

 南京盛航海运股份有限公司
NANJING SHENGHANG SHIPPING CO.,LTD.

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

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NANJING SHENGHANG SHIPPING CO., LTD.

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ABOUT THIS REPORT

This is the second Environmental, Social, and Governance (ESG) Report (hereinafter referred to as “ESG Report” or “this Report”) issued by NANJING SHENGHANG SHIPPING CO., LTD. (hereinafter referred to as “Shenghang Group,” “the Company,” “we,” or “us”). This Report provides a detailed disclosure of the Company’s ESG practices and performance for 2025 based on the principles of objectivity, standardization, transparency, and comprehensiveness.

Reporting Scope

Unless otherwise stated, the scope of this Report, which covers Shenghang Group and its subsidiaries, is the same as that of consolidated statements of the Company’s annual financial report.

Reporting Period

The reporting period is from January 1, 2025, to December 31, 2025 (the “Reporting Period”). To enhance the comparability and foresight of this Report, some contents are appropriately retrospective to previous years or forward-looking. This Report is issued on an annual basis, consistent with the financial year.

Preparation Basis

- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (for Trial Implementation) of the Shenzhen Stock Exchange
- Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report of the Shenzhen Stock Exchange
- Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI Standards)
- China Corporate Sustainability Reporting Guidelines (CASS-ESG 6.0) issued by the China Enterprise Reform and Development Society
- Standards for Corporate Sustainability Disclosure – Basic Standards (Trial Implementation) of the Ministry of Finance of China

Data Description

The data used in this Report include the original data of Shenghang Group’s actual operation, publicly available government data, annual financial data, relevant internal statistical statements, third-party questionnaires, and third-party assessment and interviews. The financial data in this Report are denominated in RMB. In case of any inconsistency with the financial report, the financial report shall prevail.

Abbreviations

Abbreviation	Full name
Shenghang Group, the Company, we	NANJING SHENGHANG SHIPPING CO., LTD.
Shenghang Haoyuan	Shenghang Haoyuan (Shenzhen) Shipping Co., Ltd.
Wanda Holding Group	Wanda Holding Group Co., Ltd.
IMO	International Maritime Organization
EEXI	Energy Efficiency Existing Ship Index
EEDI	Energy Efficiency Design Index
EEOI	Energy Efficiency Operational Indicator
CII	Carbon Intensity Indicator
NSM	Administrative Rules of the People’s Republic of China for the Safe Operation of Ships and for Pollution Prevention
ISM	International Management Code for the Safe Operation of Ships and for Pollution Prevention
MARPOL	International Convention for the Prevention of Pollution from Ships
IMDG	International Maritime Dangerous Goods Code
DPA	Designated Person Ashore
PSC	Port State Control
FSC	Flag State Control
SIRE	Ship Inspection Report Programme
TCE	Time Charter Equivalent
DOC	Document of Compliance
TMSA	Tanker Management and Self-Assessment

Confirmation and Approval

This Report was approved by the Board of Directors of the Company on April 16, 2026 and released together with the annual report. The Board of Directors commits to supervising the content of this Report and ensuring that it does not contain any false presentations or misleading statements, and is responsible for the authenticity, accuracy, and completeness of the content.

Access and Feedback

This Report is available for viewing and downloading on the official website of the Company (www.njshsh.com) and the website of the Shenzhen Stock Exchange (www.szse.cn). If you have any feedback or suggestions about our sustainability, please feel free to give us your feedback via the contact details below to help us continually improve this Report.

Feedback channels	
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CORPORATE MESSAGE



Dear investors, partners, and friends from all walks of life:

Looking back at 2025, the global wave of sustainable development has advanced significantly, and the concepts of green, low-carbon, and responsible sustainable development have increasingly become an important part of corporate core competitiveness. Shenghang Group has always placed ESG management at a strategic level, committed to fulfilling ESG responsibilities while pursuing economic benefits. This report, as the Company's second ESG report, systematically presents the solid steps and phase achievements of Shenghang on the path of sustainable development, building on the experience of past ESG practices, and provides guidance for continuous improvement and high-quality development in the future.

Based on the strong foundation of ESG work in 2025, we look forward to and define the path for 2026:

I. DEEPENING GREEN OPERATIONS AND LEADING NEW LOW-CARBON SHIPPING PRACTICES

In 2025, we made significant progress in energy saving and emission reduction by optimizing fleet energy efficiency management, exploring clean energy applications, and strengthening emission monitoring. In 2026, we will continue to firmly implement the green development concept, steadily advance energy-saving technical transformations on existing ships, deepen the application of digital intelligent shipping systems in energy saving and consumption reduction, strictly implement international and domestic environmental protection requirements such as the MARPOL Convention, improve the ship anti-pollution management system, and strengthen the compliance disposal of wastewater, exhaust gases, and waste materials throughout the process. We are committed to achieving the goal of "zero pollution, no spillage" and protecting the marine ecosystem through concrete actions, contributing more "Shenghang Power" to tackling climate change.

II. STRENGTHENING SAFETY FOUNDATION AND CREATING A SHARED JOURNEY OF HAPPINESS

Safety is the lifeline of the shipping industry, and employees are the Company's most valuable asset. In 2025, we continued to strengthen the safety management system and paid close attention to employees' well-being and career development needs, steadily advancing related work. In 2026, our long-term pursuit is to achieve "zero accidents, zero injuries, zero pollution." We will further enhance the intelligent level of safety management, building a comprehensive, penetrating safety risk prevention and control system. At the same time, we will continue to improve the employee training and career development system, expand career growth channels, and deepen the construction of an inclusive, diverse, and equal work environment, ensuring the physical and mental health and legal rights of all crew members and shore-based employees. We aim for safety and happiness to accompany every Shenghang employee's growth.

III. IMPROVING GOVERNANCE SYSTEM AND STRENGTHENING THE FOUNDATION FOR SUSTAINABLE DEVELOPMENT

A sound corporate governance system is the fundamental guarantee for implementing ESG principles. In 2025, we continuously established and improved the ESG governance system, with the Board of Directors overseeing the strategic direction, the Strategy and Sustainable Development Committee accurately implementing policies, and the ESG Management Leading Group driving implementation. We have built a governance structure with clear responsibilities and efficient collaboration. In 2026, we will further optimize the ESG governance framework, strengthen the compliance bottom line, improve decision-making mechanisms and supervision processes, and promote the deep integration of ESG management with business operations. In addition, we will continue to improve the construction of business ethics and anti-corruption systems, deepen supply chain responsibility management, and encourage key partners to jointly enhance ESG management standards, working together to build a responsible industry ecosystem.



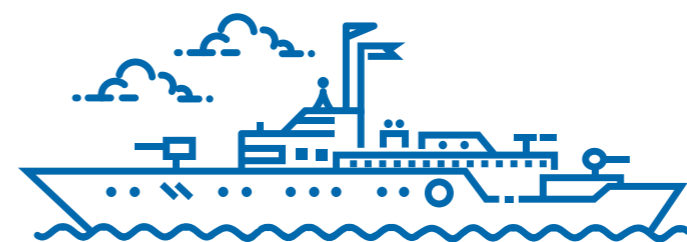
IV. STRENGTHENING TRANSPARENT COMMUNICATION AND GROWING TOGETHER WITH STAKEHOLDERS

We fully recognize that transparent and timely communication is the key to gaining trust and achieving mutual progress with all parties. In 2025, we conducted a survey of stakeholders in the form of questionnaires, comprehensively collected opinions and suggestions from all parties. Based on the survey results, we developed a list of issues related to impact materiality and financial materiality, which have been disclosed in a balanced and complete manner in the 2025 ESG Report. In 2026, we will further improve the ESG data collection and information disclosure system, enhancing the completeness, comparability, and timeliness of the information disclosed. We look forward to engaging in more open interactions, actively listening to concerns from investors, customers, employees, communities, and other stakeholders, incorporating their expectations into the Company's development strategy and daily operations, and creating shared value through bidirectional interactions.

Looking ahead to 2026, both opportunities and challenges lie ahead. Shenghang Group will adhere to the belief of "Sailing thousands of miles, responsibility on our shoulders," further improving the governance system, accelerating the green fleet upgrade, strengthening talent development, and deepening communication and collaboration with all stakeholders. We are committed to building a more resilient and responsible modern shipping enterprise. Let us join hands and ride the winds and waves on the journey toward a greener, high-quality transformation of the shipping industry, sailing toward a more prosperous, harmonious, and sustainable tomorrow!

Thank you all for your continued support and trust!

NANJING SHENGHANG SHIPPING CO., LTD.
General Manager



ESG HIGHLIGHTS IN 2025

Economic performance



Operating Revenue
144,279.40RMB 10,000

Net profit attributable to shareholders of the parent company
10,862.35RMB 10,000



Total amount of tax paid
3,139.01RMB 10,000

Environmental performance



Environmental protection expenditure
453.21RMB 10,000

Number of environmental pollution accidents
0Case



Photovoltaic power generation capacity
44,328.49kWh

Carbon emissions reduction
36.39tCO₂e

Social performance



R&D expenditure
4,327.13RMB 10,000

Year-on-year growth compared to last year
17.45%



Cumulative number of authorized patents
44Items



Employee Training Coverage Rate
100%



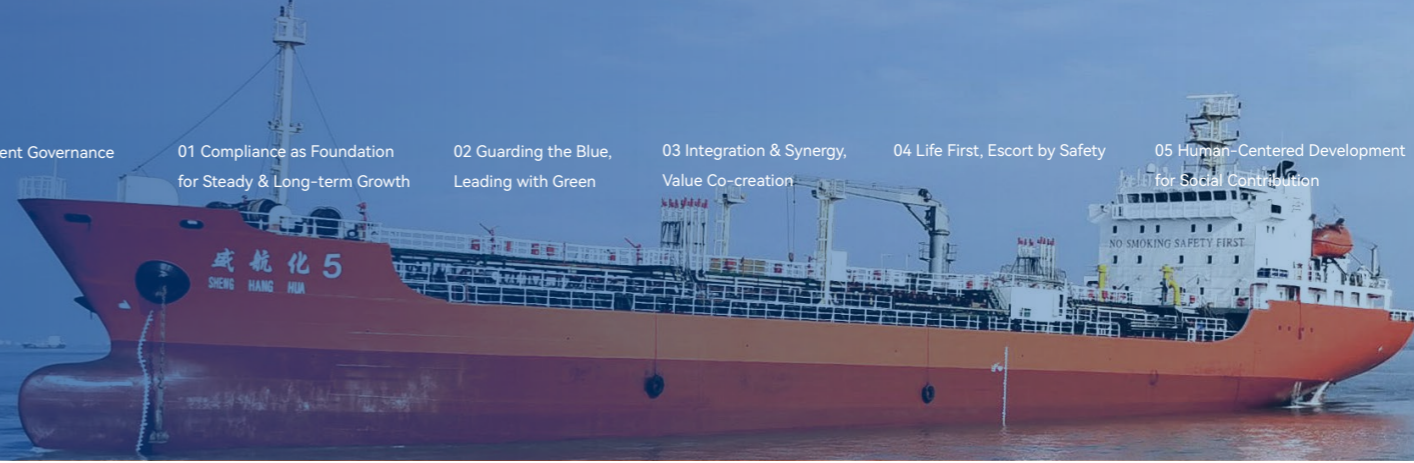
Work safety expenditure
2,896.79RMB 10,000



Number of safety training
144Sessions

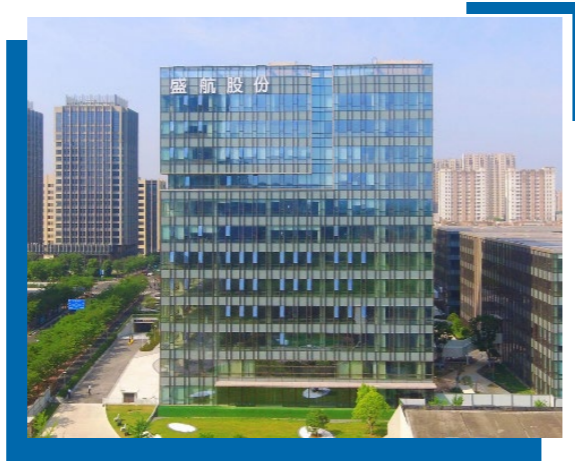


About Shenghang Group



Company Profile

NANJING SHENGHANG SHIPPING CO., LTD., founded in November 1994, was listed on the Shenzhen Stock Exchange on May 2021 (stock for short: Shenghang Group; stock code: 001205). Specializing in the maritime transportation of hazardous chemicals, we provide supporting logistics services for large international and domestic chemical enterprises. Our core business covers the shipping of liquid chemicals, liquefied petroleum gas (LPG), and refined oil products across international routes, China's coastal waters, and the Yangtze River's middle and lower reaches, covering the vast majority of liquid chemicals and oil types in demand in the market. The Company has established strong cooperative relationships with large domestic and international petrochemical producers. With high-quality, efficient logistics services, the Company has earned a good reputation in the industry and has been highly recognized by its customers. In recent years, we have become one of the leading domestic liquid chemical shipping companies.



Distribution of transportation routes

After over 20 years of development in the hazardous chemicals transportation business, the Company has built a dual-axis network with integrated domestic and international operations, ensuring it meets the safe, stable, and timely transportation needs of large chemical enterprises. During the reporting period, the Company continued to strengthen its domestic and international market strategies, steadily expanding international routes, and deepening overseas market cooperation, continuously enhancing its global service capabilities and market competitiveness.

Arrangement of domestic routes

The Company has established a transportation network comprising 36 major coastal ports and over 20 Yangtze River and Pearl River ports as logistics nodes, with the Wuhan-Shanghai Yangtze River route serving as the horizontal axis and the Bohai Bay-Hainan coastal route as the vertical axis in China. This network covers China's major chemical production bases, including Bohai Bay, Yangtze River Delta, Pearl River Delta, and Beibu Gulf.



International route expansion



With the steady expansion of its international hazardous goods waterway transportation business, the Company has formed a transportation network centered on Singapore, covering Northeast Asia, Southeast Asia, and India. We have successfully opened new routes to Australia, the Middle East, and other emerging markets, continuously enhancing our global service capabilities. The Company will continue to focus on long-term contracts and time-charter business with international petrochemical customers, solidifying business cooperation in regions such as Southeast Asia, Northeast Asia, and India. The Company will further optimize its global transportation network layout through flexible pricing strategies, focusing on high-potential markets, exploring niche markets, and expanding emerging growth areas, providing professional, safe, and efficient logistics services to empower international business growth and contribute to the achievement of global logistics service goals.

International trade route



Deepening cooperation and expanding the international market

Case

In February 2025, the Company's General Manager visited Kuala Lumpur, Malaysia, to meet with customers and local partners and engaged in in-depth discussions on business expansion and safety management with large oil companies. This visit not only strengthened the Company's relationships with international customers but also laid a solid foundation for further expanding the Southeast Asian market and enhancing its international competitiveness.



Targeting emerging markets and coordinating development and quality efficiency

Case

In response to the unique operational specifications and customer demands of the Australian and Middle Eastern markets, the Company implemented a differentiated market strategy. On the one hand, the Company introduced high-standard charterers and end customers, which prompted overall improvements in ship management, compliance systems, and operational capabilities. On the other hand, with extended routes and longer voyage cycles, the Company reinforced its ship anti-pollution management and performance control to ensure stable charter contract performance and controllable TCE performance, achieving a balance between market expansion and operational quality.

The Company's capacity

The Company operates a diversified fleet ranging from 2,000 to 27,500 DWT. As of the end of the Reporting Period, according to the types of ships recorded in the Company's ship registration certificates, the Company (including its subsidiaries) controlled a total of 54 domestic and foreign trade ships with a total capacity of 424,900 DWT, including 34 domestic chemical ships with a total capacity of 216,200 DWT, 13 refined oil tankers with a total capacity of 130,700 DWT, 1 liquefied gas carrier with a carrying capacity of 4,626 DWT and a cargo capacity of 5,546.80 cubic meters, and 6 international chemical tankers with a total capacity of 73,400 DWT.

In 2025, the Company added new chemical/product oil ships, the "Shenghang Faxian" (6,187.40 DWT) and an international chemical tanker, "Shenghang Caifu" (13,710.24 DWT), further expanding the fleet size and enriching the capacity structure, enhancing core competitiveness. The Company also has 4 ships under construction, with a total capacity of 39,500 DWT. The large-scale fleet and diversified capacity structure can meet the customized and differentiated transportation needs of customers. The Company adjusts its ship capacity flexibly according to market conditions, with the actual number of ships in operation dynamically changing based on business arrangements to maximize the overall operational efficiency of the fleet.

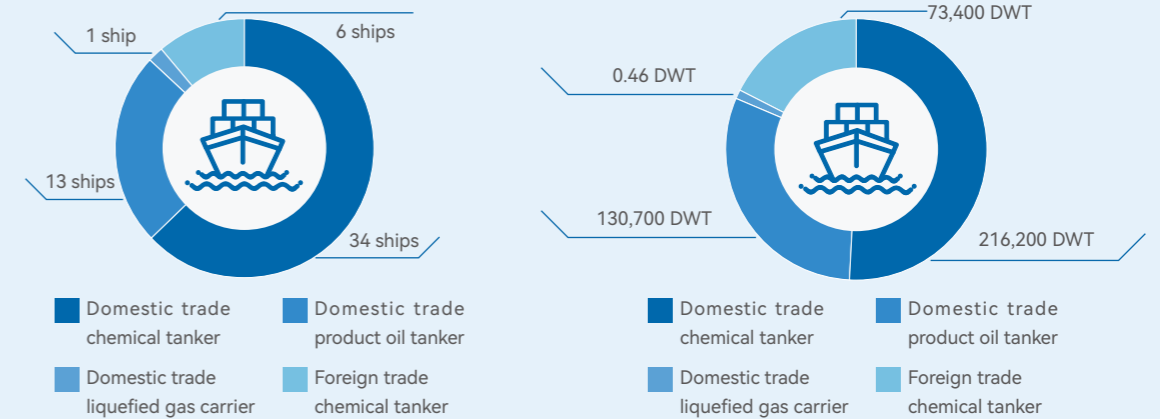
Company fleet capacity as of the end of 2025

Quantity of ships 54 ships

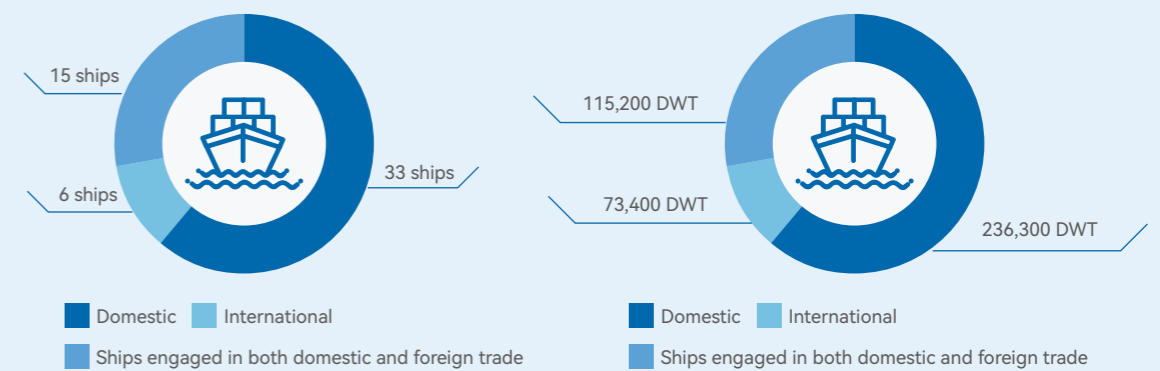
Total capacity 424,900 DWT



By ship certificate types

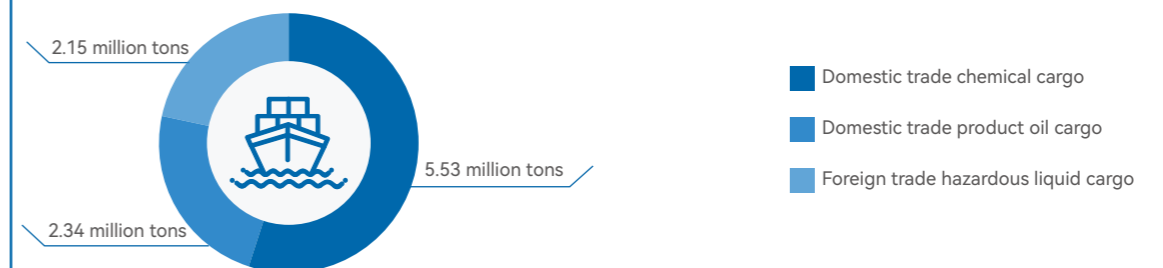


By actual operating regions



Freight Volume of the Company in 2025

Total Freight Volume 10.02 million tons



Corporate Culture

Integrity drives prosperity,
faith ensures sustainability



Values

Utmost sincerity and integrity are the key to our prosperity in business; Good faith and belief pave the way to our sustainable development



Mission

To provide quality service to customers, maximize the value of customers, shareholders, employees and enterprises



Vision

To be a trustworthy and influential new logistics chain enterprise group world-wide



Safety management philosophy

All incidents can be prevented, and safety is obviously valuable



Service philosophy

More professional and thoughtful, faster and safer



Talent philosophy

Making the best possible use of people and talents being made good use



Business philosophy

Integrous, safe, environment-friendly, pragmatic, efficient and innovative



Development philosophy

Interior continuity, exterior extension, deep exploiting and wide cultivation

Development Strategy

Shenghang Group will always adhere to the business philosophy of "integrity, safety, environmental protection, quality, and health," focusing on the transportation of bulk liquid hazardous chemicals, adhering to innovation, and continuously improving its business model. The Company aims to continually strengthen and develop high-quality customers, establish strategic partnerships, enhance core competitiveness, and fully build a new logistics chain enterprise group that is trusted by customers and has global influence.

