evaluation to cooperation, and used the implementation of management requirements as a basis for assessing key performance indicators (KPIs).

Through the coordinated advancement of target management and performance evaluation, the Company has continuously improved the standardization and execution of sustainable supply chain management, promoted the joint enhancement of responsibility and compliance levels among both suppliers and the Company, and provided solid support for global project delivery and long-term business development.

XI. Supply Chain Sustainability Capacity Building and Training

To continuously enhance the overall level of sustainable supply chain management, Dajin Heavy Industry regards capacity building and training as an important lever for advancing the implementation of sustainable procurement requirements. In 2025, the Company carried out multi-level and systematic training for its procurement teams and core suppliers on key topics such as green supply chains, compliance management, and low-carbon transition, thereby promoting the joint enhancement of sustainability awareness and practical capabilities across both upstream and downstream partners.

With respect to internal training, the Company organized dedicated training sessions and case-sharing activities for the Procurement Management Center and relevant business departments, covering topics such as the sustainable procurement policy, supplier ESG management requirements, green material application, compliance risk identification, and low-carbon requirements for overseas projects. These efforts strengthened employees' ability to incorporate ESG requirements into supplier pre-qualification, performance evaluation, and day-to-day management, while also improving procurement personnel's understanding of international customer sustainability expectations and relevant regulatory policies.

With respect to supplier training, the Company used key institutional documents such as the *Code of Social Conduct for Dajin Heavy Industry's Business Partners*, *the Green Supply Chain Management Measures*, and the *"Ten ESG Red Lines"* as the basis for dedicated communication and training activities for core raw material suppliers and key supporting suppliers. The training mainly covered human rights and labor compliance, environmental management, business ethics, carbon emissions data management, and green steel application trends. Through a combination of online briefings, on-site exchanges, and dedicated training sessions, the Company guided suppliers in strengthening their compliance management and low-carbon development capabilities, while promoting the communication and practical implementation of green procurement principles across the supply chain.

In 2025, the Company organized a total of 32 supplier training sessions, achieving a 100% training coverage rate. Through the continuous advancement of capacity building and communication, the Company has gradually formed a sound mechanism for jointly promoting sustainable development together with suppliers, further strengthening the foundation for supply chain compliance and low-carbon emission transition, and providing strong support for the Company's expansion into high-standard overseas markets and for enhancing the sustainable competitiveness of its value chain.



Environmental

Topics Addressed:

- Climate Change Response
- Clean Technology Opportunities
- Environmental Compliance Management
- Promotion of the Circular Economy
- Ecosystem and Biodiversity Protection
- Pollutant and Waste Management
- Water Resources Management

Contribution to the SDGs



Dajin Heavy Industry remains firmly committed to its corporate vision of “Sailing Toward a More Sustainable and Environmentally Friendly Future.” The Company actively responds to climate change, advances green manufacturing and low-carbon operations in depth, reinforces the foundation of environmental compliance, and proactively embraces opportunities arising from clean energy development, using practical actions to lead the industry’s green transition.

1.1 Climate Change Response

Dajin Heavy Industry attaches great importance to addressing climate change. In 2025, with reference to the framework of the *Task Force on Climate-related Financial Disclosures (TCFD)*, the Company further improved its climate governance system and carried out a comprehensive and systematic identification and assessment of climate-related risks and opportunities. On this basis, the Company is steadily incorporating climate-related risks into its overall risk management system, thereby providing strong support for the formulation of its long-term climate strategy and the advancement of substantive climate actions, and contributing to its long-term sustainable development.

Governance

Dajin Heavy Industry has incorporated climate governance into its overall ESG governance system. The Company has established a three-tier climate governance structure comprising the decision-making level, management level, and execution level, with clearly defined responsibilities at each level. This governance structure is designed to ensure the effective identification, scientific assessment, and systematic management of climate-related risks and opportunities, promote the deep integration of climate strategy into daily operations and long-term development planning, and comprehensively enhance the Company's climate governance effectiveness and strategic resilience.



During the reporting period, the Sustainability Center organized two dedicated climate change training sessions for the Board of Directors, with the aim of continuously enhancing the Board's professional capabilities on climate-related matters. The training covered topics including the **Net-Zero Industry Act** issued by the European Union, the revised **CBAM Regulation**, and the draft **IMO Net-Zero Framework** issued by the International Maritime Organization (IMO). Looking ahead, the Company has planned to provide the Board with ongoing climate-related professional knowledge through various means, including the introduction of external expert support and the continued delivery of internal thematic training. These efforts are intended to ensure that the Board has access to the necessary professional support to effectively fulfill its responsibilities for the management and oversight of climate-related matters.

Strategy

We attach great importance to the challenges and opportunities brought about by climate change, and proactively integrate climate change response into the Company's overall strategy. With reference to the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)** and international disclosure frameworks such as **IFRS S2 Climate-related Disclosures**, the Company systematically identifies climate-related risks and opportunities and continuously optimizes its responses to key climate risks, thereby supporting its low-carbon emission transition.

Scenario Analysis

To comprehensively understand the potential impacts of climate change on the Company's business, strategy, and financial performance, we adopted a climate scenario analysis approach to conduct forward-looking assessments of climate-related physical risks, taking into account the uncertainties in both the timing and magnitude of climate change impacts.

- **Scope:** The assessment covered 10 core production and operating sites and major investment projects located in Shandong, Hebei, Liaoning, Inner Mongolia, and other regions². These include offshore wind equipment manufacturing facilities, shipbuilding facilities, onshore wind tower manufacturing facilities, and renewable energy generation projects.
- **Time horizons:** The assessment is aligned with the time horizons of Dajin Heavy Industry's carbon target setting, namely the current term (2025), the short term (2030), and the long term (2050).
- **Risk types:** The Company identified and assessed seven acute physical risks—river flooding, pluvial flooding, storm surge, extreme precipitation, storms, wildfires, and heatwaves—as well as two chronic physical risks—drought and heat stress.
- **Climate scenarios:** Using the Shared Socioeconomic Pathways (SSPs) developed by the Intergovernmental Panel on Climate Change (IPCC), the Company selected two scenarios—a low-emissions scenario (SSP1-2.6) and a high-emissions scenario (SSP5-8.5)—and conducted quantitative analysis for each across the current, short-term, and long-term time horizons.

² The scope includes the Penglai facility, Tangshan facility, Panjin facility, Fuxin facility, Zhangjiakou facility, Yangjiang facility, Xing'an meng facility, Zhangwu Xiliujiazi 250 MW Wind Power Project, and Tangshan Dajin Shenghui 250 MW Photovoltaic Power Station Project.



Climate Scenarios Used for Assessing Climate-related Physical Risks

Assessment model: Based on an ensemble of multiple CMIP6 climate models, the model calculates changes in each hazard indicator from the historical baseline period to future time horizons, and applies a quantile transformation to map the magnitude of global change onto a standardized 0–10 scoring scale, thereby enabling the comparability of risks across different time periods and locations.

Physical Risk Assessment Scenario Adopted	Low-Emissions Scenario	High-Emissions Scenario
Scenario Category	IPCC SSP1-2.6 (corresponding to RCP2.6)	IPCC SSP5-8.5 (corresponding to RCP8.5)
Scenario Description	<p>The world gradually transitions toward a sustainable development pathway, emphasizing the coordination of inclusive growth and environmental boundaries. Under this pathway, renewable energy technologies develop rapidly, the use of fossil fuels is progressively minimized, and economic, social, and environmental systems evolve in a more coordinated manner.</p> <p>By 2100, radiative forcing is expected to stabilize at approximately 2.6 W/m². Compared with the 1850–1900 baseline period, the best estimate of the increase in global average surface temperature for 2081–2100 is 1.8°C, making it possible to limit global warming to below 2°C.</p>	<p>The world continues along a fossil fuel-driven development pathway, with rapid economic growth remaining highly dependent on the continued extraction and use of fossil fuels, leading to continuously rising greenhouse gas emissions. In terms of the technological pathway, innovation fails to effectively shift toward a low-carbon emission transition, and the energy system remains fundamentally reliant on fossil fuels, resulting in continued increases in energy demand and resource consumption throughout this century.</p> <p>By 2100, radiative forcing is expected to reach 8.5 W/m². Compared with the 1850–1900 baseline period, the best estimate of the increase in global average surface temperature for 2081–2100 is 4.4°C, representing a significant deviation from the temperature goals set out in the Paris Agreement.</p>
Temperature Increase	Below 2°C	Above 4°C

Climate Model Parameters and Indicators

Parameter	Indicator Covered by Climate Model	
Acute Physical Risks	River Flooding	Hazard severity level of river flooding
		Return period of river flooding
	Pluvial Flooding	Hazard severity level of pluvial flooding
		Return period of pluvial flooding
	Storm Surge	Hazard severity level of storm surge
		Return period of storm surge
	Extreme Precipitation	Change in precipitation during the wettest month (mm)
		Change in one-day extreme precipitation (mm)
	Storms	Wind speed under 10-year / 50-year / 100-year return periods (m/s)
		99th percentile wind speed (m/s)
Wildfire	Annual number of days with extreme fire weather (FWI > 50 / FWI > 21.3)	
	Annual number of heatwave days	
Heatwaves	Annual frequency of heatwaves	
	Annual frequency of heatwaves	
Chronic Physical Risks	Drought	Average aridity index (precipitation / potential evapotranspiration)
		Annual minimum Standardized Precipitation Evapotranspiration Index (SPEI)
	Heat Stress	Annual number of days with Wet Bulb Globe Temperature (WBGT) exceeding 32°C

Climate-related Physical Risks

After obtaining the individual risk assessment results for each operating site, we weighted the results based on the relative value of each asset and ultimately developed a Group-level physical risk inventory to reflect the potential impacts of climate change on the Company's overall asset portfolio.

Group-level Physical Risk Inventory of Dajin Heavy Industry

Group-level Physical Risk Inventory of Dajin Heavy Industry	Risk Type	Term	2030		2050	
			SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
Acute Physical Risks	River Flooding	●	●	●	●	●
	Pluvial Flooding	●	●	●	●	
	Storm Surge	●	●	●	●	
	Extreme Precipitation	●	●	●	●	
	Storms	●	●	●	●	
	Wildfire	●	●	●	●	
	Heatwaves	●	●	●	●	
Chronic Physical Risks	Drought	●	●	●	●	
	Heat Stress	●	●	●	●	

Risk Severity

Severe

Relatively High

High

Medium

Low

Very Low

Across its nationwide operations, extreme precipitation and drought are expected to be the most significant physical climate risks faced by the Group. Flooding and waterlogging caused by extreme precipitation may lead to operational disruptions at production bases, damage to equipment, and delays in the delivery of overseas orders, thereby directly affecting operating revenue. Although the Company's production processes do not involve industrial water use, drought may still indirectly increase facility maintenance and road repair costs by affecting the stability of plant foundations, aggravating dust pollution, and disrupting logistics efficiency.

To systematically address these risks, Dajin Heavy Industry has gradually integrated climate adaptation into its strategic planning and continues to enhance the climate resilience of its production bases and operating sites through measures related to both engineering infrastructure and day-to-day operations.

From the perspective of geographic distribution, the Group's core operating sites can be divided into two major clusters: coastal and inland. The coastal bases are mainly located in Shandong, Hebei, Liaoning, and

Guangdong, leveraging port advantages and focusing on offshore equipment manufacturing and exports. The inland operating sites are located in Liaoning, Hebei, and Inner Mongolia, undertaking onshore wind equipment manufacturing and renewable energy generation businesses.

Among these, extreme precipitation may also affect the stability of power generation at renewable energy plants located at inland bases, which could in turn lead to fluctuations in electricity generation revenue. It may also disrupt the normal transportation of oversized products, thereby increasing the risks of logistics interruption and delayed order delivery. By comparison, Dajin Heavy Industry's three major Bohai Rim facilities—Penglai, Tangshan, and Panjin—are all located on or near the coast and carry the core functions of offshore equipment manufacturing and global delivery. Their exposure to climate risks is therefore highly representative and distinctive. The following section focuses on the detailed risk assessment results and response measures for these three major Bohai Rim offshore equipment manufacturing facilities.

Penglai Facility

Penglai Facility	Risk Type	Term	2030		2050	
			SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
Acute Physical Risks	River Flooding	●	●	●	●	●
	Pluvial Flooding	●	●	●	●	●
	Storm Surge	●	●	●	●	●
	Extreme Precipitation	●	●	●	●	●
	Storms	●	●	●	●	●
	Wildfire	●	●	●	●	●
	Heatwaves	●	●	●	●	●
Chronic Physical Risks	Drought	●	●	●	●	●
	Heat Stress	●	●	●	●	●

Risk Severity	Severe	Relatively High	High	Medium	Low	Very Low
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The Penglai Facility, located in Penglai District, Yantai City, Shandong Province, is a heavy equipment manufacturing facility built adjacent to the port, with the Company’s self-owned terminal located directly in front of the facility. The main physical climate risks faced by the Penglai Facility include river flooding, pluvial flooding, drought, and extreme precipitation. Extreme precipitation may directly affect the shipment and transportation of large-scale wind power equipment, while pluvial flooding may disrupt raw material transportation routes, leading to interruptions in production schedules or delays in project delivery. River flooding and pluvial flooding may result in site inundation, equipment damage, and raw material losses, thereby causing asset impairment and increased repair costs. Drought, on the other hand, may drive up water costs.

The Penglai Facility has adopted the following measures to enhance its climate resilience

- **Meteorological data support:** We have established close cooperation with the Yantai Meteorological Service Center. In addition to obtaining conventional meteorological data such as wind direction and speed at 10 meters, air temperature, and visibility, we have also customized forecasts for wind conditions at an altitude of 50 meters and marine weather conditions, while improving the accuracy of 24-hour forecasts to an hourly level. This enables us to more precisely predict operational weather windows, optimize loading schedules and shipping route planning, and effectively reduce weather-related project delays and economic losses.
- **Strengthening infrastructure and emergency management:** We have reinforced flood prevention and drainage infrastructure at the base to improve the disaster resilience of key facilities. At the same time, we have established and continuously improved early warning mechanisms and emergency response plans for severe weather, and regularly conduct emergency drills.
- **Enhancing supply chain and logistics resilience:** We have developed plans to safeguard supply chain stability and continuity of supply, and coordinate with relevant offshore logistics departments to dynamically adjust transportation routes based on weather alerts, thereby reducing the impact of severe weather on product delivery.



Penglai Facility Conducts Emergency Drill for Flood Prevention and Water logging Control

Tangshan Facility

Tangshan Facility	Risk Type	Term	2030		2050	
			SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
Acute Physical Risks	River Flooding	●	●	●	●	●
	Pluvial Flooding	●	●	●	●	
	Storm Surge	●	●	●	●	
	Extreme Precipitation	●	●	●	●	
	Storms	●	●	●	●	
	Wildfire	●	●	●	●	
	Heatwaves	●	●	●	●	
Chronic Physical Risks	Drought	●	●	●	●	
	Heat Stress	●	●	●	●	

Risk Severity

Severe

Relatively High

High

Medium

Low

Very Low

The Tangshan Facility is located in the Caofeidian Equipment Manufacturing Industrial Park in Tangshan, Hebei Province, adjacent to Bohai Bay. The main physical climate risks it faces include river flooding, pluvial flooding, extreme precipitation, and drought. Similar to the Penglai Facility, river flooding, pluvial flooding, and extreme precipitation pose threats to production continuity and asset safety, while drought may lead to increased energy costs.

As a newly built facility, the Tangshan Facility incorporated climate resilience considerations from the very beginning of its design. It is currently strengthening its risk resilience through the following measures

- During the initial planning and site selection process, the Tangshan Facility fully considered safety risks under extreme weather conditions, particularly the threats of flooding and seawater backflow caused by heavy precipitation. The site was ultimately selected in an area with relatively high elevation and favorable drainage conditions, and multiple flood prevention measures were incorporated into the infrastructure design. The site's stormwater drainage network is seamlessly connected to the municipal drainage system, ensuring that rainwater can be rapidly discharged into flood control channels and directly into the sea during heavy rainfall events.
- To continuously safeguard the safety of the facility, the site will also establish and implement early warning mechanisms and emergency drill plans. Through coordination with meteorological authorities, it can obtain timely early warnings for extreme weather events and deploy emergency resources and personnel in advance.

Panjin Facility

Panjin Facility	Risk Type	Term	2030		2050	
			SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
Acute Physical Risks	River Flooding	●	●	●	●	●
	Pluvial Flooding	●	●	●	●	
	Storm Surge	●	●	●	●	
	Extreme Precipitation	●	●	●	●	
	Storms	●	●	●	●	
	Wildfire	●	●	●	●	
	Heatwaves	●	●	●	●	
Chronic Physical Risks	Drought	●	●	●	●	
	Heat Stress	●	●	●	●	



The Panjin Facility is located at the estuary of the Liao River. Built in a low-lying coastal area, it primarily undertakes the construction of specialized transport vessels. The main physical climate risks it faces include river flooding, storm surge, extreme precipitation, and drought. The combined effects of river flooding and storm surge may result in site inundation, equipment damage, and damage to vessels under construction, thereby causing asset losses and increased maintenance costs. Extreme precipitation may easily trigger waterlogging, interrupting slipway operations and affecting production continuity.

In response to these risks, the Panjin Facility has established and continues to improve dedicated response mechanisms:

- continuously improving flood and typhoon emergency response plans, while maintaining adequate reserves of flood prevention materials such as sandbags and flood barriers;
- implementing targeted reinforcement measures for large key equipment and major products such as vessels under construction, in order to ensure the safety of personnel and assets.

Climate-related Transition Risks

We conducted a detailed analysis of the identified transition risks and opportunities, comprehensively examining their potential impacts and the response measures adopted by Dajin Heavy Industry. This provides strong support for the Company in formulating more specific and effective climate risk management strategies.

Risk Category	Risk Description	Potential Impact	Response Measures	Impact Horizon and Severity		
				Short term	Medium term	Long term
Policy Changes	T1: Increasing Climate-related Disclosure Requirements	Mandatory requirements for climate-related disclosure imposed by major stock exchanges globally (such as the Hong Kong Stock Exchange and the Shenzhen Stock Exchange) and regional regulations (such as the EU CSRD) are becoming increasingly stringent. To continue meeting these compliance requirements, the Company needs to invest corresponding resources. On the one hand, this increases compliance costs; on the other hand, by proactively preparing in advance and pursuing high-quality disclosure, the Company has created a first-mover advantage in building transparency and leadership within the industry, thereby differentiating itself from competitors.	The Company has analyzed the relevant disclosure requirements, identified current gaps, and set annual work targets and phased implementation plans accordingly. For example, in order to meet the disclosure requirements of the CSRD, the Company has planned to launch dedicated learning, internal training, and indicator analysis relating to the European Sustainability Reporting Standards (ESRS) in 2026.	High	Medium	Medium
	T2: Intensified Carbon Emissions Regulation for Shipping Operations	As the Company expands its overseas business, its shipping operations will be directly exposed to climate policies and regulations issued by the European Union and the International Maritime Organization (IMO), such as the <i>EU Emissions Trading System</i> (EU ETS), <i>FuelEU Maritime</i> , and the <i>IMO Net-Zero Framework</i> . These regulations are expected to increase overall transportation costs, including compliance costs. However, given that such regulations apply broadly to all vessels operating on the same routes across the industry, the Company's shipping business is not expected to lose competitiveness relative to its peers.	<ul style="list-style-type: none"> The Company has established routine tracking and policy analysis of climate-related regulations, and has conducted preliminary financial impact assessments of potential risks to quantify possible risk exposure. The Company has evaluated potential emissions reduction measures for both chartered and self-owned vessels on a case-by-case basis, and has prioritized the implementation of measures that are both technically feasible and economically efficient. The Company has incorporated the use of renewable fuels and alternative propulsion technologies into the long-term planning and construction of vessels, in order to ensure the future fleet's long-term compliance and competitiveness. 	Low	Low	Medium
	T3: Uncertainty in Carbon Tariff Policies	The EU Carbon Border Adjustment Mechanism (CBAM) will officially enter the substantive charging phase in 2026. At present, in addition to the fact that certain detailed rules and operational guidelines still need to be clarified, the mechanism itself also contains certain structural barriers and does not effectively incentivize upstream enterprises in China to take more proactive emissions reduction actions. This means that, during 2026–2027, companies will need to gradually determine carbon emissions monitoring and carbon cost control approaches suited to their own circumstances. Overall, the Company must not only respond to the direct compliance pressure brought by the CBAM, but also work collaboratively with upstream and downstream partners to explore feasible decarbonization pathways in order to maintain the international export competitiveness of its products.	<ul style="list-style-type: none"> The Company has assessed carbon tax levels and clarified its medium- and long-term decarbonization pathway by setting science-based targets (SBTI). We actively collaborate with upstream suppliers to systematically manage emissions reduction projects on both the supply side and the production side, thereby steadily reducing the carbon intensity of our products. We have fully integrated factors such as carbon emissions levels into procurement decision-making and supplier management processes, thereby encouraging suppliers to actively undertake their own emissions reduction actions. We have worked with key upstream suppliers to carry out carbon footprint accounting for wind power steel and develop CBAM emissions factor-related projects, so as to obtain an accurate understanding of actual emissions data and provide a sound basis for formulating scientific and cost-optimal compliance strategies. 	Low	Medium	Medium
Market	T4: Uncertainty in the Energy Market	Price fluctuations and supply uncertainty in local green electricity trading markets may affect the achievement of the Company's target for the proportion of clean energy use and may also lead to increased operating costs.	The Company has established strategic cooperation with professional grid service enterprises, which to a large extent helps mitigate price and market volatility risks and supports the achievement of its target for the proportion of green electricity use.	Low	Low	Low

Risk Impact Severity

High

Medium

Low

T: Transition Risk

Climate-related Transition Opportunities

Opportunity Category	Opportunity Description	Potential Impact on the Company	Response Measures	Impact Horizon and Severity		
				Short term	Medium term	Long term
Products and Services	O1: Iteration of Frontier Wind Power Technologies	As frontier technologies such as larger offshore wind turbines and floating foundations gradually mature, the commercialization of deep-sea and far-sea wind power is expected to continue accelerating. The Company's continued investment over the past several years in talent development, frontier technology R&D, market expansion, and infrastructure construction in this field will provide strong support for its rapid entry into this emerging market, thereby driving revenue growth.	<ul style="list-style-type: none"> The Company has established dedicated professional teams to participate in the design and R&D of frontier wind power technologies and products, positioning itself to become part of the first tier of suppliers for new products. The Company has already carried out market development and proactive strategic deployment in deep-sea and far-sea offshore wind projects. 	High	High	High
	O2: Low-carbon Emission Transition Driving Innovation in Products and Services	Increasingly stringent international climate disclosure and ESG compliance requirements are driving the Company's energy structure transition, while also promoting product carbon footprint management and green supply chain development. By optimizing carbon performance in both production processes and procurement activities, the Company is better positioned to meet domestic and overseas customers' scrutiny of supplier ESG performance, thereby consolidating and expanding its market share. In addition, leveraging its accumulated strengths in wind power equipment, the Company is actively advancing the development of wind and photovoltaic power stations. Once connected to the grid, green electricity generation will provide the Company with a stable new source of operating revenue.	<ul style="list-style-type: none"> The Company is actively advancing green production and using low-carbon products to meet domestic and overseas customers' green supply chain procurement needs, thereby consolidating and expanding its market share. The Company is proactively expanding into the renewable energy sector and diversifying its revenue structure. In 2025, the Company held 500 MW of self-owned wind farms and photovoltaic power stations, while offshore wind projects under construction reached an installed capacity of 950 MW. The Company is accelerating the transition of its energy structure by implementing a green electricity procurement strategy to steadily increase the proportion of renewable electricity used, while also conducting feasibility studies for distributed photovoltaic power generation projects. 	Medium	High	High

Risk Impact Severity

High
Medium
Low

O:Opportunity



Risk Management

We are continuously advancing the integration of climate-related risks into the Company's overall risk management system. Following a standardized process of identification, assessment, and management, we systematically review climate-related risks and opportunities, scientifically evaluate the scale and scope of their potential impacts, and use the assessment results as an important consideration in business strategy formulation.

Climate Risk Identification

We identify climate-related risks through a combination of external research and internal cross-functional collaboration.

- We organize dedicated cross-departmental interviews to gain an in-depth understanding of the climate-related risk factors faced by the Company's headquarters and production bases in their actual operations, while fully incorporating frontline feedback.
- We conduct benchmarking analysis against leading companies in the industry and major customers to identify both common and differentiated climate risks across the sector, drawing on external practices to refine our own risk identification perspective.
- By integrating industry research findings, external expert opinions, and feedback from business departments, we analyze policy developments and industry trends in depth, and, in light of the Company's development strategy, systematically review and confirm the climate risk inventory.

Risk Impact Assessment

In 2025, the Sustainable Development Center, in collaboration with an external consulting team, conducted in-depth interviews with various business departments to comprehensively review the Company's climate risk exposure and impact levels across the entire value chain. To further assess the potential impacts of climate-related risks and opportunities on the business, we carried out scenario analysis across different time horizons, enabling a systematic evaluation of risk severity, the clarification of priorities, and the provision of a basis for subsequent management decision-making.

Metrics and Targets

Climate Targets

As the Group's core manufacturing facility for advancing its "New Overseas & Offshore Strategy" in offshore wind and overseas markets, the Penglai Facility has taken the lead within the Company in carrying out systematic climate target management and emissions reduction actions. Leveraging the Company's industrial strengths in offshore wind equipment and its global business footprint, the Penglai Facility has proactively benchmarked against international climate governance frameworks and incorporated climate targets into its development strategy and operational management.

During the reporting period, the Penglai Facility officially passed the review of the Science Based Targets initiative (SBTi), becoming the first and only company in the global offshore wind foundation equipment sector to have both its near-term emissions reduction targets and net-zero target validated by the SBTi. This achievement signifies that the methodology, boundary scope, and decarbonization pathway of the Company's climate target setting have been recognized by an internationally authoritative institution, providing an important compliance foundation and reputational endorsement for the Company's participation in projects in high-standard markets such as Europe.

In terms of emissions reduction progress, the Penglai Facility has continuously advanced energy structure optimization, energy efficiency improvement, and the application of low-carbon emission raw materials, achieving a phased peak in emissions related to operating activities in 2023. At the same time, with 2024 as the base year, the Company officially established a net-zero target covering its own operations and key stages of the value chain, clearly defining both short-term and long-term decarbonization pathways and continuously promoting systematic emissions reduction across production and manufacturing, supply chain management, and product delivery processes.

By setting scientific and verifiable climate targets and steadily advancing their implementation, Dajin Heavy Industry continues to enhance its low-carbon competitiveness within the global offshore wind value chain, actively contributing to the support of overseas customers in achieving carbon neutrality and even net-zero goals, and to the green transition of the industry.



SBTi Targets of the Penglai Facility Taking 2024 as the base year

By 2030, reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 42%, and reduce absolute Scope 3 greenhouse gas emissions by 25%.

By 2050, reduce absolute Scope 1, Scope 2, and Scope 3 greenhouse gas emissions by 90%, and achieve net-zero greenhouse gas emissions across the entire value chain.



42%

By 2030, reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 42%



25%

By 2030, reduce absolute Scope 3 greenhouse gas emissions by 25%



90%

By 2050, reduce absolute Scope 1, Scope 2, and Scope 3 greenhouse gas emissions by 90%

Carbon Neutrality Pathway

To achieve the near-term emissions reduction targets and net-zero target validated by the SBTi, Dajin Heavy Industry is systematically advancing climate actions through a dual pathway of “decarbonizing its own operations + driving collaborative transition across the value chain.” Through these efforts, the Company continues to reduce the carbon intensity of its products and supply chain and enhance its low-carbon competitiveness within the global offshore wind value chain.

Decarbonization Pathway for Own Operations (Scope 1 and Scope 2)

The Company focuses on three main pathways: energy efficiency improvement, energy structure transition, and offsetting residual emissions.