Strategic planning



Continuing to deepen the domestic coastal inter-provincial hazardous chemical waterway transportation sector

Steadily expand fleet scale through capacity approval, ship leasing, acquisitions, and other forms, optimize the capacity structure, strengthen market development, implement safety management measures, continuously enhance business capabilities, and improve the Company's core competitiveness.

Actively deepening the international hazardous chemicals and LPG waterway transportation business layout

Fully leverage ship operations and safety management advantages, continue expanding capacity deployment, strengthen the foreign trade team, expand and deepen customer cooperation, and steadily improve operational efficiency and market share.



Glories of the Company



"Specialized, Refined, Unique, and Innovative" (SRUI) "Little Giant" Enterprise
Ministry of Industry and Information Technology



Advanced Unit in the "Fire Safety Cup" Activity in 2024
Nanjing Branch of the Yangtze River Shipping Public Security Bureau



2025-2026 Vice President Unit of the China Federation of Logistics & Purchasing Hazardous Chemicals Logistics Sub-branch
China Federation of Logistics & Purchasing Hazardous Chemicals Logistics Sub-branch



Private Technology Enterprise of Jiangsu Province
Jiangsu Private Science & Technology Enterprise Association



2025 Safety Management Enterprise of Chemical Logistics
China Federation of Logistics & Purchasing



2025 Annual Excellent Logistics Cooperation Unit
China Petroleum South China Chemical Sales Company



2024 Benchmark Logistics Service Provider of Sinopec
Sinopec Chemical Logistics Co., Ltd.



2025 QHSE Management Excellence Case of Chemical Logistics
China Federation of Logistics & Purchasing



2025 Strategic Cooperation Service Provider
Zhejiang Rongsheng Holding Group Co., Ltd.



Advanced Unit in the "Fire Safety Cup" Activity in 2025
Nanjing Branch of the Yangtze River Shipping Public Security Bureau



2025 Annual Advanced Collective for Waterborne Search and Rescue Work in Jinshan District
Shanghai Maritime Search and Rescue Center Jinshan Sub-center



2024 Annual Yangtze River Shipping Credit "Top 10 & Top 100" List - Top 100 Shipping Companies
Yangtze River Marine Safety Administration, Ministry of Transport

Development Process

1994

Nanjing Shenghang Shipping Co., LTD was established.

2008

The Company was granted the Operating License for chemical waterway transportation.

2014

The Company completed the joint-stock reform and was renamed NANJING SHENGHANG SHIPPING CO., LTD.

2015

The Company's shares are listed on the National Equities Exchange and Quotations (NEEQ).

2021

The Company was listed on the Shenzhen Stock Exchange.

2023

The Company completed the issuance and listing of convertible corporate bonds;

Successfully passed the BASF TMSA audit.

2024

By acquiring a controlling stake in Shenghang Haoyuan, the Company has further enhanced its market share and core competitiveness in China's coastal and inter-provincial refined oil and chemical transportation markets;

The Company was granted the Operating License for Liquefied Gas Carrier Transportation;

Successfully passed the CSPCL TMSA audit.

2025

Introduced Wanda Group as a strategic investor, actively exploring win-win development paths for both parties in industry collaboration and resource empowerment, to enhance the Company's sustainable and stable operational and risk resilience.

Successfully passed the SECCO TMSA audit, Chevron TMSA audit, and SHELL management review;

The project to optimize the organization, compensation and performance system has been launched.



Sustainable Development Governance

Sustainable Development Strategy

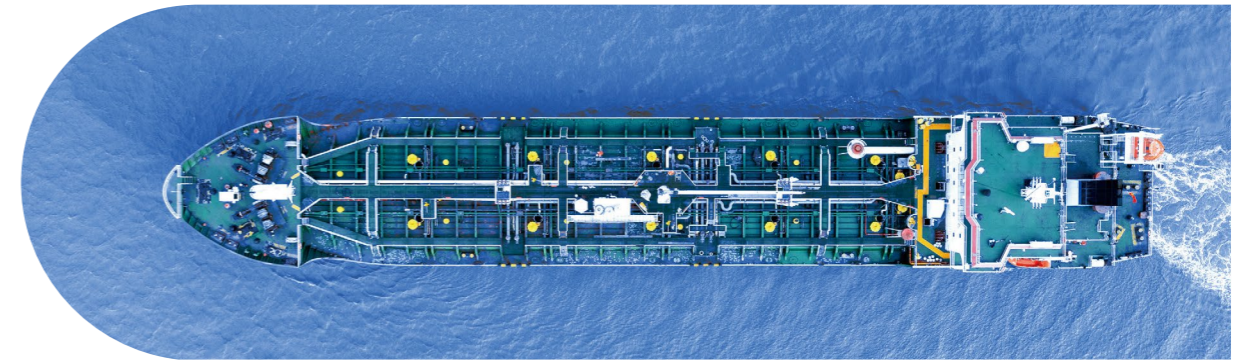
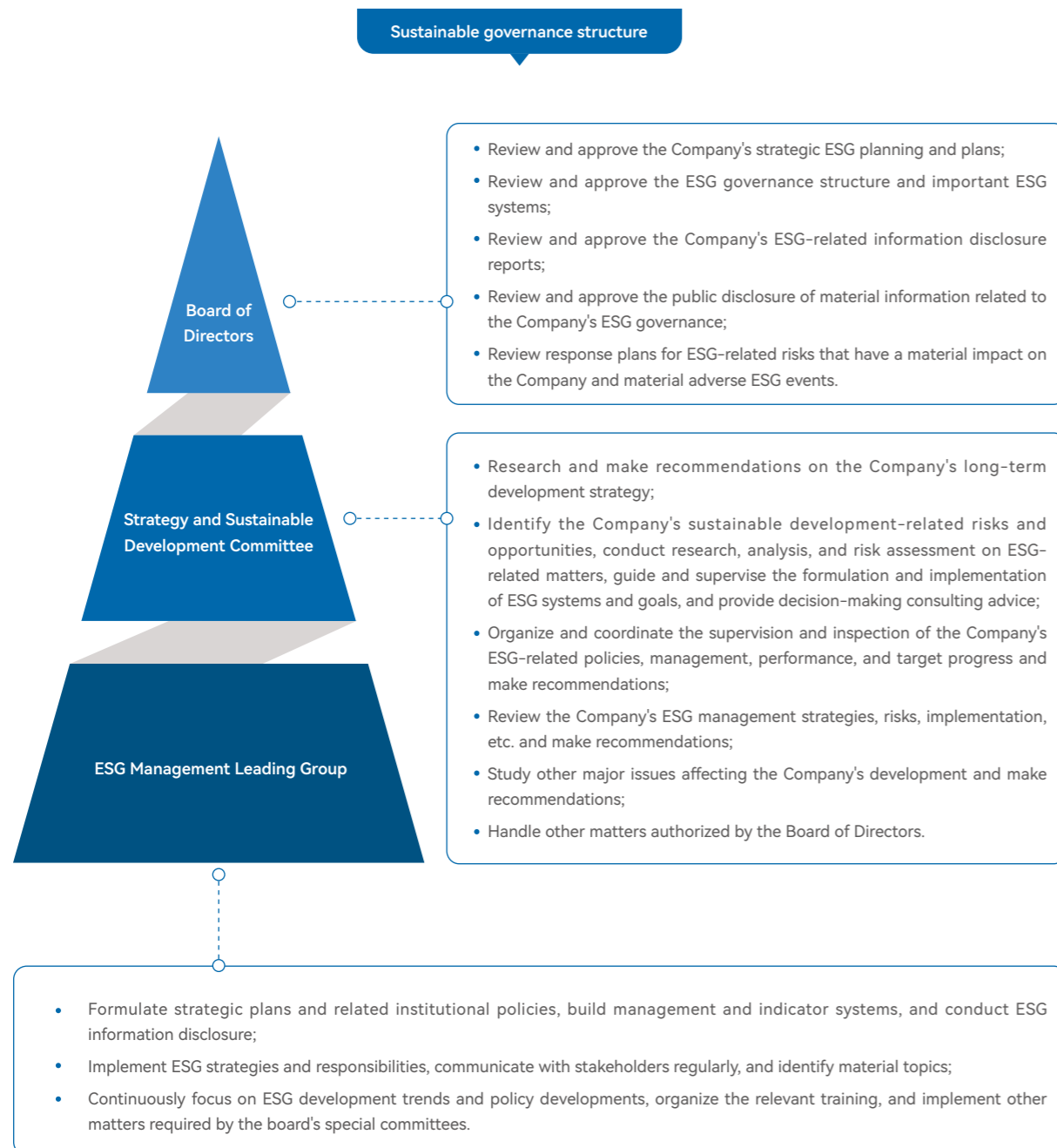
Shenghang Group actively implements the new philosophy of innovative, coordinated, green, open, and shared development, integrating this philosophy throughout our corporate development. We continuously advance ESG initiatives and drive high-quality development through efforts and practices in standardized operation, compliance development, green innovation, work safety, intelligent shipping, and talent training.

Sustainable development dimensions	Development goals	Chapter
Corporate governance	Establish an internal audit and accountability system, forming a comprehensive risk control system covering decision-making, execution, and supervision, clarifying rights and responsibilities, and strengthening mechanisms for tracing violations to safeguard investors' legal rights. Rely on information disclosure management systems to improve governance transparency, establish a standardized disclosure framework covering strategy, operations, risk, and compliance, and enhance the quality of information disclosure and operational management effectiveness. Adhere to business ethics codes, integrate integrity requirements into supply chain management, promote the joint compliance construction of the industry chain, and create a fair competitive market environment and social atmosphere.	Compliance as Foundation for Steady & Long-term Growth
Environmental protection	Uphold the philosophy of green development and strive toward the carbon peaking and neutrality carbon peaking and carbon neutrality goals; taking technological innovation to boost energy efficiency as our core approach, achieve low-carbon transition through emission reduction driven by management optimization and equipment upgrading; focus on strengthening full-cycle carbon emission control over ship operations, establish a dynamic management system of "monitoring-analysis-optimization", and advance the development of a green supply chain. Deepen low-carbon transformation of shipping processes and improve emission monitoring and carbon footprint tracing mechanisms. Collaborate on system innovation and technological breakthroughs to create an environmentally friendly shipping model covering ship design, operation, and maintenance. Focus on ecological environmental protection and advancing green low-carbon shipping transformation.	Guarding the Blue, Leading with Green

Sustainable development dimensions	Development goals	Chapter
Industrial value	Uphold the core philosophy of "innovation drives safety, technology empowers the future," and commit to the path of information technology construction, aiming to become a trustworthy and influential new logistics chain enterprise group world-wide.	Integration & Synergy, Value Co-creation
Health and safety	Always adhere to the development concept of "safety first, professionalism as the foundation," continuously enhancing the professionalism, standardization, and informatization of safety management, and raising safety management standards.	Life First, Escort by Safety
Employee rights and interests	Uphold the talent philosophy of "people-oriented, giving full play to talents," continuously optimize the human resources management system, improve performance evaluation and incentive mechanisms, implement market-oriented and differentiated salary management, systematically develop employee career development plans and promotion channels, and effectively stimulate employees' innovation vitality, driving the mutual development of enterprise value and employee growth and ensuring a win-win situation.	Human-Centered Development for Social Contribution
Social contribution	Integrate social responsibility into the thread of development at all times; adhere to the bottom lines of safety and transportation based on the core shipping business; actively fulfill social obligations, provide targeted employment for veterans and people with disabilities to build development platforms for special groups, and deepen rural assistance initiatives to support rural revitalization; convey corporate care through concrete actions, and demonstrate the social value of a shipping enterprise with responsibility and solid practice.	Human-Centered Development for Social Contribution

Sustainable Development Governance System

The Company integrates sustainable development into its overall governance structure, establishing a complete, clear, and efficient ESG governance system. The Board of Directors is the decision-making body for ESG work, overseeing strategic direction. The Strategy and Sustainable Development Committee assumes research, guidance, and risk assessment functions. The ESG Management Leading Group, led by the General Manager, is responsible for advancing specific tasks. The Company has established the *Work Rules for the Board of Directors Strategy and Sustainable Development Committee and the ESG Management System*, clearly defining the roles and responsibilities of each body and ensuring that the ESG concept is fully integrated into business decisions, achieving an organic unity between governance structure and sustainable development strategy.



Sustainable Development Capacity Building

The Company places great emphasis on the professional development of its ESG governance team. We employ external ESG experts to provide specialized ESG training for our directors, management, department heads, and other key personnel. Through in-depth interpretations of ESG policy requirements and industry practice standards, the training helps participants deepen their understanding of ESG, and improve the professional capabilities and levels of the ESG governance team, laying solid talent foundation for the Company's high-quality promotion of ESG initiatives.



Communication with Stakeholders

The Company respects and protects the legitimate rights and interests of its stakeholders, establishing an information communication mechanism. Regular exchanges are conducted through interviews, forums, and surveys to gather feedback and suggestions from stakeholders, continuously optimizing management and service quality.

Stakeholder	Demands and expectations	Communication channels
 Government/regulatory authorities	Integrity and compliance operation Undertaking of social responsibility	Information disclosure Surveys and symposiums
 Shareholders and investors	Protection of shareholders' rights and interests Accurate information disclosure Investor relations management	General Meeting of Shareholders Periodic announcement Performance roadshow irm.cninfo.com.cn Investor hotline
 Customers	Customer privacy protection Provision of high-quality services Protection of customer legal rights	Company website and email Customer satisfaction survey Daily operational communication
 Suppliers	Maintaining good cooperation Open and fair procurement Mutual benefit and win-win cooperation	Daily communication Specialized training Sustainable procurement
 Employees	Protection of employee rights and interests Career development paths Employee care and welfare	Workers' congress Trade union
 Partners	Common development Win-win cooperation	Industry forums and seminars Daily consultation and communication
 Social organizations	Community development Public welfare and charity	Community communication and exchange Public welfare activities

Materiality Topic Management

Assessment method and process

The Company continues to advance the identification and evaluation of ESG topics. By reference to the assessment methods set out in domestic and foreign disclosure standards such as the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (for Trial Implementation)* and the *GRI 3: Material Topics*, and in deep combination with our own development strategy, the Company conducts dual-materiality assessments of ESG topics through stakeholder surveys.

Topic assessment methods and process



Step 1

Analyze the Company background

Analyze the macro environment of global trends and China's industrial development trends from political, economic, and social perspectives; identify the impact, risks, and opportunities faced by the Company's stakeholders and the Company based on the industry development trend and the Company's business model.



Step 2

Establish a topic database

Establish a list of materiality topics closely related to the Company's development based on national policy guidance and by reference to Global Reporting Initiative (GRI), stock exchange guidelines, and relevant topics from domestic and international peers.



Step 3

Assess topic materiality

- Assessment of impact materiality

Sort out the potential or actual positive or negative impacts of each topic on the external environment, society, and economy, and conduct stakeholder research and analysis in the form of questionnaires in the form of questionnaires, with 195 questionnaires collected.

- Assessment of financial materiality

Identify and assess the risks and opportunities under the relevant topics and identify the topics with financial materiality through the analysis of influence, dependence, and other factors, and in combination with the questionnaire results, expert judgment, and the risk identification and assessment list of each department of the Company.



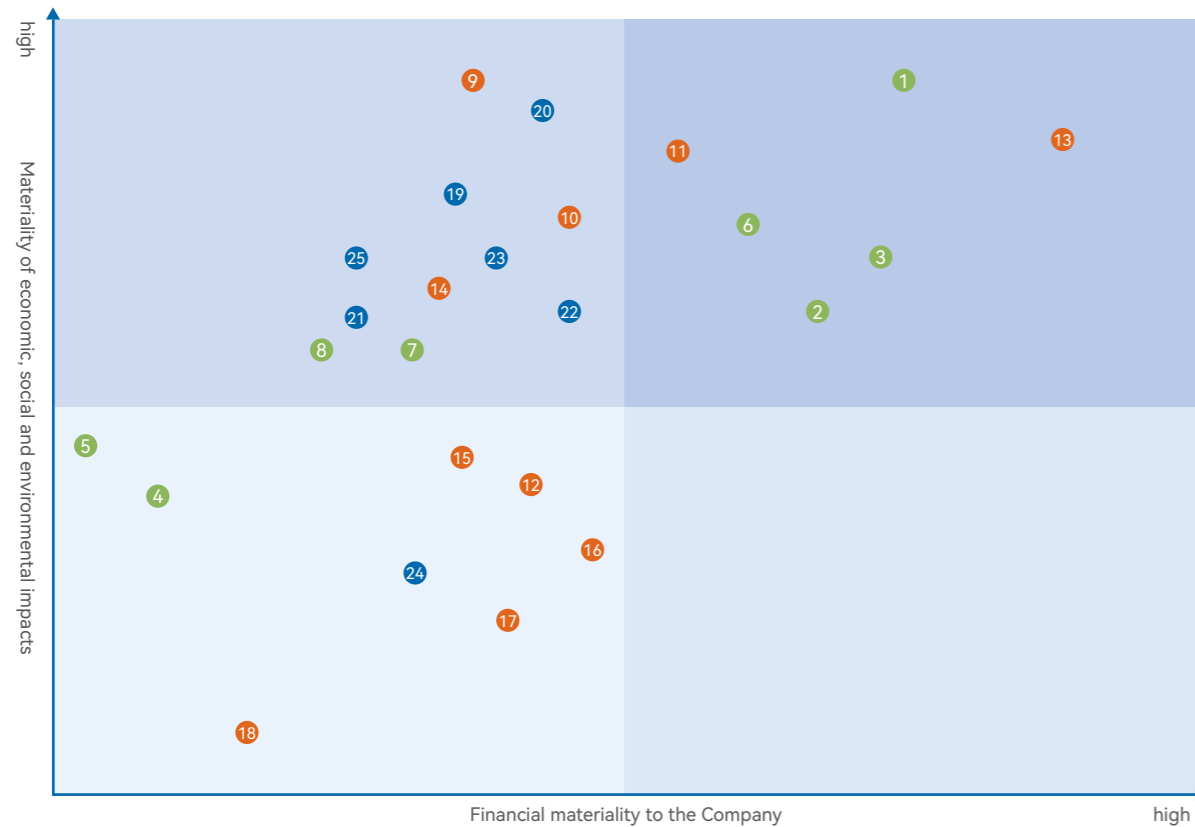
Step 4

Topic confirmation

Develop a list of topics of impact materiality and financial materiality, and ensure the transparent, balanced, and complete disclosure of relevant topics in the report.

Topic assessment results

Shenghang Group's Materiality Topic Matrix



ENVIRONMENTAL	SOCIAL	GOVERNANCE
1 Environment compliance management	9 Protection of employees' legitimate rights and interests	19 Protection of shareholders' rights and interests
2 Energy utilization	10 Employee training and development	20 Standardization of corporate governance
3 Response to climate change	11 Occupational health and safety	21 Anti-commercial bribery and corruption
4 Circular economy	12 Innovation drive	22 Anti-unfair competition
5 Water resource utilization	13 Shipping safety assurance	23 Risk management
6 Pollutant emission	14 Customer rights protection	24 Communication with stakeholders
7 Waste disposal	15 Information security and privacy protection	25 ESG governance
8 Marine ecosystem and biodiversity conservation	16 Responsible supply chain	
	17 Social contribution	
	18 Rural revitalization	

Explanation of Topic Materiality



Note: The results of the materiality assessment are guided by the Company and the industry's focus, combining the 2024 topic assessment and 2025 stakeholder communication results to form a comprehensive judgment. Compared to 2024, the following adjustments have been made to this year's topics:

- The topic "Tax management" has been removed and incorporated into "Corporate Governance Standards."
- The topic "Environmental compliance management" has been adjusted to a "Dual materiality" topic, while "Marine ecosystem and biodiversity" has been adjusted to an "Impact materiality" topic.
- The four-element content (governance-strategy-impact, risk and opportunity management-indicators and targets) of the two financially material issues, namely "Environmental compliance management" and "Pollutant emission", are disclosed in a combined manner. For relevant details, see the chapter "Environmental compliance management".
- The relevant content of the "Due diligence" topic is addressed in the "Responsible supply chain" topic.

Explanation of Non-Applicable Topics



01

Compliance as Foundation for Steady & Long-term Growth

ESG material topics covered in this Chapter

- Standardization of corporate governance
- Risk management
- Protection of shareholders' rights and interests
- Anti-commercial bribery and corruption
- Anti-unfair competition

SDGs Responded to in this Chapter

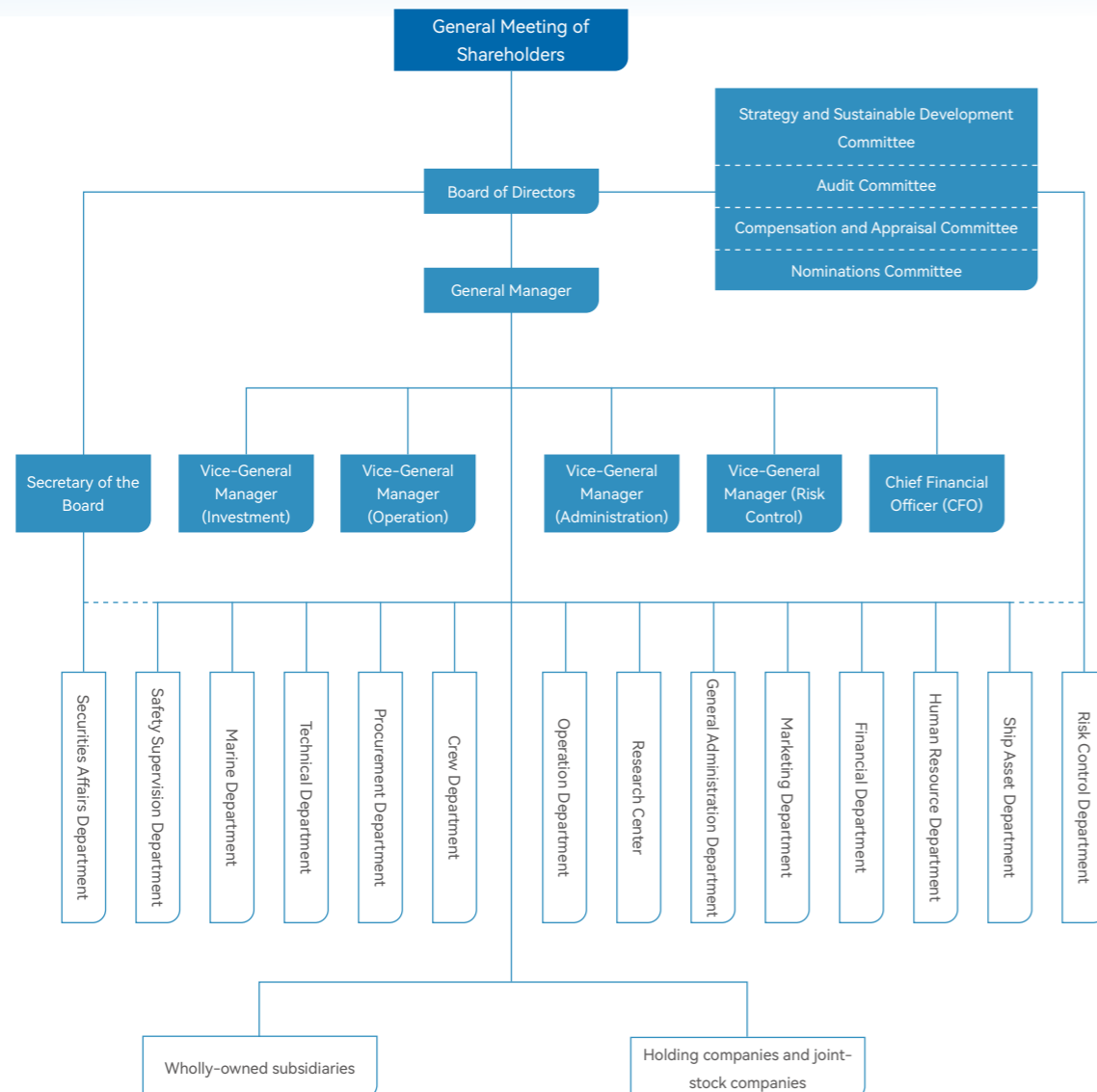


Standardized Governance

Shenghang Group strictly follows relevant laws and regulations, including the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, and *Code of Corporate Governance for Listed Companies*, continuously improving the Company's internal corporate governance structure, optimizing the internal control environment, and strengthening internal management systems. This ensures a scientifically sound, standardized, and effective governance system.

During the Reporting Period, the Company continued to improve the *Articles of Association of NANJING SHENGHANG SHIPPING CO., LTD.* (hereinafter referred to as the *Articles of Association*) and other governance systems, further optimizing and adjusting the corporate governance structure. The Company completed the reform of the Board of Supervisors, fully empowering the Audit Committee in areas such as supervision, internal control management, pre-review of major issues, and financial information review, thus reinforcing the Company's compliance with legal operations and further improving governance.

Figure: Organizational structure



General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company. The Company strictly adheres to relevant laws, regulations, and the *Rules of Procedure of the General Meeting of Shareholders* to regulate the operations of the General Meeting of Shareholders. The convocation, procedures, eligibility, voting procedures, and voting results of the meeting all comply with relevant regulations. The meetings adopt a combination of onsite and online voting methods, ensuring that all shareholders, especially minority shareholders, can fully exercise their rights and protect the legitimate rights and interests of all parties.

Key performance

During the Reporting Period, the Company held **5** meetings of General Meeting of Shareholders and reviewed and approved **20** proposals.

Board of Directors

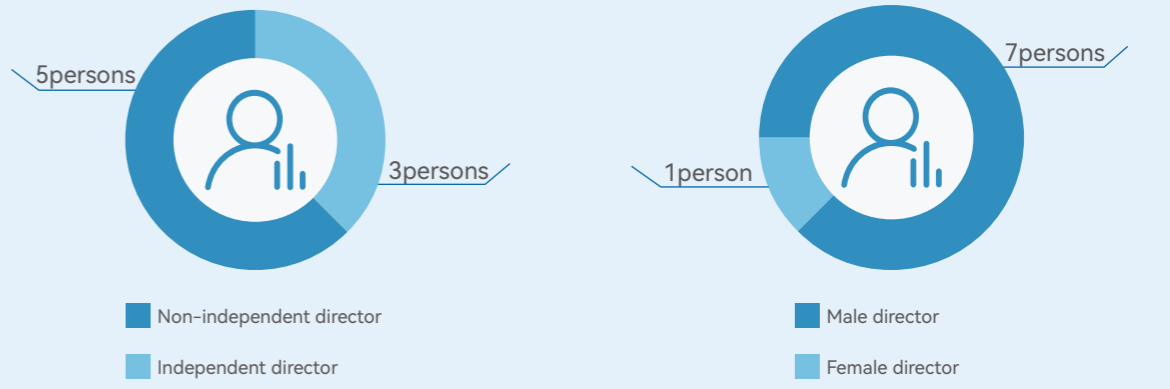
The Board of Directors is the decision-making body of the Company, accountable to the General Meeting of Shareholders. The Company attaches great importance to the independence, professionalism, and diversity of the Board of Directors. It conducts a systematic annual evaluation of the Board. In strict accordance with the *Articles of Association* and relevant rules of procedure, the Company standardizes the operational processes of the Board of Directors to ensure scientific and transparent decision-making. At the same time, the effectiveness and scientific nature of the Board of Directors' decisions are continuously assessed, and all directors are urged to fulfill their duties according to the law and act with diligence. All directors conduct their work in accordance with the law, adhere to performance requirements, actively participate in relevant training, and familiarize themselves with relevant laws and regulations.

Key performance

During the Reporting Period, the Company held **10** Board of Directors meetings, reviewed and approved **45** proposals, and achieved a **100%** attendance rate for directors required to attend.

Diversity of the Board of Directors

As of the end of the Reporting Period, the Company had 8 directors in total, including 3 independent directors, accounting for 37.50%; 1 female director, accounting for 12.50%.



Committees under the Board of Directors

The Company's Board of Directors has established four committees: the Audit Committee, the Strategy and Sustainable Development Committee, the Nominations Committee, and the Compensation and Appraisal Committee. Each committee exercises its powers in accordance with the *Articles of Association* and its work rules, providing professional advice for the decision-making of the Board.

Strategy and Sustainable Development Committee

Primarily responsible for researching the Company's long-term development strategy, major investment decisions, sustainable development matters, and ESG governance, and providing suggestions and plans to the Board of Directors.

Audit Committee

Responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control, and exercising the powers of the Board of Supervisors as specified by the *Company Law of the People's Republic of China*.

Nominations Committee

Responsible for researching and recommending candidates, selection criteria, and procedures for the Company's directors and senior management, reporting to the Board of Directors.

Compensation and Appraisal Committee

Responsible for drafting and evaluating the performance standards of the Company's directors, managers, and other senior management; responsible for formulating and reviewing the compensation policies and plans for directors, managers, and other senior management.

2025 Meetings of committees under the Board of Directors

Committees	Number of meetings	Reviewed proposals
Strategy and Sustainable Development Committee	3 times	5 items
Audit Committee	10 times	30 items
Nominations Committee	3 times	5 items
Compensation and Appraisal Committee	2 times	3 items

Independence of the Board of Directors

The Company attaches great importance to the key role of independent directors in corporate governance. According to the *Articles of Association*, *Work System of Independent Directors*, and other relevant regulations, the Company appoints 3 experts who meet the requirements as independent directors, accounting for more than one-third of the total number of members of the Board of Directors. Each independent director fully participates in the work of the four committees, and the proportion of independent directors in each committee stands at 66.67%. The chairpersons of the Nominations Committee, Audit Committee, and Compensation and Appraisal Committee are all independent directors.

Compensation management of director and senior management

The Company continues to improve the performance evaluation system and compensation management system for directors and senior management. During the Reporting Period, the Company reviewed and approved the 2025 annual compensation plan. The compensation plan adheres to the principles of fairness, reasonableness, value matching, and a balance of incentives and constraints. It establishes scientific salary standards based on the responsibilities of directors and senior management positions and industry salary benchmarks. Non-independent directors and senior management are subject to an annual salary system, with salaries linked to the Company's performance evaluations and paid monthly. Independent directors receive an allowance system.

Risk and Compliance Management

Risk management system

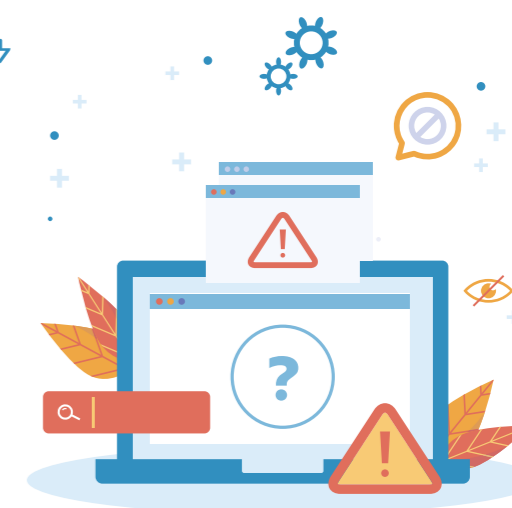
The Company has formulated the *Risk Management Measures* and established a risk management mechanism with "unified leadership, division of responsibilities, and participation by all". The Board of Directors is ultimately responsible for risk management, fulfilling its core function of risk prevention and control. The General Manager's Office fully carries out risk management work and promotes the construction of the Company's risk management system. At the same time, the risk management system is established by relevant units, headquarters departments, and the Risk Control Department to build a clear, collaborative, and effective three-line defense system for risk management.

Key performance

During the Reporting Period, the Company held **7** meetings for independent directors and reviewed and approved **15** proposals.

Key performance

During the Reporting Period, the Company paid a total of RMB **10.99** million in remuneration to directors and senior management (including severance).



Three lines of defense for risk management

Subordinate entities

- Formulate and continuously improve risk management systems and internal control management system;
- Identify risk management departments and set up risk management positions;
- Carry out risk identification and hidden hazard screening, promptly assess various risks, report information, and respond to and addressing risks.
- Perform risk management duties, participate in each stage of work and submit the relevant information as required by the Company and superior units.

Departments of the headquarters

- Improve business management systems and processes;
- Collect major risk information managed by the respective department and line;
- Provide support, guidance and oversight to all units in handling risks in their own areas, and promptly initiate emergency response plans based on risk changes;
- Set a full-time or part-time risk management coordinator position within the department to be responsible for coordinating the specific risk management work of the department and line.

Risk control department

- Formulate basic risk management systems and supervise the implementation of risk management;
- Guide and supervise all subordinate entities and departments of the headquarters to carry out risk identification, investigation, and early warning, study major risk response plans, comprehensively assess risk disposal results, and make improvement suggestions.

The Company focuses on breaking down cross-departmental barriers in risk management, promoting collaboration across related departments in the full lifecycle risk management process, establishing risk management information communication channels and reporting mechanisms, ensuring the efficient circulation of risk information discovered during assessments. Additionally, the Company incorporates the performance of risk management duties into the performance evaluation system of each affiliated unit, ensuring the effective implementation of risk management responsibilities.

Risk management process

The Company has gradually established a closed-loop management process covering information collection, identification and assessment, response and handling, and dynamic monitoring to ensure the standardized and efficient operation of the risk management system.



Risk culture development

The Company integrates risk management into its corporate culture-building efforts at all levels, creating an environment that fosters a risk management culture. Through regular training and awareness-raising initiatives, the Company enhances employees' risk management awareness, transforming this awareness into a shared understanding and conscious action among staff, promoting the establishment of a systematic, standardized, and efficient internal risk management mechanism.

Signing a service contract with MTI Network and conducting practical media response and public relations training

Case

The Company signed a specialized service contract with MTI Network, a crisis communication and reputation management firm, entrusting them with services such as 24/7 media monitoring and analysis, information release and communication support, media response, and press release support to help the Company manage information dissemination effectively during emergencies and maintain its corporate image.

In April 2025, the Company invited MTI Network's expert team to conduct media response training for management and crew members. The training, which combined theoretical teaching, scenario simulations, and practical drills, further enhanced the participants' emergency response communication and media response capabilities, strengthening reputation risk control levels.



Training of the Maritime Law of the People's Republic of China

Case

In December 2025, the Company invited Yang Yunfu, the director of the Maritime Law Committee of the All China Lawyers Association, to conduct an online training session on the new *Maritime Law* for shore-based employees and crew members. The training focused on the revision process of the *Maritime Law* and its impact on shipowners, and addressed practical issues such as coastal cargo transportation, ship insurance, ship financing, and environmental pollution, effectively enhancing key personnel's understanding and practical application of the new *Maritime Law* across business, finance, insurance, legal, and crew management functions.



Key performance

During the Reporting Period,

the Company conducted **3** internal risk training sessions with a total of **183** participants and a total duration of **170** hours; we also held **2** legal training sessions, with **71** participants and a total duration of **201** hours.

Strengthening internal controls

The Company regards strengthening internal controls as a fundamental measure for managing risks, strictly adhering to the *Basic Norms for Enterprise Internal Control* and its supporting guidelines, as well as regulatory requirements. It has formulated the *Audit Management System* and the *Internal Audit System*, and has built an efficient internal control system in line with its internal control regulations and evaluation methods. The Board of Directors is fully responsible for evaluating the effectiveness of internal controls and ensuring the truthful disclosure of the internal control evaluation report. The Audit Committee independently exercises its supervisory rights, and the internal audit function plays a key role in risk prevention and internal control. The management is responsible for organizing the daily operation of internal controls. During the Reporting Period, the Company has maintained effective internal controls over financial reporting in accordance with the in-house internal control framework and related regulations, with no significant internal control deficiencies identified in non-financial reporting areas.



Strengthening ship auditing supervision to solidify cost and risk management

Case

The Company has established a regular auditing and supervision mechanism covering the entire shipbuilding and repair process. Through collaboration between internal and external audits, the Company conducts comprehensive reviews of ship construction final settlements, repair quotations, and project settlements. During the Reporting Period, the Company implemented a joint final settlement audit for new shipbuilding projects, while advancing the review of ship repair quotations and ship settlement audits. Through standardized and detailed auditing supervision, the Company effectively reduced unreasonable costs, strictly controlled operating expenses, improved the efficiency of fund utilization, and further enhanced the internal control management system, fortifying the Company's compliance operations and risk prevention defenses.



On-site special audits for shipbuilding and repair

Key performance

During the Reporting Period,

the Company completed a total of **19** internal audits, including **8** internal audits of the Company and **6** departmental audits, and conducted **5** special audits for ship settlement; the Company issued **19** copies of supervision and audit reports, and the rectification rate of key issues reached **99.99%**.

Tax management

The Company strictly complies with current national tax laws, regulations, and policy requirements. In line with its operational and development needs, the Company has developed and continuously improved its tax management rules and regulations, standardizing tax processes and constructing an effective tax risk management system. The Company sets up special tax management positions, clearly defining their responsibilities and authority with full delegation, and conducts regular professional training in accounting and tax practices to enhance team competency, effectively reducing potential tax risks and ensuring the Company's tax management is legal, compliant, and efficient. During the Reporting Period, the Company did not encounter any significant tax violations or engage in any major tax-related litigation or arbitration.



Tax management training

Investor Relations Management

Investor communication

The Company places great importance on information communication with investors and strictly follows the *Guidelines for the Management of Investor Relations of Listed Companies* and internal *Investor Relations Management System*, in accordance with legal and regulatory requirements. Through various communication channels such as investor briefings, roadshows, irm.cninfo.com.cn, investor surveys, analyst meetings, visits, forums, and investor hotlines, the Company strengthens investor understanding and recognition, continuously improving investor relations management to facilitate the effective transmission of the Company's value.



2025 performance briefing

Key performance

During the Reporting Period, the Company hosted **3** investor activities, including **2** on-site investor research visits, totaling **16** investor visits; responded to **27** investor inquiries on irm.cninfo.com.cn, achieving a **100%** response rate.

Information disclosure

Since the Company's listing in 2021, it has consistently adhered to the principles of "true, accurate, complete, timely, and fair" information disclosure. The Company revised its *Information Disclosure Management System* to continuously improve the information disclosure mechanism, effectively enhancing corporate governance and fostering a harmonious, mutually growing investor relationship. While ensuring timely, effective and compliant corporate information disclosure, the Company strictly implements the *Internal Reporting System for Insider Information* to ensure the registration and filing of insider information personnel, safeguarding the security of insider information and protecting the legitimate rights and interests of the Company, its shareholders, and investors.

From 2022 to 2024, the Company received the highest Grade A rating for information disclosure from the Shenzhen Stock Exchange for three consecutive years, fully reflecting the regulators' recognition of the Company's efforts in information disclosure quality, governance standards, and protection of investors' rights and interests. During the Reporting Period, the Company was awarded the "Golden Bull Award – Golden Information Disclosure Award" by China Securities Journal for the first time.



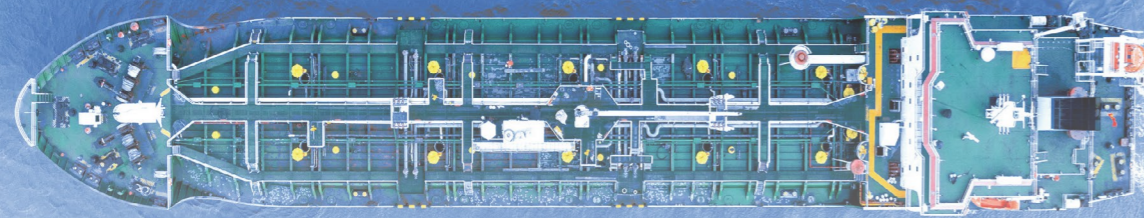
Shenghang Group was awarded the Golden Bull Award – 2024 Golden Information Disclosure Award



Received Grade A ratings for information disclosure from the Shenzhen Stock Exchange for three consecutive years from 2022 to 2024

Key performance

During the Reporting Period, the Company publicly disclosed **6** regular reports and **162** interim reports.



Protection of shareholders' rights and interests

The Company strictly follows relevant laws and regulations and the profit distribution policies stipulated in the Company's *Articles of Association*. It has established a scientific and effective profit distribution decision-making process and adjustment mechanisms, ensuring open and transparent distribution process and compliant decision-making, fully protecting the information rights and participation rights of minority shareholders, and safeguarding their legitimate rights and interests. The Company always places great importance on shareholder returns. In accordance with the *Three-Year Share Dividend Return Plan of NANJING SHENGHANG SHIPPING CO., LTD. (2023-2025)*, and based on actual business operations and development needs, it steadily advances the formulation and implementation of cash dividend plans, maintains the continuity and stability of the Company's profit distribution policy, and continuously enhances investor confidence. The Company attaches great importance to investor returns. In recent years, the total amount and proportion of dividends have maintained a year-on-year increase, and the Company has actively repaid shareholders through sustained and stable cash dividends.

Dividend information in recent three years

Indicator	Unit	2023	2024	2025 (proposed)
Cash dividend per share	RMB/share	0.12	0.12	0.15
Total dividend (including tax)	RMB 10,000	1,989.56	2,225.29	2,781.62
Percentage of net profit attributable to shareholders of listed company	%	10.93	16.23	25.61

Note: The 2025 data represents the proposed profit distribution plan. The final details will be subject to the subsequent actual profit distribution plan.

Strengthening market value management

The Company has established a *Market Value Management System* in accordance with relevant laws and regulations, following the principles of "compliance, scientificity, systematicness and regular practice." We have built an organizational system for market value management, led by the Board of Directors, with the Securities Affairs Department executing and collaborating with departments and subsidiaries.

The Company conducts standardized market value management operations. We insist on independent value creation, keep focusing on our core business, and carry out relevant work in multiple aspects including improving the overall quality as a listed company, enhancing the quality of information disclosure, strengthening investor relations management, and continuously boosting core competitiveness and service capabilities. The Company aims to elevate its market image and brand value, fully realize corporate value, establish a stable and high-quality investor base, and gain long-term market support; strives to achieve the dual goals of maximizing the Company's overall interests and increasing shareholder wealth, and promote the convergence of market value and intrinsic value.

Business Ethics

The Company's core values are "Integrity drives prosperity, faith ensures sustainability," and it has established and continuously improved a business ethics code covering all business processes. The Company strengthens anti-commercial bribery, anti-monopoly, and anti-unfair competition management capabilities, establishing a full-chain risk prevention and control mechanism based on "system constraints, process management, and supervision accountability," minimizing the occurrence of commercial bribery and unfair competition, and collaborating with business partners to build a fair, just, honest, and win-win cooperative environment.

Key performance

During the Reporting Period,

the Company did not experience any lawsuits or significant administrative penalties due to commercial bribery, corruption, or unfair competition.

Anti-corruption and anti-commercial bribery

Anti-commercial bribery management

The Company integrates anti-commercial bribery into the overall compliance management framework, combining it with the internal control system, and has developed the *Anti-Commercial Bribery Management Manual* and *Anti-Commercial Bribery Management Measures*, clarifying the responsibilities of the Board of Directors and management, and appointing the Chief Anti-Commercial Bribery Compliance Officer to head the Risk Control Department in the Company's anti-commercial bribery management.



Board of Directors and management

Promote the establishment and improvement of the Company's anti-commercial bribery management system, approve the anti-commercial bribe management system, and supervise its implementation.



Risk Control Department

Formulate the Company's anti-commercial bribery-related rules and systems, work plans, and implementation plans, strengthen the prevention and control of integrity risks in key business areas, urge the relevant departments to implement the anti-commercial bribes implementation plans, coordinate anti-commercial bribe training, and investigate and handle commercial bribery.



Departments and affiliated units

Implement the Company's anti-commercial bribery management system, identify commercial bribery risks, formulate prevention and control measures, and implement the anti-commercial bribe implementation plan.