Energy efficiency improvement

The Company has obtained certification to the ISO 50001 Energy Management System and continues to improve the operation of its energy management system and the development of its energy management platform. It manages electricity, natural gas, and other energy consumption and tracks progress against energy intensity targets. In manufacturing, taking into account the production characteristics of offshore wind monopiles, transition pieces, and towers, the Company has focused on: process optimization for high-energy-consuming procedures such as welding and cutting; upgrading to high-efficiency welding machines and energy-saving equipment; energy-saving retrofits for dust removal and coating systems; and optimization of production scheduling and energy consumption data monitoring. Through continuous technological upgrades and management optimization, the Company keeps reducing energy consumption per unit of output value and carbon emissions intensity per unit of product.

Energy structure transition

We have set targets for green electricity use and are actively implementing green electricity procurement plans to gradually increase the proportion of clean energy consumed. At the same time, based on the specific conditions of each production facility, the Company has developed electrification roadmaps covering key energy-use scenarios such as welding preheating, canteen boilers, and non-road transportation, while also conducting feasibility studies on self-generated and self-consumed renewable electricity. During the planning and design stage of the Tangshan Facility, low-carbon emissions reduction was established as a core objective and systematically integrated throughout the entire process layout. Workshop routing was optimized according to energy-saving flow principles to reduce unnecessary transport and energy consumption; traditional natural gas preheating was replaced with electric preheating to reduce fossil fuel consumption at the source; green electricity procurement and rooftop solar PV were incorporated into the overall plan to increase the proportion of clean electricity; and intelligent instruments and meters were deployed across the site to enable online energy monitoring and precise control. Based on comprehensive estimates, these measures can significantly reduce the facility's annual carbon emissions, lowering direct emissions from production processes by more than one-third compared with traditional production processes and helping build a benchmark green and low-carbon factory in the offshore wind equipment sector.

Offsetting residual emissions

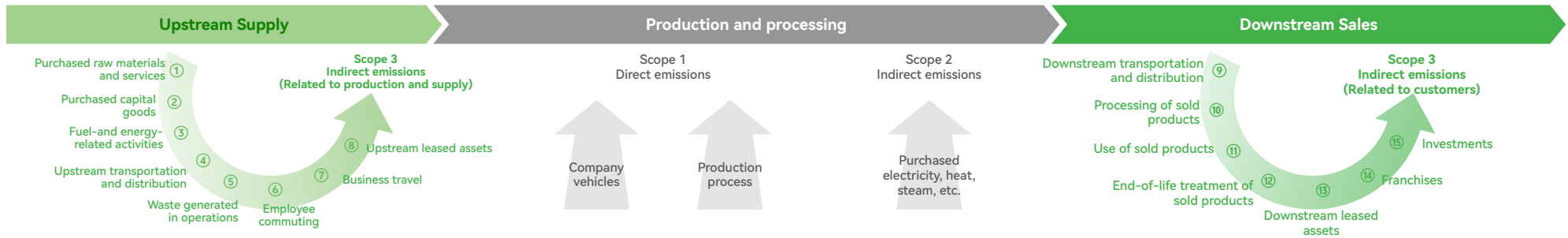
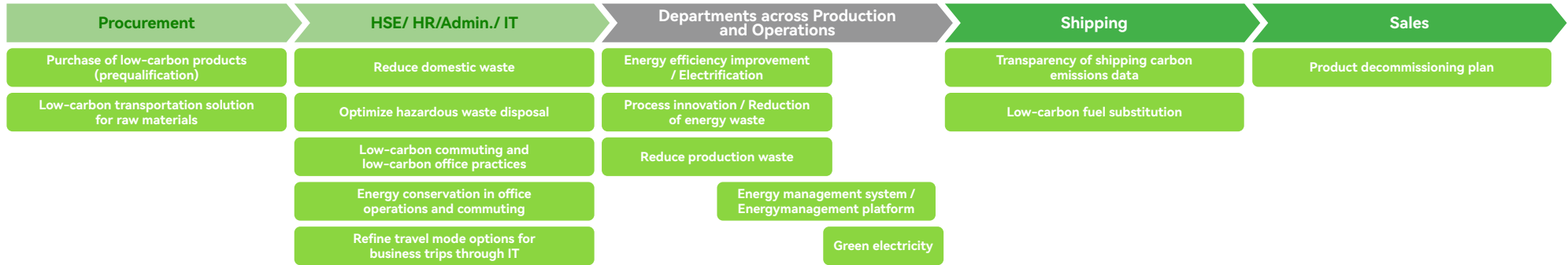
For residual emissions that cannot be fully eliminated in the short term, the Company, while prioritizing substantive emissions reduction, is exploring the use of high-quality carbon offset mechanisms to achieve phased neutrality. These may include the purchase of certified carbon credits and participation in forest carbon sink or marine carbon sink projects. Any such offsetting activities will strictly follow the principles of authenticity, additionality, and verifiability.

Value Chain Decarbonization Pathway (Scope 3)

In 2025, Scope 3 emissions accounted for 97.34% of Penglai Dajin's total carbon emissions, with purchased goods and services being the main source of emissions. Given the industry characteristics of offshore wind equipment manufacturing, in which steel materials such as heavy plates and flanges are the core raw materials, the Company is committed to building a green supply chain system, while also working with upstream and downstream partners to advance transport decarbonization, thereby continuously improving the green competitiveness and climate resilience of the supply chain through full-chain collaboration.

- Supply chain decarbonization: The Company is promoting the low-carbon emission transition of the supply chain with a focus on key raw materials such as steel plates and flanges. It is encouraging upstream suppliers to optimize production processes, apply low-carbon technologies, and establish carbon emissions databases. Through collaborative cooperation with upstream steel mills and core suppliers, the Company is gradually building a green supply chain system that supports European customers in achieving their carbon neutrality and net-zero goals through the provision of low-carbon products.
- Green logistics: Leveraging the Company's integrated full-industry-chain layout of “self-owned factories, self-owned goods, self-owned vessels, and self-owned ports,” the Company continues to optimize its logistics structure and reduce carbon emissions from transportation. In external logistics cooperation, the Company gives priority to transport service providers that use low-carbon fuels or are equipped with energy-efficient vessel technologies. In building its own transport capabilities, the Company continuously improves vessel energy efficiency, optimizes shipping routes and loading rates, and reduces transport carbon emissions per unit of product.

Through full-chain coordination across manufacturing-side emissions reduction, supply chain collaboration, and green logistics optimization, the Company continues to enhance the life-cycle carbon competitiveness and climate resilience of its products, providing solid support for the green development of global offshore wind projects and for the achievement of customers' sustainability goals.



Greenhouse Gas Inventory

In 2025, the Penglai Facility conducted a comprehensive, systematic, and detailed inventory of its greenhouse gas emissions in accordance with internationally recognized standards, including the GHG Protocol and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. The inventory results showed that:

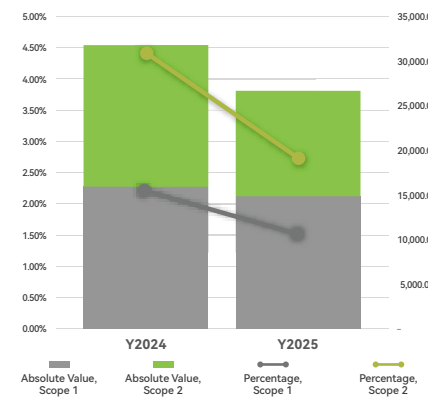
Scope 1 greenhouse gas emissions amounted to 14,813.28 tonnes of CO₂e, accounting for 1.48% of total emissions. Using 2024 as the base year, absolute emissions decreased by 6.93% year-on-year;

Scope 2 greenhouse gas emissions amounted to 11,844.64 tonnes of CO₂e (market-based), accounting for 1.18% of total emissions. Using 2024 as the base year, absolute emissions decreased by 25.13% year-on-year;

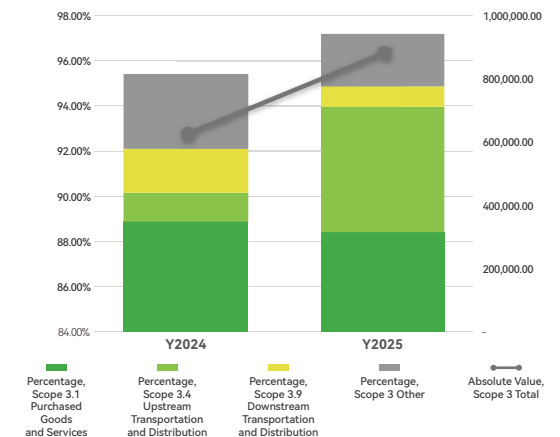
Scope 3 greenhouse gas emissions covered nine categories, including purchased goods and services, upstream transportation and distribution, and downstream transportation and distribution, totaling 1,001,650.80 tonnes of CO₂e and accounting for 97.34% of total emissions.

In 2025, the GHG emission structure of the Penglai facility underwent notable changes compared to 2024. The proportions of Scope 1 (direct emissions) and Scope 2 (purchased electricity emissions) both declined, primarily as a result of establishing a comprehensive energy management system, implementing energy efficiency and conservation initiatives, and increasing the use of renewable electricity. Within Scope 3 emissions, the proportion attributable to purchased goods and services remained unchanged, while emissions from upstream and downstream transportation increased significantly. This shift was mainly driven by the transition of the Company's product delivery trade model from FOB to DAP, which resulted in the Company assuming a greater share of transportation-related emissions. Overall, these changes reflect the Company's progress in reducing internal emissions and optimizing its energy structure, while also underscoring the need to further strengthen the management of GHG emissions across the supply chain, particularly in transportation activities.

Scope 1 and 2: Structure and Absolute Value Change YoY



Scope 3: Structure and Absolute Value Change YoY



1.2 Green Operations

We are committed to reducing the environmental impacts of our operations. By advancing cleaner production, expanding our renewable energy business, reducing the carbon footprint of raw materials, and optimizing warehousing and transportation processes, we continue to promote the implementation of green operations.

Low-carbon Emission Management

We regard low-carbon emission management as a core pillar of the Company's sustainability strategy and systematically advance carbon emissions control and green transformation. Focusing on domestic and international policy research, internal low-carbon emission capability building, and industry-wide collaboration, the Company continues to improve its low-carbon emission management mechanisms and is committed to turning climate compliance requirements into core competitiveness, thereby providing green support for steady business growth.

In terms of policy analysis and trend assessment, the Sustainability Center closely tracks key domestic and international climate policies, including *the EU Carbon Border Adjustment Mechanism (CBAM)* and *the EU Net-Zero Industry Act*, and regularly organizes cross-functional policy workshops. Through these efforts, policy developments are promptly translated into internal compliance guidance and strategic recommendations, providing forward-looking support for the Company's business decisions and strategic planning. In terms of cross-functional capacity building, during the reporting period, we organized a total of 17 ESG-related training sessions for key departments including production, process engineering, HSE, equipment, procurement, overseas and domestic marketing, shipping, human resources, and finance, covering more than 300 participants.

Case Study

Special Training on CBAM Compliance

Dajin Heavy Industry carried out a special training program on CBAM compliance, focusing on the EU's CBAM cost requirements. The training covered key departments including technology, finance, procurement, customs affairs, equipment and facilities, as well as domestic and overseas marketing centers. A total of 32 employees in core positions participated in in-depth training, while more than 100 employees took part overall.

Through regulatory interpretation delivered by the Sustainable Development Department, and using data from the Penglai Facility as an example, the training broke down the calculation logic for carbon emissions per tonne of product, helping employees in relevant key positions understand the declaration process. It also clarified the functional responsibilities of each department within the relevant process, while supporting the development of data collection checklists, calculation tools, and interaction mechanisms to ensure a closed-loop process. At the same time, the Sustainable Development Department established a long-term and constructive relationship with authoritative consulting institutions, maintaining a series of ongoing communications and clarifications regarding revisions and updates to the CBAM regulation. Based on this, the Company has also conducted communication and discussions internally as well as with suppliers and customers, in order to make full preparations for the formal implementation of CBAM.

Dajin Heavy Industry fully leverages its leading role in the industrial chain by jointly building a carbon factor database with upstream steel mills and partnering with power grid companies to pilot the application of time-of-use electricity emission factors, thereby promoting the transition of low-carbon management from individual practice to industry-wide consensus.

Case Study

Dajin Heavy Industry Leads Five Steel Mills in Establishing a Carbon Factor Database for Wind Power and Offshore Engineering Steel

As international carbon regulatory mechanisms such as the EU CBAM are gradually implemented, requirements for carbon emissions transparency in the global supply chain for high-emission materials such as steel continue to increase. In order to more accurately reflect the actual carbon emissions level of steel production in China and enhance the scientific rigor and comparability of supply chain carbon data, Dajin Heavy Industry has been actively exploring the establishment of a steel carbon footprint factor database for the wind power and offshore engineering sector.

During the reporting period, the Company worked with several domestic steel enterprises to carry out preliminary research and technical discussions. Initial exploration focused on areas such as the methodological framework of the factor database, the design of the data system, and alignment with international standards. The Company also engaged in technical exchanges with third-party professional institutions to promote the development of a carbon emissions factor system that is better aligned with the realities of China's steel industry.

Looking ahead, the Company will continue to cooperate with industry chain partners, professional institutions, and other relevant stakeholders to improve the transparency of carbon data in the wind power equipment supply chain and provide foundational data support for carbon footprint management and low-carbon supply chain development in international markets.

Dajin Heavy Industry and State Grid Shandong Electric Power Company Pilot a Time-of-Use Electricity Emission Factor Project

To proactively respond to international carbon rules and enhance the competitiveness of its green exports, the Penglai Facility signed a tripartite agreement with State Grid Shandong Electric Power Company and a professional third-party certification body for services related to upgrading its electricity carbon emissions accounting from a fixed-factor approach to a time-of-use factor approach.

The traditional fixed-factor accounting method has limitations in terms of timeliness and granularity, and cannot accurately reflect the Company's actual electricity consumption across peak, flat, and valley periods. To address this, we plan to upgrade the original fixed-factor accounting model in 2026 to a "minute-level" time-of-use carbon emission factor accounting model supported by power big data technologies. This model will enable a more accurate match with the actual electricity consumption structure, effectively reduce the Company's electricity-related carbon emission factor, and further strengthen our green competitiveness.

Clean Technology Opportunities

Guided by its philosophy of green and low-carbon emission development, Dajin Heavy Industry has continued to enhance its offshore wind equipment manufacturing capabilities while proactively seizing policy opportunities arising from China’s energy structure transition and the development of the renewable energy sector. Leveraging the technical and industrial strengths it has accumulated in offshore engineering equipment manufacturing, engineering construction, and project management, the Company has steadily expanded its investment in and operation of clean energy businesses such as wind power and photovoltaic power generation, gradually cultivating renewable power generation as a new growth driver. While continuously reducing the carbon emissions of its own operations, the Company also contributes to regional energy structure optimization and the low-carbon emission transition of society as a whole by providing green electricity and low-carbon emission solutions.

The Company continues to advance the construction and operation of wind farms and photovoltaic power stations

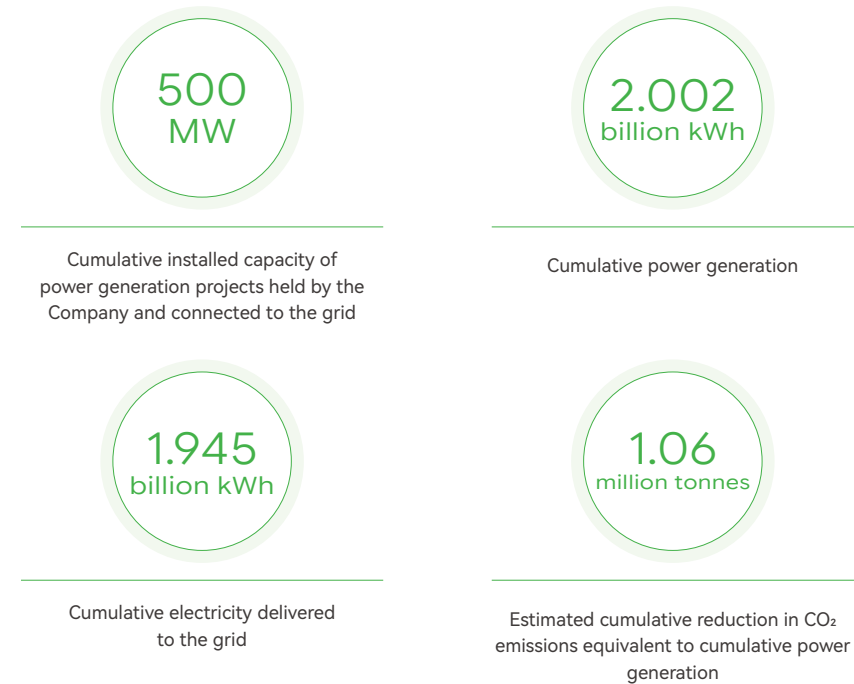
At present, the Zhangwu Xiliujiazhi 250 MW Wind Farm and the Tangshan Dajin Shenghui 250 MW Photovoltaic Power Station (located in Shilihai, Caofeidian District, Tangshan), both of which are self-owned by the Company and have achieved full-capacity grid connection, are in stable operation, bringing the total installed capacity to 500 MW. During the reporting period, the Zhangwu Wind Farm operated well and delivered approximately 680 million kWh of electricity to the grid in 2025, achieving 99.54% of its annual target. The Shenghui Photovoltaic Power Station also achieved full-capacity grid connection in May 2025 and delivered approximately 200 million kWh of electricity to the grid in 2025, with the project maintaining stable overall operations.

On this basis, the Company is accelerating the scaled deployment of renewable energy projects

At present, the total installed capacity of onshore wind power projects under construction has reached 950 MW, including the Tangshan Caofeidian 350 MW Guaranteed Wind Power Project, the Tangshan Caofeidian 350 MW Market-based Wind Power Project, and the Tangshan Fengnan 250 MW Wind Power Project, all of which are expected to be progressively connected to the grid in the second half of 2026. According to estimates, as the projects already in operation and those under construction are gradually commissioned, the Company’s installed renewable power generation capacity will increase significantly. It is expected to provide approximately 1.252 billion kWh of clean electricity in 2026, equivalent to meeting the annual electricity demand of approximately 360,000 households in the Beijing-Tianjin-Hebei region, while reducing carbon emissions by an estimated 660,000 tonnes, thereby providing a stable and reliable supply of green energy to the region.

Among these projects, the Tangshan 950 MW Wind Power Cluster Project is an important renewable energy project in the Company’s strategic layout within the Beijing-Tianjin-Hebei region and a significant practical initiative for advancing the region’s green energy transition. Upon completion, the project will significantly increase the share of renewable power generation in the local energy mix, optimize the regional power structure, and play an active role in promoting the consumption of green electricity, advancing industrial low-carbon emission transformation, and enhancing regional energy security. The project not only offers significant environmental and economic benefits, but will also serve as a demonstrative example for achieving green and low-carbon emission development in the Beijing-Tianjin-Hebei region.

Development of Dajin Heavy Industry’s Renewable Energy Projects



Energy Management

Dajin Heavy Industry regards energy management as an important lever for advancing its low-carbon strategy and improving operational efficiency. By strengthening management systems, improving energy utilization efficiency, and optimizing the energy mix, the Company systematically promotes the green transformation of energy use throughout its production and operations, and continuously reduces energy consumption and carbon emissions intensity per unit of product.

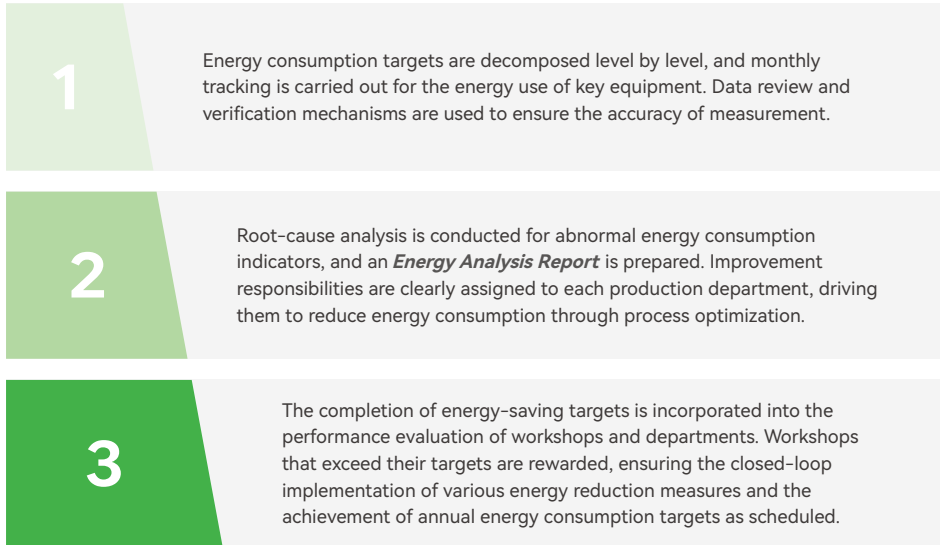
Energy Management System

The Company strictly complies with laws and regulations such as *the Energy Law of the People's Republic of China* and *the Energy Conservation Law of the People's Republic of China*, while benchmarking against internationally advanced energy management standards and continuously advancing the development of its energy management system. In accordance with *the ISO 50001 Energy Management System standard*, the Company has established and continuously improved a management system covering energy planning, operational control, monitoring and analysis, and continuous improvement. It has formulated and implemented institutional documents such as *the Energy Management Manual, Control Procedure for Monitoring and Measuring Equipment, Control Procedure for Energy Targets, Indicators and Management Programs, and Energy Operation Control Procedure*, thereby clarifying energy management responsibilities and operating processes and promoting the standardized and institutionalized operation of energy management. During the reporting period, the Company's Penglai Facility officially obtained ISO 50001 Energy Management System certification, marking that the Company has met international standard requirements in areas such as energy management system development, energy performance monitoring, and continuous improvement mechanisms. Looking ahead, the Company will gradually expand the coverage of energy management system certification, extend its systematic management experience to more production bases and business units, and continuously strengthen the foundation of its energy management.

Advancing Energy Efficiency Improvement

Following the establishment of its SBTi emissions reduction and net-zero targets in 2025, the Penglai Facility continued to strengthen full-process energy use management and reinforce energy control measures across production and manufacturing, equipment operation, and day-to-day office operations, thereby systematically promoting energy efficiency improvement. First, based on the energy management policy, the Company formulated annual energy consumption control targets, decomposed these targets level by level, and established clear energy consumption goals, forming an energy management target system with well-defined responsibilities. Second, it continuously improved its energy metering and monitoring mechanisms, established a multi-dimensional energy monitoring and data statistics system, and carried out real-time monitoring and data analysis of major energy consumption such as electricity and natural gas, thereby continuously enhancing the accuracy of energy data statistics and analytical capability and providing data support for energy-saving management decisions. At the same time, taking into account the characteristics of production and operations, the Company established an energy performance assessment mechanism, under which quota management standards were set for electricity, natural gas, and other energy use in production workshops and office areas. Special analyses and improvement measures were implemented for any usage exceeding the quota, driving all units to continuously improve energy utilization efficiency. In terms of equipment management, the Company formulated equipment energy efficiency management standards, requiring that newly procured equipment should, as a priority, meet China's Grade 1 energy efficiency standard, and developed phased phase-out and upgrade plans for old, high-energy-consuming equipment. Through equipment renewal and technological upgrading, the Company continues to reduce overall energy consumption. Systematic energy management and continuous technological improvement will be progressively deepened across the Company's facilities, and Dajin Heavy Industry will continue to enhance energy utilization efficiency at all facilities, providing solid support for the achievement of its carbon reduction targets and green manufacturing transformation.





Energy Consumption Targets of the Penglai Facility


Year	Energy Intensity Target
2024	Base year
2030	Reduce energy intensity per unit of product revenue by 6% compared with 2024
2050	Reduce energy intensity per unit of product revenue by 30% compared with 2024



During the reporting period, the energy consumption intensity per unit of output at the Penglai Facility decreased by 0.92%.

In 2025, the Company continued to advance energy-saving and consumption-reduction efforts across its production and operations. Focusing on two key areas—lighting system optimization and the replacement of high-energy-consuming equipment—the Company implemented a series of targeted upgrades to continuously improve energy efficiency while ensuring production safety and operational efficiency.

- **Orderly phase-out of high-energy-consuming equipment:** Based on the monitoring, metering, and analysis of equipment energy consumption, the Penglai Facility actively phased out outdated high-energy-consuming equipment. During the reporting period, a total of four high-energy-consuming air compressors were retired and replaced. According to preliminary estimates, this round of equipment upgrading is expected to reduce annual electricity consumption by approximately 396,000 kWh, effectively lowering energy use and related carbon emissions while improving equipment operating efficiency and achieving coordinated progress in energy conservation and green production.
- **Comprehensive upgrade of the lighting system:** The Penglai Facility has achieved 100% replacement of outdoor building lighting across the plant with energy-efficient LED lighting, and has equipped the system with time-based lighting controls to automatically adjust lighting hours according to seasonal changes and operating schedules, thereby reducing unnecessary electricity consumption. Meanwhile, the Zhangjiakou Facility, taking into account the high-standard illumination requirements of its anti-corrosion workshop, selected high-brightness, long-life LED lighting. This ensures production safety and working environment requirements are met while improving lighting system efficiency and reducing energy consumption.



Case Study

Tangshan Facility Builds Energy-efficient Facilities and Practices Low-carbon Design

The Tangshan Facility incorporated energy management concepts into the planning and design stage from the outset, laying the foundation for the base's low-carbon operations.

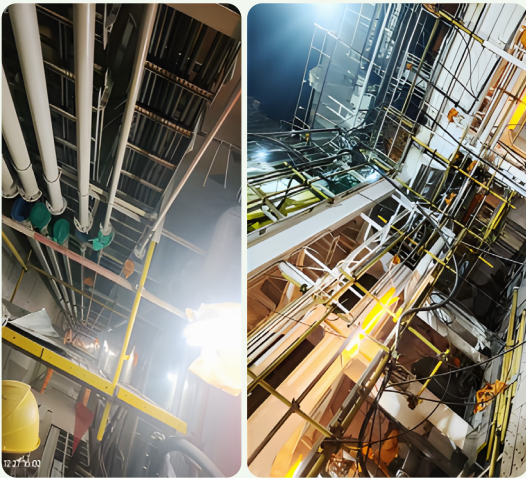
- **Optimizing building orientation and natural daylighting:** In light of the prevailing wind direction in Tangshan, the spacing and orientation of plant buildings were scientifically adjusted to reduce cold air infiltration in winter and enhance natural ventilation in summer, thereby lowering HVAC energy consumption. Daylighting surfaces were reasonably arranged on factory roofs to maximize the use of natural light in place of artificial lighting, reducing electricity demand for lighting at the source.
- **Strengthening the thermal insulation performance of the building envelope:** The wall insulation thickness of the coating workshop was increased from the conventional 50 mm to 100 mm, significantly enhancing thermal insulation performance and reducing the energy consumption of heating equipment. The office buildings and dormitory buildings adopted rock wool insulation panels, Low-E energy-efficient doors and windows, and high-airtightness node design, effectively reducing heating and cooling loads while extending building service life.
- **Selecting energy-efficient processes and equipment:** The compressed air system was equipped with energy-efficient air compressors, and the coating workshop introduced a centralized dehumidification solution with built-in heat recovery functionality.

Case Study

Panjin Facility Optimizes Lighting Management in Shipbuilding to Improve Energy and Resource Efficiency

During the construction of the DJ01 vessel at the Panjin Facility, marine lighting for key areas such as the engine room and cargo hold was not incorporated into unified planning at the early stage of construction. As a result, the logistics support department had to temporarily install a large number of lighting devices to meet construction needs, which led to increased labor hours, additional consumption of materials such as lamps and cables, and relatively low energy utilization efficiency. In response to this issue, during the construction of the DJ02 vessel, the Panjin Facility optimized its lighting management approach by moving forward the activation of marine lighting in key areas such as the engine room and cargo hold to the early construction stage, thereby achieving a more rational allocation of lighting resources through systematic planning. Specific measures included:

- **Front-loading lighting planning:** During the early stage of ship construction, the activation of marine lighting was incorporated into the overall construction plan, with clear lighting standards and activation milestones defined for each area.
- **Alignment with construction needs:** During the construction preparation stage, dedicated briefings were provided to each construction team to identify the lighting needs of different work phases in advance, enabling more precise allocation.
- **Process data analysis:** Statistics and analysis were carried out on lighting usage and resource consumption at each stage, comparing differences between temporary lighting and planned lighting in terms of labor input and material loss, so as to continuously optimize the lighting management process.