Integrity risk prevention and control



Internal control

- Establish a compliance management system for anti-commercial bribery that aligns with the Company's strategic goals;
- The management makes an anti-commercial bribery commitment at the Company level;
- Important personnel above the level of Company managers shall sign the *Integrity Commitment*, and all employees shall sign the *Integrity Practice Agreement*;
- Carry out integrity risk identification in important business areas, assess the manifestation of commercial bribery risks, the possibility of risk occurrence, and the degree of impact, and formulate risk prevention and control measures;
- Incorporate integrity into performance appraisals;
- Organize anti-commercial bribery training once a year.



External management

- Conduct due diligence on potential new business partners;
- Organize suppliers and brokers to sign the Anti-Commercial Bribery Commitment;
- Encourage suppliers to include anti-commercial bribery clauses in supply contracts;
- Establish a "commercial bribery blacklist" of customers and suppliers;
- Incorporate anti-commercial bribery clauses into bidding documents and business contracts;
- Carry out anti-commercial bribery publicity and communication.

Key performance

During the Reporting Period, the signing rate of the *Integrity Practice Agreement* by shore-based employees was **100%**.

Anti-monopoly and anti-unfair competition

The Company is committed to fair competition, strictly adhering to the *Anti-Monopoly Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, and other relevant laws and regulations. The Company has developed related systems for *Anti-Monopoly Compliance Management*, strengthening and improving its internal anti-monopoly compliance management. The Company upholds the principle of treating all market entities equally and firmly opposes unfair competition practices. It actively maintains a healthy and orderly market competition ecosystem and adheres to the corporate business ethics code.

Business ethics training

To standardize employees' business conduct, the Company conducts diversified business ethics training and promotes integrity culture among all employees. The Company strengthens employees' competency in performing duties in compliance with regulations through systematic training, promotes the penetration of integrity awareness among all staff via diversified publicity activities, and continuously reinforces the bottom-line mindset of compliance in anti-corruption, anti-commercial bribery, anti-monopoly and anti-unfair competition. This effectively consolidates the ideological defense line for the enterprise's compliant operation.

Key performance

During the Reporting Period, the Company held one training session on anti-corruption, anti-bribery, and anti-unfair competition, which lasted a total of **111** hours, with **111** participants including **4** directors and senior managers.

Anti-commercial bribery and anti-unfair competition training

Case

In November 2025, the Company organized anti-commercial bribery and anti-unfair competition training. The training used case analysis and regulatory interpretation to focus on key operation points of integrity risk, guiding employees to uphold business ethics, clarify the legal consequences of corruption, and consciously resist unfair competition. The goal was to strengthen employees' awareness of compliance and foster integrity in their work.



Reporting mechanism

The Company has established a comprehensive and effective reporting mechanism. All stakeholders can report unethical conduct by telephone, letter, email, or by directly to the relevant acceptance department and provide evidence of the violation. The Company undertakes to keep the personal information of the reporter and the content of the report strictly confidential, and it is strictly forbidden for the relevant investigators to disclose the name, identity, and any other information of the reporter to anyone.

Reporting channels

- Report acceptance department: Risk Control Department of NANJING SHENGHANG SHIPPING CO., LTD.
- Address: Building 7, No. 12, Xinglong Road, Nanjing Area, China (Jiangsu) Pilot Free Trade Zone
- Reporting hotline: 025-85668800
- Supervision email: njshhy@njshshipping.com



02

Guarding the Blue, Leading with Green

ESG material topics covered in this Chapter

- Response to climate change
- Environment compliance management
- Pollutant emission
- Waste disposal
- Energy utilization
- Water resource utilization
- Circular economy
- Ecosystem and biodiversity conservation

SDGs Responded to in this Chapter



Response to Climate Change

Governance

Shenghang Group deeply understands the potential impact of climate change on business continuity, asset security, and supply chain stability, integrating climate governance into the sustainable development strategy. With a comprehensive ESG governance framework, the Company has built a clear and efficient climate change management system. The Board of Directors, as the core decision-making body, plays a leading role in formulating and reviewing climate-related strategies and policies, and regularly evaluates and supervises the outcomes. The ESG working group leads the specific implementation and coordinates with relevant departments to ensure that climate-related goals and measures are integrated across business operations.

The Company actively participates in the green and low-carbon ecosystem of the shipping industry. It has been selected as a Member of the Northeast Asia Alliance for Green Marine Fuel Supply Chain, working closely with upstream and downstream enterprises in the industry to promote the application of clean marine fuels, contributing to building a low-carbon, sustainable marine fuel supply system and reducing greenhouse gas emissions in the shipping industry.



▲ Certificate of Honor as the Member of the Northeast Asia Alliance for Green Marine Fuel Supply Chain

Strategy

The Company's strategic focus is to "maintain and actively improve its own resilience to climate change." The Company closely aligns these frameworks with its business realities. It systematically identifies and evaluates the risks and opportunities posed by climate change, advancing targeted response measures to continuously enhance its climate adaptability and resilience.



Climate risk identification and assessment

Type of risk	Risk description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Physical risk	Acute risk Extreme weather: Severe wind, severe convective weather, dense fog, typhoon and other severe weather conditions causing damage to goods or delayed delivery, affecting performance efficiency; shipment delays, resupply impediments, etc., increasing additional fuel consumption costs.	High	Medium to long term	Operations	Increase in operating costs Increase in litigation, compensation and fines Increase in insurance costs	1. Optimize route planning scientifically, develop differentiated risk-resistant navigation plans. 2. Establish a "ship-shore" dual-end early warning response mechanism, requiring the crew to receive daily meteorological updates and shore-based supervisors to track weather conditions in the sailing areas in real time; 3. Improve emergency material reserves and emergency drills to enhance cargo protection and personnel safety under extreme weather; 4. Implement safety risk classification control and ship voyage safety risk assessment systems per the <i>Work Safety Responsibility Guidelines for Shipping Enterprises</i> by the Maritime Safety Administration of the Ministry of Transport.
	Chronic risk Rising sea levels: Rising global temperatures leading to sea level rise and extreme wind speed changes increase the difficulty of ship navigation and grounding risks, affecting the stability of long-term transport networks.	High	Long term	Operations	Increase in default costs Increase in operating costs	1. Optimize fleet structure to adapt to different water depth requirements of waterways and reduce risks in shallow water channels; 2. Focus on changes in the operating environment of waterways, ports, and other areas, ensuring cargo transportation and ship docking requirements in special environments while maintaining stable transport service quality.
Transition risks	Policy risks Carbon tariffs and carbon regulation policies: The global shipping industry is accelerating its integration in cross-border carbon regulatory framework (e.g., IMO Carbon Intensity Indicator CII, European Union Carbon Border Adjustment Mechanism CBAM). The Company's foreign trade fleet operations need to meet various carbon emissions quota allocation, trading, and compliance requirements. Failure to adapt timely may result in port access restrictions, ship detention, carbon quota fines, and other issues, potentially impacting foreign trade business expansion.	Medium	Medium to long term	Upstream, operations, and downstream	Increase in operating costs	Led by the General Manager, each ship management department cooperates with the establishment of a special energy conservation and emissions reduction working group. The group tracks global regulatory and policy dynamics, formulates green transformation plans, and actively takes actions to reduce carbon emissions, ensuring the Company's compliance with operational regulations while achieving carbon reduction targets.

Type of risk	Risk description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Transition risks	Technical risk New energy technology application and transformation: As the shipping industry transformation to new energy sources (e.g., methanol, ammonia, hydrogen fuel), the Company's existing fleet may face challenges such as technical compatibility issues, suboptimal operational efficiency, and higher maintenance costs.	Low	Medium to long term	Upstream and operations	Increase in R&D expenditure Increase in operating expenses	1. Strengthen strategic cooperation with higher education institutions, scientific research institutions, and equipment suppliers to gradually promote green shipping technology transformation. 2. Cultivate an internal technical talent team through external resources, enhancing technical application and fault resolution capabilities.
	Reputational risk Environmental image and responsibility fulfillment: If the Company's relevant emission reduction management and energy efficiency management measures are inadequate, or if the Company's carbon reduction measures are ineffective, the ship energy efficiency level is low, or climate-related negative environmental events occur, the Company's image and reputation may be damaged, resulting in decreased trust from customers, investors, and regulatory bodies, which may affect long-term partnerships and brand value.	Medium	Short term	Operations, downstream	Increased financing difficulty Decrease in operating revenue	1. Formulate and strictly implement a green development strategy, incorporating carbon reduction targets into the Company's medium- and long-term development plans; 2. Standardize ESG information disclosure, release high-quality ESG reports on time, and proactively disclose energy-saving and emission-reduction results as well as progress on climate risk responses to stakeholders.
	Market risk Intensified competition in the shipping market: Against the backdrop of global economic recession and weak demand in the chemicals market, a large number of energy-saving and environmentally friendly new bulk liquid chemical tankers have been introduced into the market, intensifying industry competition. If the Company fails to upgrade and retrofit old ships and optimize capacity structure in a timely manner, it may face the risk of weakened competitiveness and squeezed profit margins, which could impact core business revenue.	Medium	Medium to long term	Operations, downstream	Decrease in operating revenue	Enhance market research and trend forecasting, actively explore new opportunities in the clean energy transport sector, promote the "one out, one in" capacity replacement plan, and adjust business strategies and service models in a timely manner to ensure fleet capacity matches market trade demands.
	Market risk Shift in consumer low-carbon demand: Customers prefer to choose energy transportation services that produce no or less carbon emissions (such as carbon neutrality in product transportation). If the Company fails to match customers' low-carbon demands in a timely manner, it may face the risk of customer loss.	Medium	Medium to long term	Operations, downstream	Increase in operating costs	Strengthen customer demand insights, closely track market trend changes, and adjust strategic layout and fleet structure in a timely manner to enhance market responsiveness and resource allocation precision.

Climate opportunity identification and assessment						
Opportunity type	Opportunity description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Energy transition opportunities	The global shipping industry's energy structure transformation is accelerating, and the Company is actively promoting clean energy development and exploring the application of green shipping technologies. This not only helps effectively reduce greenhouse gas emissions but also positions the Company to take the lead in the industry's green transformation.	Medium, high	Medium to long term	Operations	Reduce fuel procurement costs Obtain subsidies or preferential policies related to new energy	Increase financial investment to build a green fleet, and promote the development of renewable energy ships and the preparation of related facilities.
Technology opportunities	Rely on the iterative upgrading of intelligent shipping technology and the digital optimization of operational processes to reduce fuel consumption while simultaneously improving the ship's energy efficiency and transportation turnover efficiency.	Medium	Short and medium term	Operations	Reduced operating costs	1. Optimize the ship intelligent energy efficiency management system and digital-intelligent green ship energy efficiency monitoring platform to realize real-time monitoring and dynamic optimization of energy consumption data; 2. Incorporate energy efficiency indicators into the management assessment system to effectively incentivize technological innovation and operational optimization.
Market opportunities	Customer demand for low-carbon and environmentally friendly shipping services is growing, and companies with low-carbon/zero-carbon shipping service capabilities are more likely to attract customer preference, which helps enhance brand green value, increase customer cooperation loyalty, and expand market share.	Medium	Medium term	Downstream	Increase in operating revenue	Accelerate the deployment of low-carbon/zero-carbon fuel-powered new ship types, promote the full coverage of shore power systems on vessels, and strengthen market competitive advantages.

Note: When describing the impact time range of risks and opportunities, they are divided into three time periods: short-term (within 1 year), medium-term (1-5 years) and long-term (more than 5 years), so as to more clearly show the potential impact of these factors on the future development of the Company; the same applies hereinafter.

Impact, risk, and opportunity management

The Company incorporates climate change risk management into the overall risk management system, strictly following standardized risk management processes. It comprehensively identifies the climate risks faced in operations and evaluates them from key dimensions such as likelihood, impact period, and potential financial impact. By formulating targeted preventive measures, the Company aims to control climate-related risks at an acceptable level. At the same time, the Company systematically evaluates development opportunities arising from climate change, aligns them with actual operational needs, and flexibly optimizes opportunity utilization strategies to achieve the coordinated advancement of risk control and value creation.

Indicators and targets

In 2024, responding to the national "dual carbon" goals and the *Initial IMO Strategy on Reduction of GHG Emissions from Ships*, the Company formulated a three-step strategy for green and low-carbon transformation and development. It specified that in its short-term plan for 2024–2025, the Company will ensure its fleet complies with energy conservation and emission reduction regulatory requirements, and conduct demonstration applications of new energy and new energy-saving and emission-reduction technologies. During the Reporting Period, the Company actively promoted the implementation of the strategy for green and low-carbon transition, the fleet continued to meet the relevant performance requirements for energy conservation and emission reduction, the demonstration and application of new energy and new energy conservation and emission reduction technologies were carried out in an orderly manner, and the short-term phased goals were basically achieved.

Furthermore, in view of the current operation of the owned fleet and the company's future development plan, the company has dynamically optimized and adjusted its original strategic plan. Taking 2025 as the base year, it has further clarified the key phased priorities, so as to better align with the company's actual operational characteristics and ensure the steady realization of the long-term vision of net-zero emissions through a more pragmatic approach.

2025–2060 "Three-step" strategy

Short-term plan



(2025–2030)

Focusing on synergistic efforts in "Management Efficiency Improvement Fleet Iteration Infrastructure Renovation":

- On the management side, invalid energy consumption of the existing fleet is reduced by optimizing sailing speed and routes, scientifically formulating tank cleaning and cargo thermal insulation processes, and strengthening the full-life-cycle management and control of high-energy-consuming equipment such as main and auxiliary engines and boilers;
- On the fleet side, in accordance with the "one out, one in" principle, high-energy-consuming old and aging vessels are gradually phased out, and newly built ships prioritize the installation of energy-saving devices such as high-efficiency propellers, fairings, anti-whale fins, and energy-saving rudders;
- On the technology side, measures such as applying selected organosilicon drag-reducing coatings for the hull are simultaneously implemented on internationally trading vessels to ensure compliance with the basic emission reduction regulations of the International Maritime Organization (IMO).

Medium-term plan



(2031–2045)

Focusing on breakthroughs in "Technology Upgrading Fleet Optimization Intelligent Empowerment":

- The coverage of the "one out, one in" principle for the fleet is further expanded. Green energy ship types such as liquid ammonia/methanol-powered vessels are gradually adopted in new ship orders, and more advanced new energy-saving processes and technologies are introduced;
- Intelligent energy consumption monitoring systems and dynamic route optimization modules are installed on main vessels to promote the effective implementation of digital transformation and further enhance emission reduction efficiency.

Long-term plan



(2046–2060)

Promoting the implementation of cutting-edge technologies and the green transformation of the fleet:

- The existing fleet is gradually adapted to zero-carbon fuels such as green ammonia/green hydrogen. Meanwhile, new technologies such as marine carbon capture and all-electric power systems are applied to explore innovative processes such as hull lightweight design and new energy-saving materials;
- The "one out, one in" principle is comprehensively shifted to zero-carbon power new ship types, building a near-zero-carbon operation model to support the implementation of the national dual carbon strategy.

GHG emissions

Indicator	Unit	2025
Direct GHG emissions (Scope 1)	tCO ₂ e	199,909.99
Ships - fuel	tCO ₂ e	199,859.52
Official vehicles - fuel	tCO ₂ e	45.06
Canteen - Natural gas	tCO ₂ e	5.41
Indirect GHG emissions (Scope 2)	tCO ₂ e	262.01
Purchased electricity	tCO ₂ e	262.01
Other indirect GHG emissions (Scope 3)	tCO ₂ e	52,206.00
Ships - fuel	tCO ₂ e	52,206.00
Total GHG emissions	tCO ₂ e	252,378.00
GHG emission intensity	tCO ₂ e/RMB1 million operating revenue	174.92
GHG emissions reduction	tCO ₂ e	36.39

1. In 2025, the Company further refined the greenhouse gas accounting scope in light of its ship operation mode. Self-operated ships and bareboat chartered-in ships are directly operated by the Company, and their relevant emissions are included in Scope 1. Fuel consumption of time-chartered ships and bareboat chartered-out ships is controlled by the charterer, and their relevant emissions are included in Scope 3 (Category 13: Assets leased downstream). In addition to greenhouse gas emissions from ships, greenhouse gas emissions (Scope 1) also include fuel consumption of shore-based official vehicles and natural gas consumption of staff canteens;

2. The calculation of greenhouse gas emissions (Scope 1 and Scope 3) refers to *Lifecycle Greenhouse Gas (GHG) Emission Intensity Calculation and Certification Guidelines for Marine Fuels (2023)* issued by China Classification Society, as well as Appendix II of the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industrial Sectors (for Trial Implementation)*; Relevant carbon emission data have not yet been verified by a third party.

3. Greenhouse gas emissions (Scope 2) mainly derive from purchased shore-based electricity, and the calculation refers to the *2023 Power Sector Carbon Dioxide Emission Factors*;

4. Greenhouse gas emission reductions originate from shore-based photovoltaic power generation, and the calculation refers to the *China Power Industry Development Report 2024* and the *General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

Carbon neutrality path

The Company's greenhouse gas (GHG) emissions mainly come from direct emissions during ship operations. To achieve net-zero emissions, the Company has developed differentiated carbon neutrality implementation paths for international shipping and domestic shipping businesses. By focusing on fleet optimization, technological upgrades, and energy substitution, the Company is effectively implementing various emission reduction measures to fulfill its commitment to green, low-carbon development.

Main technical path



- We will continue to promote the optimization and adjustment of the fleet's capacity structure, combine it with the ship EEXI/CII energy efficiency assessment, upgrade or replace old ships with new ships through methods such as "one out, one in.", accelerate the elimination of old ships and outdated ship types with backward technology, low energy efficiency and poor cargo capacity, and promote the development of ships toward higher-end, specialized, and intelligent directions. This will improve energy efficiency utilization and ship suitability, reducing fleet energy consumption.



- Actively adopt advanced ship design and apply new green energy-saving technologies in new shipbuilding to achieve EEDI that meets or exceeds IMO Phase III energy efficiency requirements.



- Carry out application research on biofuels and carbon capture technologies and promote their application as the main technical paths in the short and medium term.



- Carry out technical application research on alternative energy sources such as methanol, liquid ammonia and hydrogen, and gradually replace them when conditions permit.

Organic silicon coating application of "NAN LIAN 18" vessel Case

In line with the trend of low-carbon transformation in shipping, the Company has adopted the "NAN LIAN 18" vessel as a pilot project, applying long-lasting organic silicon anti-fouling paint. This coating has low resistance, energy-saving, and environmentally friendly characteristics, making it compliant with international energy efficiency standards such as EEXI/CII. Actual data shows that after the coating, the ship's fuel consumption significantly decreased. Under the same operating speed, fuel consumption dropped by 7.90%, and in high-load conditions, it saved 108 tons of fuel annually, reducing greenhouse gas emissions by 329.10 tCO₂e.

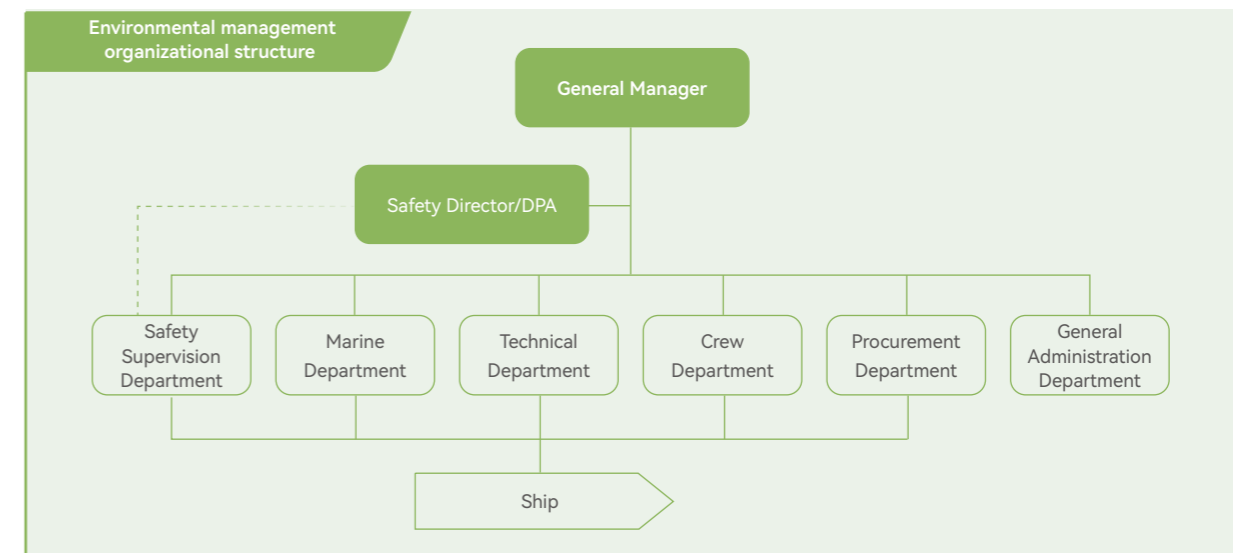


Launch of the green new vessel "Shenghang Caifu" Case

On December 11, 2025, the Company's newly built II-type high-end stainless steel chemical tanker "Shenghang Caifu" officially began operation in Yangzhou, marking a key step in the Company's fleet low-carbon upgrade and market competitiveness enhancement. The tanker focuses on low-carbon emission reduction design. The main propulsion system is equipped with a selective catalytic reduction (SCR) device to efficiently reduce nitrogen oxide emissions, meeting the International Maritime Organization (IMO) Tier III standards. At the same time, it is equipped with a PTO shaft generator, significantly enhancing energy efficiency levels and reducing carbon emission indexes, in compliance with IMO EEDI Phase 3 standards. The fuel economy of this vessel is significantly improved compared to the Company's similar vessels.



The Company conscientiously fulfills its environmental protection responsibilities by formulating relevant systems such as the *HSEEn Occupational Health Safety, Environmental, and Energy Management Manual* and the *Environmental Protection Management Procedures*, establishing a shore-based collaborative environmental management system that aligns with its business operations. The General Manager, as the first person responsible for environmental management and pollution prevention and control, is responsible for guiding and promoting the effective implementation of environmental policies and environmental management objectives. The Safety Director/DPA is appointed as the environmental director to comprehensively supervise the environmental compliance of the Company's shore-based and ship-based environment, and the relevant functional departments are responsible for implementing various environmental protection regulations to comprehensively regulate the management of shore-based and ship-based environment activities.