Through the above optimization measures, marine lighting could be matched more precisely to construction needs, reducing the use of temporary lighting equipment at the source and effectively lowering both energy consumption and material waste during the construction process. According to estimates, this optimization measure can reduce electricity consumption by approximately 5,760 kWh per year, while also effectively lowering related material and labor costs, thereby delivering the dual benefits of resource conservation and improved operational efficiency.

Energy Structure Optimization

To continuously reduce the carbon intensity of its production and operations, Dajin Heavy Industry is optimizing its energy mix by advancing equipment electrification and increasing the proportion of green electricity used, thereby accelerating the transition toward a clean and low-carbon emission energy system.

In terms of electrification transition, the Company has developed a phased electrification roadmap and key performance indicators (KPIs) based on the characteristics of its production processes and different types of emissions sources, and is steadily promoting the substitution of high-carbon emission energy sources. For emissions from stationary combustion sources, the Company is gradually replacing natural gas or conventional fuels with electricity in production processes such as welding preheating and heating in coating workshops. For mobile source emissions, it is actively promoting the electrification upgrade of non-road transportation equipment and progressively reducing the use of gasoline- and diesel-powered equipment. At the same time, for living and auxiliary facilities, the Company is carrying out electrification upgrades in energy-use scenarios such as canteens and boilers, continuously increasing the proportion of clean energy used.

On this basis, the Company has set targets for green electricity use and is actively exploring pathways for green electricity procurement and clean energy application. Through measures such as participating in green electricity trading and studying self-generated and self-consumed clean electricity projects, the Company is gradually increasing the share of renewable energy in its overall energy consumption mix. Through the coordinated advancement of electrification upgrades and green electricity application, the Company continues to optimize its energy structure and lay a solid foundation for achieving its operational carbon reduction targets.

Green Electricity Use Target



2030

Green electricity to account for 96.5% of total electricity consumption



2036

Green electricity to account for 100% of total electricity consumption



During the reporting period, the Penglai Facility procured 23.8 million kWh of green electricity, with green electricity accounting for 55% of its total electricity consumption.

Energy Conservation Culture Development

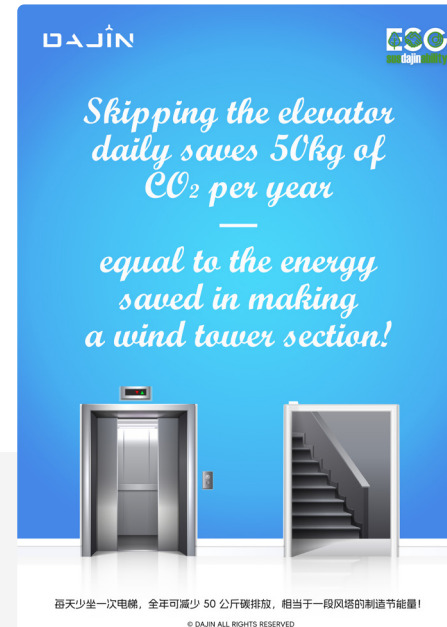
During the reporting period, we organized a themed awareness month campaign under the slogan “Energy Conservation and Carbon Reduction for Green Development” to enhance employees’ awareness of energy conservation and their operational skills.



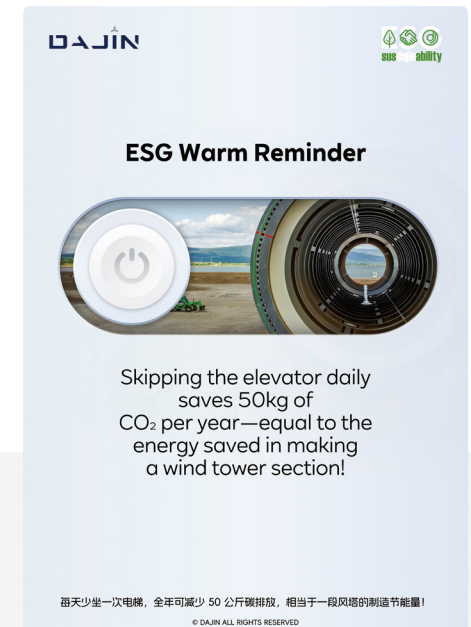
Green Electricity Certificate Transaction Vouchers



Green Electricity Consumption Certificate



Promotional Poster on Emissions Reduction Through Using Both Elevators and Stairs at the Penglai Facility



Green Production

Dajin Heavy Industry integrates the concept of green production throughout the entire product life cycle. From design and planning to process optimization, manufacturing, and service delivery, the Company continuously promotes efficient resource utilization and the minimization of environmental impacts throughout the production process. At the product design stage, the Company reduces resource consumption at the source through process optimization and improvements in material use schemes. During production, it seeks to reduce the environmental impacts of its operations across the full product life cycle by deepening cleaner production management, strengthening energy consumption and emissions control, and simultaneously advancing lean raw material management, thereby continuously improving its green manufacturing capabilities.

Green Process Improvement

The Company continues to explore pathways for energy conservation, consumption reduction, and green manufacturing at the production process level, with a focus on both the design and manufacturing stages. Through process optimization, it reduces the consumption of raw materials and auxiliary materials. During project design and production preparation, technical and production teams jointly carry out process evaluation and optimization in order to improve material utilization efficiency at the source and reduce energy use and emissions intensity during production.

During the reporting period, several of the Company's production facilities optimized and improved their welding processes in light of the manufacturing characteristics of offshore wind foundation structures and tower products. By improving welding parameter settings, optimizing welding sequences, and enhancing welding process stability, the Company effectively reduced the consumption of welding materials and decreased exhaust gas and noise emissions generated during welding. At the same time, improved welding efficiency also helped reduce rework and energy consumption.

These practices have not only enhanced resource utilization efficiency in the Company's production processes, but have also provided replicable experience for the green upgrading of welding processes in the offshore wind equipment manufacturing sector, demonstrating positive significance for promoting technological progress and carbon reduction in industry production processes.

Case Study

Zhangjiakou Facility Advances the Green Upgrade of Welding Processes

During the reporting period, the Zhangjiakou Facility systematically advanced the green upgrade of its welding processes in line with its goals of green manufacturing and energy conservation and consumption reduction. Through design optimization and production process improvements, the base continuously improved material utilization efficiency while reducing energy consumption and environmental impacts during production.

Driven by the technical team, the base optimized design at the source and implemented a number of improvement measures:

- Optimizing groove design: The groove angle was scientifically adjusted according to different plate thicknesses, significantly reducing weld cross-sectional area and welding material fill volume;
- Promoting new groove processing techniques: Under suitable conditions, the X-groove process was promoted, and the carbon gouging root-cleaning process was eliminated for steel plates with a thickness of 30 mm or less, thereby reducing smoke and noise pollution during welding;
- Optimizing welding methods: For certain components such as stiffeners, gas metal arc welding was replaced with submerged arc welding, which improved welding efficiency while reducing smoke emissions and shielding gas consumption;
- Strengthening process monitoring: A monitoring and statistical mechanism for welding material consumption was established to dynamically track the use of welding materials and continuously consolidate the results of process optimization.

Through the above process improvements, while ensuring product quality and production efficiency, the Zhangjiakou Facility achieved year-on-year reductions of approximately 7% in welding material consumption, production energy consumption, and welding fume emissions. The production working environment was also significantly improved, further promoting the continuous enhancement of the Company's green production and cleaner manufacturing capabilities.

Xing'anmeng Facility Launches a Special Initiative to Upgrade Welding Processes

In response to challenges in tower welding such as the high energy consumption of traditional processes, excessive spatter, and insufficient quality stability in thick-wall welding, the Xing'anmeng Facility launched a dedicated welding process upgrade initiative in 2025 and implemented a number of best practices.

- **Precise control of process parameters:** The facility precisely optimized submerged arc welding parameters by controlling current, voltage, and welding speed within the optimal matching range. It also adopted multi-layer multi-pass welding and narrow-gap welding techniques, making heat input more concentrated and energy utilization more efficient, thereby significantly reducing energy consumption per unit of weld.
- **Optimization of groove design and welding consumables:** Starting from the design stage, the facility optimized groove angles for thick plates and reduced groove cross-sectional area while ensuring weld strength. At the same time, it standardized the selection of welding consumables, reducing the use of welding materials and auxiliary materials from the process side.

Through process innovation, the facility achieved carbon reduction, lower energy consumption, cost reduction, and lower material use, striking an optimal balance between environmental compliance and production efficiency. These practices have provided a replicable green and low-carbon technical pathway for welding wind power equipment in cold, windy, and sandy environments.

Tangshan Facility Enhances Process Operations to Achieve Green and Energy-efficient Production

Guided by the core principles of green and low-carbon emission development, energy conservation, and consumption reduction, the Tangshan Facility has built an efficient and low-carbon emission green production system through process optimization at the source, scientific layout planning, and refined energy management.

- **Optimization of plant logistics flow:** Transportation routes among heavy workshops, storage yards, and the terminal have been rationally planned to shorten the in-plant transport distance for heavy components, thereby improving logistics efficiency and reducing transport-related energy consumption.
- **Greening of welding processes:** The facility has adopted high-efficiency welding and narrow-gap welding technologies, increased the proportion of mechanical beveling, and replaced traditional natural gas heating with electric heating, thereby reducing energy consumption and carbon emissions.
- **Precise energy consumption control:** Sub-metering for natural gas, carbon dioxide, oxygen, electricity, and other gases and energy sources was incorporated at the design stage. Combined with a refined energy management system, this enables real-time monitoring and optimization of various types of energy use, thereby enhancing the level of refined energy management.

Through green process design, standardized operations, and refined energy management, the facility has achieved coordinated progress in low-carbon emissions reduction and efficient production.

Production Process Optimization

Extending from design into manufacturing, we systematically advance green process innovation throughout the production stage. In welding operations, the fuel composition of heating torches has been optimized to reduce carbon emissions from the combustion process at the source. In coating operations, the spraying sequence has been scientifically adjusted, significantly reducing paint consumption and the release of volatile organic

compounds (VOCs). This not only lowers environmental impacts, but also effectively mitigates occupational health risks for employees. The refined control of production processes works in synergy with innovation at the design stage, jointly promoting green production.

Case Study

Optimization of Heating Torch Fuel Composition

During the welding preheating process, the Penglai Facility optimized the fuel gas mixture used in heating torches by upgrading the fuel from pure natural gas to a mixed gas of natural gas and oxygen, with a higher proportion of oxygen used to support combustion. This improvement significantly enhanced combustion efficiency. While meeting the temperature requirements of the welding process, it reduced natural gas consumption per unit of product by approximately 30.64% compared with 2024, effectively lowering both natural gas use and the carbon emissions generated from combustion.



Preheating Torch

Panjin Facility Innovates Coating Solutions

The Panjin Facility has innovatively implemented an “early completion of full coating” approach, under which coating work traditionally carried out on site in the later stage of construction is moved forward to the steel pretreatment stage. By conducting standardized surface pretreatment of steel in the workshop and completing primer application in advance—rather than relying on the traditional practice of later-stage touch-up coating on site—this approach effectively addresses common quality issues associated with on-site construction, such as site and weather constraints, missed coating areas caused by manual operations, and poor paint film adhesion.

Compared with manual touch-up coating performed on site, standardized workshop operations significantly improve paint utilization efficiency, thereby reducing material consumption and procurement costs at the source, while correspondingly lowering the generation of volatile organic compounds (VOCs). In addition, the workshop is equipped with supporting exhaust gas collection and treatment facilities for coating operations, converting the VOCs generated during the coating process from fugitive emissions into centrally treated emissions, thereby effectively reducing final emissions. While ensuring anti-corrosion quality, this process innovation has also achieved the coordinated objectives of cost reduction, efficiency improvement, and green emissions reduction.

Dedicated Assurance Through Special Audits

We encourage employees to carry out optimization and improvement initiatives on the production front line, so as to reduce costs and labor hours, lower safety risks, and continuously advance the detailed implementation of green production. On this basis, the Zhangjiakou Production Facility further carried out a special audit focused on cleaner production, providing a practical model for the Company to deepen cleaner production efforts across all operations.

Case Study

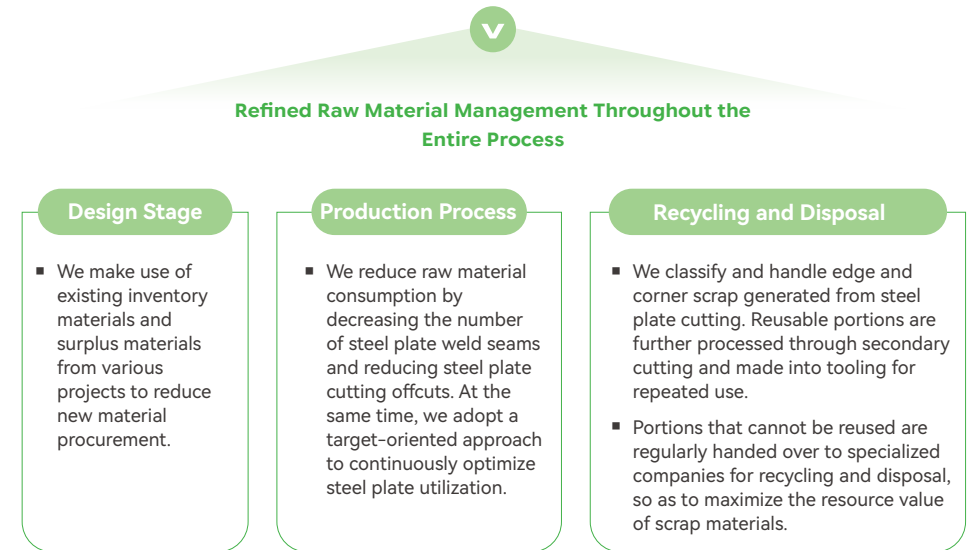
Cleaner Production at the Zhangjiakou Facility

During the reporting period, with the objectives of energy conservation, consumption reduction, pollution reduction, and efficiency improvement, the Zhangjiakou Facility systematically advanced its mandatory cleaner production audit and achieved notable results. The Company established a dedicated cleaner production office, improved systems relating to environmental management and energy metering, and introduced incentive mechanisms to encourage all employees to participate in cleaner production improvements.

In response to the prominent issues of high energy consumption and high emissions in the tower Workshop, the Zhangjiakou Facility implemented a total of 10 cleaner production initiatives. By upgrading and retrofitting paint exhaust gas treatment equipment, the facility reduced annual VOCs emissions by 4.57 tonnes, while emissions intensity per unit area decreased by 3.68 g/m². Through variable-frequency upgrades to air compressors, the facility saved 3.7393 million kWh of electricity annually, equivalent to a carbon emissions reduction of 1,984.07 tonnes. In addition, through the adoption of other low-cost measures, the facility saved 20 tonnes of steel and 200 tonnes of welding materials annually, while reducing the generation of waste paint residue by 2 tonnes.

Refined Raw Material Management

We implement a refined raw material management strategy covering the entire process from design and production to recycling. Through institutional documents such as the *Control Procedure for the Issuance of Consumables on a Replacement Basis and the Consumables Control and Management Procedure*, we apply quota-based controls to the issuance and recovery of materials such as welding wire and flux, thereby reducing waste at the source.



Steel Plates Utilization

Conventional tower products

96%

Offshore tower products

94%

Monopile products

97%

During the reporting period,

the Penglai Facility set steel plates utilization targets of **96%** for conventional tower products, **94%** for offshore tower products, and **97%** for monopile products, and all targets were achieved.

The Penglai Facility recorded **87.62** tonnes of utilized steel offcuts and scrap.

Green Steel Management

Green steel is a core strategic material for wind power equipment manufacturing, and its low-carbon emission attributes directly determine the carbon footprint of wind power products across their full life cycle. Dajin Heavy Industry has proactively positioned itself in green steel supply chain management, actively responding to international carbon barriers and promoting emissions reduction practices from the very beginning of the industrial chain, thereby leading the industry's green upgrading through pragmatic actions.

Management Structure

Dajin Heavy Industry has established a Green Steel Special Committee and a Green Steel Task- Force to systematically advance the development of its green steel business. The Committee is responsible for coordinating the strategic direction of green steel and the Company's carbon competitiveness enhancement objectives. The Task-Force is led by a Sponsor, with the leader responsible for overall coordination and organization. Core members come from departments including the Sustainable Development Center, Supply Chain Management Center, and Overseas Business Division, forming a cross-functional working mechanism with clear responsibilities and authorities. Based on this structure, the Company promotes internal research on the application of low-carbon steel technologies while externally coordinating customer and supplier needs, thereby providing organizational support for the implementation of green steel products.

Cooperation Principles

Dajin Heavy Industry has established a set of green steel cooperation principles to define the selection criteria for high-quality green steel suppliers.

Dajin Heavy Industry's Green Steel Cooperation Principles

Principle	Steel Plate Quality	Green Steel Certification and Standards	Capacity and Reputation	Technological Innovation and R&D Capability	Supply Chain Transparency	Product Suitability	Long-term Strategic Cooperation
Description	The supplier shall have the capability to produce high-strength and corrosion-resistant steel plates that meet the stringent material performance requirements of overseas offshore wind projects.	Green steel products shall comply with relevant EU and international certification standards to ensure environmental performance and market access.	Priority is given to steel mills with leading production capacity and strong market influence, so as to ensure the stable supply and broad application of green steel.	Priority is given to suppliers with outstanding green steel R&D capabilities and strong continuous innovation capacity, in order to promote the development and application of low-carbon emission steel plates.	Steel mills shall provide comprehensive carbon emissions data and environmental information to ensure supply chain transparency and traceability.	Green steel products shall meet the practical needs of overseas offshore wind projects in terms of cost, performance, and delivery schedule.	The Company seeks to establish long-term strategic partnerships to jointly pursue higher environmental and sustainability goals and collaboratively respond to market and regulatory changes.

Industry-wide Collaboration

We have signed strategic framework agreements on green steel cooperation with Baoshan Iron & Steel and Nanjing Iron & Steel, and plan to gradually carry out technical cooperation and project implementation in areas such as steel plate process improvement, carbon footprint optimization, and green steel planning, while actively exploring practical and feasible green steel solutions.

At the same time, we have continued to hold working meetings on green steel with upstream customers, introducing, exchanging views on, and discussing a range of topics including low-carbon steel life-cycle management and assessment, carbon emissions information transparency, compliance with regulatory requirements, and green steel premiums. During the reporting period, we completed multiple rounds of meetings with six upstream customers, during which preliminary views were exchanged on the direction of green steel cooperation.

Green Logistics

The Company continues to improve its green logistics system by selecting suppliers with compliant emissions performance and high emissions efficiency, strengthening warehousing management capabilities, enhancing logistics transfer efficiency, and optimizing transportation voyage arrangements, thereby fully integrating green principles into every aspect of logistics operations.

Green Logistics Measures

- Optimizing transport routes to reduce empty return trips, with total transportation mileage reduced by more than 10,000 kilometers over the year.
- Promoting centralized distribution and consolidating small-batch orders, reducing the number of transport trips by more than 50 over the year.
- Using green electricity, while prioritizing the use of new energy logistics vehicles in 2025.

In the field of Green Shipping, we give priority to choosing energy-efficient shipping companies with better carbon emission indicators, and simultaneously conduct feasibility studies on the application of biofuels. During the product transportation process by sea, we precisely match the number of monopiles with the cargo capacity of the vessel, renovate the deck and add outboard supporting devices to increase the cargo area per voyage, thereby reducing the total number of voyages and effectively lowering the carbon emissions during ocean transportation per unit product. For more information on shipping, please refer to "Specialized Topic 1: Green shipping undergoes further upgrades, leveraging autonomous shipping capabilities to establish a new global delivery advantage".

Case Study

Working with Suppliers to Upgrade Transport Vehicles

In response to national environmental policy requirements such as the Law of *the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and *the Limits and Measurement Methods for Emissions from Heavy-duty Diesel Vehicles (China VI)*, and in line with the Company's green and low-carbon emission development philosophy, we worked with transport suppliers in 2025 to carry out a vehicle upgrade program for the transportation of finished tower products. Under this program, operating vehicles meeting the China V emission standard were gradually phased out and replaced with new transport vehicles compliant with the China VI emission standard. The cooperation was centered on reducing exhaust emissions from transportation and improving transport efficiency, thereby promoting the green transformation of the supply chain.

During implementation, the Company established a close communication mechanism with transport suppliers, clarified the importance of the China VI emission standard and relevant industry trends, and ensured the gradual compliance of transport vehicles with the China VI standard through routine checks such as verification of vehicle licenses. Operational data showed that, in actual transport operations, particulate matter (PM) and nitrogen oxides (NO_x) emissions from China VI vehicles were significantly lower than those from China V vehicles. All vehicles passed exhaust emission testing and met road operation and environmental regulatory requirements. At the same time, China VI vehicles demonstrated stable power performance, and fuel consumption was also optimized compared with China V vehicles, further improving transport efficiency and cost-effectiveness.

By working with suppliers to upgrade transport vehicles, the Company effectively strengthened the management and control of carbon emissions in downstream transportation, actively promoted the implementation of supply chain emissions reduction measures, and reduced carbon emissions intensity and environmental risks. This vehicle upgrade not only improved the environmental performance of both the Company and its partners, but also provided solid support for green and compliant operations and the sustainable development of transportation, reflecting the Company's and its suppliers' firm commitment to fulfilling social responsibilities and contributing to China's "dual carbon" goals.

1.3 Environmental Compliance Management

We have always firmly held that the sustainable development of an enterprise cannot be achieved without a strong sense of environmental responsibility. To this end, we have embedded our green philosophy into the entire lifecycle of our operations, advanced cleaner production and resource recycling, and continuously enhanced resource utilization efficiency.

With a robust and forward-looking environmental management system in place, we exercise strict control over all types of emissions and wastes to minimize the impact of our operations on the ecological environment. We fulfill our corporate environmental responsibilities through tangible actions, and actively work to build a more sustainable future.

Environmental Management

To fulfill our environmental policy of "Pollution Prevention, Rational Utilization of Resources, and Jointly Building a Sound Ecological Environment", we continuously improve our environmental management system and fully implement all environmental management practices.

Environmental Management System

We have always regarded environmental protection as one of the core responsibilities of the Company's development, and strictly abide by the requirements of relevant laws and regulations including the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and *Law of the People's Republic of China on Promoting Cleaner Production*. In the meantime, in accordance with the ISO 14001 Environmental Management System standard, we have formulated and continuously improved internal policy documents and measures such as the *Environmental Management Procedure and Environmental Impact Assessment Form*, to ensure that all environmental protection requirements and control measures are effectively implemented, and achieve compliant disposal of emissions and wastes.

As of the end of the reporting period, all the Company's long-term operating production facilities have obtained ISO 14001 Environmental Management System certification. To ensure the effective implementation of environmental management, the Company has set up an HSE (Health, Safety and Environment) department at each production facility. The HSE department of each facility is responsible for the overall planning and implementation of environment-related affairs, regularly reports the effectiveness of environmental management to the Company's headquarters, analyzes environmental management performance, puts forward and evaluates improvement suggestions, and promotes the optimization of management practices. This ensures the dynamic improvement and continuous enhancement of the environmental management system, and forms a closed-loop management system with continuous improvement.

Environmental Compliance Status

During the reporting period, the Company strictly abided by national environmental protection laws and regulations, and fully implemented all environmental management requirements. All new, reconstruction and expansion projects have completed the Environmental Impact Assessment (EIA) and obtained approval from the competent authorities in accordance with the law. All operating projects have legally obtained the Pollutant Discharge Permit, and completed the filing for hazardous waste generating entities in compliance with relevant requirements.

The Company continuously improves its environmental management system, and regularly conducts environmental monitoring and third-party testing. Monitoring data shows that the pollutant emission concentration of each project fully complies with national and local standards.

753.3K
RMB

During the reporting period, Dajin Heavy Industry
Investment in environmental protection and
emission reduction: RMB 753.3K

0

During the reporting period, Dajin Heavy Industry
Number of environmental penalty incidents: 0

Environmental Risk Prevention and Control

We have established a systematic identification, assessment and control mechanism for environmental risk management in the process of production and operation. The Company has formulated internal documents including the *List of Significant Environmental Aspects*, *Environmental Aspect Identification and Assessment Form*, and *Management Procedure for Environmental Aspect Identification and Assessment*, to clarify the process of environmental aspect identification and management, so as to pinpoint the significant environmental aspects involved in the Company's operations.

Each production facility regularly carries out the identification and assessment of environmental aspects, formulates timely rectification measures for the identified problems, and prevents and controls environmental risks at the source. To ensure the effectiveness of management, the Company regularly organizes internal audits and third-party external audits to conduct systematic inspections on the environmental risks and compliance status of each production facility, and drive continuous improvement.

During the reporting period, the Penglai facility conducted 19 third-party environmental impact audits, with a 100% audit pass rate, and no material environmental risk issues were identified.

Environmental Emergency Management

The Company attaches great importance to the prevention of and response to environmental emergencies, and has formulated the *Emergency Response Plan for Environmental Emergencies*, which has been filed with the competent authorities in accordance with relevant requirements. To ensure the effective implementation of emergency management, the Company has set up an Emergency Command Headquarters with specialized emergency response teams under it, and defined clear responsibilities and response procedures. For key risk scenarios such as fire and explosion, hazardous chemical leakage from paint warehouses and hazardous waste temporary storage rooms, and failure of environmental protection facilities, we have developed supporting special emergency response plans and on-site disposal plans to ensure accurate and effective risk identification and response measures.

To enhance emergency response capability, the Company regularly organizes emergency training and practical drills to comprehensively strengthen all employees' awareness of environmental risk prevention and emergency disposal skills, and continuously conducts training on environmental protection laws and regulations as well as operating procedures. During the reporting period, all production facilities of the Company completed emergency drills as scheduled, no major environmental emergencies occurred, and the Company's environmental emergency management capability was continuously improved.

During the reporting period, Dajin Heavy Industry

Number of environmental penalty incidents: 0



Waste Gas Management

We strictly abide by the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and implement emission control requirements in strict accordance with the *Comprehensive Emission Standard of Air Pollutants for Regional Areas (DB 37/2376-2019)* and the *Integrated Emission Standard of Air Pollutants (GB 16297-1996)*. We have formulated internal policy documents including the *Environmental Management Procedure*, which clarify the responsibilities, authorities and specific standards for waste gas management in all links of the project, to ensure that the whole process of waste gas from generation, collection, treatment to discharge complies with regulatory requirements. To guarantee emission compliance, the Company entrusts third-party institutions to conduct regular monitoring, and has established a waste gas emission monitoring data system based on the composition and content of pollutants to realize real-time monitoring of emission conditions, ensuring that all indicators are always within the standard limits.

The waste gas generated in the production process mainly includes volatile organic compounds (VOC), nitrogen oxides (NO_x) and fume, which are principally derived from fume from cutting, grinding and welding processes, organic waste gas from spray painting processes, and dust from sandblasting processes. All waste gas is purified by treatment facilities before being discharged up to standard.

The Company is committed to systematically reducing waste gas emissions through the whole process of source control, process management and end-of-pipe treatment. Through the following measures, the Company continuously improves the level of waste gas treatment, ensures that all emission indicators stably meet the standards, and actively fulfills its corporate environmental responsibilities:

- Strengthening waste gas source collection: We adopt a combined treatment process of dust bags and filter screens for welding and grinding fume, and introduce mobile welding fume purifiers to efficiently capture waste gas at welding operation points.
- Improving waste gas treatment efficiency: For organic waste gas, we adopt combined treatment technologies including activated carbon adsorption, catalytic combustion and Regenerative Thermal Oxidation (RTO). We continuously upgrade environmental protection equipment, for example, equipping the anti-corrosion workshop with an advanced dust prevention and paint mist treatment system.
- Improving end-of-pipe treatment measures: We have installed fume purification equipment outside the welding material drying area to further reduce the fume concentration in the workshop.
- During the reporting period, through technology and equipment upgrading, all production facilities of Dajin Heavy Industry have effectively reduced waste gas emissions, while achieving a dual reduction in energy consumption and operating costs.



Case Study

Upgrading and Renovation of VOCs Treatment Equipment at Zhangjiakou Facility

As a key link in the Company's wind power tower production, the Baita Workshop's original VOCs treatment system had shortcomings including low treatment efficiency (only 85%), high energy consumption, and elevated operation and maintenance (O&M) costs. To improve environmental performance, the facility upgraded the waste gas treatment process, adopting an integrated treatment solution combining dry filtration, zeolite rotor, and Regenerative Thermal Oxidation (RTO). The new process first effectively removes paint mist through dry filtration, then uses a zeolite rotor to achieve efficient adsorption and concentration of VOCs, and finally completes thorough oxidative decomposition of VOCs under high temperature in the RTO unit. Meanwhile, it efficiently recovers combustion heat energy to realize energy recycling.

After the completion of the renovation, the waste gas treatment efficiency was significantly increased to 94%. The annual VOCs emissions were reduced from 7.43 tons to 2.97 tons, with an annual electricity saving of 1,938,000 kWh and a reduction of approximately 1,028 tons of carbon dioxide emissions. At the same time, the automation level of the system was synchronously improved, further enhancing the environmental management capability. This upgrade has not only greatly improved environmental performance, but also delivered remarkable economic benefits and management optimization, realizing multi-dimensional value enhancement.



Upgrading of VOCs Treatment Equipment at Zhangjiakou Facility

Upgrading of Waste Gas Treatment Equipment in the Coating Workshop at Panjin Facility

To address the limitations of the original activated carbon adsorption equipment, including limited treatment efficiency, frequent consumable replacement, and potential secondary pollution risks, the coating workshop of Panjin Facility has carried out a full upgrade of the waste gas treatment system, adopting the Regenerative Thermal Oxidation (RTO) process with a supporting waste heat recovery unit. Through high-temperature oxidation technology, the new system has lifted the waste gas decomposition efficiency to over 99%, fully complying with emission standards. Meanwhile, it utilizes the recovered heat energy for heat supply in production processes, which greatly reduces energy consumption.

After the completion of the renovation, the workshop has achieved a sharp reduction in waste gas emissions, and the energy consumption per unit of output value has decreased by over 5%. The upgrade has simultaneously delivered the dual goals of environmental compliance as well as energy and cost reduction, which further improved the Company's environmental management and operational efficiency.



Upgrading of Waste Gas Treatment Equipment in the Coating Workshop at Panjin Facility

Waste Management

We strictly abide by national laws and regulations including the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution* and *Measures for the Administration of Hazardous Waste Business Licenses*, and fully implement relevant national and industry standards including the *Standard for Pollution Control on Hazardous Waste Storage*. On this basis, the Company has formulated a series of internal systems and measures, including the *Waste Management Standard, Regulations on the Administration of Waste Areas, Regulations on the Administration of Hazardous Waste Storage and Disposal, and Hazardous Chemicals Management Standard*, to further clarify all management processes and operating specifications, and ensure the legal and compliant disposal of waste.

The Company takes three categories of waste generated in production and operation, namely general industrial waste, domestic waste and hazardous waste, as the management and control objects, and systematically advances waste management in adherence to the solid waste treatment principle of "reduction, recycling and harmless disposal". For different types of waste, we have set up dedicated classified collection areas, such as domestic waste collection areas and general industrial waste collection areas, and require all departments to store waste by category in strict accordance with the procedures, so as to achieve efficient recycling and reuse.

During the reporting period, the Penglai Facility revised the Regulations on the Administration of Waste Areas, optimized the classification method of valuable waste, focused on clarifying the job responsibilities of waste area administrators, continuously improved the standardization and refinement level of waste management, and provided a strong guarantee for the Company's green production and environmental protection.

We implement strict full life cycle management for all types of hazardous waste, including waste diesel oil, waste engine oil, waste paint, thinners, waste toner cartridges and ink cartridges. The management covers all links of generation, storage, transportation and final disposal, with full-process monitoring fully implemented.

Each production facility conducts standardized classification, clear labeling and accurate recording of hazardous waste in accordance with the requirements of local laws and regulations, and has set up an independent hazardous waste storage room. Through scientific layout and rigorous management systems, we ensure that hazardous waste will not cause any adverse impact on the working environment and employee safety during storage, transfer and treatment.

Disposal Measures for Domestic Waste and General Industrial Waste

Domestic Waste Disposal

Waste paper generated in daily office work shall be preferentially reused as secondary paper.

Non-confidential waste paper that cannot be reused shall be placed into recyclable waste collection bins together with waste cartons, waste beverage bottles and other similar items. After unified collection, we entrust a third party for disposal to maximize resource recycling.

General Industrial Waste Disposal

Waste wooden packaging, pallets and other such items shall be collected by the generating department at the designated location during operation.

Waste welding wire reels generated from welding operations shall be temporarily stored at designated locations in the workshop.

Waste metal materials, welding wires, metal parts and tools shall be placed into waste metal collection bins.

Discarded abrasive discs, cutting discs, as well as personal protective equipment (PPE) not contaminated with oil or paint, and cleaning waste shall be placed into general waste collection bins.

At the disposal stage, we entrust third-party professional institutions with corresponding qualifications to conduct the final disposal of hazardous waste, so as to ensure that all hazardous waste is disposed of in a safe and compliant manner. Through the above measures, the Company has achieved closed-loop management and control of hazardous waste, which effectively guarantees environmental safety and employee health.

To improve the refinement and intelligent level of hazardous waste management, the Penglai Facility completed the intelligent system renovation of the hazardous waste warehouse in 2025. This renovation not only installed weighbridges and networked monitoring equipment to realize automatic collection and real-time reporting of hazardous waste warehousing data, but also fully

implemented QR code scanning for warehousing and outbound operations, which greatly improved management efficiency and data accuracy.

The application of the intelligent system has transformed hazardous waste management from traditional manual recording to digital and automated operation, reducing human errors and operational risks, and ensuring full traceability of each batch of hazardous waste throughout the whole process. Through real-time data monitoring and accurate information flow, managers can timely grasp inventory dynamics, abnormal conditions and flow direction changes, providing a solid data foundation for subsequent compliant disposal and supervision.

Noise Management

Dajin Heavy Industry strictly abides by laws and regulations including the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*. We systematically sort out and investigate potential internal noise hazards, and have adopted a series of effective measures targeting production processes that tend to generate high-intensity noise, such as cutting and sandblasting.

The Company continuously upgrades equipment and facilities, replaces them with low-noise apparatus to reduce noise sources at the source. We also optimize material use procedures and improve operating specifications to further lower noise levels in the working environment. During project construction, reconstruction and expansion, the Company pre-plans noise prevention and control measures, including foundation vibration damping for equipment, sound insulation treatment through workshop structure, installation of mufflers for key noise sources such as fans, and rational layout of production areas to reduce noise superposition and diffusion, so as to minimize the impact on the surrounding environment and employees. The Company attaches great importance to employees' occupational health and safety, and has formulated specialized measures for noise protection and related issues. For relevant details, please refer to Chapter 2.2 Safety and Innovative Production in the Social Section.

As of the end of the reporting period, the Penglai Facility has obtained the Class II standard certification under the *Noise Standard for Boundary of Industrial Enterprises (GB 12348-2008)*. All noise indicators of the project comply with the corresponding requirements of the *Emission Standard for Boundary Noise of Industrial Enterprises (GB 12348-2008)* and the *Environmental Quality Standard for Noise (GB 3096-2008)*, which effectively guarantees the compliance of the production environment and the health of employees.

Circular Economy

We actively practice the core philosophy of "circular regeneration", and continuously improve the level of comprehensive resource utilization. By building a closed-loop recycling system for internal production waste, and working with suppliers to explore reuse pathways in the procurement process, the Company promotes the conversion of various types of waste into resources, thereby systematically reducing resource waste and environmental impact.

During the reporting period, each production facility actively explored practices for resource recycling. We not only carry out remanufacturing and reuse of production surplus materials and waste, but also implement the circular concept throughout the whole process of tooling management: we consider the subsequent reuse potential at the design phase to ensure cross-project compatibility; at the application phase, we actively explore models such as the shared use of storage and construction tooling, which effectively improves the cyclic use efficiency of tooling.

This series of measures has promoted the efficient circulation and maximized value of internal resources of the enterprise, and demonstrates the Company's active commitment to advancing the circular economy and fulfilling its social responsibilities.

Case Study

Base Protection with Waste Rubber by the Logistics Workshop of Penglai Facility

To address the issue of excessive cotton quilt consumption in the protection process of wind turbine tower barrel bases, the logistics workshop of Penglai Facility has innovatively put forward a process improvement solution based on recycling principles. We collect waste rubber eliminated from returned sea freight trailers, and convert it into reusable base protection pads through cleaning, cutting and bonding treatment to replace traditional disposable cotton quilts.

The upgraded rubber protection pads have excellent durability and can be reused more than 30 times, which significantly reduces the procurement demand for cotton quilts and waste generation. This solution not only realizes the efficient recycling of resources, lowers production costs and environmental burden, but also promotes the implementation of the green manufacturing concept in the workshop. By converting waste materials into high-value production auxiliary materials, the Company has effectively reduced its reliance on virgin resources.

During the reporting period, this recycling solution has cumulatively saved 1.25 tons of cotton quilt resources, demonstrating the Company's active exploration and sense of responsibility in environmental protection, cost reduction and efficiency improvement.



Replacement of Cotton Quilts with Waste Rubber for Wind Turbine Tower Barrel Base Protection

Case Study

Innovative Recyclable Tooling Developed by the Closing Workshop of Panjin Facility

To address the pain points of low efficiency, high mechanical dependence and large material consumption in traditional hull section support operations, the closing workshop of Panjin Facility has innovatively developed a reusable screw-type stabilizer frame tooling. With a stable structure and convenient assembly and disassembly, this tooling can be operated with only a forklift, completely replacing the original complex operation mode that required the coordinated use of truck cranes, forklifts and aerial work platforms, which took an average of 2 hours per single piece.

This initiative not only significantly improves installation efficiency and reduces labor and equipment costs, but also greatly cuts down material loss and hot work demands through its outstanding reusability. While enhancing operational safety and environmental performance, it has put into practice the sustainable development concept of resource recycling.



Stabilizer frame adopting spiral support structure

96.1%

Phased Targets for Circular Economy of Penglai Facility

By 2030, the production recycling rate will reach no less than 90%. Full circularity will be achieved by 2040.

In 2025, the production recycling rate hit 96.1%, making steady progress toward the medium and long-term targets.

Water Resources and Wastewater Management

Dajin Heavy Industry is committed to systematically advancing the conservation and efficient utilization of water resources. In the production process, we continuously reduce water intensity for production by implementing circulating water systems and promoting water-saving processes and equipment. In the office operation process, we comprehensively enhance employees' awareness of water conservation through measures such as posting signs and carrying out publicity and training. During the reporting period, the Company had no issues in accessing applicable water sources.

The wastewater generated by the Company is mainly domestic sewage, which is discharged to urban sewage treatment plants after compliant disposal. No industrial wastewater is generated during our operation.

Biodiversity Conservation

Dajin Heavy Industry deeply recognizes the urgency and importance of biodiversity conservation. We strictly abide by national and local relevant laws and regulations including the *Law of the People's Republic of China on Environmental Impact Assessment* and *Regulations on the Administration of Environmental Protection of Construction Projects*, actively respond to the spirit of the United Nations *Convention on Biological Diversity (CBD)* and the *Kunming Declaration*. We have also issued the *Biodiversity Statement*, continuously improved the management system for biodiversity conservation, and systematically incorporated the biodiversity strategy into the ESG management system to drive the sustainable development of the Company.

During the reporting period, the Penglai Facility formulated internal procedures for the *Biodiversity Risk Assessment Report* with reference to the *EU Biodiversity Strategy* and the *Task force on Nature-related*

Financial Disclosures (TNFD) Framework. It systematically identifies and assesses biodiversity risks, conducts in-depth analysis of their impact pathways and consequences, and evaluates the effectiveness and adequacy of existing control measures. Meanwhile, the Penglai Facility has established a five-stage closed-loop management mechanism of "risk identification – risk assessment – control measures – operation evaluation – dynamic improvement", adopted a hierarchical management and control strategy of strict control for high risks, supervision for medium risks, and tracking for low risks, and clarified the responsibilities for various control measures to specific departments, so as to ensure the continuous optimization and dynamic update of management and control measures.

Biodiversity Risk Identification

To strengthen biodiversity conservation, Dajin Heavy Industry conducts comprehensive and scientific assessments at the site selection stage of new projects, to accurately identify factors that may affect biodiversity, including potential environmental pollution and natural disasters, so as to avoid risks at the source. All operating sites of the Company have undergone detailed surveys and investigations, with their locations confirmed to be outside the scope of ecological protection red lines. We strictly abide by the control requirements for ecological protection red lines, which fully reflects the Company's high attention to ecological security.

Risk Assessment

On this basis, the Penglai Facility further conducted a systematic assessment of the potential impacts of manufacturing, operation and terminal operations on the surrounding ecosystems and ecosystem service functions, and identified and assessed four key biodiversity risks, namely atmospheric pollutant emissions, water pollution, toxic impacts of coating paints, and domestic sewage discharge. Through the scientific risk assessment mechanism, the Facility can formulate targeted management measures to strengthen the protection and restoration of the ecological environment.

Risk Control Measures

Throughout the whole process of project construction and operation, the Company proactively implements a variety of protection measures to minimize disturbance to ecologically sensitive areas including natural habitats, wetlands, forests, wildlife corridors and agricultural land, and continuously carries out ecological conservation work to ensure the sustained health of the environment.

In terms of visiting vessel management: The Company has established a sound vessel waste management system, and signed vessel oily wastewater and garbage disposal agreements with professional third-party institutions. We require shipowners to strictly abide by the *International Convention for the Prevention of Pollution from Ships (MARPOL)* and relevant laws and regulations during voyages for our Company, and mandatorily implement the whole-process closed-loop management of liquid pollutants covering "on-board storage – port reception – onshore disposal", to ensure timely and compliant disposal of vessel waste and achieve zero discharge of vessel liquid pollutants into the sea. Meanwhile, through the implementation of ballast water management standards and the agreed removal and disposal of domestic sewage, we have effectively mitigated the impact of vessel operations on coastal aquatic ecosystems and benthic organisms.

In terms of water pollution prevention and control: The Company has effectively reduced the potential harm to the reproductive health of surrounding fish and plankton from coating operations, through measures including the selection of low-toxicity coatings, strict implementation of *Material Safety Data Sheet (MSDS)* reviews, and the installation of anti-splash facilities.

Operation Evaluation

The Penglai Facility prepares an annual biodiversity operation evaluation report, which fully covers the control effectiveness of all identified risk items. Through scientific data analysis and on-site inspections, the Facility systematically evaluates the actual effectiveness of ecological protection work, providing a reliable basis for subsequent management optimization.

Dynamic Improvement

At the corporate level, the Company actively engages with social organizations and the media through multiple channels, extensively promotes the concept of biodiversity conservation, and continuously raises protection awareness among internal and external stakeholders. For employees and partners, the Company carries out regular, diverse themed education and professional training to enhance their cognitive level and practical ability, and drive the continuous improvement of biodiversity management across all facilities.

Social

Topics Addressed:

- Product and Service Quality
- Health and Safety
- Innovation
- Information Security and Privacy Protection
- Employee Rights
- Employee Development
- Compensation and Benefits
- Diversity
- Public Welfare Initiatives

Contribution to the SDGs

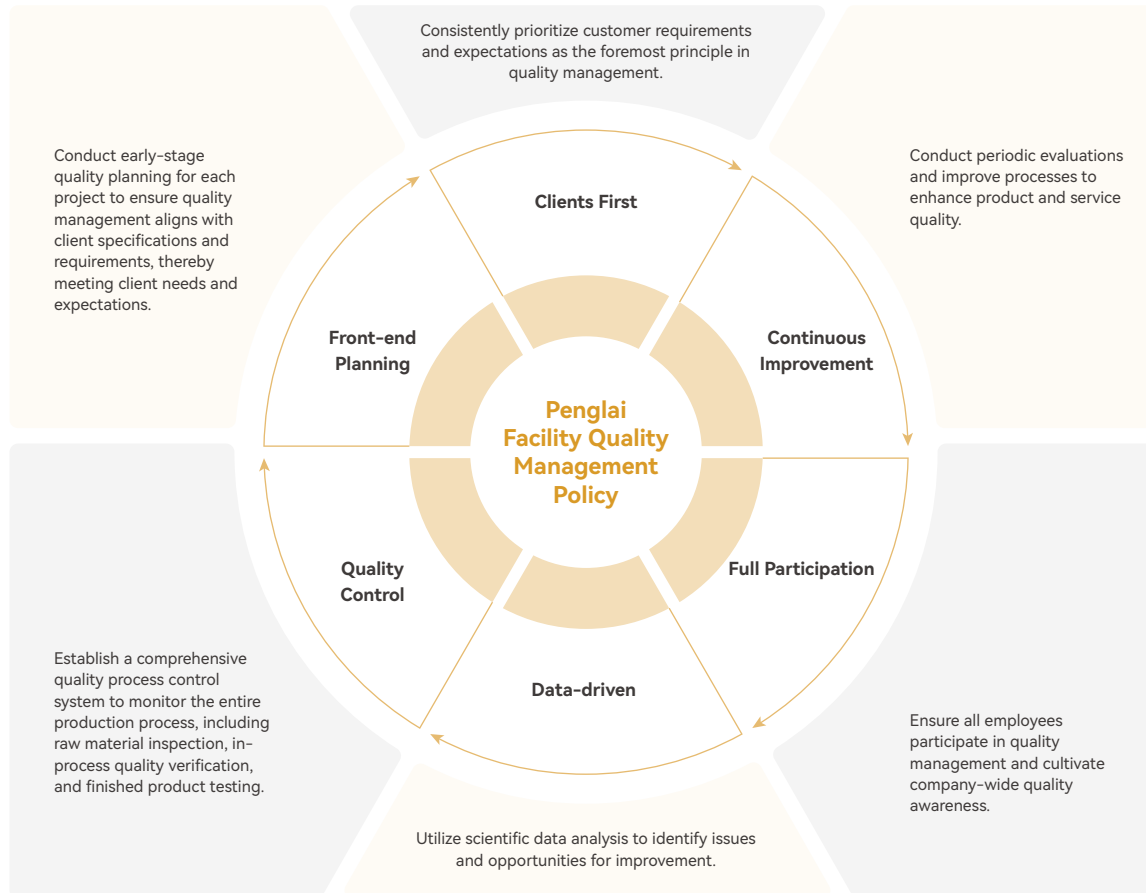


2.1 Product and Service Quality

Dajin Heavy Industry consistently adheres to the guiding principle of "Quality as the Foundation, Integrity as the Core". We integrate quality management throughout the entire value chain. By establishing robust systems, implementing precise controls, and fostering a quality-oriented culture, we provide global customers with high-standard, highly reliable products, thereby solidifying the quality foundation for the Company's sustainable development.

Quality Governance System

To achieve this goal, Dajin Heavy Industry has established a comprehensive quality management system. With customer needs at its core, the system achieves standardized management across all processes, advocates for a quality culture with full employee participation, and realizes a quality governance system that is company-wide, standardized, systematic, scientific, refined, and traceable. This system supports the Company's high-quality development and delivers trustworthy products and services to global customers.



Quality Management Strategy

Dajin Heavy Industry embeds quality commitments into contracts, clearly defining quality and delivery requirements to fulfill its core promise of "Guaranteed Quality and Delivery". In the specific execution process, the Company implements full-process quality management and construction supervision control. For each project, customized quality documents are compiled, systematically integrating internal management standards with specific client requirements. At critical stages such as raw material inspection, process acceptance, and finished product shipment, we actively cooperate with client-assigned resident supervisors for on-site monitoring, ensuring transparency and controllability at every step. Through full-process control and multi-party collaboration, the Company consistently fulfills its quality and delivery commitments to clients.



ISO 9001 Quality Management System Certificate (Penglai Facility Example)

As of the end of the reporting period, all of the Company's long-operate production facilities have been certified to the ISO 9001:2015 Quality Management System.

Furthermore, in line with its business profile, the Penglai Facility has obtained multiple authoritative international certifications, including EN 1090 EXC4 steel structure manufacturing certification, ISO 3834 welding quality management system certification, the Japanese Industrial Standard (JIS) Class H certification, and the DNV-CP-0352 Welding Workshop Approval Certificate. These certifications not only further enhance quality assurance capabilities during the production process but also provide clients with higher product reliability and safety. With these multiple certifications, the Penglai Facility is able to meet the stringent standard requirements of global clients across different markets and application scenarios, bringing clients greater trust and broader cooperation opportunities, thereby supporting successful project delivery and fostering long-term collaborative success.

Measures to Improve Product Quality

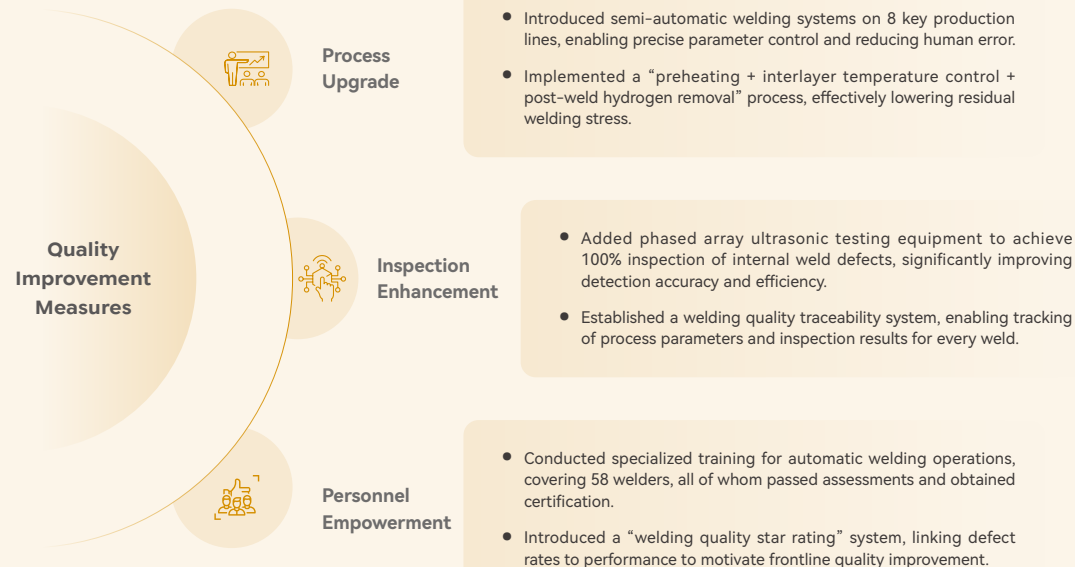
Through ongoing efforts to strengthen research and improvement in product manufacturing processes, the Company continuously drives technological innovation and equipment upgrades. This dedicated focus achieves comprehensive enhancement in both product and process quality, resulting in significant advancements through the ongoing optimization of production techniques.

Case Study

Quality Improvement Initiatives at the Yangjiang Facility

Welding is the core process in wind tower manufacturing. Its quality directly determines the structural strength and fatigue resistance of the towers. To address internal challenges—such as high rework costs and delivery fluctuations caused by welding defects like porosity and slag inclusions—and to meet the rigorous requirements of offshore wind projects for improved welding reliability and extended corrosion protection lifespan, the Yangjiang Facility implemented a systematic enhancement across three key areas: process, inspection, and personnel. This comprehensive approach significantly improved the stability and reliability of welding quality.

Following these optimizations, the Yangjiang Facility achieved an annual average welding defect rate of 0.44% and a first-time pass rate of 99.56%. These results contributed to cost reduction and operational efficiency, while markedly strengthening delivery assurance, elevating tower structural welding reliability, and enhancing supply chain resilience.



Case Study

Quality Improvement at Zhangjiakou Facility

To enhance spraying and overall process quality, the Zhangjiakou Facility initiated a quality improvement campaign in June 2025. The campaign targeted personnel capability development, tighter control of spray operations, and process optimization, with the goal of increasing the first-time pass rate for the anti-corrosion process.

The Company developed a targeted improvement plan based on comprehensive data measurement and root cause analysis. Short-term corrective actions were promptly implemented to address identified issues, while long-term improvement measures were established to ensure sustained progress. As a result, by August 2025, the first-time pass rate for the anti-corrosion process exceeded 99.00%. These interventions demonstrated their effectiveness, successfully achieving the quality improvement objectives.



Anti-corrosion Operations

Non-conforming Product Control

The Company prioritizes product quality and has established a robust quality process control system. For the management of non-conforming products, a ***Non-conforming Product Control Procedure*** is in place, mandating rigorous identification, labeling, documentation, segregation, review, and disposition of non-conforming items to prevent unintended use, transfer, installation, or delivery. This procedure applies across the entire production lifecycle—from raw material intake to finished product shipment—encompassing critical control points such as incoming material inspection, customer-supplied material inspection, in-process inspection, and final product inspection. This ensures comprehensive, end-to-end quality assurance. Adhering to a data-driven methodology, the Company leverages advanced data analytics to promptly detect quality issues and improvement opportunities, conduct root cause analysis, and implement preventive actions, thereby facilitating continuous process optimization. The Company promotes organization-wide engagement in quality management, fostering a culture of quality awareness and accountability among all employees.

For recurring or significant non-conformities, the Company deploys 8D (Eight Disciplines) problem-solving teams and generates 8D reports, aiming to eliminate risks at their source and ensure sustained quality improvement.

Quality Culture Development

Dajin Heavy Industry has established a tiered, competency-based quality training framework, aligned with corporate policies, operational processes, and new product knowledge. This system encompasses comprehensive onboarding training for new hires, skill assessments and targeted upskilling for quality inspectors, quality handover and process-specific training for production teams, as well as qualification certification programs tailored to customer requirements. The Company subsidizes certification expenses to alleviate employee financial burden and strengthen technical expertise.

In 2025, the Penglai Facility conducted 54 training sessions—45 internal and 9 external—addressing core competencies such as project planning, process inspection, and quality management procedures. Training was structured around three principal modules: interpretation of quality standards, hands-on inspection techniques, and management system implementation. This standardized, systematic approach ensures that training outcomes are effectively integrated into daily operations, reinforcing the organization's overall quality capability.

To further incentivize professional development and meet evolving quality standards, the Penglai Facility added 27 newly certified employees and renewed certifications for 8 personnel in 2025, significantly enhancing the team's qualifications and technical capacity. The Company actively promotes employee engagement in quality improvement initiatives, cultivating a culture of continuous learning and self-development. These efforts underpin Dajin's commitment to high-quality growth and enable the delivery of superior, reliable products and services to customers.

Case Study

Quality Improvement Training

In April 2025, the Quality Management Department organized a specialized training program focused on preliminary project planning for structural inspection processes. The curriculum was structured around two core modules: interpretation of project standards and quality risk management and control, targeting all personnel involved in structural inspection activities.

The training included comprehensive analysis of relevant standards and technical specifications, detailed breakdown of inspection workflows, judgment criteria, and identification of critical inspection points informed by prior project experience. Additionally, the program emphasized early-stage risk identification, equipping participants to recognize potential quality risks across production, testing, and other phases, and to develop targeted preventive and control measures.

Through this training, participants' proficiency in applying inspection standards was significantly improved, their capability for early risk anticipation was strengthened, and the foundation for quality control within the structural inspection process was consolidated. These efforts provide robust assurance for the efficient execution and consistent quality of subsequent projects.



Quality Training at Penglai Facility

Quality Risk Management

Customer satisfaction is at the core of the Company's operations, driving the establishment of a comprehensive quality risk management system that spans the entire project lifecycle. To ensure precise quality control and standardized inspection workflows, the Quality Management Department collaborates closely with the Non-Destructive Testing (NDT) team, ensuring products consistently meet customer technical requirements and facilitating seamless project delivery.