Functional department	Environmental management responsibilities
Safety Supervision Department	<ul style="list-style-type: none"> Track the implementation of environment activities of each department; Carry out investigation and identification of environmental factors.
Marine Department	<ul style="list-style-type: none"> Be responsible for the safety of ship shipping and cargo operation to avoid environmental pollution; Guide the implementation of measures such as ship route optimization to reduce fuel consumption and exhaust emissions.
Technical Department	<ul style="list-style-type: none"> Introduce advanced technology and environmental protection equipment to reduce pollutant emissions; Supervise the maintenance of the ship to eliminate leakage.
Crew Department	<ul style="list-style-type: none"> Organize training on energy conservation, emissions reduction and environmental protection to enhance the crew's awareness of environmental protection.
Procurement Department	<ul style="list-style-type: none"> Procure environmentally friendly marine materials with minimal impact on the environment.
General Administration Department	<ul style="list-style-type: none"> Be responsible for the management of environment activities in shore-based office.

Environment Compliance Management

Governance

Shenghang Group adheres to the "green, eco-friendly, energy-saving, and emission-reducing" environmental management philosophy, actively responds to international environmental conventions and initiatives such as the *United Nations Convention on the Law of the Sea* and the *International Convention for the Prevention of Pollution from Ships* (MARPOL Convention), strictly follows domestic and local laws and regulations such as the *Law of the People's Republic of China on Environmental Protection*, *Marine Environmental Protection Law of the People's Republic of China* and the *Regulations on the Prevention and Control of Ship Pollution to the Marine Environment*, and is committed to achieving excellent environmental performance in safe ship operation.

Key performance

During the Reporting Period,

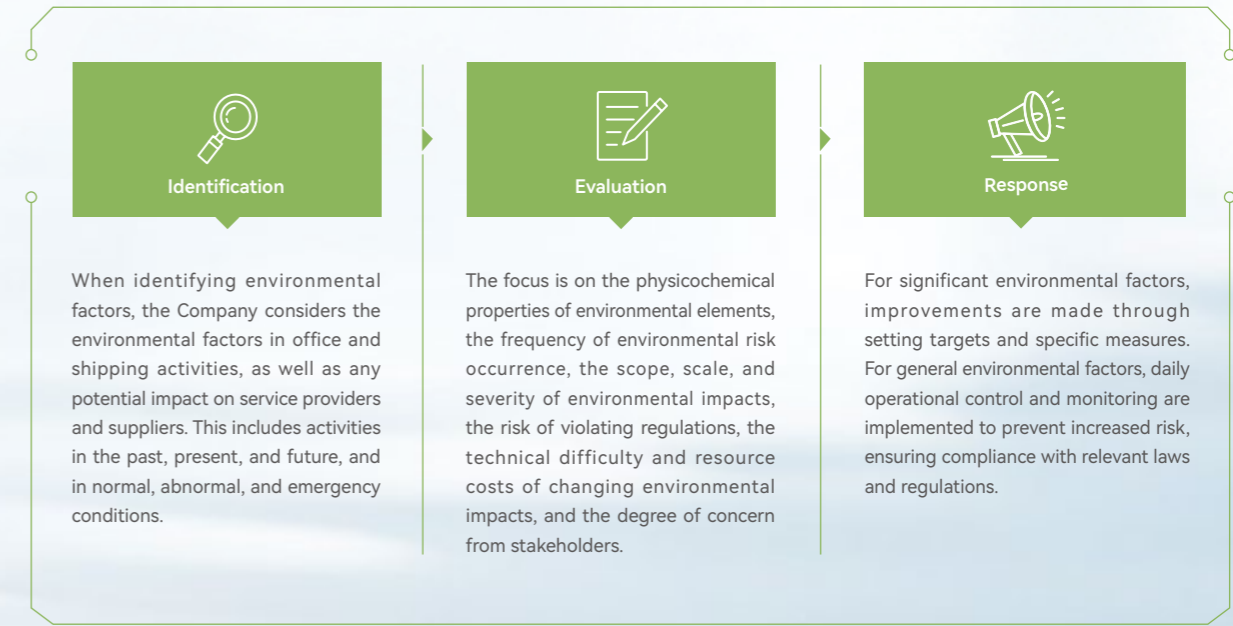
the Company's environmental protection expenditure totaled RMB 4.53 million, accounting for 0.31% of the operating revenue. The Company did not receive any major administrative penalties from the relevant departments such as the ecology and environment departments or be held criminally liable for environment incidents.

Impact, risk, and opportunity management

Environment risk management and control

The Company implements the management mode of prediction, early warning, and monitoring of important environmental factors, strictly following the *Environmental Factors Assessment and Operational Control Procedures*. It determines the assessment criteria of important environmental factors by comprehensively considering the environmental and operational impacts, and updates and adjusts it according to business activities and changes in laws and regulations.

Environmental Factor Management Procedures



Environmental emergency response management

The Company has established a systematic emergency management mechanism. The emergency response team is led by the General Manager, who is fully responsible for overseeing, coordinating, and making decisions on emergency actions. The execution departments collaborate according to their responsibilities. The Company has simultaneously formulated environmental pollution emergency plans and marine pollution emergency plans for ships. It regularly conducts emergency training and drills to comprehensively improve its ability to prevent and respond to environmental emergencies, ensuring operational safety and environmental compliance.



As of the end of the Reporting Period, the Company and its subsidiary Shenghang Haoyuan have passed the ISO 14001:2015 environment management system certification, and all its operating ships have obtained corresponding anti-fouling certificates, anti-oil pollution certificates, anti-domestic sewage pollution certificates, anti-air pollution certificates and anti-ship garbage pollution certificates in accordance with the requirements of the relevant international conventions or domestic ship inspection rules applicable to them.



ISO 14001 Environmental Management System Certification of Shenghang Group and its Subsidiary Shenghang Haoyuan

Strategy

The Company places environmental risk prevention and control at a strategic management priority, standardizing and improving the environmental factor identification management process. It also formulates targeted response strategies, ensuring environmental compliance while steadily promoting the green transformation and sustainable development of the industry, contributing to the achievement of the “zero pollution” strategic goal.

Environmental risk identification and assessment						
Type of risk	Risk description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Compliance risk	Various pollutants and waste are generated during daily transportation of ships, such as oily wastewater, tank cleaning water, combustion exhaust gases, and waste. If not properly handled and discharged in compliance with standards, it could result in environmental pollution, leading to fines and litigation compensation.	High	Short and medium term	Operations, downstream	Increased environmental compliance costs	1. Regularly organize anti-pollution training to enhance the environmental awareness of all employees; 2. Strengthen the control of pollutant generation process to reduce the emission and toxicity of pollutants from the source; 3. Strictly implement end-of-pipe treatment, and all ships are strictly equipped with anti-pollution facilities to ensure up-to-standard discharge.
Operational risks	Fires, explosions, leaks of hazardous materials and other sudden environment accidents caused by improper crew operations and equipment failures can cause serious damage to the natural ecological environment; the accident may cause loss of ships and goods, breach of contract, damage to reputation, and compensation for environmental pollution caused by the accident.	Low	Medium to long term	Operations, downstream	Decrease in operating revenue Increase in default costs Increased environmental compliance costs	1. Strengthen crew operation skill training, improve skill level, and strictly standardize operation process; 2. Regularly carry out equipment inspection and maintenance, and troubleshoot in time; 3. Formulate emergency plans for environment accidents and organize emergency drills.
Policy risks	Environmental policies and regulations are becoming increasingly stringent, and pollutant emission standards are being raised; more manpower, material and financial resources need to be invested to improve the level of pollution prevention and control.	Medium	Medium to long term	Operations	Increase in operating costs	Introduce new technologies, new processes and environmental protection equipment to reduce pollutant emissions to meet the requirements of new standards.

Ship-shore joint emergency drill for hazardous chemical leak

Case 

On June 24, 2025, the Company's "NAN LIAN 16" vessel, in collaboration with Tianjin Hengyang Chemical Storage and Transportation Co., Ltd., conducted a special emergency drill for hazardous chemical leaks. The drill simulated a hazardous chemical leak accident in a realistic manner, covering multiple stages such as ship leak control, environmental pollution disposal, and personnel emergency transfer, testing the practical applicability of the ship-shore emergency plan and enhancing multi-party collaborative disposal capabilities.



Investigation of potential environmental hazards 

The Company regularly conducts potential environmental hazard investigation and management. On one hand, it continues to promote the "running, emitting, dripping, and leaking" special remediation, strengthening inspections and preventive maintenance for pipelines, valves, and hatch covers. On the other hand, the Company ensures that all operational ships are equipped with anti-pollution devices and have a regular maintenance mechanism in place. It conducts inspections and tests on key equipment such as sewage treatment devices, oil-water separators, and incinerators on a monthly basis, and updates or replaces non-compliant equipment promptly, eliminating risks of oil and chemical leaks at the source, and safeguarding the marine ecological environment.



Ship bilge oil pollution self-inspection



Indicators and targets

The Company adheres to the environmental goal of "zero pollution, no spillage" and continuously strengthens environmental compliance management to ensure that the Company's production and operations meet all environmental protection requirements, minimizing the impact of pollution emissions on the ecological environment. The Company has formulated a three-year environmental protection plan, set quantitative targets for wastewater, waste gas, waste and other environment indicators, and continuously tracked the Company's environmental management performance reflected in various indicators. At the beginning of each year, the Safety Supervision Department adjusts target values based on the completion of various environmental indicators from the previous year and in response to changes in both internal and external environments.

Wastewater management

The Company's shore-based office activities generate domestic sewage, which is centrally treated through the municipal sewage system. Oily sewage is pre-treated through an oil separation tank, which separates and recycles floating oil and grease. Regular dredging and maintenance are conducted to ensure compliance with discharge standards and environmental safety.

The wastewater generated during the operation of the Company's ships mainly includes domestic sewage, oily wastewater, tank cleaning water, and ballast water. To ensure compliance with wastewater discharge regulations, the Company strictly implements systems such as the *Instructions for Preventing Domestic Sewage Pollution*, *Instructions for Preventing Ballast Water Pollution from Ships*, and *Instructions for Preventing Ship Oil Pollution*, which specify the management requirements and discharge standards for each type of wastewater. The wastewater generated during the voyage of the ship is mainly treated in two ways: One is to enter the on-board collection facility, and after the ship berths, it is handed over to the third-party organization approved by the MSA of the People's Republic of China for treatment; Second, handle it by themselves according to the regulations, and discharge it into the environment water after reaching the discharge standards of the coastal state and the port state.

Main ship wastewater	Management and disposal method
Domestic sewage	All ships are equipped with domestic sewage treatment devices and the domestic sewage is treated by onboard systems and is discharged in compliance with standards or received by a third party.
Oily sewage	Oily wastewater is discharged after being treated by an oil-water separator or received by a third party after reaching discharge standards.
Tank washing water	Tank cleaning water is discharged in compliance with standards through the Oil Discharge Monitoring Equipment (ODME). The tank cleaning agent is optimized by using environmentally friendly detergents.
Ballast water	Ballast water replacement is carried out in strict accordance with the requirements of the <i>Ballast Water Management Plan and the Instructions for the Prevention of Ballast Water Pollution from Ships</i> . Ships involved in international routes are equipped with ballast water treatment equipment.

The wastewater discharge outlets on ships are equipped with monitoring devices. Through real-time monitoring and third-party sampling and testing, the Company ensures that wastewater discharge meets the requirements of the MARPOL Convention, the *Ship Water Pollution Emission Control Standards*, and other relevant standards. In addition, the Company continuously monitors the capacity and liquid level of the wastewater storage tank to prevent wastewater from spilling out of the tank.



Wastewater discharge treatment		
Indicator	Unit	2025
Volume of wastewater discharged to the sea (in compliance with regulations, either directly discharged or discharged after meeting standards through treatment)	m ³	96,665.47
Ship domestic sewage discharged to sea	m ³	12,143.60
Engine room oily sewage discharged to sea	m ³	0
Tank cleaning freshwater discharged to sea	m ³	84,521.87
Volume of wastewater disposed of by third parties	m ³	7,497.60
Ship domestic sewage for third party disposal	m ³	741.98
Engine room oily sewage for third party disposal	m ³	381.08
Tank cleaning sewage for third party disposal	m ³	6,374.54
Shore-based oily sewage treatment volume	m ³	12
Total wastewater discharge	m ³	104,175.07
Wastewater discharge intensity	m ³ /RMB1 million operating revenue	72.20

Exhaust gas management

For the oily fumes generated during the operation of the Company's office cafeteria, the Company has installed an oil fume purification system and regularly commissions a third-party professional unit for cleaning and maintenance of the exhaust system to ensure that emissions comply with environmental protection requirements.

During the fuel combustion process of the Company's ships, atmospheric pollutants such as sulfur oxides (SO_x), nitrogen oxides (NO_x), volatile organic compounds (VOCs), and particulate matter (PM) are generated. In response, the Company strictly follows international conventions and domestic standards regarding exhaust gas emission control. It has developed the *Instructions for Prevention of Air Pollution by Ships*, which specify exhaust emission control requirements to ensure that ship emissions of atmospheric pollutants are compliant and controllable.



Main ship air pollutants	Management and disposal method
Nitrogen oxides (NO _x)	The SCR exhaust treatment system is installed to treat and absorb NO _x .
Sulfur oxides (SO _x)	Use fuel oil that meets the sulfur content of the corresponding navigation area, and comprehensively promote the use of low-sulfur fuel; formulate standardized low-sulfur oil conversion procedures to strengthen fuel quality management. As of the end of the Reporting Period, the Company has installed desulfurization devices on 3 ships.
Volatile Organic Compounds (VOCs)	Liquid cargo ships are equipped with vapor collection systems to effectively collect VOCs generated during loading.
Particulate matter (PM)	Standardize operation management, strengthen equipment maintenance, ensure full combustion of fuel, and reduce particulate matter generation.
Ozone depleting substances (ODSs)	Real-time monitoring of the operation of refrigeration equipment and other equipment containing ODSs to avoid leakage; ships and equipment containing ODSs will be delivered ashore to the shore receiving facility for disposal.

The Company is committed to reducing the emission of various air pollutants from the source. The ship uses main engine, auxiliary engine, and other equipment that meet the air pollution emission requirements in the MARPOL Convention. Additionally, the Company continuously promotes the innovation and upgrading of ship technology, optimize ship design, improve the operating efficiency of main engines, and reduce pollutants.

Exhaust gas emissions		
Indicator	Unit	2025
Nitrogen oxide (NO _x) emissions	Ton	6,637.06
Nitrogen oxide (NO _x) emission intensity	Ton/RMB1 million operating revenue	4.60
Sulfur oxide (SO _x) emissions	Ton	288.87
Sulfur oxide (SO _x) emission intensity	Ton/RMB1 million operating revenue	0.20

Waste management

The Company implements a waste management model of “source reduction, classified recycling, and circular reuse”. In the shore-based office area, waste management is based on garbage classification. Waste such as used batteries and printer toner cartridges are specially recycled and handled, while other domestic waste is collected and disposed of by local sanitation departments. During the Reporting Period, the Company recycled a total of 101 batteries and 64 toner cartridges.

To minimize pollution to the marine environment, the Company strictly controls the discharge of ship waste. In accordance with the Supplementary Provisions of MARPOL 73/78 and the Guidelines for the Preparation of Ship Garbage Management Plan of the International Maritime Organization, the Company has formulated the Ship Garbage Management Plan, establishing a comprehensive system for the classification, collection, treatment, storage, and shore reception of ship garbage. It also maintains waste logs ship garbage logbook in accordance with the maritime authority of the flag state. Before ship garbage disposal, ships must undergo a segregation process. If prohibited substances or contaminants are found in the waste, discharge is strictly prohibited. The waste is then delivered to port reception facilities or qualified units for compliant disposal, effectively eliminating the risk of marine pollution.

Main ship waste types	Management and disposal method
Domestic waste	All garbage from inland river ships shall be delivered to shore for reception and treatment, and shall not be discharged outside; Except for food waste discharged 12 miles outside the territorial sea baseline, other waste shall be sent to shore for treatment and shall not be discharged;
Incinerable waste	Crushed and incinerated according to regulations, and the ash and slag shall be stored on the ship and sent to the port reception facility for treatment after arrival at the port.
Hazardous waste	Stored separately from other waste and handed over to a third-party agency for treatment after docking.

Ship waste generation and disposal

Indicator	Unit	2025
Non-hazardous waste generation	Ton	301.75
Non-hazardous waste generation intensity	Ton/RMB1 million operating revenue	0.21
Hazardous waste generation	Ton	389.68
Hazardous waste generation intensity	Ton/RMB1 million operating revenue	0.27
Regulatory-compliant waste disposal rate	%	100

Note: “Non-hazardous waste” mainly includes food waste and cooking waste oil on the ship.

Green operations practice

Environmental protection training

The Company continuously develops an environmental training system that covers all shore-based employees and crew members; conducts regular training on environmental regulations, professional skills, key equipment operation, and pollution prevention education, to fully enhance employees’ environmental awareness and professional capabilities, thus strengthening the foundation for green development.

SCR system training in Nantong Yatai

Case 

From May 15-16, 2025, the Company’s Technical Department organized relevant personnel to attend a two-day Selective Catalytic Reduction (SCR) system on-site training in Nantong Yatai. This training focused on the working principles and refined maintenance of the SCR system. Through a combination of theoretical explanations and on-site guidance, it effectively improved technicians’ professional skills and practical abilities, ensuring that frontline staff master the proper operating procedures for the equipment.



Wastewater discharge management training

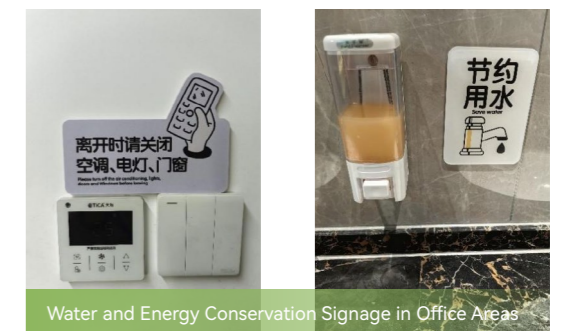
Case 

On December 29, 2025, the Company’s Domestic Trade Operations Department organized personnel to conduct a specialized training on the Instructions for Preventing Domestic Sewage Pollution. The training systematically explained the key points and operational standards of the guidelines, helping employees deeply understand compliance requirements, strengthen pollution prevention awareness, and effectively implement environmental protection policies in daily operations.



Green office practices

The Company actively practices the concept of green office operations, posting water and electricity conservation signs in office areas, and sending relevant reminders to employees through work groups and emails to encourage them to develop good habits in daily work, such as saving electricity, reducing paper usage, and sorting waste. This creates an office environment where all employees are involved in conserving resources, reducing energy consumption, and lowering the environmental footprint, thus integrating the sustainable development concept into the corporate culture.



Water and Energy Conservation Signage in Office Areas

Hazardous substances control

The Company strictly adheres to the requirements of the *Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships* and related regulations, establishing and continuously improving a Hazardous Materials Inventory (IHM) management system to ensure that hazardous substances are effectively identified, recorded, and controlled throughout the entire lifecycle of the ships, from construction and operation to eventual dismantling. During the Reporting Period, the Company conducted hazardous material testing on its ships as planned. Some of the foreign trade ships, according to operational needs, successfully obtained declarations of compliance with the HMI, reflecting the Company's ongoing efforts in ship green management and compliance operations.

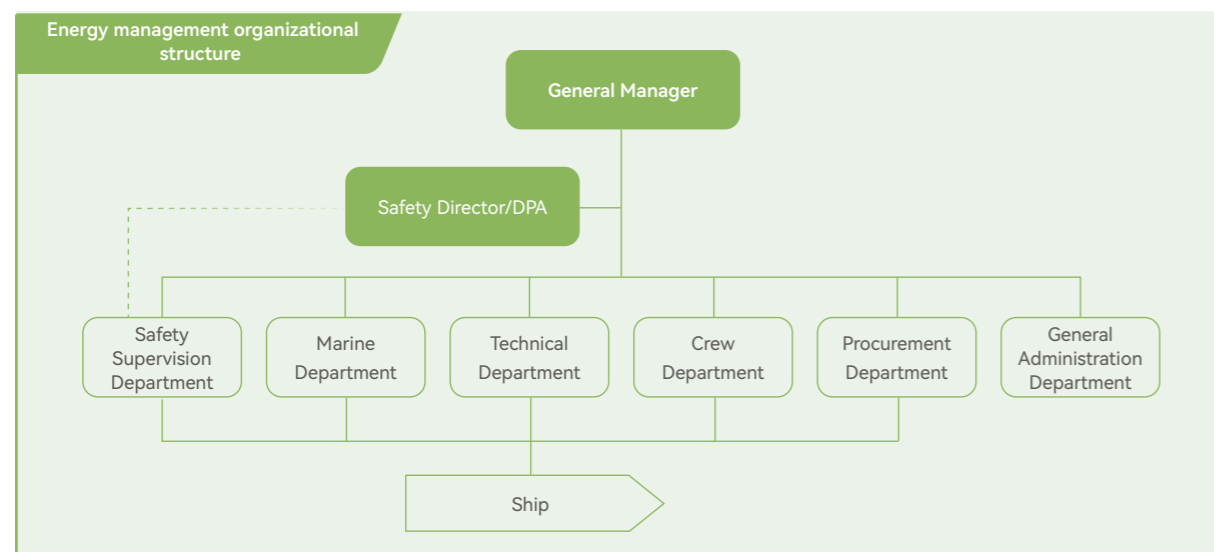
Resource Utilization

Energy management

Governance

Shenghang Group adheres to the energy management policy of "reducing energy consumption, improving energy efficiency, promoting energy-saving technologies and continuously improving management." The Company has formulated and implemented the *Energy Management Manual* and the *Instructions for Ship Energy Efficiency Management*, establishing and refining a comprehensive energy management system that covers the entire process. The Company continues to optimize its energy structure and systematically promote improvements in energy usage efficiency and management levels.