An early-warning indicator system has been implemented to enable tiered risk mitigation strategies. Through structured communication, reporting, and documentation protocols, risk information is promptly disseminated and addressed. All risk events are archived and analyzed to build a centralized knowledge repository, supporting continuous improvement through data-driven insights. Regular internal audits are conducted to assess the effectiveness of risk control measures.

Establish a warning indicator system

Graded Response

Communication, reporting, and record-keeping

Archiving and Summarizing

Conduct an audit

During the initial project execution phase, the quality management team conducts thorough reviews of customer drawings and technical specifications, providing timely feedback to clarify technical challenges. Leveraging historical project data, the team systematically identifies potential risks at each stage, maintains a dynamically updated risk control register, and formulates stratified response actions. This approach ensures quality risks are identifiable, manageable, and traceable.

Based on this foundation, Inspection and Test Plans (ITPs) are developed to encompass all processes—from raw material intake, welding, NDT, and coating, to final loading. These plans clearly specify acceptance criteria, inspection frequencies, and equipment requirements. Critical inspection hold points are established at key process stages and customer-defined milestones. Advance inspection requests and qualified process transfers are utilized to proactively mitigate quality hazards at their source.

To further standardize risk management for overseas projects, the Overseas Project Department has developed a dedicated **Project Risk Management Procedure**, covering risk identification, assessment, response, and monitoring throughout the project lifecycle, thereby establishing a closed-loop management system.

The Penglai Facility continues to advance institutional process optimization. By the end of 2025, the facility had issued 46 new institutional documents, abolished 26 obsolete ones, and optimized or upgraded 77 documents compared to the beginning of the year. These initiatives further refine quality control processes, ensuring the timeliness and effectiveness of the quality management system.

Quality Management Indicators and Objectives

Dajin Heavy Industry closely aligns with its quality policy and the core requirements of the QHSE management system, combining comprehensive quality control throughout the entire production process with clear departmental responsibilities. The Company formulates scientifically based KPI objectives across multiple dimensions, including HSE and quality management, technical process support, personnel management, supply chain collaboration, and equipment and administrative support. Through the development of dedicated implementation plans, the detailing of performance achievement measures, the strengthening of process supervision and assessment, and the effective implementation of closed-loop management, the Company ensures that all QHSE management system objectives for 2025 are thoroughly executed and efficiently achieved.

Objective achievement is continuously monitored and tracked. In cases of non-conformance, the responsible department conducts root cause analysis and formulates targeted corrective actions. The Quality Management Department maintains oversight of the corrective action process and verifies its effectiveness, ensuring the successful fulfillment of quality management objectives.

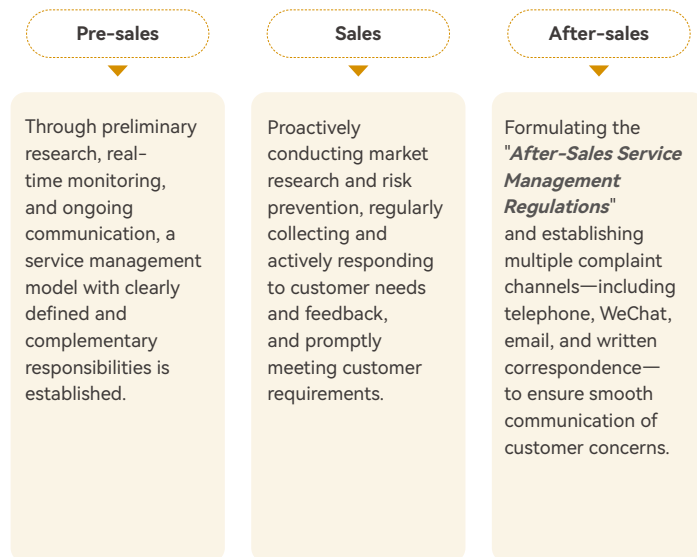
During the reporting period, Dajin Heavy Industry

- Did not experience any significant economic loss events attributable to quality issues,
- Achieved the quality objectives for both the Offshore Facility and the Onshore Tower Facility.

Customer Relationship Management

Dajin Heavy Industry maintains a customer-centric development approach and has systematically established a comprehensive customer relationship management system covering the entire cycle of pre-sales, sales, and post-sales services.

End-to-End Customer Relationship Management



Customer Complaint Handling

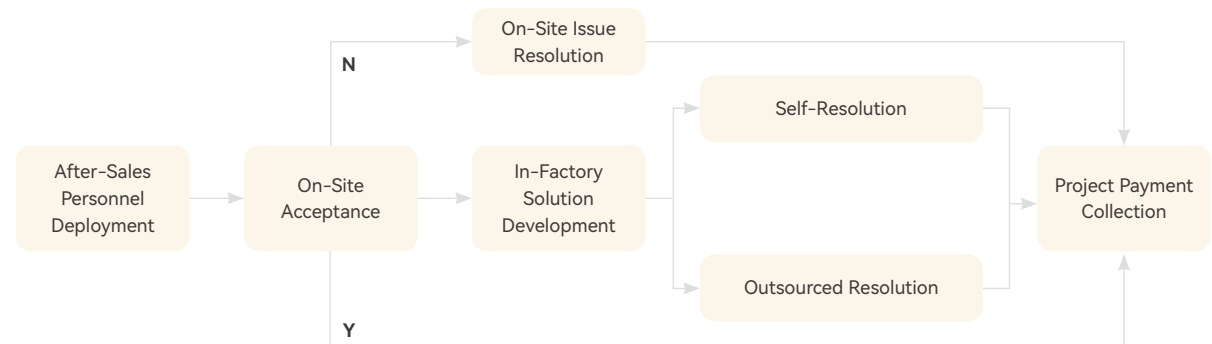
The Company receives customer complaints through multiple channels. Upon receiving a complaint, the project manager promptly communicates it internally. Relevant departments then conduct cause investigation and analysis, and based on customer requirements, formulate a rectification plan to ensure the measures are practical and implementable. Simultaneously, we develop permanent corrective actions targeting the root cause, establishing closed-loop control across dimensions such as process standards, management mechanisms, and technical specifications, thereby preventing the recurrence of similar issues from the source.

Once the rectification plan is completed, it is submitted to the customer in written form for further optimization and confirmation based on their feedback. Products that have undergone rectification are submitted for customer acceptance after passing quality inspection. All documentation related to the entire complaint process is compiled and archived, providing an effective basis for subsequent issue tracing, quality data analysis, and management optimization.

During the reporting period, Dajin Heavy Industry

- Addressed and resolved all valid complaints received.

Complaint Handling Process



Dajin Heavy Industry attaches great importance to customer feedback and is fully committed to safeguarding customer rights and interests. The Company regularly collects and analyzes customer input using tools such as the “*Customer Complaint Information Registration Form*” and the “*Customer Satisfaction Survey*.” All feedback is addressed with timely and high-quality responses. To ensure that any issues encountered by customers during the use of products or services are resolved promptly and effectively, the Company has established a robust response mechanism and conducts regular follow-up visits to proactively identify customer needs and drive continuous service quality improvement. Based on the results of customer feedback analysis, Dajin Heavy Industry actively implements customer satisfaction enhancement initiatives. A comprehensive action plan has been developed, encompassing the refinement of evaluation indicators, the execution of targeted improvement measures, and the establishment of a closed-loop management process. This approach facilitates rapid communication and resolution of issues, thereby continuously improving customer satisfaction.

Customer Satisfaction Improvement Action Plan

Enhancing the Evaluation System

- Redesigning a comprehensive evaluation index system, transitioning from a “single score” approach to a “panoramic insight” methodology to ensure precise problem identification.
- Conducting holistic assessments across two dimensions—technical collaboration and issue response, as well as after-sales service and long-term value—with quantifiable key performance indicators (KPIs) established for each dimension.

Implementing Key Actions

- Establishing a customer collaboration mechanism: Assigning a dedicated, cross-functional service team to each key customer.
- Implementing proactive after-sales service: Conducting regular follow-ups, maintaining customer visit records, and transitioning towards an integrated “product + service” model.
- Developing a shared after-sales issue list: Creating a centralized repository of after-sales issues with targeted solutions to enable timely access to resolutions, thereby shortening after-sales service response time and improving service timeliness.

Establishing closed-loop management

- Conducting regular problem analysis to identify high-frequency issues or service gaps.
- Performing root cause analysis and corrective actions for key issues, tracing them to design, process, or management, formulating corrective and preventive measures, and tracking their verification.
- Systematically incorporating common issues identified through after-sales feedback into the closed-loop management of production quality.

To continuously enhance after-sales service effectiveness, the Company regularly holds after-sales service review meetings to systematically assess achievements and gaps across dimensions such as technical collaboration, issue response, and customer value. In addition, key customer service indicators are incorporated into team performance evaluations, encouraging employees to proactively engage in customer service activities and continuously improve service quality.



 Case Study

Team Customer Service Workshop

With the ongoing expansion of the Company’s international business and product portfolio, cross-border project collaboration has become increasingly frequent. To effectively address customer requirements and enhance both cross-border operational efficiency and customer satisfaction, the Company organized a targeted workshop with the European team. During the workshop, both parties conducted in-depth discussions on key areas such as project execution interfaces, integrated marketing solutions, and reviews of representative projects. This initiative not only further standardized service protocols, but also significantly enhanced cross-cultural collaboration competencies. As a result, a robust foundation has been established for delivering more efficient and professional solutions to global customers.



Customer Service Workshop Session

Customer Service Culture Development

With the rapid development of the Company, the customer service team has gradually expanded, comprising members from diverse backgrounds, leading to increasingly complex collaboration needs. To unify direction, enhance trust and collaboration among teams to improve efficiency, and boost employee sense of belonging, Dajin Heavy Industry actively promotes the development of a customer service culture. It deeply integrates the "FOUNDATION" concept into team management and daily operations, building a customer-centric service culture.

Guided by this concept, we consistently prioritize customer needs, advocating for proactively understanding customer demands with sincerity and professional competence to ensure swift responses. Upon receiving a customer request, the team immediately activates a collaboration mechanism, integrating internal and external resources to develop personalized solutions for the customer. This ensures efficient problem resolution, fully pursues the maximization of customer satisfaction, and steadily advances the development of customer relationships along with the continuous improvement of service quality.

The FOUNDATION of Customer Service Culture



Responsible Marketing

As the market expands and internationalization accelerates, Dajin Heavy Industry fully recognizes the critical importance of responsible marketing. The Company consistently upholds an integrity-driven marketing philosophy, strictly adhering to regulatory requirements across both domestic and international markets. Marketing communications are focused exclusively on authentic product performance and technical specifications. To ensure standardized and compliant marketing practices, Dajin Heavy Industry has established a comprehensive **Code of Conduct** that explicitly defines integrity policies and prohibits all forms of false

or misleading advertising. During project execution, all technical solutions are clearly and thoroughly communicated to clients at the initial stages, ensuring accurate understanding of essential information such as quality standards and compliance certifications. By steadfastly honoring commitments and maintaining transparency, Dajin Heavy Industry has cultivated a marketing ecosystem built on mutual trust and openness. This approach not only protects the Company’s reputation, but also delivers a reliable and reassuring partnership experience for clients, fostering sustainable, long-term collaborative relationships.

2.2 Safety and Efficient Production

Efficient Production

As industry technologies and market demands advance, Dajin Heavy Industry continuously optimizes its high-efficiency production management systems. Focusing on self-reliance and process controllability, the Company intensifies research and innovation in manufacturing processes, consistently driving technological upgrades and quality improvement. The established **Patent Application and Reward Management Measures** effectively stimulate employee creativity, accelerate the transformation of scientific and technological achievements into productive value, and provide strong technical support for sustainable development.

Case Study

Low-Carbon and Intelligent Welding Process Upgrade at Xing'anmeng Facility

Faced with challenges such as high energy consumption, low efficiency, and inconsistent quality in welding operations, the Technical Process Department at the Xing'anmeng Facility proactively implemented systematic process optimization. By refining submerged arc welding parameters, precisely matching welding consumables and flux, and adopting advanced techniques such as multi-layer multi-pass welding and narrow-gap welding, the facility significantly improved joint density and crack resistance. The standardization of post-weld heating, heat retention, and controlled cooling procedures ensured welds met low-temperature impact toughness requirements, raising the non-destructive testing (NDT) pass rate to over 99.2%. This initiative not only reduced welding material costs and defect rates, but also substantially lowered carbon emissions and pollutant output, enhanced the workshop environment, and delivered a replicable green intelligent manufacturing solution for other Company facilities and the broader industry.



Welding Process Technology

Case Study

Welding Process Optimization at Penglai Facility

To meet the stringent requirements for welding quality and structural reliability in thick plate fabrication for offshore wind monopile manufacturing, the Penglai Facility further advanced its monopile welding process transformation in 2025. Optimization trials were conducted for non-gouging and non-back-chipping welding techniques, eliminating the need for carbon arc gouging and plate flipping during thick plate welding operations. For the splicing of ultra-thick plates exceeding 60mm, the facility implemented a composite welding method: Flux-Cored Arc Welding (FCAW) was utilized in the overhead position for the root pass, while Submerged Arc Welding (SAW) was applied in the flat position for subsequent filling passes. This fully integrated approach significantly reduced work cycle duration, energy consumption, and safety risks. In parallel, the facility enhanced fracture toughness evaluation and residual stress testing for thick-plate welds, validating weld crack resistance and durability under complex marine conditions. This technological advancement not only improves the manufacturing efficiency and quality of large-scale offshore wind foundation components, but also provides robust support for low-carbon production, accelerating the Company's progress toward green and intelligent manufacturing.



Optimization of Non-Gouging and Non-Back-Chipping Welding Techniques

Case Study

Independent Development of Lightweight Adjustable Lifting Hook at Penglai Facility

During project execution, the Penglai Facility encountered challenges in lifting oversized cylindrical sections, as existing lifting methods and equipment capacities were insufficient to meet operational demands. Upgrading the workshop crane capacity or fabricating dual-crane S-hooks would have entailed significant costs and extended timelines. To address these limitations, the Penglai Facility independently engineered a lightweight, adjustable lifting hook with a rated capacity exceeding 100 tons, specifically designed for handling large tower sections. This innovative lifting solution effectively overcame the difficulties associated with overweight cylinder section handling, improved operational efficiency and safety, ensured reliable project execution, and provided valuable technical experience for future similar applications.



Lifting Operations with Adjustable Hooks

University-Industry Collaboration

Dajin Heavy Industry actively advances collaborative research and development with universities, establishing long-term partnerships with higher education institutions and research organizations to jointly undertake technology innovation and pilot projects. By leveraging industry-university-research platforms, the Company targets critical industry technologies and accelerates the transformation and commercialization of scientific and technological achievements. This approach not only enhances the relevance and foresight of R&D activities, driving sustainable development for the Company, but also fosters the cultivation of high-caliber talent, promotes knowledge exchange, and advances scientific and technological progress. It supports the construction of an open, collaborative, and efficient innovation ecosystem, strengthening industry R&D capabilities and contributing to broader societal scientific and technological advancement.

Case Study

University-Industry Collaborative R&D on Ultra-Large Monopile Welding Technology

To drive breakthroughs in critical industry technologies, the Penglai Facility established a long-term partnership with the Yantai Institute of Harbin Engineering University to jointly develop advanced manufacturing technologies for ultra-large offshore wind monopile foundations. A joint team was formed, focusing on the challenges of welding ultra-thick steel plates, conducting fatigue assessment, and tackling high-efficiency welding process optimization.

During the project, the team developed a comprehensive welding fatigue evaluation and control technology framework, and successfully implemented semi-narrow gap twin-arc twin-wire welding technology, significantly improving welding efficiency and joint reliability.

This collaboration not only accelerated high-quality and high-efficiency manufacturing of ultra-large monopile foundations, but also fostered the development of highly skilled technical talent, promoted deep integration of industry, academia, and research, and contributed positively to technological progress and the advancement of the green energy sector.

To promote shared prosperity and sustainable growth within the industry, Dajin Heavy Industry actively participates in the development of technical standards, maintaining a leadership position in the wind power equipment manufacturing sector. The Company contributes to the formulation of national standards, such as *Wind Energy Generation Systems – Safety Inspection Methods for Wind Turbine Tower Structures*, which establish standardized safety monitoring requirements for tower structures, enhance operational safety and reliability, and facilitate supply chain collaboration and technological advancement.

In addition, Dajin Heavy Industry has developed a series of enterprise standards, including *QDHI 0001H-2024 Technical Specification for Twin-wire Submerged Arc Welding*, *QDHI 0002H-2024 Enterprise Standard for Wind Tower Workpiece Assembly, Tack Welding, and Root Welding* (published), and *QDHI 0003H-2024 Manual Carbon Arc Gouging* (published). These standards systematically regulate critical process flows and operational techniques, improving welding quality stability and production consistency.

The formulation and implementation of these standards provide replicable and scalable frameworks for high-quality industry development, further advancing technological progress and fostering industrial synergy.



Production Safety

Dajin Heavy Industry consistently regards production safety as a fundamental pillar of sustainable development, and is committed to establishing a scientific, systematic, and efficient production safety management system. The Company has developed comprehensive safety regulations that encompass the entire supply chain, with management measures covering every stage from raw material procurement and manufacturing to product delivery. Safety responsibilities are clearly defined across all organizational levels, and rigorous safety inspections, hazard identification, and corrective actions are systematically implemented to ensure risk control and closed-loop management throughout all processes.

Leveraging robust safety management practices and a continuous improvement framework, Dajin Heavy Industry has achieved ISO 45001 Occupational Health and Safety Management System certification, demonstrating the Company's safety management has reached internationally advanced levels.

Management System Development

Guided by the core principles of "Safety First, Prevention-Oriented, Integrated Management, and Participation by All Employees", Dajin Heavy Industry systematically advances the development of its quality and safety management systems. Leveraging a suite of management tools—including *the Quality and Safety Manual*, *HSE Risk Assessment Management Procedures*, *HSE Accountability Standards for Violations and Negligence*, and *HSE Monthly Evaluation Forms*—the Company has established a comprehensive institutional framework encompassing occupational health, production safety, and emergency response. This ensures all operations are conducted in strict accordance with established policies and procedures.

The Company rigorously complies with national laws and regulations, including *the Occupational Disease Prevention and Control Law of the People's Republic of China*, and continually formulates and updates the "Top Ten Safety Red Lines" requirements. It also refines safety performance evaluation, incentive, and penalty mechanisms to ensure the effectiveness and applicability of management system documentation.

To meet the stringent safety and quality requirements of both domestic and international clients, and to proactively address the technical standards of the global wind power equipment manufacturing industry, Dajin Heavy Industry takes active measures to align its management systems with international benchmarks. Through systematic and standardized management practices, the Company continuously strengthens its safety and quality management capabilities, providing robust assurance for high-quality development and fulfilling its social responsibility for workplace safety.

During the reporting period, Dajin Heavy Industry

- No severe injury or above lost workday incidents occurred at any site, with a Lost Time Injury Frequency Rate (LTIFR) of **1.2468** per million work hours.
- The LTIFR at the Penglai Facility was **0.9710** per million work hours.

Occupational Health Management Measures

The Penglai Facility systematically advances occupational health management by establishing a comprehensive closed-loop system encompassing issue identification, risk assessment, protective implementation, awareness enhancement, and continuous improvement. This framework provides robust assurance for both employee health and enterprise safety. Regular in-service occupational health examinations are conducted, with employee health monitoring records maintained to enable early detection and intervention for occupational diseases and health anomalies. Targeted management of key occupational hazards—such as welder’s pneumoconiosis, noise exposure, and carbon monoxide—is carried out in accordance with *the Personal Protective Equipment (PPE) Usage Management Standard*. High-risk areas are strictly monitored and accurately identified, with protective measures continuously optimized.

The facility emphasizes individualized employee protection by providing job-specific PPE, with clear distribution schedules and replacement standards to ensure proper allocation and effective utilization. Through regular occupational health training, employees’ awareness of occupational disease hazards is heightened, improving their personal protection practices and standardized operational capabilities. These measures collectively promote the effective implementation of occupational health management and safeguard employee wellbeing.

Case Study

Enhancing Hearing Protection to Prevent Noise Hazards

In response to operational noise risks, the Penglai Facility has implemented a comprehensive suite of noise control measures in accordance with *HSE Management Department Circular No. 8 (2025) and the Personal Protective Equipment (PPE) Usage Management Standard*. In designated areas where noise levels meet or exceed 80 decibels—such as the structural workshop and air compressor room—the mandatory use of hearing protection equipment, including earplugs, is strictly enforced for all operators. High-noise tasks, including grinding, cutting, and welding, explicitly require the operators to use of earplugs, and this requirement is integrated into daily supervisions.

The HSE Management Department conducts specialized safety inspections and rigorously addresses any non-compliance. In addition, departments organize targeted training sessions on hearing protection, disseminating information about noise hazards and preventive measures to enhance employee awareness and compliance. Inspections are also carried out to verify the provision and proper use of hearing protection equipment among subcontractor teams, ensuring comprehensive protection for all personnel. These measures effectively mitigate occupational health risks, such as noise-induced hearing loss, and strengthen the facility’s overall occupational health management.

During the reporting period, Dajin Heavy Industry

- The Penglai Facility regularly conducts occupational health examinations for employees during their tenure, achieving a 100% examination rate for personnel in occupational disease risk positions during the reporting period.

Safety Management and Security

The Company conducts comprehensive and systematic annual inspections of all production processes with potential safety risks, and continuously enhances its safety assurance mechanisms to ensure safe operations.

The Penglai Facility prioritizes production safety and the protection of employee wellbeing by systematically building an efficient and professional emergency response system. Production areas are equipped with Automated External Defibrillators (AEDs) to enable immediate first aid and minimize life-threatening risks. A 24-hour emergency contact hotline ensures uninterrupted communication, allowing production staff to rapidly connect with the emergency response team at any time. The facility also deploys department-specific emergency vehicles, equipped with essential first-aid equipment and staffed by trained professionals, ensuring that emergency teams can promptly reach the scene to provide urgent medical assistance and safe transportation.

In addition, the Penglai Facility employs dedicated medical rescue personnel certified in Red Cross First Aid

and possessing fundamental medical knowledge, enabling accurate injury assessment and standardized rescue procedures. These measures collectively strengthen the professional capacity and security level of the facility’s emergency response, establishing a robust, all-encompassing, and round-the-clock safety defense system to effectively safeguard employee lives.

In 2025, in alignment with HSE system requirements and the annual safety audit plan, the Penglai Facility processed a total of 872 safety work permit approvals for high-risk operations, and newly established or upgraded 15 safety risk control procedures, management systems, and record forms. The facility also conducted 36 specialized safety inspections, continuously optimizing safety risk identification and assessment procedures for relevant operations.

In 2025, all projects successfully achieved the safety targets of “zero casualties and zero environmental incidents.”

Safety Culture and Employee Wellbeing

The Company places significant emphasis on enhancing employee safety awareness and competency, continuously conducting diverse safety training programs and practical emergency response drills. These initiatives comprehensively strengthen employees' safety consciousness, emergency handling skills, and on-site adaptability. To address gaps in job experience and safety knowledge among new hires, the Company has established a systematic onboarding training and assessment mechanism. Upon successful completion of the training, new employees are issued a distinctive badge for their safety helmet, signifying their status during the protection period for new staff. During the reporting period, the Penglai Facility organized 110 centralized HSE induction training sessions for new employees, with a total of 518 participants. This ensured a 100% safety training coverage rate for all new hires.

During the reporting period, Dajin Heavy Industry

- A total of **295** themed safety training sessions were organized for on-duty employees throughout the year, with **4,111** participants.
- According to the plan, **12** safety emergency drills were conducted, involving approximately **300** participants.

While ensuring production safety, the Company places high importance on the development of employee physical and mental health and the cultivation of a safety culture. The Penglai Facility continuously strengthens the foundation of its safety culture and fortifies its production safety defenses through regular awareness campaigns and capacity-building initiatives, ensuring stable and orderly production operations. The facility produces safety signage, posters, and other promotional materials, and organizes activities such as the Production Safety Month, mental health lectures, and heatstroke prevention and cooling care initiatives. These efforts enhance employees' sense of belonging and safety awareness, actively fostering a corporate culture where "everyone pays attention to safety."



Centralized HSE Induction Training for New Employees



New Employee Helmet Badge



"Go/No-Go" Safety Meeting for Port Consolidation and Vessel Loading



Safety Production Month Launch Ceremony



Mental Health and Safety Seminar



Heat Stress Prevention and Care

Safe Shipping

Dajin Heavy Industry closely pays attention to the health, safety and well-being of its crew members on vessels. It strictly complies with relevant shipping regulatory requirements and adheres to the core principle of "Safety First, Prevention Foremost, Comprehensive Governance, and All-staff Participation". The Company has established a comprehensive system covering employees' rights and interests, occupational health, safety production, and emergency response, etc., ensuring that all work is carried out in accordance with regulations and rules.

The Company's crew members' rights protection system is based on the recruitment management process and guarantee system of the HR Department, while also meeting the specific requirements of relevant conventions of the International Maritime Organization (IMO), the International Labour Organization (ILO), and the regulations of the flag state. It covers the entire process from "recruitment - employment - boarding/posting - on board/ on duty - disembarkation/resignation". Dajin Heavy Industry firmly opposes discrimination and harassment, and prohibits the occurrence of child labor and forced labor.

We have formulated a core management system for health and safety, clearly defining the occupational health and safety responsibilities of positions such as the captain, chief mate, chief engineer, and ordinary crew members, and establishing the "Full Staff Responsibility Regime". At the same time, we have also formulated *the Management Measures for Risk Identification and Assessment of Ships* and *the Emergency Response Plan for Ship-Specific Incidents*, stipulating emergency events including health emergencies and safety emergencies, etc., to ensure that emergency situations can be responded to quickly and effectively.

Due to the characteristics of the shipping industry such as crew members' long-term offshore work, closed environment, high work pressure and inconvenient communication with the outside world, the Company has taken "Caring for the physical and mental health of crew members and strengthening the defense line for offshore operations" as the core theme and launched a comprehensive and multi-level service program for the physical and mental health of crew members.

- Mental health counseling: Crew members can consult psychological issues with the supervisors of the Crew Department or HR Department or with the psychological counselors at any time through various methods such as phone calls, text messages, or video calls, etc. The consultation process is strictly confidential to protect the privacy of the crew members. It helps the crew relieve psychological pressure and resolve psychological conflicts.
- Health Checkup Service: Before boarding the vessel, crew members are required to undergo a comprehensive physical examination at a reputable hospital. The cost is reimbursed by the Company. The examination institutions shall be selected from the hospitals or professional health checkup centers that have the qualifications for occupational health examinations to ensure the accuracy and professionalism of the examination results.
- Entertainment facilities: The vessels are uniformly planned and equipped with complete entertainment facilities to meet the entertainment needs of the crew members, such as watching movies, TV series, singing, etc.; fitness equipment like treadmills, dumbbells, and resistance machines is also provided to facilitate the crew members' physical exercise and enhance their physical fitness. VSAT equipment is also provided on board, allowing for 24-hour internet access for entertainment and communication with family members.
- Others: Ensure healthy diet. The vessels are equipped with full-time chefs and waiters. Based on the health conditions and dietary needs of the crew members, scientific and reasonable meal plans are formulated. Food and fresh water are replenished in time at appropriate ports.



2.3 Information Security and Privacy Management

The Company attaches great importance to information security and privacy protection. Guided by compliance and risk management, it has established a comprehensive policy framework covering information security, data security, personal privacy protection, and information system continuity management. The Company has developed and continually improved a set of core policies and procedures, including *the Information Security Management Policy, Data Security Management Policy, Personal Information Protection Management Policy, Information System Business Continuity Policy, and Information System Resource Management Policy*. These documents clearly define management boundaries and responsibilities, ensuring the effective protection of information security and personal privacy.