The Company sets up an energy management representative to take full responsibility for the establishment, operation, and maintenance of the Company's energy management system and regularly reports the system's performance to the General Manager. The Safety Supervision Department, Ship Management Department, ship operation units, along with the Human Resources Department, General Administration Department, and each ship, work collaboratively to implement the energy management requirements.



By the end of the Reporting Period, the Company had obtained ISO 50001:2018 Energy Management System Certification and successfully passed the annual surveillance audit during the Reporting Period.



ISO 50001 Energy Management System Certification

Strategy

The Company systematically identifies energy risks and opportunities, thoroughly reviewing the energy consumption and efficiency performance of each operational stage. It identifies energy-saving potential and areas for improvement, assesses potential risks, and formulates response strategies, providing decision-making support for optimizing energy management and improving overall energy efficiency.

Energy risk identification and assessment						
Type of risk	Risk description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Energy price rise	The Company's ship operations rely on fuel oil and other energy sources, and energy prices may rise due to various factors such as market supply and international situation.	High	Short and medium term	Upstream and operations	Increase in energy costs Increase in operating costs	1. Establish a sound energy management system to improve the energy utilization efficiency of ships; 2. Track fuel oil market price fluctuations and manage the Company's overall energy costs.
Energy efficiency regulation of ships	The International Maritime Organization (IMO) has tightened regulations on the Energy Efficiency Existing Ship Index (EEXI) of ships, and non-compliance could result in restricted voyages.	Medium	Long term	Operations	Increase in operating costs Decrease in operating revenue	1. Continuously optimize the <i>Ship Energy Efficiency Management Plan</i> , implementing energy efficiency data reporting and monitoring; 2. Optimize ship routes and operation processes, continuously improve hull equipment, and reduce ship energy consumption; 3. Utilize ship digital-intelligent energy efficiency management systems and other digital technologies to enhance energy efficiency management.

Energy opportunity identification and assessment						
Opportunity type	Opportunity description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Improvement of energy utilization efficiency	Leveraging the standardized construction and operation of the ship energy management system, the Company precisely controls energy consumption and enhances energy efficiency, aligning with IMO EEXI, CII, and other international maritime environmental regulations.	High	Short and medium term	Operations	Reduced operating costs	<ol style="list-style-type: none"> 1. Implement refined operational management, optimize route planning, and maintain power systems; 2. Upgrade ship design and equipment, promoting the application of energy-saving and low-carbon technologies.
Clean Energy Transition	Capitalize on the trend of upgrading the energy structure in the shipping industry, increasing the proportion of clean energy applications in ship propulsion and operational processes, and establishing a green energy supply system.	High	Medium to long term	Operations, downstream	Green investment acquisition Market revenue increase	<ol style="list-style-type: none"> 1. Actively expand the clean energy business and explore alternative fuel applications such as liquid ammonia and methanol; 2. Gradually increase the proportion of clean energy by optimizing the energy use structure, thereby reducing carbon emissions.

Impact, risk, and opportunity management

The Company uses process methods to control the whole process of energy management, and comprehensively identifies and assesses energy factors in shore-based activities, ship transportation, and operations. By driving both technological innovation and management optimization, the Company promotes energy-saving technology applications and explores the best energy-saving practices. This drives the continuous enhancement of ship energy efficiency control, achieving both energy consumption reduction and carbon emission reduction goals, while elevating the strategic value and sustainable development capability of the Company's energy management.

The Company follows the HSEEn Occupational Health Safety, Environmental, and Energy Management Manual to establish and operate an energy management continuous improvement mechanism based on the "Plan-Do-Check-Act (PDCA)" model. The Company dynamically monitors and quantifies the entire energy management process and activities to ensure that problems are identified promptly, corrected quickly, and managed in a closed loop.

Indicators and targets

The Company adheres to the principle of "energy conservation, cost reduction, and efficiency enhancement," setting medium- and long-term annual energy management goals as well as annual energy consumption control targets based on relevant regulatory efficiency requirements and internal energy consumption management controls. These goals are broken down step by step, with responsibilities at each level, systematically advancing the energy management. Additionally, the Company conducts regular energy reviews, continuously optimizing the management system to ensure continuous improvement in energy performance.



2025 energy management goals and completion status			
Energy management indicators	Target value	Actual value	Completion
Energy Efficiency Operational Indicator (EEOI)	≤70	15.67	 Achieved
Failure rate of auxiliary engines and boilers	≤10%	6.91%	 Achieved
Percentage of time main engines operate at optimal condition	≥85%	88%	 Achieved
Energy consumption per unit turnover	≤5.800 Kg/ktnm	4.970 Kg/ktnm	 Achieved
Marine diesel oil (MDO) consumption	≤ 800 tons/ship	1,500 tons/ship	Due to a large number of river-entry voyages, this target was not fulfilled



Energy consumption status		
Indicator	Unit	2025
Direct energy consumption	tce	115,332.33
Ships - fuel oil	ton	56,000.43
Ship - diesel oil	ton	24,229.63
Official vehicles - gasoline	L	20,428.32
Canteen - Natural gas	10,000 m ³	0.25
Indirect energy consumption	tce	58.65
Purchased electricity	kWh	477,199.00
Total energy consumption	tce	115,390.97
Energy consumption intensity	tce/RMB1 million of operating revenue	79.98
Shore-based PV power generation capacity	kWh	44,328.49
Renewable energy consumption	tce	5.45

Note: 1. Ship fuel consumption (including fuel oil and diesel oil) included in direct energy consumption covers all operating vessels within the scope of the Company's consolidated financial statements;

2. The standard coal conversion coefficients for various types of energy adopted for energy consumption calculation are sourced from *General Rules for the Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)* and *China Energy Statistical Yearbook - Appendix 4 - Reference Coefficients for Conversion of Various Energies to Standard Coal*;

3. Renewable energy consumption is converted based on photovoltaic power generation. The conversion coefficient refers to *General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*, with 10,000 kWh of electricity equivalent to 1.229 tons of standard coal.

Strengthening energy management

The Company continues to deepen energy management, integrating energy efficiency improvement into daily operations and strategic decision-making. Through measures such as real-time ship energy efficiency monitoring, intelligent route optimization, energy-saving technology applications, and equipment upgrades, the Company continuously improves the refined management level of fuel consumption and steadily enhances the energy efficiency of ship operations, laying a solid foundation for achieving the green and low-carbon shipping goal.

According to IMO's requirements for international voyage ships of 5,000 GT and above to participate in the annual operation CII rating, as of the end of the Reporting Period, 10 of the 15 ships of 5,000 GT or above operated by the Company engaged in foreign trade transportation business have obtained the highest grade A in the CII rating, demonstrating industry-leading environmental protection and energy efficiency.

Energy management measures

Ship energy efficiency optimization

- The Company's Technical Department is responsible for checking the ship's energy efficiency management and holds annual regular ship energy efficiency management assessment meeting to analyze the data and compare the performance, and puts forward improvement suggestions and measures according to the EEXI and CII required by IMO.
- During the Reporting Period, the Company revised its *Ship Energy Efficiency Management Plan (SEEMP)* in accordance with the MARPOL Convention and continuously optimized the ship's Energy Efficiency Design Index (EEDI/EEXI). As of the end of the Reporting Period, the Company had installed the EPL System on 7 ships according to the EEXI calculation results.

Energy-saving transformation of ships

- Optimizing ship design: To create high-end chemical tankers, the Company optimizes hull shape design and pilots the use of silicone-based coatings on multiple ships to reduce navigation resistance;
- Using energy-saving equipment: The Company selects new energy-saving diesel engine with lower comprehensive energy consumption as the main propulsion device and power generation prime motor, paired with high-efficiency propellers and ducts to improve propulsion efficiency and reduce fuel consumption;
- Promoting energy-saving technologies: The Company implements cargo pump variable frequency technology and full-ship LED lighting to systematically reduce ship operating energy consumption.

Digital-intelligent technology application

- Based on the shipping big data analysis and intelligent management platform, the Company optimizes the route, speed and draft difference, so as to realize the optimal route planning, optimal speed selection, and optimal draft difference judgment of ship navigation, reduce energy consumption, and thus optimize the energy efficiency performance of ships.

Ship operation management

- The Company has developed a standardized ship operation manual covering the entire shipping process. It strengthens refined management of key operations, including fuel management and usage, tank cleaning operations, and equipment use, and organizes crew training on professional skills and operational standards in energy management.

Clean energy usage

- The Company actively explores the use of shore-based clean energy, utilizing photovoltaic power generation at its onshore office campus. The campus' rooftop is equipped with 100 kW of photovoltaic panels connected to three inverters, supplying power to air conditioning units on the 9th to 11th floors.



Water resource utilization

The Company sources its onshore water from municipal supplies, and its ship freshwater is primarily sourced from municipal water, supplemented by desalinated seawater. The Company strictly adheres to the *Water Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*, promoting scientific management and recycling of water resources. It continually enhances water use efficiency, reduces dependence on freshwater in production and operations, and implements dual control over water consumption and water pollution discharge.

Water conservation measures

Water-saving technology application

The Company improves water efficiency by using water-saving technologies and equipment, relying on intelligent monitoring systems for dynamic regulation of fleet water usage.

Optimization of tank cleaning operations

The Company optimizes the tank cleaning process and operation methods to reduce freshwater consumption during tank cleaning. During the Reporting Period, the Company completed tank cleaning equipment modifications on three ships, effectively saving 2,294 tons of freshwater.

Seawater desalination and condensate water recovery

The Company actively promotes the use of "seawater desalination and condensate water recovery" technologies for self-sufficient freshwater supply on ships. By the end of the Reporting Period, the Company had installed seawater desalination systems on 23 ships, utilizing advanced processes such as reverse osmosis and vacuum condensation to achieve freshwater self-supply. This not only improves water resource efficiency but also reduces the ships' reliance on external freshwater supplies.

Water conservation awareness campaigns

Water-saving promotional slogans are posted at water points on ships and in onshore office areas. The Company regularly holds water conservation training sessions to enhance staff awareness of water-saving responsibilities.

Water resource utilization

Indicator	Unit	2025
Freshwater installed capacity on ships	m ³	148,681.95
Seawater desalination volume	m ³	7,139.10
Total water utilization	m ³	158,637.05
Office water utilization	m ³	2,816.00
Ship water utilization	m ³	155,821.05
Water utilization intensity	m ³ /RMB1 million operating revenue	109.95

Circular economy

The Company, with a focus on the circular economy, integrates resource consumption reduction and recycling into all aspects of production operations, equipment maintenance, and fleet management, promoting the simultaneous improvement of resource utilization efficiency and sustainable development value.



Waste heat utilization

The Company's fleet uses exhaust gas boilers as the core components of the heat recovery system, which converts the waste heat of exhaust gas into steam required for ship heating and fuel heating through heat exchange. The energy-saving system effectively reduces fuel consumption and emissions by recycling waste heat. A typical ship can save 5%-10% of fuel oil in this process, lowering fuel costs while significantly reducing carbon emissions.



Material recycling

The Company optimizes fleet structure and resource allocation efficiency by purchasing second-hand ships and adopting a "one in, one out" method. Ship equipment components are refurbished and reused, saving equipment costs.



Condensate water reuse

The Company actively adopts methods such as condensate recovery to achieve the recycling of water resources, reducing the need for fresh water replenishment.



Waste reduction and reuse

The Company reduces unnecessary waste generated during production operations and daily activities. It prioritizes the use of recyclable and reusable packaging materials and consumables, classifies waste materials for collection, and hands them over to qualified partners for resource recovery processing.

Marine Ecosystem and Biodiversity Conservation

Ecosystem and biodiversity conservation management system

Shenghang Group's biodiversity protection mission:

Actively take actions to protect biodiversity, eliminate invasive alien species, reduce marine pollution and reduce the impact of underwater radiation noise pollution on fish survival.



Shenghang Group actively responds to both international and domestic biodiversity conservation initiatives and strictly complies with related conventions such as the *United Nations Convention on the Law of the Sea* and the *International Convention for the Prevention of Pollution from Ships*. The Company integrates Biodiversity conservation into the environmental management system, and has developed a *Green Sustainable Development and Biodiversity Management Policy* to regulate the compliant treatment of ship wastewater, garbage, and ballast water. In its trade and shipping routes, the Company avoids biologically sensitive areas and ecological protection zones, ensuring safe distances from critical protected areas and minimizing the potential impact of operations on the marine ecosystem.

Biodiversity impact identification

The Company follows the TNFD (Taskforce on Nature-related Financial Disclosures) framework and, considering the operational characteristics of its shipping business, systematically assesses the potential impacts of its business activities on marine ecosystems and biodiversity protection. The Company accurately identifies and controls the key factors impacting biodiversity.



Key biodiversity impact factors



Marine pollution (such as oil spills)

Incidents such as ship collisions, groundings, or equipment failures may lead to oil spills, covering the sea surface and permeating water bodies. These spills not only directly threaten marine life and reproduction but also damage fishery resources, coastal tourism landscapes, and may even cause regional marine ecological disasters.



Underwater radiation and noise management

The radiation and persistent noise generated by ship operations interfere with marine animals' communication, navigation, predation, and reproduction behaviors, causing increased physiological stress and habitat fragmentation, which harms marine biodiversity.



Ballast water discharge

When ships travel between different ports, ballast water may carry aquatic life from the departure port. If ballast water is discharged in a non-compliant manner at a different location, it can introduce invasive harmful species, outcompeting native species and disrupting local marine ecosystems.



Marine biofouling

Marine organisms often attach to the hulls of ships, creating biofouling. When ships dock at different ports, the attached organisms may spread, becoming carriers of invasive species, threatening native marine communities in ports and nearshore waters.

Marine ecological protection measures

Biodiversity risk prevention and control

To systematically reduce the impact of operational activities on the marine ecological environment, the Company integrates biodiversity protection into key ship operation processes. Through measures such as optimized navigation planning, technical upgrades, and management strengthening, the Company actively fulfills its responsibility for marine ecological protection and helps preserve marine biodiversity.



Marine environmental pollution emergency management

The Company has developed *Emergency Plan for Marine Pollution from Ships*, equipped with adequate emergency equipment, and conducts regular drills. In case of an accident, it shall be able to respond quickly and take effective measures to control the spread of pollution and reduce the damage to marine life and ecological environment. In the daily operation of ships, the up-to-standard treatment process of pollutants shall be strictly implemented, and the prevention mechanism of oil spills and the maintenance of ship equipment shall be strengthened to effectively avoid marine pollution.

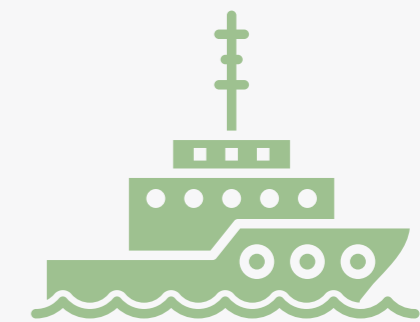
Ballast water management

The Company strictly adheres to the *International Convention for the Control and Management of Ships' Ballast Water and Sediments* (BWM Convention). It has developed and implemented a *Ballast Water Management Plan*. By adopting measures such as installing advanced ballast water treatment systems, standardizing ballast water operating procedures and improving ballast water record ledgers, the Company ensures that the whole process of ballast water management complies with relevant requirements, effectively reduces the risk of invasive alien species in ship transportation, and protects the global marine ecology.

Key performance

During the Reporting Period,

the Company had a total of **23** ships equipped with ballast water treatment systems, with **42.59%** fleet-wide implementation of ballast water exchange/treatment.



Response to CIC concentrated inspection on ballast water management and special training

Case

During the Reporting Period, the Company actively responded to the Concentrated Inspection Campaign (CIC) on ballast water management jointly launched by the Tokyo Memorandum of Understanding (Tokyo MOU) and the Paris Memorandum of Understanding (Paris MOU) from September to November 2025, and carried out systematic compliance preparation and inspection response. Some of the Company's foreign trade ships successfully passed ballast water quality tests as required for business operations, confirming the effectiveness of the management measures and the stability of equipment operation.

On September 19, the Company invited experts from Shanghai LEE'S FUDA Electromechanical Science & Technology Co., Ltd., a ballast water treatment equipment supplier, to conduct specialized training on ballast water management, focusing on CIC inspection points and maintenance standards for ballast water management systems, helping technical staff accurately master compliant operation requirements. This training enhanced the professional competence and practical operation capabilities of relevant personnel, ensuring that the treatment efficiency of the ballast water system continuously meets the IMO D-2 Standard, and effectively preventing risks of biological invasion and port state detention.



03

Integration & Synergy, Value Co-creation

ESG material topics covered in this Chapter

- Innovation drive
- Customer rights protection
- Responsible supply chain
- Information security and customer privacy protection

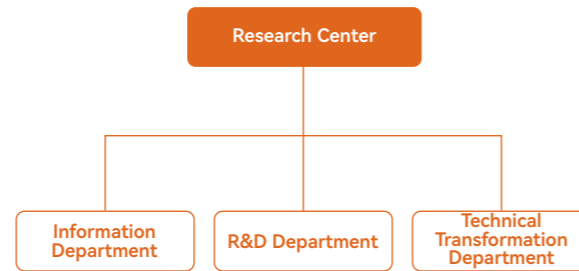
SDGs Responded to in this Chapter



Innovation Drive

R&D management system

Shenghang Group adheres to the core concept of “innovation drives safety, technology empowers the future” and firmly follows the path of informatization development. To solidify the foundation of research and development (R&D) management, the Company has established an R&D Innovation Center based on its own strategic development needs. It has developed core institutional documents such as the *R&D Innovation Center Management Regulations* and the *R&D Organization Management System*. It clarifies the responsibilities of each management body, systematically standardizes the whole-process R&D management covering project initiation, design, implementation, testing and release, and ensures the efficient and orderly advancement of R&D work through professional division of labor and systematic collaboration.



Key performance

During the Reporting Period,

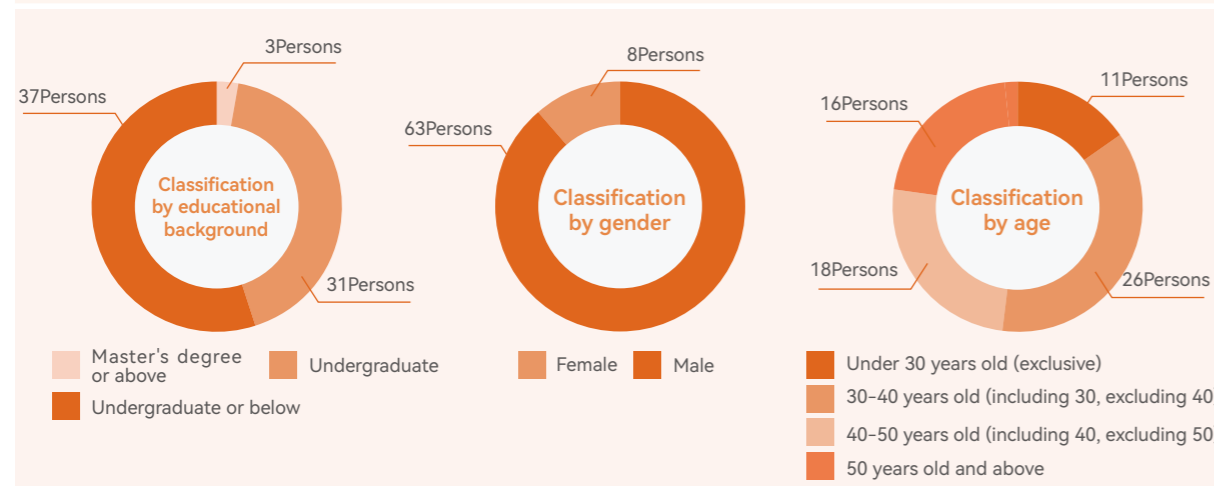
the Company's R&D expenditure totaled RMB **43.27** million, accounting for **3.00%** of the operating revenue.

Talent team development

The Company attaches great importance to internal talent cultivation and strives to build a high-quality R&D team. R&D personnel have rich experience in the business management of hazardous materials transportation, and are fully involved in the Company's ship technical renovation and information technology projects. This effectively improves the operational efficiency and information management level of the Company's ships.

R&D team structure

Indicator	Unit	2025
Total number of R&D personnel	Person	71
Proportion of R&D personnel to total employees	%	9.27



Innovation achievement presentation

The Company actively practices the strategy of digital transformation, focusing on research in the fields of intelligent ships for hazardous materials, the Internet of Things (IoT), industrial Internet, artificial intelligence, and big data. It is committed to providing information technology solutions, products, and services for efficient and safe green intelligent ship transportation, and building a big data service platform for multi-modal transportation of hazardous materials. The Company has achieved fruitful R&D and innovation results through independent innovation and other forms.