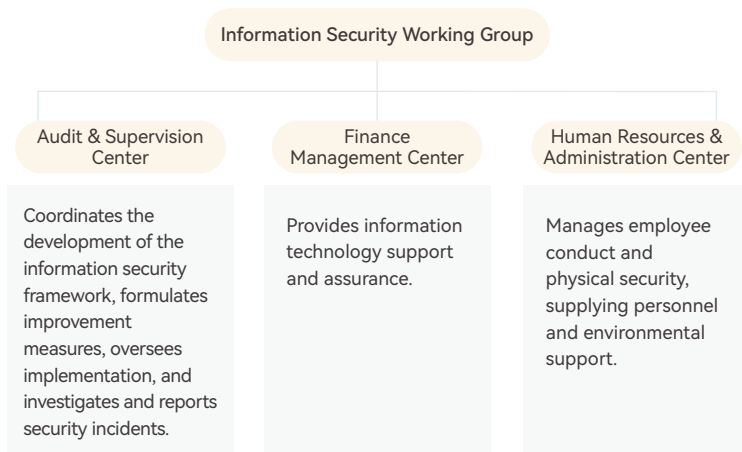
Information Security

Information Security Governance System

In 2025, Dajin Heavy Industry established an Information Security Working Group comprising the Audit & Supervision Center, Finance Management Center, and Human Resources & Administration Center. This group functions as the Company's highest-level decision-making and oversight body for information security, reporting directly to the Chairman of the Board. The Audit & Supervision Center coordinates the development of the information security framework, formulates improvement measures, oversees implementation, and investigates and reports security incidents. The Finance Management Center provides information technology support and assurance, while the Human Resources & Administration Center manages employee conduct and physical security, supplying personnel and environmental support.

The Company continuously advances its information security system by setting phased objectives and implementation roadmaps, achieving tangible outcomes. In account management, mechanisms for clearing accounts of departing employees have been reinforced; the OA departure process has been optimized for timely account deactivation, and IT account permission confirmation checkpoints have been introduced, enabling collaborative HR and IT controls to reduce information leakage risks. For off-site data backup, the Company conducts regular remote backups of core system data, ensuring data recovery capability in the event of local disasters and safeguarding business continuity. VPN management policies have been updated, with standardized VPN account application and approval processes established and remote access controls strengthened. Collectively, these measures have significantly enhanced the Company's information security posture, effectively safeguarding data integrity and supporting stable business operations.

Information Security Organizational Structure



Achievements in Information Security System Development

Planning Roadmap

- Developed a "three-step" information security roadmap, clearly defining phased objectives and implementation paths

Account Management

- Mechanisms for clearing accounts of departed employees have been reinforced
- The OA departure process has been optimized for timely account deactivation
- IT account permission confirmation checkpoints have been introduced, enabling collaborative HR and IT controls to reduce information leakage risks

Off-site Backup

- Conducts regular remote backups of core system data, ensuring data recovery capability in the event of local disasters and safeguarding business continuity

VPN Management

- VPN management policies have been updated, with standardized VPN account application and approval processes established and remote access controls strengthened

Information Security Assurance

Tiered Management

As the Company's business expands, information security has become a vital element for stable operations and sustainable development. To proactively mitigate risks such as information leakage and data misuse, and to strengthen its overall information security posture, Dajin Heavy Industry has implemented a scientifically designed tiered information security management system. Information assets are classified according to data sensitivity into four distinct categories: Public, Sensitive, Confidential, and Strictly Confidential. Tailored protection strategies are applied to each classification, ensuring that data security controls are proportionate to the sensitivity level of the information. This approach enables comprehensive and effective safeguarding of all information assets across the organization.

Four-Level Information Security Classification

Strictly Confidential	Involves national security or significant financial/legal risks, such as strategic planning, financial statements, bidding documents, etc.
Confidential	Highly sensitive; disclosure would cause major losses, such as project schedules, supplier lists, technical drawings, etc.
Sensitive	Generally sensitive; impacts operations or personal privacy, such as employee records, daily production reports, training materials, etc.
Public	Can be disclosed externally, such as company promotional materials.

Risk Identification and Prevention

As information security risks continue to evolve, they impose increasingly stringent requirements on corporate operations and societal trust. Dajin Heavy Industry's Information Management Department proactively addresses these challenges by implementing ongoing risk identification, routine security inspections, targeted security risk assessments, and systematic account deactivation measures. Through these efforts, the Company has established and maintains a closed-loop management mechanism for information security risks, encompassing "detection – response – improvement." The Company strengthens its OA departure process to ensure rigorous account management and eliminate potential security vulnerabilities. Regular off-site backups of core system data are performed to ensure data recovery in the event of local disasters, thereby supporting business continuity. These initiatives enhance the confidentiality, integrity, and availability (CIA) of information systems and data, effectively reducing the likelihood of security incidents. They protect the privacy rights of customers and employees, uphold corporate reputation and regulatory compliance, and contribute to sustainable development as well as the construction of a trustworthy societal framework.

Risk Identification and Prevention Process

Scope Identification	Update IT infrastructure inventory, identify prevalent viruses and emerging attack methods, providing a foundation for risk assessment
Inspection Mechanism	Conduct regular inspections of hardware and firewalls to detect operational anomalies, configuration errors, and performance bottlenecks
Targeted Security Risk Assessment	Perform targeted security risk assessments before launching new systems or major functions, ensuring implementation of controls such as permission design, access control, and log auditing
Internal Audit	Conduct regular audits focused on the clearance of departed employee accounts, incorporate results into departmental performance evaluations, and prevent unauthorized access

Supplier Information Security Management

Supplier information security management is a critical component of the overall security framework. In accordance with requirements of *ISO27001 Information Security Management Systems*, Dajin Heavy Industry enforces stringent information security controls over suppliers, focusing on access control and source code review. When suppliers provide remote operation and maintenance services, they are required to access company systems exclusively via company-issued VPN and bastion host accounts, ensuring secure connectivity and traceable user activities, thereby mitigating the risk of credential compromise. All program code developed by suppliers must undergo review and approval by internal development personnel prior to deployment, in line with *secure development lifecycle* (SDLC) practices.

Security Culture Development and Incident Response Preparedness

Information security is not only a technical challenge but also requires collective participation across the organization. Dajin Heavy Industry places great emphasis on fostering an information security culture by establishing and continuously improving training programs to ensure that all employees understand and adhere to information security policies. Regular information security awareness training covers fundamental security principles, data protection techniques, and cyber threat identification, equipping employees with the knowledge and skills necessary to recognize and mitigate security threats, and strengthening the overall security posture of the organization.

Case Study

Information Security Training for New Employees

To further strengthen information security management, since November 27, 2025, Dajin Heavy Industry has incorporated information security training into the onboarding process for new employees. As of the reporting period, two training sessions have been conducted, covering 103 employees.

The training content is closely aligned with the Company's Code of Conduct, emphasizing a three-step approach of "Loss Prevention – Evidence Collection – Reporting." Specific handling procedures and incident response protocols are clearly defined for scenarios such as suspicious emails, system alerts, and information leakage.

The training also clarifies the Company's ownership of information assets, stipulating that employees may not claim personal privacy rights over these assets, thereby ensuring compliant and efficient information asset management.

To safeguard information security, the Company has established "Eight Red Lines," strictly prohibiting actions such as information disclosure, unauthorized device connections, data copying, and installation of malicious software. Stringent requirements are also set for password security, email verification, data storage, and external data transmission authorization.

Through systematic training, new employees' security awareness and threat prevention capabilities are significantly enhanced, further reinforcing the Company's information security defense.

In addition to regular information security training, relevant teams within the Company conduct periodic information security incident response drills to proactively mitigate destructive information security risks and enhance response capabilities. These exercises not only strengthen employees' practical skills in handling unexpected information security incidents, but also improve the closed-loop management process of the Company's information security framework. Meanwhile, the Company continues to reinforce infrastructure resilience. During the reporting period, the data center's UPS equipment was upgraded, ensuring stable operation and data security for critical business systems during temporary power outages.

Case Study

OA/ERP System Emergency Drill Practice

In 2025, Dajin Heavy Industry conducted multiple emergency recovery drills for its major business systems, comprehensively testing and enhancing its information security emergency response capabilities. The drills effectively validated the completeness of emergency plans, the feasibility of procedures, and the clarity of responsibility assignments, allowing for the timely identification and optimization of weak points. Through practical operations, it was confirmed that backup data is recoverable and that the tools and steps are effective, ensuring that business systems can be rapidly rebuilt in the event of an actual failure. Simultaneously, the drills conducted actual measurements of RTO (Recovery Time Objective) and RPO (Recovery Point Objective), assessing the timeliness of system recovery and data integrity. Multi-role collaborative simulations also improved the efficiency of emergency coordination among technical, business, and management personnel. During the drills, potential risks such as backup failures and insufficient permissions were identified, and the Company has formulated corrective measures to effectively strengthen system protection.

Through continuous emergency drills and improvements, the Company has significantly enhanced the overall resilience of its systems and its ability to respond to unexpected events. This demonstrates its commitment to risk management and sustainable operations at the ESG (Environmental, Social, and Governance) level, providing more robust information security assurance for the enterprise and its stakeholders.

During the reporting period, Dajin Heavy Industry

- did not experience any major information security incidents.

Privacy Protection

Personal information protection is a core element of corporate compliance governance and social responsibility. Dajin Heavy Industry adopts a comprehensive privacy management framework aligned with internationally recognized principles such as purpose limitation, informed consent, data minimization, transparency, security safeguards, and data subject engagement. The Information Management Department serves as the designated data protection authority, overseeing policy development, privacy policy updates, security and compliance management, privacy impact assessments (PIA), employee training and awareness programs, and incident response. Operational departments are responsible for policy execution and enforcement, ensuring privacy measures are embedded in daily business processes.

The Company's personal information management encompasses the entire data lifecycle: collection, storage, transmission, usage, entrusted processing, external sharing, transfer, and public disclosure. Enhanced controls are applied to sensitive personal information and minors' data, with strict implementation of data classification and access control policies. For cross-border data transfers, the Company conducts security assessments in compliance with applicable regulations, and obtains explicit, informed consent from data subjects prior to transmission, ensuring all processing activities are lawful, compliant, and protective of data subject rights.

To uphold data subject rights, the Company has established publicly accessible complaint and reporting channels, committing to respond within 15 working days. This ensures data subjects' rights to be informed, to access, and to erase their personal information are fully respected. In the event of a security incident, the Company follows established protocols for incident recording, assessment, reporting, and stakeholder notification, guaranteeing timely communication and effective protection of data subject interests. Regular privacy compliance audits are conducted, focusing on the legality of processing activities, fulfillment of transparency and notification requirements, compliance in entrusted and joint processing arrangements, management of sensitive information and cross-border transfers, rights protection mechanisms, and system governance. Where necessary, independent third-party audits are commissioned, and compliance audit reports are submitted in accordance with regulatory requirements, continuously advancing the Company's privacy compliance maturity.

Through systematic and standardized privacy protection management, Dajin Heavy Industry effectively mitigates the risk of data breaches, safeguards the legitimate interests of customers and employees, and demonstrates robust governance and social responsibility in the ESG (Environmental, Social, and Governance) context. These measures provide a strong foundation for sustainable development and contribute to building a trustworthy and resilient societal framework.

During the reporting period, Dajin Heavy Industry

- did not experience any major privacy breach incidents.



2.4 Talent Management

As Dajin Heavy Industry continues to expand its scale and diversify its international business operations, talent has become the central driver for achieving strategic objectives and sustaining ongoing transformation. To address the demand for high-caliber talent generated by business growth, the Company rigorously complies with *the Labor Law of the People's Republic of China* and aligns with the high standards of *the International Labour Organization's (ILO) 8 core conventions*. The Company proactively develops a multidimensional talent management framework encompassing employee fundamental

rights, labor relations, and the protection of designated groups. A suite of internal management systems—including *Employee Recruitment Policy, Internal Referral Policy, Compensation Management System, Performance Management System, Position and Grade Management Policy, and Training Management System*—has been systematically established and implemented. This scientific and standardized closed-loop talent management system provides clear guidance for recruitment, promotion, motivation, training, and development, while laying a robust foundation for safeguarding employee rights and ensuring the stable, sustainable operation of the enterprise..

Talent Attraction and Retention

Talent Management Strategy

To support the Company's high-quality development goals, in 2025, the headquarters continued to systematically revise and upgrade multiple management systems, focusing on key areas such as talent introduction and incentive development. This significantly enhanced the systematic nature, foresight, and execution capability of the talent management system. Various departments, in line with business development and management needs, comprehensively reviewed key dimensions such as team structure, staffing, competency alignment, work status, and ESG-related literacy. They fully advanced talent inventory work, formed differentiated inventory conclusions, and implemented targeted improvement measures that combine talent development with ESG value. This provided strong support for subsequent talent structure optimization, employee capability enhancement, and management mechanism refinement, while also offering solid talent assurance for the sustainable development of the Company's business.

Through the implementation of a scientific talent strategy, the Company has attracted and gathered senior talents with extensive experience in the offshore engineering and shipbuilding sectors from leading industry enterprises. Through long-term incentives and the cohesive power of corporate culture, the Company effectively retains core talent, continuously optimizes performance management and development planning, and has built a professional and stable elite team. This provides solid assurance for the Company's new development and the enhancement of its core competitiveness. Simultaneously, Dajin Heavy Industry is accelerating its international layout, actively attracting top talent from regions such as Europe, Japan, South Korea, and Australia, as well as shipping business experts with backgrounds in global energy giants. This further enriches the diversity and international perspective of the Company's talent pool. By continuously optimizing mechanisms for talent introduction, development, and retention, the Company is steadily consolidating its competitive advantage in the global market and comprehensively advancing onto the world stage.

Measures for Institutionalizing Talent Review Processes

1 >>

In alignment with the Company's business development stage, management requirements, and ESG strategic objectives, comprehensive talent reviews are conducted using approaches such as full-staff coverage, tiered communication, and data-driven retrospectives. The process emphasizes core talent effectiveness, with a focus on ESG-related competencies and responsibility awareness. This approach is characterized by comprehensive baseline assessment, precise diagnostics, ESG integration, and targeted interventions.

2 >>

Based on insights from talent reviews and ESG strategic demands, the Company formulates and implements improvement measures that advance both talent development and ESG value. These initiatives encompass talent structure optimization, enhancement of ESG capabilities, and the refinement of inclusive and compliant management mechanisms.

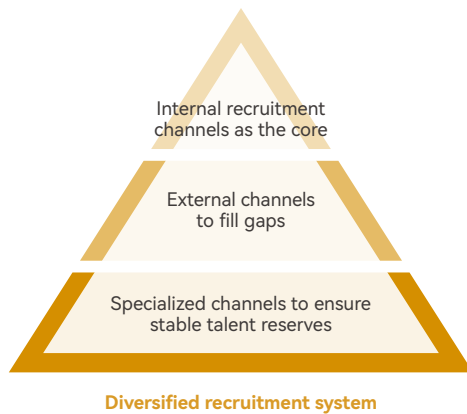
3 >>

The Company is committed to continuously deepening the normalization, precision, and ESG integration of talent reviews. This includes refining talent assessment metrics to incorporate ESG dimensions, tracking the ESG impact of improvement actions, dynamically adjusting talent strategies, and strengthening ESG-aligned incentive and accountability mechanisms.

Talent Recruitment and Retention

Dajin Heavy Industry closely aligns its talent acquisition strategy with business development needs by establishing a diversified recruitment system. This system is centered on proprietary recruitment channels, supplemented by external sources, and reinforced by specialized pipelines for talent reserves. The Company utilizes a variety of channels, including public online recruitment platforms, internal talent mapping and headhunting, international executive search firms, and employee referral programs. Over the reporting period, more than 1,000 new hires were onboarded, achieving precise segmentation and efficient replenishment across all talent levels. This robust approach provides strong support for the ongoing optimization of the Company’s talent structure and the development of talent pipelines.

Diversified recruitment system



Diversified Recruitment Channels and Outcomes

Recruitment Channel	Implementation Measures	Outcomes
Public Online Recruitment	Posted job openings on third-party platforms; established a closed-loop process of screening, assessment, and centralized interviews; added online practical tests for technical positions.	Achieved a 98% fill rate; recruitment cycle shortened to within 15 days.
Internal Talent Mapping & Direct Sourcing	Formed dedicated teams to systematically identify core personnel from industry-leading companies; built a high-level talent pool and proactively engaged candidates.	Successfully recruited 17 executives from Vice President to Director level; reduced per-position recruitment cost by over 80%.
International Executive Search Firms	Selected headhunting partners through targeted screening; established a weekly feedback mechanism.	Recruited 6 key professionals for critical roles, strengthening the core of the overseas business team and accelerating early-stage market expansion and local partnerships.
Employee Referral Program	Implemented referral policies and incentives; established a rapid response system with 24-hour feedback and 72-hour interview scheduling.	Recruitment cycle shortened by 40%.

Leveraging its proactive strategic workforce planning, comprehensive talent development lifecycle management, employee-centric employer branding, and the integration of AI and digital technologies, Dajin Heavy Industry was honored with the 2025 “Extraordinary Employer” award by Liepin.



2025 Outstanding Employer Award Trophy

Labor Rights Management

Dajin Heavy Industry is committed to human rights protection and safeguarding employee rights, adhering to *the Labor Law of the People's Republic of China* and referencing the eight core conventions of the International Labour Organization (ILO). The Company has established a comprehensive management system integrating policy development, internal audit optimization, and training empowerment. Policies and action guidelines are formulated for each site, and implementation is driven through social responsibility management system procedures. Targeted training is conducted to promote compliance awareness, supported by social responsibility evaluation metrics and assessment methods, with ongoing enhancements in research and internal audit practices. By piloting at key bases and covering core business units and critical positions across the group, Dajin advances the implementation of human rights policies, incorporating extensive industry best practices, cost analysis, and internal auditing. This approach delivers dual benefits: strengthening employee rights protection and ensuring compliant corporate operations.

End-to-End Workflow for Labor Rights Protection



Case Study

Establishing a Comprehensive Human Rights Compliance Framework

In August 2025, Dajin Heavy Industry launched a human rights management system project at Tangshan Facility site as a core pilot, aiming to build an end-to-end compliance framework covering the rights and interests of both employees and subcontracted personnel. Through cross-functional collaboration, the Company advanced system development and compliance internal audits, constructing a comprehensive management framework for the rights of employee and subcontracted personnel.

The project team integrated resources from the Group's Sustainable Development Department, Legal Department, HR Administration Center, and HR departments at both Tangshan and Penglai facilities, establishing a closed-loop mechanism of "risk identification—policy design—implementation." In alignment with the SA8000 standard and relevant EU regulations, the team focused on developing policies for fair employment, compensation and benefits, working conditions, and subcontracted personnel rights. Concurrently, internal and external research was conducted, including the consolidation of working hours, payroll data, and social responsibility policies at Penglai facility, benchmarking industry best practices, and preparing specialized research reports to inform policy design.

The project encompassed more than 500 employees and subcontracted personnel across multiple facilities, and facilitated compliance self-assessment and optimization initiatives at the Penglai Facility. Ultimately, a replicable human rights management framework was established, delivering enhanced employee rights protection and improved supply chain compliance capabilities for the enterprise.

Institutional Development and Risk Management

All production facilities of Dajin Heavy Industry adhere strictly to applicable domestic and international laws and regulations, as well as those governing their operational jurisdictions. The Company has developed robust internal policies, including the *Employee Handbook*, *Labor and Human Rights Management Manual*, and *Child Labor Prohibition Procedures*, which explicitly prohibit child labor and forced labor, and clearly define anti-discrimination and anti-harassment requirements.

Dajin Heavy Industry has implemented a systematic human rights risk assessment and mitigation framework to comprehensively identify, evaluate, and manage labor and human rights-related risks. At the Penglai Facility, a multi-dimensional risk assessment model is utilized, incorporating severity, frequency, and probability metrics to quantitatively evaluate 12 critical risk categories, such as child labor, forced labor, gender discrimination, compensation and benefits, social insurance, and occupational health and safety. Assessment outcomes confirm that all risk indicators remain at a low-risk level. Moving forward, the Company will continuously refine and strengthen its risk response measures to further advance employee rights protection and enhance corporate compliance management capabilities.

During the reporting period, Dajin Heavy Industry

- Recorded and resolved **6** labor dispute cases, remaining within the target threshold of **10** cases, achieving a **100%** target completion rate.

Risk Assessment Indicators

Indicator Management	Management Requirements	Status (2025)	Management Improvements
Use of Child Labor	<i>Child Labor Prohibition Procedures</i>	Verified child labor cases: 0	Continuously strengthen age verification in recruitment, strictly enforce onboarding review to eliminate any risk of child labor employment and ensure legal compliance.
Proportion of Minor Workers	<i>Minor Workers Education Procedures</i>	Verified minor workers: 0	Strictly control hiring of minor workers except for legally compliant internships; enhance pre-employment training and workforce supervision.
Employment Discrimination	<i>Anti-Discrimination Management Procedures</i>	Discrimination complaints: 0	Established fairness review mechanisms for recruitment, promotion, and compensation; conduct regular anti-discrimination training to foster an inclusive workplace.
Women's Rights Protection	<i>Anti-Discrimination Management Procedures; Women's Development Guidance; Complaint & Protection Procedures; Workplace Pay Equality Policy</i>	Women's rights complaints: 0 Unreasonable gender-based pay: 0 Promotion bias: 0	Continuously strengthen support for women's career development and workplace protection; promote pay transparency; establish accessible complaint channels to eliminate gender discrimination.
Labor Contract Signing	<i>Recruitment Management Procedures</i>	Contract signing rate: 100%	Continuously optimize onboarding management to ensure timely signing of written contracts for all employees; enhance electronic and standardized contract management.
Minimum Wage Compliance	<i>Labor Law of the People's Republic of China</i>	Wages paid according to legal standards	Gradually refine the alignment of the living wage standards with local legal minimums; continuously improve employee well-being.
Timely Payment of Wages & Allowances	<i>Labor Law of the People's Republic of China</i>	Delayed wage payments: 0	Strengthen wage payment monitoring, implement early warning for payment dates, ensure timely and full payment, and normalize zero delays.
Social Insurance Coverage	<i>Labor Law of the People's Republic of China</i>	Social insurance coverage rate: 100%	Continuously promote policy compliance, regularly check coverage status, and promptly handle changes due to personnel movements.
Timely and Fair Dispute Resolution	<i>Incident, Nonconformance, Remedial & Corrective Action Procedures</i>	Disputes and complaints: 0	Established robust complaint handling mechanism to ensure prompt response, fair investigation, and closed-loop remediation for each dispute, enhancing employee trust.
Forced Labor	<i>Forced Labor Prohibition Procedures</i>	Forced labor complaints: 0	Continuously strengthen working hours and attendance management, eliminate forced overtime, safeguard employee freedom to resign, and regularly assess forced labor risks.
Occupational & Fire Safety	<i>Safety & Hygiene Operational Control Procedures</i>	Occupational health records: Complete Safety training: As per HSE plan Safe working hours: As per HSE standards Environmental & equipment assessment: Safe	Provide targeted risk assessment strategies and improvement directions for labor-related safety risks.
Unadjusted Gender Pay Gap	<i>Workplace Pay Equality Policy</i>	Average female/male wage ratio: 0.6435	Conduct annual pay equity analysis, identify and correct potential gender pay disparities, and promote equal pay for equal work.

Case Study

Targeted Internal Audit and Optimization of Subcontracted Personnel Rights Protection

Dajin Heavy Industry conducted a specialized supply chain human rights compliance internal audit for four subcontractors as partner companies at the Tangshan facility, focusing on critical areas such as payroll distribution, social insurance and housing fund contributions, and overtime management for subcontracted personnel. Through comprehensive data collection, policy benchmarking, and on-site interviews, the audit systematically assessed the labor compliance status of each subcontractor.

The audit identified 3 major compliance risks and proposed 5 actionable remediation measures. This initiative drove subcontractor partners to enhance their labor management systems, effectively

safeguarding the rights and interests of vulnerable employee groups and elevating the overall supply chain human rights compliance standard.

The outcomes of this internal audit provide a solid foundation for the Company to establish a routine subcontractor compliance supervision mechanism in the future, enabling deeper extension of compliance management across the supply chain.

Training and Empowerment

With the Company's ongoing international expansion and business diversification, the proliferation of ESG-related regulations and global trade barriers has raised the bar for corporate compliance capabilities. Dajin Heavy Industry proactively addresses these evolving challenges by implementing a comprehensive training empowerment strategy. Headquarters and departments from production facilities deliver a range of specialized training programs tailored to specific business needs, with a focus on key topics such as human rights protection, anti-forced labor practices, and employee rights.

Utilizing a "tiered coverage plus targeted empowerment" approach, the training is customized for management, critical roles, and frontline staff. The curriculum encompasses international labor standards, major market ESG compliance requirements, client audit preparedness, and practical operational protocols. This ensures that personnel in key positions acquire a thorough understanding of compliance obligations and are equipped to meet evolving regulatory expectations.

Specialized training initiatives: Strengthening the foundation of compliance awareness

Taining Topic	SA8000 Standard Specialized Training	Training on EU Regulation on Prohibiting Products Made with Forced Labour on the Union Market	Tangshan Facility Human Rights System Construction Training	Dual Track Training: EU Regulation & SA8000 Standard
Training Content	Interpretation of SA8000:2026 international ethical standards, covering seven decent work principles (protection of children and young workers, freedom of association, fair recruitment, reasonable working hours and compensation, non-discrimination, health and safety, privacy). Detailed explanation of 11 forced labor identification indicators, corporate due diligence processes, and grievance mechanisms.	Analysis of the legislative background and core provisions of the EU Regulation on Prohibiting Products Made with Forced Labour on the Union Market (product scope, operator obligations, customs controls), aligned with ILO conventions. Guidance for enterprises on supply chain compliance risk management and fulfillment of due diligence obligations.	Explanation of Tangshan facility human rights system construction objectives and institutional framework. Detailed measures for employee rights protection (compensation and benefits, overtime management, social insurance and housing fund contributions). Clarification of departmental responsibilities in human rights protection.	Integration of EU export business requirements with practical SA8000 standards and EU compliance obligations. Case studies and process breakdowns enhance employees' practical application of international human rights compliance. 100% pass rate in compliance knowledge assessments for participants.
Coverage	Key positions in Group and facility HR, Sustainability Department, Production-related Departement, and Subcontractor Management Departments			Core compliance and supply chain management roles in Group and facilities

Diversity, Equity, and Inclusion

Dajin Heavy Industry is committed to advancing employee diversity and fostering an inclusive workplace. In 2025, the Company formulated the *Employee Diversity Policy*, systematically embedding the principle of equity across multiple dimensions—including gender, age, ethnicity, and religion—to ensure fair and unbiased opportunities in recruitment, promotion, and professional development. The Company conducts regular monitoring and public disclosure of gender representation within management and the overall workforce, actively promoting balanced participation at all organizational levels.

The policy also encourages cross-cultural engagement and collaborative practices, cultivating an open and inclusive work environment that supports the Company's global strategy and sustainable development objectives.

Implementation of Targeted Initiatives

With a focus on female employees, Dajin Heavy Industry designed and implemented specialized programs around two core themes: holiday care and occupational health. These initiatives exemplify the Company's commitment to diversity and inclusion, strengthening employees' sense of belonging and well-being, and contributing to the creation of a healthy, supportive, and sustainable workplace ecosystem.

Case Study

International Women's Day Appreciation—Celebrating Female Empowerment

On International Women's Day 2025, Dajin Heavy Industry organized a thoughtful appreciation initiative for all female employees. Senior management extended personalized greetings and distributed flowers and customized gift packages, demonstrating respect and care for female staff. The event combined a sense of ceremony with practical benefits, effectively strengthening employee belonging and team cohesion. The initiative received positive feedback and demonstrated the Company's focus on employee well-being and people-oriented values.

Onsite Free Clinic—Safeguarding Women's Occupational Health

On December 25, 2025, Dajin Heavy Industry partnered with the Yongwai Sub-district Office to deliver a specialized onsite free clinic focused on women's occupational health. The initiative addressed prevalent workplace health concerns among female employees, such as cervical spine and knee joint disorders. Professional healthcare providers were invited to the Company to deliver targeted health education and offer individualized medical consultations. The program promoted preventive healthcare knowledge and provided personalized rehabilitation recommendations, directly addressing critical health risks faced by women in the workplace. This initiative not only enhanced employees' health awareness but also demonstrated the Company's commitment to employee well-being through practical, health-focused actions.



Cross-Cultural Exchange and Collaboration

As Dajin Heavy Industry's international business presence continues to expand rapidly, the Company's global teams now encompass locations in Poland, Spain, Germany, Japan, and South Korea. By prioritizing localized recruitment, Dajin has cultivated a workforce characterized by diverse backgrounds and perspectives. To facilitate effective cultural integration in the context of international growth, the Overseas Business Center launched a specialized cultural development workshop. This workshop reinforced core organizational values—including "Diversity and Inclusion," "Openness and Transparency," and "Connection and Collaboration"—and advocated for respect for cultural differences, enhanced active listening, and trust-building across teams. Leveraging its international presence, the Company integrates resources from its overseas teams and actively promotes cross-cultural exchange and collaboration between Chinese and international employees. These efforts foster an inclusive workplace culture and strengthen organizational cohesion. This initiative has significantly enhanced team collaboration and operational efficiency, while providing robust cultural support for Dajin Heavy Industry's ongoing global expansion.

Case Study

Multicultural Co-Creation Workshop

In 2025, Dajin Heavy Industry's Overseas Business Center, European Fixed Business Team, and Global Floating Team jointly organized a workshop focused on multicultural co-creation. The session facilitated in-depth discussions on aligning objectives, strengthening trust, enhancing efficiency, reducing misunderstandings, and fostering a sense of belonging. Through these discussions, the teams established consensus around five core cultural elements: transparency, collaboration, active listening, efficiency, and accountability. This workshop laid a strong cultural foundation for effective cross-cultural team collaboration and promoted greater inclusivity. It provided valuable guidance for leveraging multicultural strengths, building equitable, mutually prosperous, and high-performing teams, and holds significant practical value for the Company's ongoing global development.



Onsite multicultural empowerment training

Compensation and Management Systems

In 2025, Dajin Heavy Industry, in response to the needs of strategic development and governance optimization, revising and releasing the “*Dajin Heavy Industry Compensation Management Policy*” and “*Dajin Heavy Industry Performance Management Policy*.” These updates further enhanced the internal management framework, strengthening talent motivation and development mechanisms. The institutional upgrade provides robust support for operational efficiency and core competitiveness, laying a solid foundation for the Company’s sustainable growth.

Compensation System

During the reporting period, the Company achieved its comprehensive compensation system upgrade objectives through a series of systematic initiatives:

Tiered Compensation Adjustment: Dajin implemented differentiated compensation adjustments across levels to enhance overall market competitiveness. Each facility was empowered to organize independent salary adjustments based on regional market conditions, increasing the attractiveness of core positions.

Policy Framework Enhancement: The Company developed and officially released the *Dajin Heavy Industry Compensation Management Policy*, standardizing key aspects such as compensation structure, calculation rules, and adjustment mechanisms, thereby providing institutional support for compensation management.

Compensation Structure Optimization: Dajin comprehensively adjusted employee compensation structures, conducting individual communication and explanation of adjustment plans to ensure smooth implementation of the upgraded system.

These coordinated measures resulted in significant progress in compensation system development and implementation.

Furthermore, Dajin’s compensation system design fully considers living wage standards, ensuring employees’ basic livelihood needs are met. The Company regularly conducts market benchmarking to set reasonable minimum salary levels for each position, continually optimizing compensation structures and improving employee quality of life. Long-term incentive programs for core executives and key technical talent reinforce talent retention and value creation, supporting the Company’s sustainable development.

Compensation system construction and implementation

Implement hierarchical salary adjustments to enhance overall competitiveness

In May 2025, the Company launched a unified salary adjustment at the Group level, effectively increasing overall employee compensation. To ensure alignment with local market dynamics, each facility was authorized to independently organize salary adjustments within established Company guidelines, narrowing the gap with market benchmarks and strengthening the competitiveness of core positions.

Strengthen the institutional framework to regulate and standardize compensation management

Dajin Heavy Industry developed and formally released the *Compensation Management Policy*, detailing compensation structure, calculation rules, adjustment mechanisms, and payment standards. This policy, approved by the Employee Representative Assembly, provides a clear framework for standardized compensation management and ensures compliance and governance in system operation.

Promote optimization of compensation structure and ensure the implementation of system upgrades

Based on the newly released policy, the Company comprehensively organized employee compensation structure adjustments, with individualized communication regarding adjustment plans and rationale. As of the reporting period, the compensation structure upgrade has been steadily implemented and is nearly complete, demonstrating significant effectiveness.

Performance Management

The Company’s performance management operates at both the organizational and individual levels, closely integrated with the compensation structures of various positions to achieve a deep linkage between incentive mechanisms and talent development. Organizational performance is led by the Operations Department and evaluated annually based on the completion of targets set at the beginning of the year, with results directly tied to the organizational bonus pool. Individual performance covers all regular employees, including senior management, core talent, middle and junior managers, professionals, and frontline piece-rate workers. Assessments are conducted through annual summaries, performance presentations, and scoring, with results directly influencing eligibility for promotion, salary adjustment ratios, and managerial appointments in the following year. This approach ensures a strong connection between performance outcomes, talent development, and incentive mechanisms, driving the collaborative development of organizational objectives and individual growth. By enhancing employee engagement, the Company continues to strengthen its core competitiveness.

Remuneration structure for regular employees

Senior Management & Core Talent	Base Salary by Position Level + Monthly Performance Bonus + Overtime Pay + Position Allowance + Comprehensive Allowance + Other Special Allowances & Subsidies + Annual Bonus + Long-term Incentives
Middle & Junior Management, Professionals	Base Salary by Position Level + Monthly Performance Bonus + Overtime Pay + Position Allowance + Comprehensive Allowance + Other Special Allowances & Subsidies + Annual Bonus + Special Incentive Awards
Frontline Piece-rate Workers	Piece-rate Pay

Benefits System

Dajin Heavy Industry provides employees with a comprehensive and diversified benefits system, encompassing statutory benefits, incentive-based benefits, and a multi-faceted compensation package. The diversified compensation structure is closely linked to performance outcomes, effectively enhancing employee engagement and motivation. Additionally, the Company implements long-term incentive programs for core executives and key technical talent, aiming to strengthen talent retention and foster value co-creation, thereby supporting sustainable development.

Corporate Benefits System

Statutory benefits

- Social insurance and housing provident fund

Incentive benefits

- Annual bonus, special incentive award, reward fund, long-term incentives (such as equity, stock options, cash-based long-term incentives),
- Position allowance, comprehensive subsidies (such as meal subsidy, transportation subsidy, communication subsidy).
- Other special subsidies: housing subsidy, certification subsidy, etc.

Diversified compensation package

- Compensation structure is closely linked to performance outcomes, with effective incentives achieved through monthly performance bonuses, annual salary adjustments, promotion mechanisms, and long-term incentives.

Employee Care

Employee Activities

Dajin Heavy Industry remains committed to meeting the diverse needs of employees in both work and daily life, with a holistic focus on physical and mental well-being, daily living, and cultural enrichment. The Company actively fosters a caring and inclusive workplace environment, enriching employees' personal lives through a variety of activities and supportive initiatives. These efforts effectively enhance employees' sense of belonging and well-being, while also strengthening organizational cohesion and team collaboration.

Mental Health Counseling

The shipping business division places strong emphasis on crew members' physical and mental well-being, with the core theme of "Caring for Crew Health and Strengthening the Maritime Safety Barrier." Comprehensive and multi-level wellness services are provided. Crew members can access psychological counseling at any time via telephone, text, or video, consulting with crew department supervisors, HR supervisors, or professional counselors. All consultations are strictly confidential to protect privacy, helping crew members alleviate psychological stress and resolve mental health concerns.

Holiday Care

The Company consistently fosters a "family" culture and prioritizes employee care. Distributing carefully prepared holiday gifts to all employees during Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival, and Women's Day has become a warm tradition. These gifts embody the Company's sincere care and best wishes for employees and their families, expressing gratitude for their hard work and sharing festive joy. This practice reflects the Company's people-oriented values, effectively enhancing employees' sense of belonging, happiness, and team cohesion, while reinforcing and passing on corporate culture through meaningful rituals.

Cultural and Recreational Activities

Zhangjiakou site of Dajin Heavy Industry collaborates with local cultural departments to organize "Culture into the Workplace" outreach performances, bringing diverse artistic programs—such as music, dance, opera, instrumental performances, and skits—to the production frontlines. These activities are designed to meet employees' cultural and spiritual needs, enhance well-being and sense of belonging, and promote the integration of corporate and local cultures. Through cooperation with local government, these initiatives enrich employees' leisure lives and demonstrate the Company's commitment to employee care and fulfillment of social responsibility.

Employee Communication

To safeguard equal rights and eliminate discrimination and unfair practices, the Company has established a whistleblowing mechanism characterized by diversified channels, standardized procedures, robust protection measures, and efficient closed-loop handling. This ensures that employee concerns are promptly and effectively addressed. Additionally, the Company actively solicits employee input through various channels, such as the Employee Representative Conference, and fully seeks employees' recognition and consent during the formulation and implementation of administrative policies. This guarantees employee participation and representation in corporate governance.

Case Study

Employee Representative Conference Drives Policy Optimization

At the 2025 Dajin Heavy Industry Employee Representative Conference, delegates actively raised questions and provided recommendations on key provisions such as social insurance base, overtime pay, performance application, target setting, warning letter authority, and sick leave regulations. Suggestions for additional benefits, including annual health check-ups, were also proposed. Relevant departments responded on-site and incorporated reasonable feedback. After the conference, a secondary consultation was conducted via email with all representatives, facilitating the improvement and revision of *the Compensation Management Policy* and *Performance Management Policy*. Through democratic discussion, multiple rounds of feedback, and collective review, both policies were successfully approved and formally implemented. This process fully demonstrates the Company's respect for employees' rights to participation and expression, and promotes the transparent, fair, and equitable execution of management policies.



Employee Representative Conference

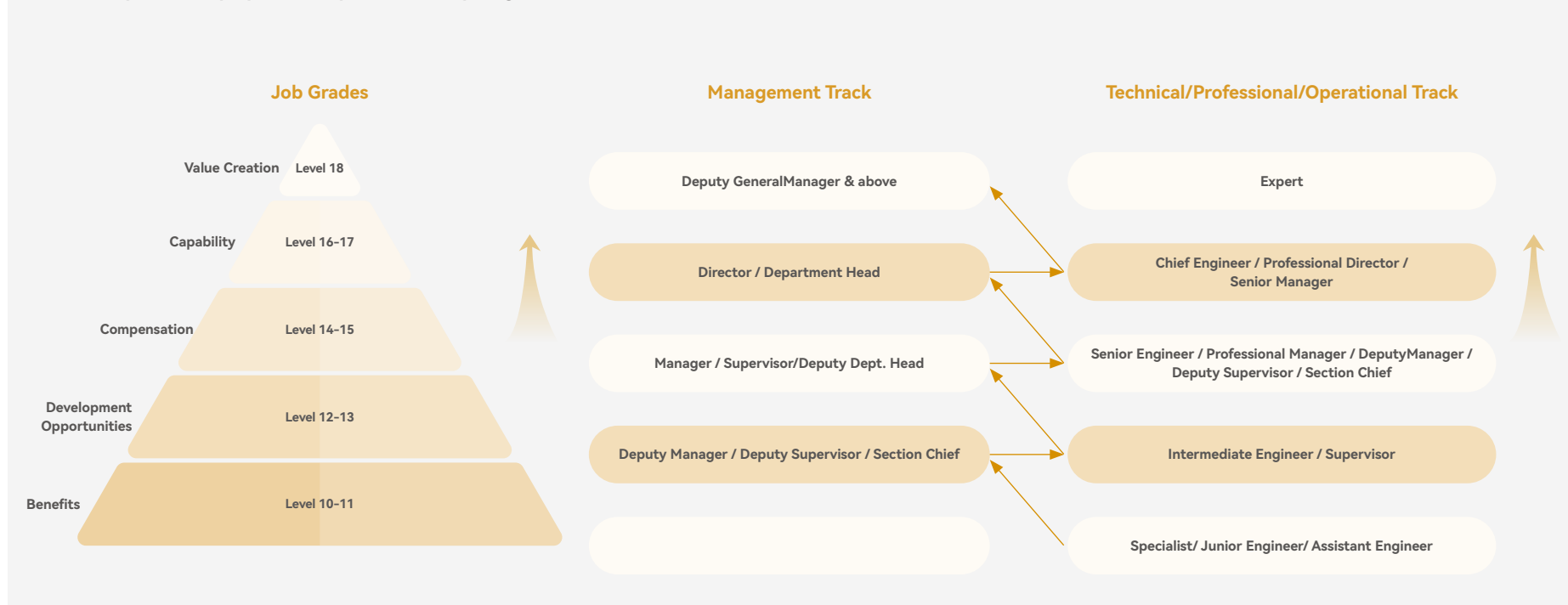
Complaint Channels	Employees can submit complaints or reports to the HRBP team or management at all levels, depending on their situation. Reporting methods include WeChat, email, and face-to-face meetings.	
Complaint Process	Complaint Initiation	Employees can submit complaints through any channel, clearly specifying the complaint details, involved parties, timeframes, and relevant evidence.
	Preliminary Acceptance	The Human Resources & Administration Center registers and archives the complaint within one working day, generates a unique complaint ID, and informs the complainant of the acceptance result (except for anonymous complaints).
	Investigation & Verification	A 3-member special investigation team (including HR & Administration Center and Compliance Department) is established. Within five working days, the team conducts interviews and evidence verification, documenting the investigation process.
	Result Processing	Based on the investigation findings, a resolution plan (including corrective actions, accountability measures, and compensation for rights infringement) is developed within 7 working days and communicated to the complainant (anonymous complaints can be tracked via provided contact or designated channels).
	Closed-Loop Follow-Up	Within 1 month after resolution, a follow-up with the complainant is conducted to confirm issue resolution and ensure a complete closed-loop process.
Anonymity Protection Mechanism	<ul style="list-style-type: none"> ■ Anonymous complaints do not require personal identification; only a valid query identifier (set by the complainant) is needed. ■ The entire investigation process is strictly confidential, with details accessible only to the designated investigation team and necessary approvers; disclosure to unrelated personnel is strictly prohibited. ■ Explicit prohibition of any retaliation against complainants (including anonymous complainants); any such behavior will result in serious accountability for responsible parties. ■ Complaint materials are archived separately and managed with encryption, used solely for investigation and resolution purposes. After investigation, materials are retained as per regulations and must not be repurposed. 	
Complaint Resolution Rate	<ul style="list-style-type: none"> ■ During the reporting period, the Company received zero complaints related to discrimination, harassment, or other unfair practices. ■ The Company will continue to optimize the whistleblowing mechanism, enhance investigation efficiency and accuracy, and ensure the full protection of employees' equal rights. 	

Employee Promotion and Training

Job Grade System and Promotion Selection

Dajin Heavy Industry's job grade system is built on the core principles of standardized management, streamlined career pathways, and value alignment, establishing a layered and categorized dynamic mechanism that enables both upward and downward mobility, fully embodying the "people-oriented" philosophy. The system encompasses four major tracks: management, technical, professional, and operational, implementing a dual career path for management and professional technical development to meet diverse talent growth needs. Job grades are divided into 15 levels, ranging from Grade 10 to Grade 24. The management track is further segmented into senior, middle, and frontline management, with clear responsibilities and transparent promotion criteria. This system is deeply integrated with compensation, performance appraisal, training, and leadership selection, ensuring equitable development opportunities for employees and stimulating organizational vitality. Following optimization in 2025, the system further enhances career diversity and inclusiveness, providing employees with a clear career development roadmap and facilitating both personal value realization and the Company's sustainable growth.

Job Grade System / Employee Development Pathway Diagram



Dajin Heavy Industry has established a comprehensive leadership pipeline system covering all management grades from M12 to M23, centered on the principle of "succession for every position." The Company implements a tiered training mechanism, designating business leaders as core accountability holders, thereby achieving integrated talent reserves, leadership promotion, and job rotation. This system balances both governance and social dimensions, ensuring leadership continuity and safeguarding employees' development rights, thereby strengthening the talent foundation for the Company's sustainable growth.

Employee Training

Dajin Heavy Industry has established a comprehensive, multi-tiered training system covering new employees, management, professional/technical personnel, and the entire workforce. The program encompasses diverse topics including onboarding and integration, leadership development, compliance and regulatory training, professional skills, technical R&D, and external benchmarking. Over the year, more than 50 training sessions were conducted, reaching over 2,000 employee participants. This training system features “compliance foundation, capability empowerment, and strategic alignment,” supporting employee growth and the Company’s sustainable development.

All-level Training System

Training Topic	Value Proposition	Content
New Employee Training	Establish onboarding foundation, enhance compliance awareness	New Employee Orientation and Onboarding Training
Management Training	Improve management effectiveness, build core leadership teams	Management Launch – New Manager Growth Bootcamp
Compliance Training	Standardize operational procedures, mitigate compliance risks	High-Tech Enterprise Certification & Maintenance Training; Business Travel System Operation Training; Conflict of Interest & Gifts Management Training; Electronic Seal System Training; CBAM Data Collection & Reporting Process; ESG Report Compliance Training
Professional Training	Deepen business understanding, enhance role adaptability	Shipping Division Business & Commercial Logic Training; Introduction to New Energy Development Business; Offshore Base Import/Export Process & Risk Communication
Technical Training	Focus on R&D advancement, strengthen technical expertise	Global Overview of Floating Wind Turbine Foundations
External Training	Benchmark industry leaders, absorb best practices	Huawei Management Philosophy Special Training; Government Policy Interpretation Training

Case Study

Compliance Onboarding and Cultural Integration for New Employees

Dajin Heavy Industry has launched a “Compliance + Integration” training series, conducting 12 sessions throughout the year and covering over 600 participants. The program utilizes a tiered delivery model—online foundational courses, offline intensive workshops, and job-specific modules—to embed core compliance requirements such as anti-discrimination and the prohibition of forced labor into the initial onboarding for new employees. Case studies and group discussions are integrated to deepen understanding, supplemented by compliance assessments and interactive activities to ensure training effectiveness.

The compliance awareness rate among new employees reached 100%, and position adaptation within three months improved by 85%, significantly strengthening compliance consciousness and organizational belonging. Comprehensive compliance education not only helps new hires understand company policies and legal boundaries, but also enhances cultural integration and alignment. Compliance training provides clear behavioral guidelines, mitigates risks, safeguards both individual and corporate rights, and supports healthy, sustainable corporate development.

Case Study

Empowering New Managers and Enhancing Team Effectiveness

Dajin Heavy Industry launched the “New Manager Growth Bootcamp,” conducting 4 sessions throughout the year and engaging 180 newly appointed supervisors, managers, and management trainees. The program featured lectures from Tsinghua University EMBA faculty and former senior executives from Lenovo and Sina, establishing a closed-loop development system encompassing role transition, core competencies, and mindset transformation.

The bootcamp focused on practical management scenarios such as target decomposition and employee coaching, utilizing hands-on case simulations to strengthen execution capabilities. As a result, participating managers achieved a 70% increase in target attainment rates and a 35% improvement in team cohesion scores, significantly enhancing managerial competency and team performance. This initiative effectively supports leadership pipeline development and drives organizational effectiveness upgrades.

Case Study

Benchmarking Huawei—Empowering Management Excellence

Dajin Heavy Industry conducted an in-depth “Huawei Management Philosophy Training,” engaging 56 mid- and senior-level managers from headquarters and various facilities. The program provided a comprehensive analysis of Huawei *Human Resource Management Philosophy (Management Edition)*, offering systematic learning of Huawei’s advanced mechanisms in leadership selection, evaluation, and incentive systems, followed by practical workshops tailored to the Company’s context.

Training outputs included actionable tools such as responsibility outcome assessment forms and leadership competency evaluation templates, fostering a management consensus centered on performance and supported by capability. Management compliance improved by 40%, significantly optimizing management methodologies and providing robust support for talent pipeline development and governance system enhancement.

2.5 Community Engagement and Public Welfare

Dajin Heavy Industry actively integrates into community development, continuously participates in volunteer services and philanthropic initiatives, and takes concrete actions to support community prosperity, thereby advancing social sustainability and holistic progress.

Volunteer Service

Case Study

Integrating into Local Women's Committees and Empowering Female Development

Employee representatives from Dajin Heavy Industry participated in the Women’s Work Committee at Yongwai Subdistrict, China Overseas Property Plaza, proactively integrating into the local women’s empowerment framework. The Deputy General Manager of the Company’s Human Resources and Administration Center was elected as Deputy Director of the Women’s Work Committee, leveraging her position to advance local women’s rights protection and female empowerment initiatives. Going forward, the Company will collaborate with subdistrict resources to conduct volunteer services focused on women’s needs, effectively addressing real-life challenges.



Philanthropy

Case Study

Tangshan facility RMB 200,000 Targeted Donation

In active response to the national rural revitalization strategy, Dajin Heavy Industry fulfilled its corporate social responsibility and upheld its core values of “green development and giving back to society.” On April 23, 2025, the Company formally signed a **Targeted Donation Agreement** with the Fengnan District Red Cross Society of Tangshan City, completing a RMB 200,000 special donation for rural revitalization.

This donation is dedicated to addressing the practical needs of rural development in Daxinzhuang Town, Fengnan District, Tangshan City, specifically allocated for local infrastructure improvement, enhancement of public services, and implementation of rural development support projects. As a local new energy enterprise rooted in Tangshan, the Company has consistently engaged in local economic and social advancement. This donation represents both precise support for local government rural revitalization efforts and a concrete practice of promoting urban-rural integration and improving rural living and working conditions through tangible corporate action.

Looking ahead, guided by ESG principles, the Company will continue to incorporate rural revitalization and philanthropy into its long-term development strategy. Leveraging its new energy industry strengths, Dajin Heavy Industry will further promote green and low-carbon development, deepen its social responsibility practices, and contribute pragmatically to Tangshan’s progress and rural empowerment, supporting comprehensive rural revitalization in the region.

Rural Revitalization

Looking ahead, Dajin Heavy Industry will continue to focus on rural revitalization, leveraging its industrial strengths and local resources to explore sustainable support models in areas such as talent development, infrastructure enhancement, and green industry collaboration. Through technology empowerment, talent exchange, and active participation in rural economic advancement, the Company aims to facilitate common prosperity.



Governance

Topics Addressed:

- Corporate Governance
- Risk Management
- Business Ethics

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Contribution to the SDGs



3.1 Corporate Governance

A sound corporate governance structure is the foundation of sustainable corporate development. Dajin Heavy Industry has always taken the optimization of its governance system as a core measure to promote high-quality corporate development. The Company continuously strengthens the sense of responsibility and performance capabilities of the Board of Directors and senior management, effectively protects investors' rights and interests, and builds a corporate governance structure with clear responsibilities, openness and transparency, so as to provide solid support for the sound operation and long-term development of the enterprise.

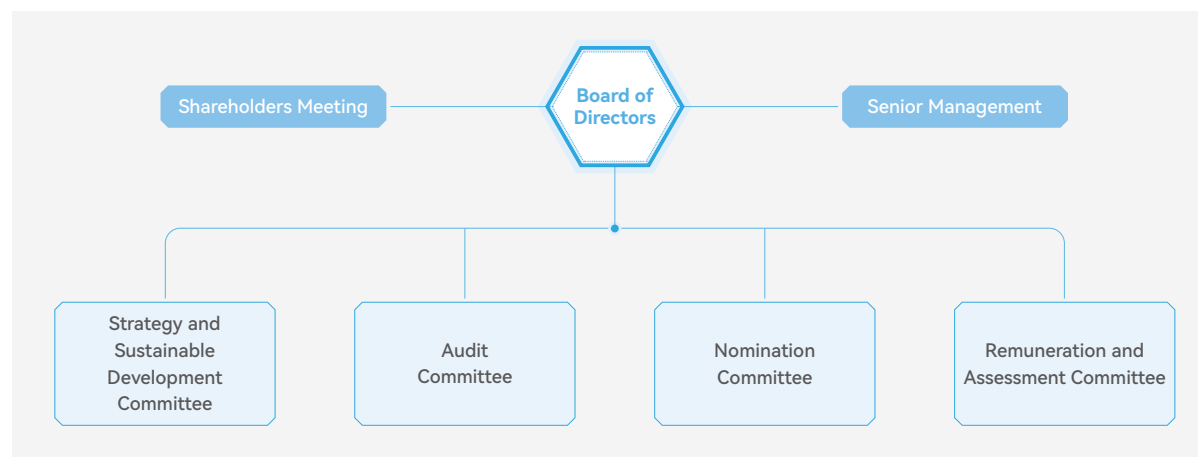
Governance Structure

Dajin Heavy Industry strictly complies with the Company *Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other relevant laws and regulations, and has established a sound governance structure to standardize the Company's operation and management. In 2025, in response to new regulatory requirements, the Company abolished the board of supervisors to further streamline governance levels, improve decision-making efficiency, and enhance the flexibility and responsiveness of the governance system.

As the Company's highest authority, the shareholders' meeting exercises the right to make decisions on major matters in accordance with the law. The board of directors has four special committees: the Strategy and Sustainable Development Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee, which provide in-depth support and professional assurance for the board's decision-making. The senior management is responsible for the daily operation and management of the Company, strictly implements the resolutions of the board of directors, and ensures the implementation of strategies.

All institutions perform their duties with clear powers and responsibilities, operate independently, and maintain coordination and checks and balances, forming an efficient and transparent governance closed loop. Through continuous optimization of the governance structure, Dajin Heavy Industry has effectively improved the scientificity of decision-making and management efficiency, provided sound governance support for the Company, promoted its stable and sustainable development, and created long-term value for employees, investors and society.

Dajin Heavy Industry Governance Structure



During the reporting period, the Company revised a number of internal management systems including the *Articles of Association*, and convened a total of **7** board meetings, further improving the Company's internal management system and promoting the continuous optimization of its corporate governance structure.

Board Diversity

Dajin Heavy Industry is committed to advancing the diversification of its board of directors. In 2025, the Company formulated the **Board Diversity Policy** to ensure a balanced and diverse composition of board members in terms of gender, age, nationality, cultural and educational background, professional expertise and industry experience. This practice not only broadens the decision-making perspectives and enhances the innovation capacity of the board, but also injects greater vitality into corporate governance.

In the recruitment, selection, training, evaluation and daily management of board members, the Company strictly follows the director selection procedures stipulated in the **Company Law** and the **Articles of Association**, ensuring full compliance with applicable laws and regulations. Adhering to the principles of fairness, impartiality and transparency, the Company further strengthens the governance foundation of the board.

To further enhance the performance capabilities of directors, the Company organized two special training sessions for the board of directors in 2025, covering the new Company Law, the **Hong Kong Stock Exchange Listing Rules** and other relevant topics. The trainings have significantly strengthened the board's professional competence in corporate governance and compliant operation.

As of the end of the reporting period,

the Company had **9** directors on the board, including **3** female directors and **1** employee representative director.

Investor Relations Management

Dajin Heavy Industry has always regarded investor relations management as an important part of corporate governance. In 2025, the Company revised the **Investor Relations Management System**, adhering to the principles of fairness, impartiality and openness, treating all investors equally, and protecting the right to know and other legitimate rights and interests of all investors. We attach great importance to the protection of shareholders' rights, standardize the procedures for convening, holding and voting at shareholders' meetings, ensure that every shareholder can participate equally in the Company's major decision-making, and effectively safeguard the interests of investors.

Dajin Heavy Industry adopts diversified methods of information disclosure and investor interaction and communication. Through various channels such as official website announcements, periodic reports, performance briefings, and the Interactive Easy Reply Platform, the Company timely conveys the latest operational and development trends. By actively responding to investors' concerns, the Company maintains a transparent, timely and two-way communication mechanism with investors, enhancing investors' trust and support.