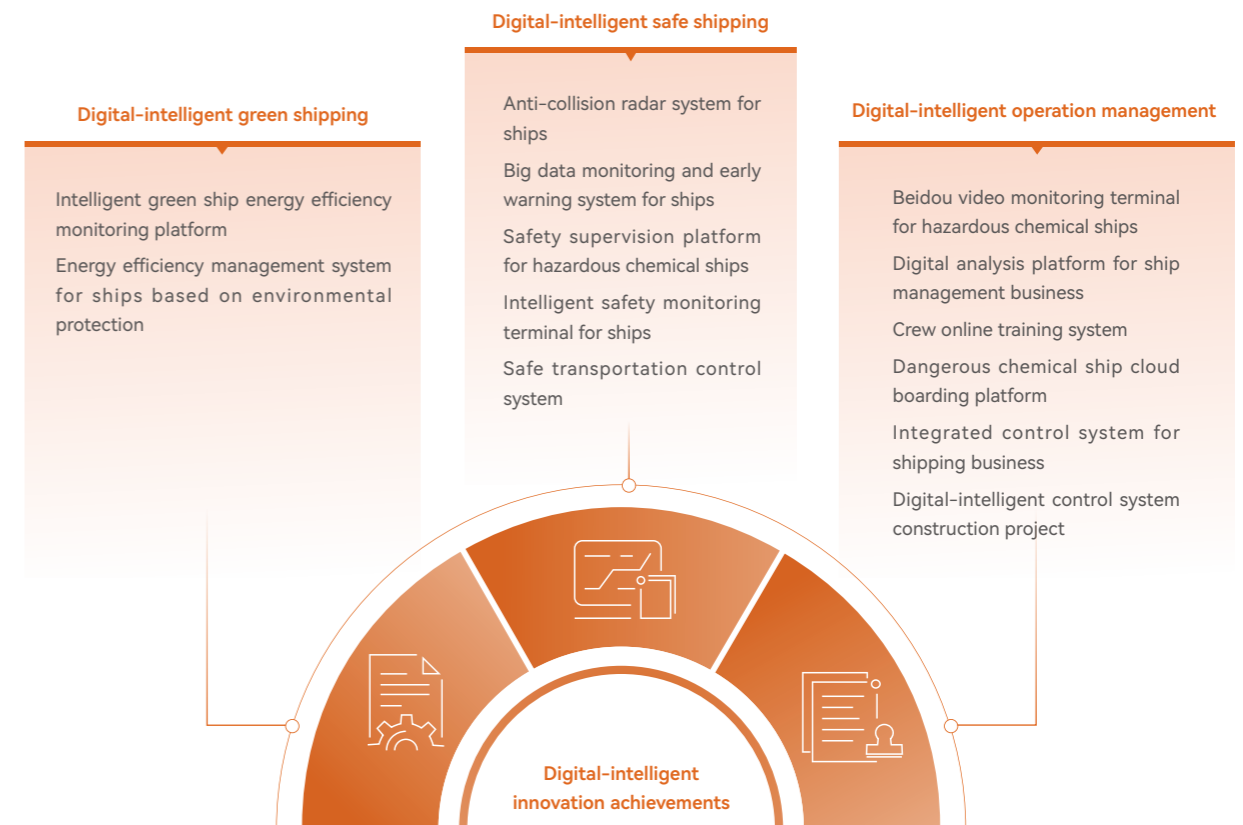
National High-Tech Enterprise Certification



Provincial-level “Specialized, Refined, Unique, and Innovative” (SRUI) “Little Giant” Enterprise Certification



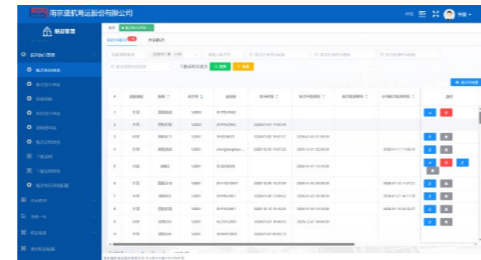
National “Specialized, Refined, Unique, and Innovative” (SRUI) “Little Giant” Enterprise Certification



Integrated control system for shipping business



The Company has built an integrated control system for the full lifecycle of shipping business, using digital means to improve operational efficiency and optimize resource allocation, supporting the green and efficient development of shipping business. This system covers the entire lifecycle management of contracts such as voyage charter, COA, and time-charter, achieving refined control over the full process of foreign trade voyages. Additionally, the system connects the full chain of foreign trade funds management, ensuring the standardized and transparent management of fund receipts and payments.



Technology cooperation exchange with College of Artificial Intelligence, Nanjing University of Aeronautics and Astronautics



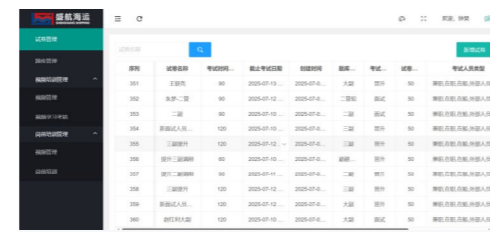
In September 2025, the Company carried out scientific and technological cooperation and exchanges with the College of Artificial Intelligence, Nanjing University of Aeronautics and Astronautics. Focusing on the actual needs of enterprises, the two parties conducted in-depth exchanges on the application and development prospects of technologies such as artificial intelligence, big data and industrial digitalization in the shipping sector, with key discussions on the implementation and industrialized application of scientific research achievements.



Digital-intelligent control system construction project



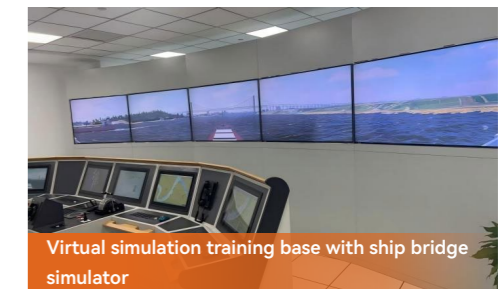
As the only shipping company involved in the Ministry of Transport's national pilot project for the digital transformation of safety management in shipping companies, the Company actively promotes the construction of a digital intelligent control system. The digital-intelligent control system enables full-process online management and intelligent review of Maritime Safety Management System (SMS) documents, replacing traditional paper or email review methods. It gathers all system documents on the cloud, with customizable workflows that comply with the Company's internal control standards, and review traces are traceable. This system meets the compliance requirements for remote review under maritime supervision, promotes the transformation of the Company's safety management from "passive inspection response" to "proactive management", and constitutes an important practice for the digital transformation of the shipping sector.



Co-construction of virtual simulation training base with ship bridge simulator



In October 2025, the "Free Trade Zone (Nanjing) Crew Skill Assessment Service Center and Crew Training Base", jointly established by the Company and Yangtze River Delta Shipping Development Research Institute (Jiangsu) Co., Ltd., was officially inaugurated. The two parties have built a virtual simulation training base equipped with ship navigation simulators. Leveraging high-precision simulation equipment and diverse emergency scenarios, the center focuses on cultivating high-caliber crew personnel for the shipping industry, fills the gap in practical training resources of the sector, and improves the quality of shipping talent supply. Through resource sharing and cross-industry collaboration, a win-win development between the Company and the industry is achieved.



Virtual simulation training base with ship bridge simulator

This base serves as a key initiative for the Company to implement the integrated development strategy of shipping in the Yangtze River Delta. Targeting prominent problems in traditional crew training including disconnection between theoretical knowledge and practical operation, as well as mismatch between personnel competencies and job requirements, an integrated training system featuring "theory, practical operation and assessment" has been established on the basis of virtual simulation training. The Company participates in-depth in formulating talent cultivation plans and designing training courses, optimizes the crew echelon via customized training, improves the professional capabilities of crew members, and guarantees the safe and efficient operation of the fleet.



Opening ceremony of the "Free Trade Zone (Nanjing) Crew Skill Assessment Service Center and Crew Training Base"

External cooperation and exchange

Industry-Academia-Research Collaboration



The Company actively establishes long-term, stable cooperative relationships with universities and research institutes to carry out extensive technical exchanges. The Company has signed industry-university-research cooperation contracts with Nanjing University of Posts and Telecommunications and the School of Economics and Management of Southeast University, and jointly built the "JITRI Joint Shipping Innovation Center" with Jiangsu Industrial Technology Research Institute. By integrating the technological and resource advantages of both sides, the Company focuses on researching and solving common industrial technologies and key technical difficulties in the industry.



Industry exchange



The Company has always maintained an open approach to building bridges for technical exchange, actively collaborating with maritime regulatory authorities, upstream and downstream companies, research institutions, industry associations, and professional organizations to break technical barriers and consolidate industry expertise.

Jointly compiling the *Safety Inspection Guide for Ships Carrying Bulk Liquid Dangerous Goods* with maritime competent authorities



During the Reporting Period, the Company, in conjunction with Nanjing Maritime Safety Administration, and relying on professional platforms including the Regularized Risk Hidden Danger Investigation and Collaborative Governance Center for Dangerous Chemical Tankers under Jiangsu Maritime Safety Administration (Nanjing), has jointly completed the compilation of the *Safety Inspection Guide for Ships Carrying Bulk Liquid Dangerous Goods*. The *Guide* is closely integrated with the actual safety management practices of liquid cargo ships in China, and carries important guiding significance for improving the safety management level of the industry. Taking this as an opportunity, the Company continues to play an exemplary role in the industry, fulfills its safety responsibilities with professional competence, promotes the standardized development of the industry by leading with standards, fully safeguards the safety of water transportation, and demonstrates the Company's sense of responsibility and commitment.



Invitation to attend the seminar of the "An·Quan" Workshop of Quanzhou Maritime Safety Administration



On October 31, 2025, the Hazardous Chemical Tanker "An·Quan" Workshop of Quanzhou Maritime Safety Administration held an expert exchange seminar, and Shenghang Group was invited to participate in the meeting. At the seminar, the Company's General Manager shared practical experiences in liquid cargo ship safety management and risk prevention, conveying the "people-oriented, prevention-first" safety management philosophy, which resonated strongly with industry experts attending the event. This sharing not only highlighted the Company's leadership in liquid cargo ship safety management but also enhanced collaboration between government and enterprises, injecting energy into the safe development of the hazardous chemicals shipping industry.



Visit of Cetasol, Sweden, to Shenghang Group for technical exchange



In December 2025, the founder of Cetasol, a Swedish ship software company, visited Shenghang Group for technical exchanges. The two parties had in-depth discussions on the practical application of ship fuel data collection and intelligent analysis technologies in improving ship operating efficiency, reducing fuel costs, and cutting carbon emissions.



Multi-field business inspection and exchange in Singapore



In November 2025, the Company's delegation carried out business investigation and exchange activities in Singapore and conducted in-depth communications with local partners. During the visit, the delegation was invited to attend ExxonMobil's Annual Shipowner Forum, and learned about the cutting-edge trends in shipping energy conservation, emission reduction, technological upgrading and safety development through exchanges with global shipowners, equipment suppliers and technical institutions.



Intellectual property protection

Intellectual property management system

The Company adheres to the development policy of "Promote the upgrading and development of enterprises with technological innovation and protect the advanced advantages of the industry with intellectual property". It strictly complies with relevant laws and regulations including the *Patent Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*, and formulates a full set of institutional documents such as the *Intellectual Property Management Manual*, *Intellectual Property Document Control Procedure*, *Intellectual Property Acquisition Control Procedure*, and *Intellectual Property Risk Management and Control Procedure*. The Company continuously reinforces and optimizes the internal intellectual property management system, advancing the institutionalization and systematization of intellectual property protection initiatives. The Company's research and innovation center is responsible for intellectual property management, ensuring that the Company's innovations are effectively protected and reasonably utilized.

Intellectual property achievements

The Company continues to increase its R&D investment, launching multiple R&D projects and steadily advancing key technological innovations, effectively driving the transformation of scientific and technological achievements, and further consolidating and enhancing the Company's core competitiveness.



Intellectual property achievements

Indicator	Unit	2025	Total
Number of patents	Item	2	44
Number of invention patents	Item	2	23
Number of utility model patents	Item	0	21
Number of computer software copyrights	Item	4	66
Number of registered trademarks	Item	0	3

Note: The statistical scope covers Shenghang Group.



Patent certificates obtained during the Reporting Period



Computer software copyright certificates obtained during the Reporting Period

Intellectual property management measures 

The Company fully implements its intellectual property protection strategy, taking measures in areas such as risk management, internal auditing, confidentiality management, reward and penalty mechanisms, and dispute resolution. This ensures the effective conversion and application of innovation results while minimizing the risk of infringement.



R&D innovation goals

The Company has continuously improved its R&D system, steadily advanced the implementation of its strategic goals for technological innovation, and continuously enhanced its technological innovation capability and core competitiveness, providing solid technical support for its high-quality and sustainable development.

Strategic objectives of scientific and technological innovation application

Intelligent decision-making center construction



The transportation management intelligent decision-making center is built based on deep learning algorithm, achieving exponential operational efficiency gains through dynamic scheduling optimization algorithm, multi-dimensional demand prediction modeling, and an omnichannel interactive intelligent response system.

Advanced application of IoT perception networks

Deploy the IoT infrastructure framework of comprehensive sensing nodes, build an intelligent logistics cognitive platform relying on multi-source heterogeneous data fusion technology, establish a data confirmation and trustworthy traceability mechanism, and create an E2E supply chain collaborative decision-making platform.



Extended reality convergence innovation



Build an ultra-high-fidelity maritime operational digital twin, deeply integrate digital twin and extended reality (XR) technology, develop a Mixed Reality (MR)-enabled teleoperated collaborative platform, reshape the man-machine collaborative operation paradigm, and significantly reduce the human error rate.

Green smart connectivity ecosystem development

Achieve innovative application of clean energy drive technology and intelligent path planning algorithm, build a hazardous chemical transportation entire lifecycle carbon emission monitoring system, and through the environmental parameter dynamic perception and closed-loop safety management mode, build a new paradigm of negative carbon intelligent logistics.



Customer Service Management

Customer service management system

The Company adheres to the service philosophy of "Customer First" and optimizes the customer service experience throughout the entire shipping business process, creating a comprehensive, high-quality, and efficient integrated service system. The Company has formulated the *Customer Management System*, clearly designating the marketing department as the department responsible for customer service, overseeing customer record management, maintaining customer relationships, handling customer complaints, and ensuring the timely response to customer needs while continuously improving service quality and operational efficiency.



High-quality customer service

Customer communication and satisfaction

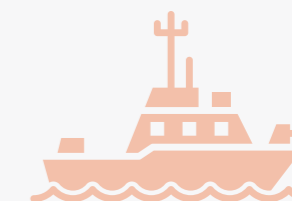
The Company places high importance on the long-term maintenance of customer relationships by establishing a regular visiting and communication mechanism, maintaining close contact with customers through on-site visits, business negotiations, etc., while establishing customer visit records and systematically collecting customer feedback to drive service optimization.

To deepen long-term strategic cooperation with customers, the Company actively conducts customer satisfaction surveys covering areas such as personnel professionalism, service attitude, the accuracy of information feedback, and the timeliness of complaint handling. The Company promptly reviews and analyzes customer satisfaction status, and adopts improvement measures proactively to elevate service quality.

Key performance

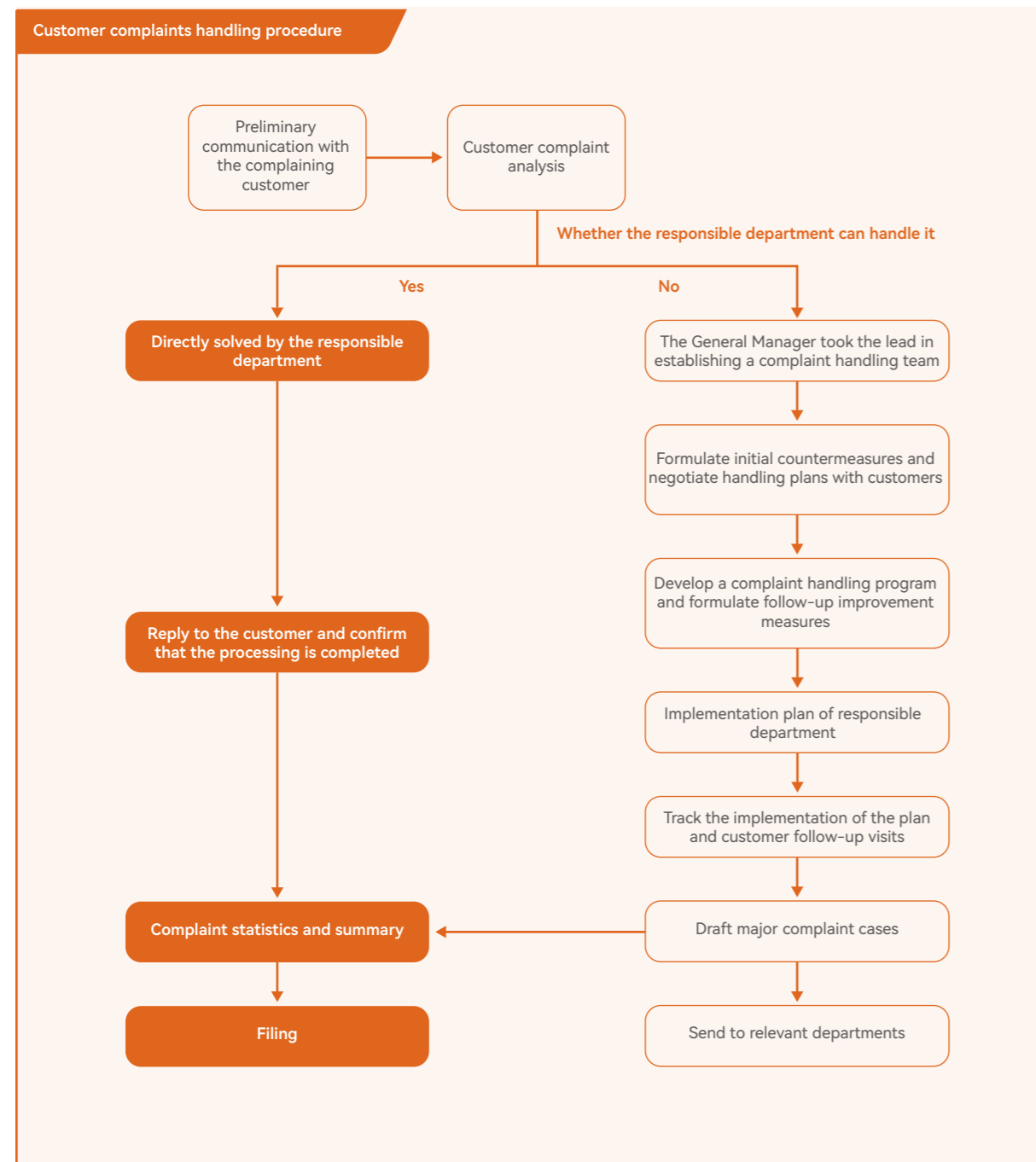
During the Reporting Period,

the Company collected a total of **11** customer feedback forms, with a customer satisfaction rate of **98.88%**.



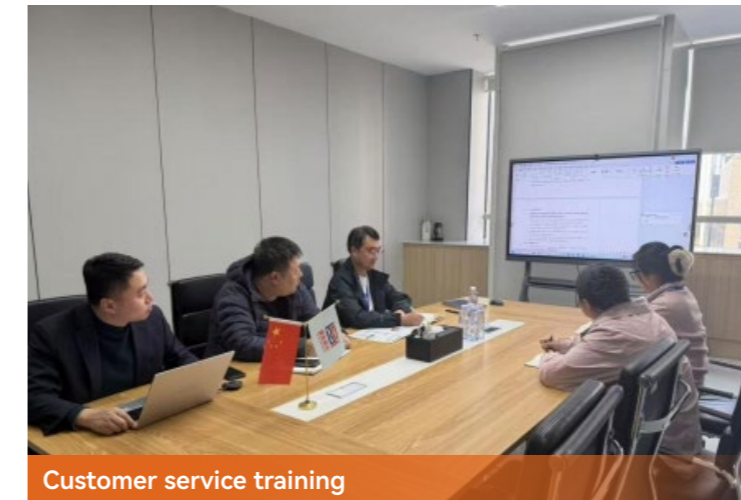
Customer complaint handling

The Company's customer complaints mainly come from the results of ship voyage satisfaction survey and customer satisfaction survey feedback, customer complaints received in daily operation activities, and customer opinions collected during customer visits. After receiving the customer's complaint, the shore-based department and the ship shall report to the Marketing Department as soon as possible to start the customer's complaint handling procedure. During the Reporting Period, the Company had no customer complaints.



Customer service training

The Company regularly organizes customer service training, strengthening employees' customer service awareness and professional capabilities to ensure accurate understanding of customer needs and efficient resolution of issues. This builds a solid foundation for customer cooperation with professional services.



Customer service training

Key performance

During the Reporting Period, the Company conducted one customer service training session with **5** participants, totaling **2.5** hours of training.

Responsible Supply Chain

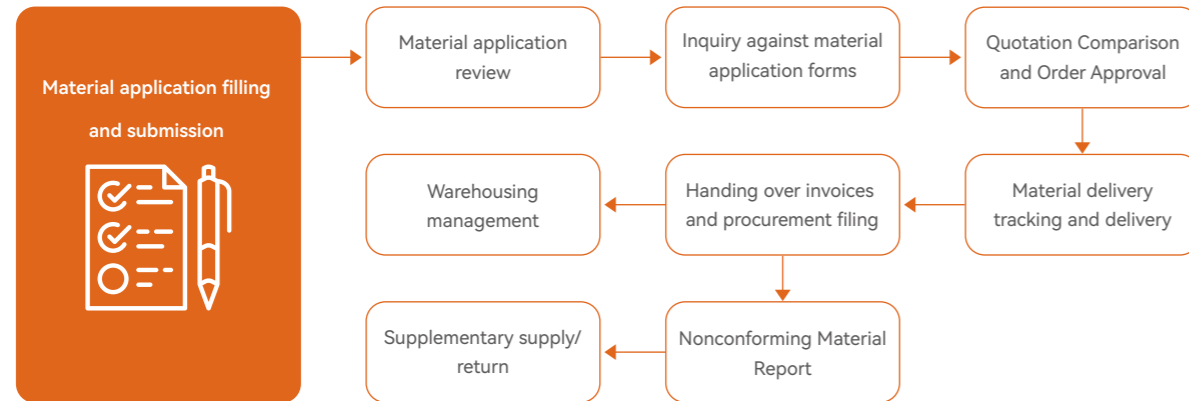
Supply chain management system

Shenghang Group continuously optimizes the supply chain management system, strictly complies with internal relevant regulations such as the *Supplier Management Measures* and the *Management Procedure for Procurement and Supply of Marine Materials*, and standardizes supplier management and material procurement processes, so as to effectively ensure the timely supply and reliable quality of marine materials. The Company's Procurement Department, Technical Department, Operation Department and Risk Control Department collaborate closely to form a core functional system for supply chain management, implement standardized management on key links including material demand acceptance, supplier screening and evaluation, and material delivery, and further improve the refined management level of the supply chain through differentiated supplier management strategies.