In 2025, the Company held 5 shareholders' meetings and implemented dividend distribution twice, with a total cash dividend of 106 million yuan distributed.

During the reporting period, Dajin Heavy Industry

organized **5** large-scale investor relations exchange activities, including **3** online performance briefings, **1** on-site investor education activity, and **1** on-site press conference, with a total participation of more than **1,000** people.

Case Study

Investor On-site Seminar and Exchange Event

On September 10, 2025, more than 20 investors were invited to conduct an on-site research and discussion at the Beijing headquarters of Dajin Heavy Industry. During the interactive session, the Company's management actively responded to investors' professional inquiries with detailed data and clear logic, and conducted candid, in-depth and comprehensive sharing and interpretation on key topics such as the Company's future development strategy and international market expansion.

Such open and transparent communication not only effectively eliminated information barriers but also significantly enhanced investors' understanding and trust in the Company. Through on-site exchanges, the Company laid a solid foundation for the reasonable discovery of capital market value, further consolidated the cooperative bond between the enterprise and investors, and supported the steady and sustainable development of the Company.



"Rational Investment Accompanies Me" Themed Activity

Protection of Creditors' Rights and Interests

Dajin Heavy Industry always upholds the philosophy of being responsible to all capital providers. While effectively protecting shareholders' rights and interests, the Company also attaches great importance to safeguarding the legitimate rights and interests of creditors. During the reporting period, the Company strictly fulfilled its debt repayment obligations, with no overdue loans or overdue payments to small and medium-sized enterprises, demonstrating a sound credit record and sense of responsibility.

The Company adheres to honest operation and is committed to maintaining a stable cooperative relationship with creditors. Relying on a sound risk control system, it effectively protects creditors' interests and improves financial stability and transparency. Effective protection of creditors' rights and interests not only consolidates the Company's reputation in the capital market, but also provides solid support for the sustainable and sound development of the enterprise.

3.2 Compliance and Risk Management

A sound and efficient risk management and internal control system serves as an important foundation for the Company to achieve its strategic objectives. Dajin Heavy Industry is committed to building a corporate culture of high standards that integrates business ethics and compliance principles. Through a risk management system covering all businesses and the entire process, the Company realizes accurate risk identification and effective response, providing strong support for its long-term stability and sustainable development.

Risk Management System

The Company adopts the "Three Lines of Defense" model to construct a comprehensive risk management framework and clarify the risk control responsibilities at all levels.

Three Lines of Defense for Risk Management of Dajin Heavy Industry



Risk Management Process

In response to identified risks, Dajin Heavy Industry adheres to the proactive management philosophy, deeply integrating risk identification, assessment and prevention into the entire business process. Through process reviews, email reviews, consulting services, meeting participation, negotiation support, legal due diligence and other approaches, the Company integrates risk identification, assessment and control throughout all business operations. For critical links in business operations, the Company carries out regular risk assessments to achieve timely early warning and assist business departments in effectively responding to potential risks.

For conventional businesses with strong homogeneity and high frequency, the Company has uniformly developed standard contract templates equipped with instructions for use and risk reminders, which significantly

improves operational efficiency while ensuring compliance. Meanwhile, for new business models and scenarios, the Company flexibly advances the participation of compliance functions, thoroughly understands business needs, promptly identifies and assesses risks, and provides practical compliance suggestions, supporting businesses to make optimal decisions on the premise of controllable risks.

In 2025, the Company achieved 100% completion of its annual risk control and compliance objectives, sorted out and completed all key tasks, and further improved the enterprise's risk management level and operational support capabilities.

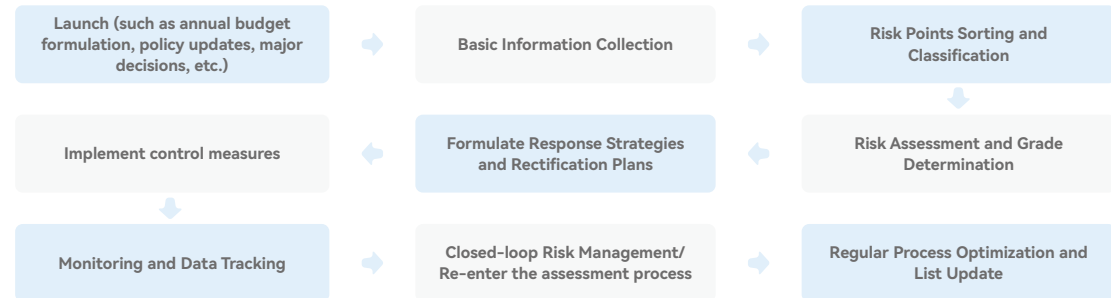
Multi-domain Risk Prevention and Control

The Company focuses on key business risk areas and establishes a multi-dimensional prevention and control system to ensure the safe operation and sustainable development of the enterprise. Relying on the "Three Lines of Defense" risk management model, the Company integrates risk identification, assessment, management and supervision into all business links, strengthens collaborative control capabilities, and effectively prevents potential risks.

Financial Risk Management

In terms of financial risk management, Dajin Heavy Industry has established a full closed-loop financial risk management process covering "identification - assessment - prioritization", ensuring that risk control runs through the entire process of financial activities. The specific process includes: taking the initiative to launch risk management at key nodes such as annual budget formulation, policy updates or major decisions; systematically identifying potential risks through basic information collection, sorting out and classifying risk points. Subsequently, it conducts risk assessment and grade determination, formulates targeted response strategies and rectification plans, and strictly implements control measures. During the management process, continuous monitoring and data tracking are carried out to form closed-loop risk management, and the assessment link is re-entered if necessary. The Company also regularly optimizes the management process and updates the risk list to achieve dynamic adjustment and continuous improvement.

Financial Risk Management Process



In 2025, the Company further improved the framework of financial management systems, issued a number of management systems, and ensured the implementation of the systems through multi-dimensional means such as promotion and publicity, assessment, and correction, realizing the normalization of daily risk management. Meanwhile, the Company promoted the digital transformation of fund management, achieved real-time overview and centralized monitoring of fund information, and effectively avoided fund-related risks. The payment model was reformed simultaneously to realize online automated processing and unified review, strengthen payment control, and comprehensively improve the safety and efficiency of fund payment.

This series of measures has realized the dynamic management and continuous optimization of financial risks, ensuring the Company's financial stability and operational safety.

Legal Compliance Risk Management

Dajin Heavy Industry continuously promotes the professional development of its legal and compliance system. In light of the characteristics of various business segments, the Company gives full play to the professional strengths of the legal team and implements refined division of labor and efficient collaborative management. The Company integrates legal and compliance management procedures into business processes, ensuring that risk identification, assessment, response and monitoring are closely linked to form a closed-loop management, and continuously enhances the level of compliance governance.

Compliance Management Measures

For overseas offshore engineering business

- Sort out the conditions of historical projects, identify and extract key points, and conduct horizontal comparisons.

For shipping business

- Develop project execution tracking forms to achieve comprehensive tracking and risk prompting of important matters
- Establish ledgers for project change items during execution.

Standardization of contracts and legal documents

- Formulate and revise business contract templates and update them dynamically.

Establishment of ledgers

- Establish ledgers for legal review, intellectual property rights and equity investment, and strengthen dynamic supervision of relevant matters.

Standardization of Investment Management

- Formulate reference texts and usage instructions for resolutions of the three meetings, and strengthen post-investment compliance management.
- Compile operation guidelines and precautions for matters such as industrial and commercial registration, change, filing and cancellation.

To ensure that all business activities always operate within the legal framework, Dajin Heavy Industry continuously improves its compliance management structure, formulates targeted management measures for different business scenarios. Through the above measures, the Company effectively identifies and reduces legal and compliance risks, provides solid support for compliant operations, enhances the enterprise's risk prevention and control capabilities, and escorts the high-quality and steady development of the Company.

Overseas Risk Management

Dajin Heavy Industry continuously follows up on the dynamics of overseas trade policies and export controls, focusing on monitoring major regulatory changes such as anti-dumping and countervailing investigations against exporting countries, *the EU Foreign Subsidies Regulation (FSR)*, *the U.S. Section 301 Act and OFAC sanctions*. It timely issues risk early warnings and collaborates with relevant departments to formulate response plans. In 2025, the Company conducted special research on the EU FSR, systematically sorting out the domestic subsidy status of the Group and overseas export entities, providing decision-making basis for responding to policy changes. The Company will continue to track the evolution of regulations and policies such as FSR, dynamically adjust compliance strategies to ensure timely risk response and controllable compliance status of overseas business, and safeguard the steady development of international business.



Risk Early Warning Mechanism

Dajin Heavy Industry has established a relatively sound risk early warning system. In the process of business collaboration, it can quickly identify potential risks and issue risk prompts to business departments at the first time. The Company conducts in-depth analysis and early warning of potential risks in combination with the relevant background of the project to ensure that risks in all links are controllable. For matters that may face administrative penalties, trigger chain commercial risks and other major risk situations, the Company will simultaneously request the group level to pay attention to, organize evaluation and make decisions, so as to ensure timely risk response, clear governance level and in-place prevention and control measures.

To further strengthen and standardize the Company's management of major events, Dajin Heavy Industry has formulated the *Major Event Reporting System* and clearly requires early reporting and early warning of three types of important risks.

Three Major Types of Risks of Dajin Heavy Industry



Various major accidents, errors, problems and potential hazards affecting production and operation, safety and environmental protection, and the orderly conduct of work;



Public opinion risk events that have a negative impact on the Company's image and reputation;



Events affecting normal operation due to natural disasters, accidents, public health incidents, social security incidents and other emergencies.

In response to the intensifying competition in the domestic wind power market and the trend of risk transfer by purchasers, Dajin Heavy Industry has formulated signing standards for new domestic tower project orders, standardized key clauses such as signing entities, payment terms, time nodes and payment methods, and set risk "red lines" from the source. In the actual implementation process, the Company implements a dual-review mechanism, conducting strict risk control on new projects through pre-bidding review and contract review. In 2025, all newly signed domestic orders of the Company met the risk control requirements, effectively ensuring the safety of the Company's cash flow.

Compliance Culture Construction

The Company regards compliance culture as an important support for risk management, advocates full participation of all employees, and promotes the in-depth integration of compliance concepts into daily operations and business processes. The Company regularly organizes all employees to participate in compliance training, covering key contents such as legal and regulatory requirements, internal compliance policies, and special compliance training, so as to comprehensively improve employees' ability to identify

risks and conduct compliant operations. Through systematic and continuous training, employees' recognition of compliance culture has been continuously strengthened, and compliance awareness has been effectively integrated into the daily practice of every employee and internalized into daily codes of conduct, which has effectively promoted the standardization of the Company's operations and the steady development of the enterprise.

3.3 Business Ethics

Dajin Heavy Industry strictly abides by the laws and regulations of the places where it operates, such as *the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Prohibiting Commercial Bribery, the United Nations Convention against Corruption, and the Convention against Corruption and Criminal Law*. It has formulated and implemented internal management systems including *the Anti-Bribery System Management Manual, the Measures for the*

Management of Gifts and Cash, the Integrity Reporting Reward System, and the Provisions on *the Integrity of Managers and Personnel in Economically Sensitive Positions*. The Company resolutely resists commercial bribery, embezzlement, unfair competition and money laundering, standardizes employees' behaviors, and is committed to creating an honest and fair business environment.

Business Ethics Management

In 2025, Dajin Heavy Industry implemented *the Anti-Bribery System Management Manual*, adhered to zero tolerance for bribery, and continuously promoted the development of the Company's integrity culture. The Company set clear business ethics management objectives and implemented the target responsibility system. It organized various departments to formulate specific measures, clarified the frequency and methods of target rating to ensure the achievement of objectives.

Business Ethics Management Objectives



100% training coverage for management personnel




90% supervision and inspection rate for high-risk positions or businesses



100% problem rectification rate

During the reporting period, Dajin Heavy Industry passed the ISO37001:2016 anti-bribery management system certification and obtained the certificate.

Dajin Heavy Industry Anti-Bribery Management System Certificate 



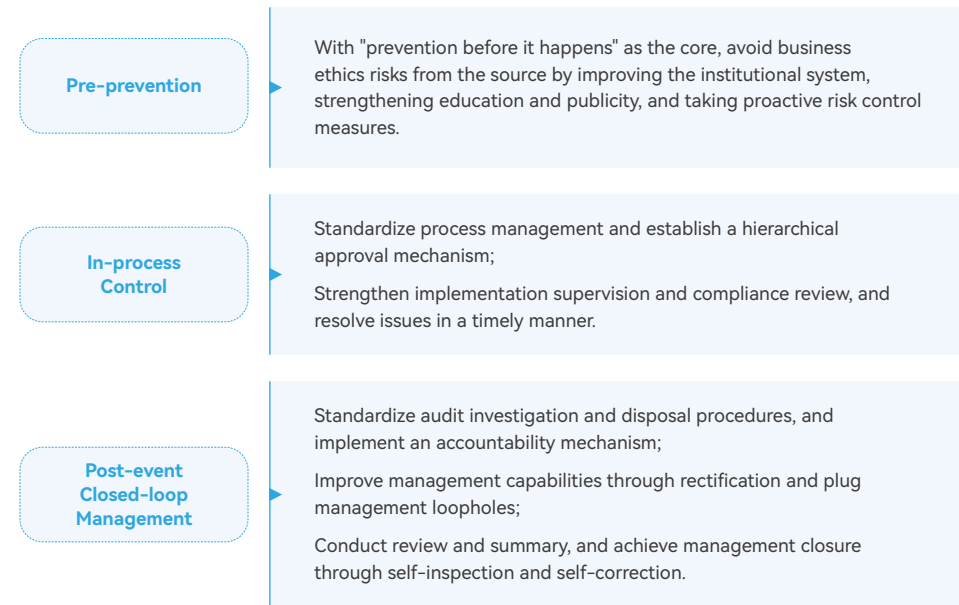
In business ethics certification and auditing, Dajin Heavy Industry continuously identifies management loopholes and promptly rectifies problems through in-depth research and walk-through tests on relevant businesses, further improving the management effectiveness in aspects such as gift and cash management, banquets, and conflict of interest prevention. For potential risks and loopholes identified in the review, the Company responds quickly, formulates special relevant systems, clarifies the handling methods and principles for internal and external matters, and comprehensively strengthens the Company's business ethics governance capabilities.

To ensure the effectiveness of our management measures, the Company simultaneously conducts risk identification and assessment, and has established a full-process business ethics management system covering pre-prevention, in-process control and post-closed-loop, from research, identification and management to internal audit and problem rectification. Through improving the system system, strengthening education and publicity, standardizing processes and approvals, enhancing supervision and audit, as well as rectification, improvement and review summary, the Company continuously prevents and timely handles business ethics risks, ensuring the healthy development of the Company.

Risk Identification and Management Measures of Dajin Heavy Industry



Business Ethics Management Process



In supply chain management, the Company incorporates business ethics requirements into the full life cycle management of suppliers, actively promotes the extension of the ESG philosophy to the supply chain, and advocates building a clean, transparent and sustainable cooperation ecosystem together with suppliers. For more information, please refer to Special Topics 2: Reshaping Responsible Procurement and Forging a Sustainable Value Chain.

During the reporting period, to strictly supervise and implement the business ethics management measures, Dajin Heavy Industry proactively identified and legally disposed of 3 commercial code of conduct incidents through internal audit. All relevant matters were properly resolved within the framework of the Company's policies and laws, without material impact on the Company's operations, financial position and reputation. We regard this as an important practice in the continuous improvement of the anti-bribery system, and have included relevant cases in the internal training system to strengthen the compliance awareness and risk prevention capabilities of all employees and advance the development of the anti-bribery system.

Reporting Management

Dajin Heavy Industry has established multiple reporting channels including email, telephone and WeChat Work, which are publicized on the official website, providing open and transparent reporting approaches for all stakeholders. In addition, we conduct publicity on reporting and display reporting channels at the Group and its subsidiaries, encouraging employees and stakeholders to actively participate in supervision and jointly build a sound and compliant working environment.

Upon receipt of a report or complaint, we immediately set up a special investigation team to conduct independent analysis and investigation into the relevant incident. Meanwhile, the Company has clearly defined whistleblower protection measures and adopts one-on-one single-line contact to ensure that no information of the whistleblower is disclosed, resolutely safeguarding the legitimate supervision rights of the whistleblower.

Reporting Channels

- Email: djjc@dajin.cn
- Phone: 0535-3461206 / 13621237207
- Integrity Reporting Platform: <https://www.dajin.cn/index/index/report?lang=EN>

Case Study

Promotion Campaign on the Appeal Mechanism

In 2025, Dajin Heavy Industry organized a special promotion campaign on the appeal mechanism. Through online training, offline posters and other forms, the campaign clearly communicated the internal reporting channels and confidentiality policies to all employees. This promotion effectively raised employees' awareness of and trust in the appeal mechanism, further consolidating the foundation of the Company's integrity governance.



Publicity and Education Activities

Business Ethics Culture Construction

The Company actively organizes business ethics training covering all employees and suppliers to fully promote the integrity culture. Employees in sensitive positions are required to sign the *Integrity Code of Conduct*, and suppliers are required to sign the Integrity Agreement. The signing rate of relevant documents reached 100% in 2025.

In 2025, we carried out business ethics training for all employees, covering various aspects such as procurement topics and new system learning, further enhancing employees' awareness of integrity.

Anti-Unfair Competition

Dajin Heavy Industry firmly upholds the order of fair market competition and strictly complies with the laws, regulations and relevant provisions of the places where it operates. The Company implements *the Anti-Bribery System Management Manual*, clarifies the requirements for anti-unfair competition, prohibits employees from engaging in false propaganda, monopolies and other behaviors, and participates in market competition in a legal and compliant manner to maintain the healthy development of the industry.

Conflict of Interest Management

Dajin Heavy Industry attaches great importance to the management of employees' conflicts of interest. In 2025, the Company newly formulated *the Measures for the Administration of Employees' Conflict of Interest Matters*, which clarify the scope of conflict of interest matters and response and handling requirements, and strengthen the supervision and management of employees' integrity in performing their duties. The measures require employees to declare conflicts of interest on an annual basis, and new employees to make such declarations within one month after onboarding. To enhance implementation effectiveness, the Company conducts continuous tracking and evaluation of conflict of interest declarations, ensuring that operations strictly comply with the principles of compliance and fairness, and laying a solid foundation for sustainable development.

Appendix

- Key Performance Indicators (KPIs)
- Standard Index Table
- Reader Feedback Form

Key Performance Indicators, KPIs

Environmental Data

Indicator Name	Unit	2025	2024	2023
GHG Emissions				
Total GHG Emissions	tCO ₂ e	53,291.10	49,639.64	57,580.18
Total Direct GHG Emissions (Scope 1)	tCO ₂ e	20,797.79	20,194.84	21,174.11
Total Indirect GHG Emissions (Scope 2)	tCO ₂ e	32,493.31	29,444.80	36,406.07
GHG Emissions per Million RMB Revenue	tCO ₂ e/ Million RMB Revenue	8.63	13.13	13.31
Energy Consumption				
Total Energy Consumption	MWh	132,568.29	133,953.76	155,572.72
Energy Consumption per Million RMB Revenue	MWh / Million RMB Revenue	21.47	35.44	35.97
Total Direct Energy Consumption	MWh	71,851.90	72,718.79	91,319.56
Total Gasoline Consumption	MWh	1,078.68	981.00	1,089.79
Total Diesel Consumption	MWh	11,338.03	11,075.85	17,601.37
Total Natural Gas Consumption	MWh	57,666.44	59,038.33	69,851.09
Total Propane Consumption	MWh	1,478.29	1,623.59	2,777.31
Total Liquefied Petroleum Gas (LPG) Consumption	MWh	289.99	/	/
Total Acetylene Consumption	MWh	0.46	/	/
Total Indirect Energy Consumption	MWh	60,716.39	61,234.97	64,253.16
Total Purchased Electricity	MWh	60,185.39	60,185.40	63,203.59
Total Purchased Heat	MWh	531.00	1,049.57	1,049.57

Indicator Name	Unit	2025	2024	2023
Raw Material Consumption				
Total Raw Material Consumption (metal raw materials & welding consumables)	1,000 tons	434.0	524.2	511.3
Raw Material Consumption per Million RMB Revenue	1,000 tons / Million RMB Revenue	0.070	0.139	0.118
Steel Plate	1,000 tons	391.8	488.2	469.1
Flange	1,000 tons	33.7	28.0	33.8
Welding Consumables	1,000 tons	8.4	7.9	8.4
Paint	1,000L	2,893.40	2,069.49	2,648.71
Renewable Energy Consumption				
Total Renewable Energy Generation	MWh	899,107.71	686,008.35	416,199.95
Renewable Energy for Self-consumption	MWh	22,603.98	20,106.15	13,330.45
Renewable Energy Sold	MWh	876,503.73	665,902.20	402,869.50
Air Pollutants				
Nitrogen Oxides (NO _x)	tons	3.82	2.25	4.93
Volatile Organic Compounds (VOCs)	tons	17.82 ³	82.83	143.23
Dust	tons	6.02	7.19	34.06

Indicator Name	Unit	2025	2024	2023
Waste				
Total Hazardous Waste Generated	tons	772.10	526.31	680.20
Hazardous Waste Intensity	tons / Million RMB Revenue	0.13	/	/
Total Hazardous Waste Disposed	tons	755.32	545.00	661.53
Total General Waste Generated	tons	21,186.55	18,105.68	/
General Waste Intensity	tons / Million RMB Revenue	3.43	/	/
Total General Waste Disposed	tons	21,186.55	18,105.68	/
Of which: Total Metal Waste Recycled	tons	649.93	1,145.52	722.67
Of which: Total Metal Waste Treated by Third Parties	tons	11,046.28	12,883.33	12,715.15
Water Consumption				
Total Water Withdrawal	1,000 tons	185.4	199.8	184.5
Total Water Withdrawal per Million RMB Revenue	1,000 tons / Million RMB Revenue	0.030	0.053	0.043
Of which: Total Purchased Water	1,000 tons	176.0	188.7	173.5
Of which: Total Natural Water Withdrawal	1,000 tons	8.4	11.1	11.0

³In 2025, new RTO facilities were installed at multiple facilities of the Company, resulting in a significant reduction in VOC emissions compared with previous years, while NO_x emissions increased.

Social Data

Indicator Name	Unit	2025	2024	2023
Supply Chain				
Number of relevant suppliers participating in ESG assessments organized by the Company either in person or via third parties	pcs	7	1	21
Total number of suppliers	pcs	512 ⁴	1,127	/
Employee				
Total number of employees	person(s)	2,303	1,946	1,630
Total male employees	person(s)	1,825	1,558	1,300
Total female employees	person(s)	478	388	330
Total employees under 30 years old	person(s)	451	/	/
Total employees aged 30–50	person(s)	1,692	/	/
Total employees over 50 years old	person(s)	160	/	/
Total full-time employees	person(s)	2,303	1,925	1,630
Total part-time employees	person(s)	0	8	0
Total employees in Chinese mainland	person(s)	2,264	1,944	1,630
Total employees overseas and in Hong Kong, Macao, Taiwan	person(s)	39	1	0
Total ethnic minority employees	person(s)	137	138	114
Total employees with disabilities (vulnerable groups)	person(s)	9	1	0
Flexible employment positions	person(s)	0	0	0
Total management employees	person(s)	290	371	155
Total male management employees	person(s)	253	295	126
Total female management employees	person(s)	37	76	29
Total ethnic minority management employees	person(s)	15	/	9
Total management employees with disabilities	person(s)	0	/	0
Outsourced employees	person(s)	2,008	1,628	1,300

Indicator Name	Unit	2025	2024	2023
New Hires and Employee Turnover Rate				
Total new employees	person(s)	954	660	524
Total new ethnic minority employees	person(s)	73	/	29
Total new employees with disabilities (vulnerable groups)	person(s)	2	/	0
Total employee turnover	person(s)	355	591	380
Overall employee turnover rate	%	16.71	32.96	25.28
Male employee turnover rate	%	28.55	/	/
Female employee turnover rate	%	20.50	/	/
Turnover rate of employees under 30 years old	%	19.29	/	/
Turnover rate of employees aged 30–50	%	26.77	/	/
Turnover rate of employees over 50 years old	%	49.38	/	/
Turnover rate of employees in Chinese mainland	%	27.30	/	/
Turnover rate of employees overseas and in Hong Kong, Macao, Taiwan	%	2.56	/	/
Employee Training				
Total Hours of Employee Training	hours	23,381	20,851	15,662
Employee Training Coverage Rate	%	100	/	/
Number of Employee Training Sessions	times	412	/	/
Investment in Employee Training	RMB Yuan	324,620	/	/

⁴In 2025, the Company conducted a comprehensive screening and elimination of suppliers, resulting in a decrease in the number of suppliers compared to previous years.

Indicator Name	Unit	2025	2024	2023
Occupational Health and Safety				
Number of Work-Related Injuries Recognized by the Local Human Resources and Social Security Bureau	person(s)	10	11	7
Number of Work-Related Fatalities	person(s)	0	0	0
Major Accident Injury Rate	%	0	0	0
Number of Personal Injury Accidents per 10,000 Tons of Output	times / 10,000 tons of output	0.26	0.25	0.23
Working Hours Lost Due to Work-Related Injuries	Hous	6,090	5,366	1,900
Investment in Work-Related Injury Insurance	RMB Yuan	1,557,424	/	/
Investment in Work Safety Liability Insurance	RMB Yuan	95,450	/	/
Employee Coverage Rate of Work-Related Injury Insurance and Work Safety Liability Insurance	%	100	/	/
Total Number of Participants in Occupational Health and Safety Training	person(s)	680	/	/
Innovation-Driven Development				
Number of R&D Personnel	person(s)	383	/	/
Proportion of R&D Personnel	%	16.63	/	/
R&D Expenditure	RMB Yuan	288,177,998	/	/
Proportion of R&D Expenditure	%	4.67	/	/
Number of Patent Applications	pcs	23	/	/
Number of Patents Granted	pcs	9	/	/
Number of Valid Patents	pcs	33	/	/
Product Quality and Safety				
Number of Major Safety and Quality Liability Accidents	cases	0	/	/
Amount Involved in Product Damage Incidents	RMB Yuan	590,620	/	/
Number of Product Recall Batches	times	0	/	/
Social Contribution				
Investment in Social Contribution	RMB Yuan	200,000	/	/

Governance Data

Indicator Name	Unit	2025	2024	2023
Business Ethics				
Number of employees participating in business ethics-related training	person(s)	2,303	/	/
Number of management employees participating in business ethics-related training	person(s)	290	/	/
Number of directors participating in business ethics-related training	person(s)	9	/	/
Proportion of employees participating in business ethics-related training	%	100	100	62
Proportion of management employees participating in business ethics-related training	%	100	/	/
Proportion of directors participating in business ethics-related training	%	100	/	/
Number of business ethics-related reports	cases	3	4	0
Number of corruption incidents	cases	9	7	0
Number of information security-related incidents	cases	0	0	0
Number of unfair competition incidents	cases	0	/	/
Amount of fines involved in administrative penalties	RMB Yuan	0	/	/

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Reader Feedback Form

Dear Reader,

Thank you for reading this report.

This is the third Sustainability Report released by Dajin Heavy Industry. To continuously improve the Company's sustainable development information disclosure standards, enable the report to truly fulfill its role as a bridge for communication with stakeholders, and more effectively advance the management and practice of sustainable development, we sincerely look forward to your feedback.

1.What is your overall assessment of Dajin Heavy Industry's sustainable development performance?

Excellent Good Fair Poor

2.How do you rate Dajin Heavy Industry's performance in fulfilling corporate responsibilities?

Excellent Good Fair Poor

3.How do you rate Dajin Heavy Industry's performance in stakeholder communication?

Excellent Good Fair Poor

4.What is your assessment of Dajin Heavy Industry's sustainable development performance and this report?

Excellent Good Fair Poor

5.What is your overall assessment of this report?

Excellent Good Fair Poor

6.Do you find the content structure and layout design of this report easy to read?

Excellent Good Fair Poor

What suggestions do you have for Dajin Heavy Industry's sustainable development practices and this report?



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