Basic information of suppliers		
Indicator	Unit	2025
Total number of suppliers	Nos	1,580
Total number of domestic suppliers	Nos	1,354
Total number of overseas suppliers	Nos	226

Note: Domestic areas refer to the Chinese mainland, and overseas areas include Hong Kong, Macao and Taiwan regions of China.

Material procurement process



Key performance

During the Reporting Period, **3** incidents with major risks and impacts occurred in the Company's supply chain, involving the suspension of cooperation with **3** suppliers due to non-compliance.

Optimization of procurement management model

Case

In order to further strengthen the professional and detailed management of the supply chain, during the Reporting Period, the Procurement Department optimized the management model, focusing on procurement responsibilities divided by material categories, implementing a dedicated responsibility mechanism for ship spare parts procurement.

Ship spare parts and materials are diverse in category, highly technical and wide-ranging in sources. Their procurement activities directly affect the safe operation of vessels, environmental performance and compliance risks. The Company divides procurement responsibilities by categories (such as marine engine spare parts, marine engine materials, deck materials, communication and navigation equipment, chemicals, personal protective equipment, lubricants, paints, etc.), enabling procurement staff to be more proficient in technical specifications and market trends of specific fields, and formulate differentiated strategies for supplier selection, evaluation and continuous improvement according to the characteristics of different materials. Meanwhile, the Company promotes the establishment of an assessment mechanism for suppliers' ESG performance, so as to ensure the procurement of all types of materials meets the requirements of sustainable development.

Full lifecycle management of suppliers

The Company implements full life-cycle management of suppliers, covering the entire process of admission, grading, evaluation and exit. In accordance with business attributes and management needs, the Procurement Department, Technical Department, Operation Department and Risk Control Department adopt differentiated admission and evaluation procedures for marine material suppliers, ship repair service providers, shipping agents and bunker suppliers respectively. Evaluations are conducted from multiple dimensions including qualification compliance, delivery quality reliability, service support capability and environmental performance, so as to carry out comprehensive and multi-faceted assessment of suppliers.

Full lifecycle management of suppliers



Admission

Suppliers for admission shall possess legal person qualification and necessary industry qualifications and certificates, maintain sound business reputation as well as stable production, supply and service capacities, and their product quality shall comply with national standards and relevant industry standards;

In 2025, the Company launched a supplier management system. All new suppliers are required to pass the review by business departments, the Risk Control Department and corporate management. The Risk Control Department screens suppliers for compliance risks via third-party credit reference platforms, including but not limited to sanction records, dishonesty records and major litigation cases.



Grading

Suppliers are graded based on factors such as product and service categories, product and service quality, and price rationality, with corresponding differentiated management measures adopted.



Evaluation

The Procurement Management Committee formulates the annual supplier review plan. All relevant departments prepare documents as required by the review, fill in their respective supplier evaluation forms, and submit them to the Procurement Management Committee for assessment after examination by the Risk Control Department, before releasing the updated supplier list;

At the end of each year, the Risk Control Department organizes all departments to review supplier cooperation records, statistics the cooperation frequency and transaction amount of key suppliers, re-examine supplier qualifications, and identify potential compliance risks.



Elimination

Suppliers rated unqualified, as well as those with serious breach of contract, unfair competition, quality and safety hazards shall be included in the supplier blacklist.

Supply chain risk management

The Company has set up the "three lines of defense" for supply chain risk review, so as to comprehensively strengthen supply chain risk prevention and control, minimize adverse impacts on the Company, and drive the overall upgrading of the supply chain.

"Three lines of defense" for supply chain risk review

01

First line

The Safety Supervision Department continuously optimizes and improves the corporate safety management system, and each department undertakes the preliminary review of customers and suppliers within its jurisdiction.

02

Second line

The Risk Control Department verifies the compliance of customers and suppliers and identifies high-risk issues, and cooperates with domestic and overseas legal teams to establish a comprehensive and solid professional legal affairs and risk management defense line.

03

Third line

The audit committee and audit post of the Board of Directors strengthen the prevention and control of risks by improving the internal audit system.

The Company regularly conducts comprehensive evaluation and identification on environmental, health and safety, labor rights and ethical risks in the supply chain, fully recognizes and assesses national risks, industry risks and commodity-specific risks in supply chain operation, and formulates targeted improvement measures for continuous follow-up based on evaluation results.

Supply chain risk management process

Risk identification

Identify ESG risks in the supply chain through questionnaires, on-site audits, third-party assessments, etc.

Risk assessment

Evaluate the identified risks qualitatively and quantitatively to determine the risk level

Risk mitigation

Develop risk mitigation measures, including improved supplier management processes, enhanced training, increased transparency, etc.

Risk monitoring

Establish a continuous monitoring mechanism to regularly track and assess the effect of risk management measures

Crew dispatch service provider audit

Case

The Company continuously strengthens the prevention and review of supply chain risks. During the Reporting Period, it conducted the review of crew dispatch service providers, conducted on-site inspections on the operational qualifications and system management of multiple service providers. It filled out the *Crew Dispatch Service Provider Review Checklist*, documented identified issues during the visits, and provided support to facilitate the implementation of rectification measures, thereby steadily enhancing the compliance and stability of the supply chain.



Building a sustainable supply chain

Supply chain ESG management

The Company attaches great importance to suppliers' performance in environmental and social responsibility, continuously standardizes ESG management across the supply chain, and strives to build mutually trusting and win-win cooperative relationships with suppliers to promote the development of a sustainable supply chain. The Company has formulated the *Supplier Management Measures*, which strictly regulate suppliers' requirements in environmental protection, safety guarantee, labor rights and other relevant areas. Meanwhile, suppliers' ESG performance is regarded as a key factor in supplier evaluation and selection, and an effective supervision mechanism is established to achieve the long-term development goal of mutual benefit and win-win results. In addition, the Company regularly reports the progress and effectiveness of ESG management in the supply chain to stakeholders, and encourages and supports suppliers' innovative ESG practices.

Supplier ESG evaluation system

Environment

Resource and energy efficiency, GHG emissions, pollution control, ecological environment protection, etc.

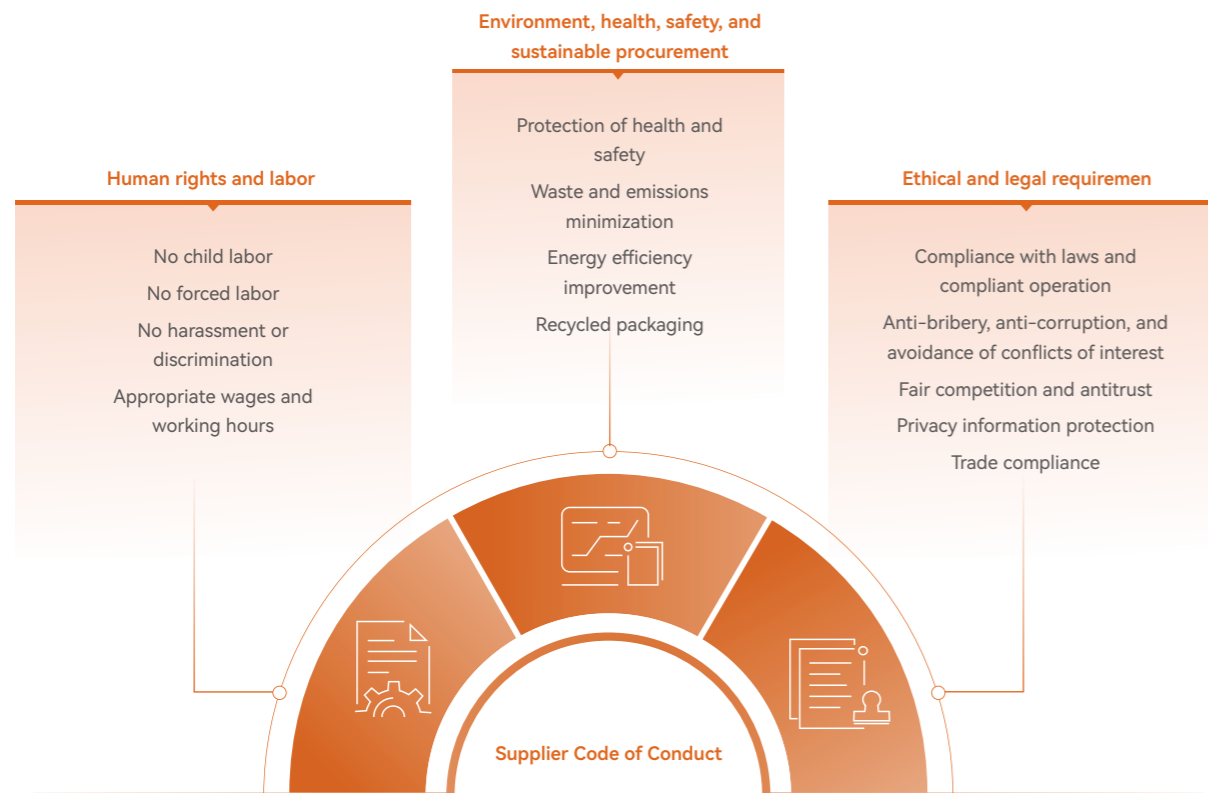
Society

Human rights and labor rights, working hours, compensation, occupational health and safety, community participation, etc.

Corporate governance

Governance structure, transparency, ethical standards, compliance, business conduct, etc.

The Company formulates the Supplier Code of Conduct, assesses the supplier's operations related to its transactions through regular audits, and provides targeted correction or improvement guidance for suppliers who do not meet the specified requirements; For suppliers who seriously violate the regulations, the cooperation shall be resolutely terminated to ensure the compliance and stability of the supply chain and maintain the Company's reputation. In addition, the Company incorporates ESG-related clauses into general contracts, including environmental protection commitments and human rights statements. It has established a supplier ESG performance scorecard to conduct regular evaluation and dynamic management of suppliers.



Integrity in procurement

To guarantee fairness, impartiality and the sound sustainable development of business cooperation, the Company has improved its anti-corruption compliance management system. It signs professional integrity agreements with relevant internal employees, and enters into Anti-Commercial Bribery Commitments with external suppliers, clarifying the shared responsibilities of all parties for integrity co-construction, so as to ensure all business activities are conducted in a legal and transparent manner.

Key performance

During the Reporting Period,

a total of **33** suppliers signed Anti-Commercial Bribery Commitments with the Company. Anti-commercial bribery clauses have been incorporated into the Company's ship repair, marine material and equipment procurement, as well as fuel procurement processes, and anti-commercial bribery requirements have basically covered all major procurement projects of the Company.

Green procurement

In the procurement process, the Company actively practices the concept of green procurement, prioritizing the selection of environmentally friendly products and energy-saving and efficient materials, such as high-efficiency turbochargers, energy-saving pumps, LED lighting, and other spare parts, to help vessels reduce energy consumption and carbon footprint. At the same time, by optimizing procurement plans, reasonably controlling procurement quantities, and reducing the purchase of disposable items, the Company avoids resource waste and actively promotes the progress of green procurement.

In addition, the Company signs environmental protection agreements with suppliers, encouraging them to use green and eco-friendly products and to recycle packaging to reduce the environmental impact of operations, thus contributing to the circular economy and sustainable development.

Supply chain empowerment

The Company regards suppliers as key partners in the sustainable development ecosystem and empowers them to improve quality and efficiency from multiple dimensions. Through various channels such as emails, phone calls, and visits, the Company maintains communication with suppliers and conveys relevant policies promptly. In response to gaps in supplier management and development needs, the Company systematically provides resource matching, technical support, and specialized training to enhance the collaborative adaptability across all stages of the supply chain, driving the construction of a sustainable supply chain ecosystem based on shared responsibility and value creation.

The Company regularly conducts training to improve the management level of the procurement department. Meanwhile, departments actively share experiences with suppliers through visits and other means to enhance the suppliers' sustainable management capabilities.

Key performance

During the Reporting Period,

the Company conducted one ESG training session for six suppliers, lasting **2** hours.



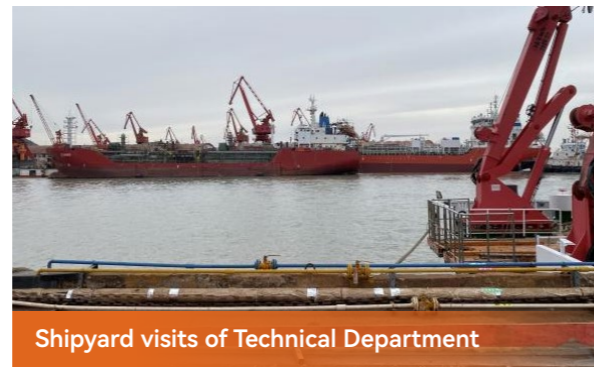
Specialized training on the Supplier and Procurement Contract



On May 23, 2025, the Company organized a specialized training on *Supplier and Procurement Contracts* for key personnel. This training thoroughly analyzed the key points of supplier qualification review and contract clause formulation standards, effectively enhancing the relevant personnel's professional ability in supplier management and contract signing, helping to standardize the supplier management process and reduce legal risks in contracts.



Domestic trade operations department supplier visits



Shipyard visits of Technical Department

The Company actively collaborates with overseas suppliers to enhance the resilience and efficiency of the supply chain. During the Reporting Period, several overseas supplier delegations visited the Company, where both parties discussed topics such as deepening cooperation and collaborative development. These interactions empowered the supply chain to upgrade and improve quality, strengthening the foundation for international cooperation.

AGS delegation visits Shenghang Group



On July 25, 2025, a delegation from Atlantic Global Shipping Pvt. Ltd. (AGS), an Indian integrated shipping service provider, led by its Director and General Manager, visited the Company. Through on-site visits and discussions, both parties systematically reviewed recent representative voyages completed through cooperation, and reached a consensus on cooperation in areas such as port agency collaboration, STS operations support, crew management services, and data platform integration. This exchange laid a solid foundation for advancing mid- and long-term strategic collaboration, improving the effectiveness of the international service network, and jointly promoting the integration of the China-India shipping industry chain.



Seoul Line delegation visits Shenghang Group for cooperation discussions



On May 14, 2025, a senior delegation from Seoul Line Services Co., Ltd. (hereinafter "Seoul Line"), a renowned South Korean shipping company, visited the Company. The two sides had in-depth exchanges and business discussions regarding future cooperation directions. Seoul Line introduced the layout and operational features of Korean refineries and showcased its SLOW intelligent platform based on AIS and energy intelligence. The Company shared its own development history, route layout, and fleet operations. This exchange further deepened the consensus between both parties and laid a solid foundation for future collaborative efforts in expanding the East Asian market, achieving resource sharing, and complementary advantages.



Information Security and Privacy Protection

Information security management system

Shenghang Group attaches great importance to information security and privacy protection, incorporating information security into the ESG management system. The Company strictly adheres to laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Regulations on the Security Management of Network Data*. It has developed a series of related systems, including the *Information Security Management System*, *Company's Informatization Equipment Management System*, and *Confidentiality Management System*, aligning with ISO/IEC 27001 to build a comprehensive information security protection and risk control system, ensuring the effective operation of information security management.

In terms of organizational management, the Company has established a cybersecurity team responsible for emergency response to network and information system security, and appointed a dedicated cybersecurity manager with clear authority and responsibilities. It conducts regular compliance self-inspections and risk assessments to prevent compliance risks. In terms of infrastructure, the Company has set up dedicated secure data rooms, installed firewalls and intrusion defense systems to strengthen local defenses, and deployed cloud servers on Alibaba Cloud with its security services to form a collaborative protection architecture. Regarding risk prevention, the Company ensures full coverage of information security training for all employees, establishes an emergency response mechanism, and regularly conducts drills to enhance compliance and risk awareness.

Key performance

During the Reporting Period, the Company did not experience any information security violations or customer privacy disclosure incidents.



Information security and privacy protection measures

To strengthen information security and privacy protection governance, the Company's cybersecurity team conducts an annual information security risk assessment covering the entire ship-to-shore network. Based on the identified risks and existing security management systems, the Company constructs and implements a layered security defense strategy that combines active defense and deep defense, fully reinforcing the data security perimeter. The Company has developed a *Cybersecurity Emergency Response Plan*, specifying the response process, division of responsibilities, and handling norms for emergency events, ensuring a quick response mechanism is activated in the event of a data security incident to minimize adverse impacts.

Information security and privacy protection measures



Technical protection

- The R&D Center centrally manages the installation of office computer operating systems and application software to prevent illegal software intrusion;
- Provide professional maintenance and management for computer rooms and network equipment to ensure stable operation of equipment and data security;
- Set LAN Permission to prevent illegal network connections.



Data management

- Operators enter and modify data strictly according to specifications to ensure data accuracy and security;
- Back up important data to mobile storage devices and monitor them under the supervision of the R&D Center to prevent data loss;
- Without authorization, no one may access or disclose customer data files.



Personnel management

- Each department shall designate a person to use the computer and keep records;
- Real-name management of group members;
- Regularly conduct system operation and information security training for employees;
- When an employee leaves the Company, the Research and Innovation Center will promptly process the relevant account information.



Usage management

- Information release strictly follows approval procedures to ensure that the information is legal and compliant;
- Regulate the use of office computers and prohibit browsing irrelevant websites;
- The purchase, maintenance, replacement and scrapping of information equipment shall be carried out according to the procedures.

Information security and privacy protection training

The Company continuously strengthens its information security protection capabilities, conducts information security training, and enhances employees' awareness of information security and privacy protection, thereby consolidating the foundation of protection at the personnel management level.



Cybersecurity training

Key performance

During the Reporting Period, the Company conducted a total of **26** information security-related training sessions, with **245** participants.

04

Life First, Escort by Safety

ESG material topics covered in this Chapter

- Occupational health and safety
- Shipping safety assurance

SDGs Responded to in this Chapter

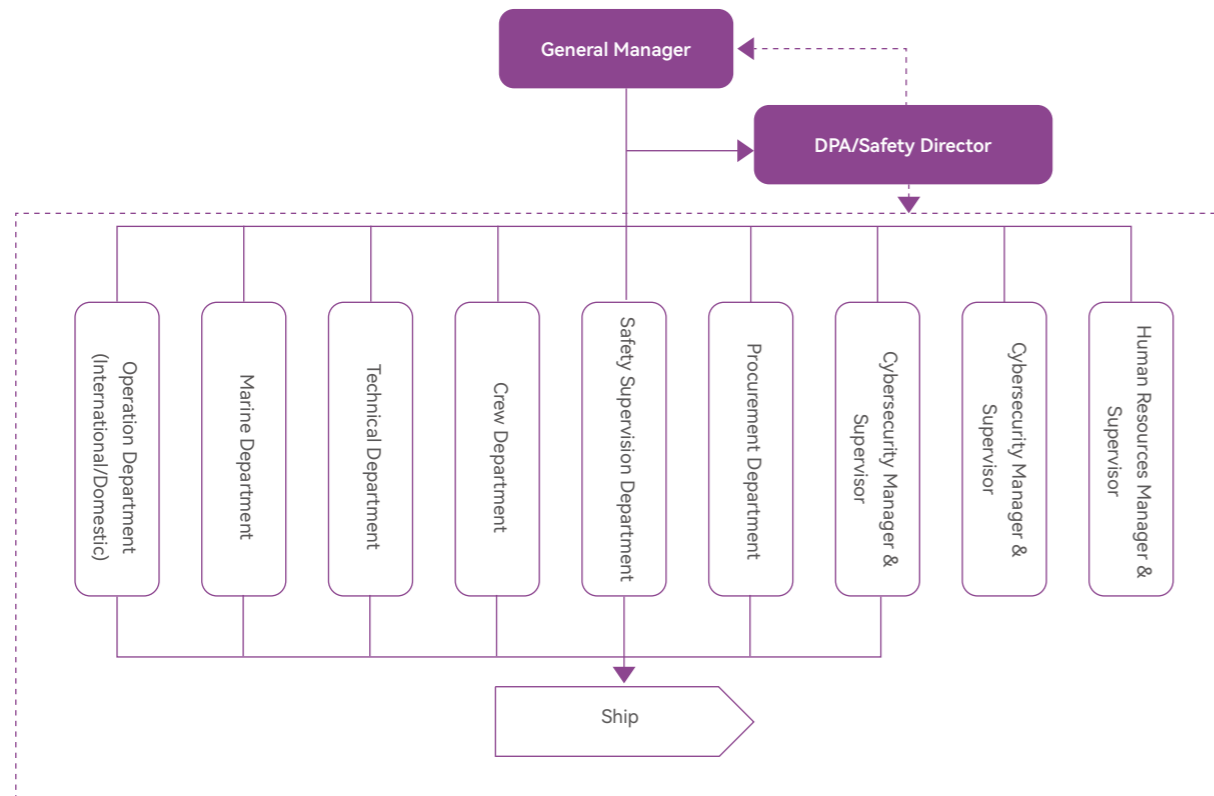


Safety Quality Assurance

Governance

Shenghang Group adheres to the management philosophy of “maintaining health, ensuring safety, preventing pollution, and customer first,” strictly following the *Administrative Rules of the People’s Republic of China for the Safe Operation of Ships and for Pollution Prevention* and relevant international conventions, national laws, and regulations, while fully referencing guidelines, standards, and best practices from the IMO, industry regulators, and maritime industry organizations. The Company systematically compiles and continuously updates core management systems such as the *Safety Quality Management Manual*, *Safety Management System*, *Emergency Manual*, and *Regulations on Red and Yellow Lines of HSE Management*. The Company has established a comprehensive and effective ISM/NSM compliance-based safety quality management system. Through regular promotion, training, and assessments, the Company effectively strengthens the “red line awareness” and “bottom line thinking” of all employees regarding work safety, steadily improving the precision, standardization, and sustainability of safety governance.

The Company’s Work Safety Committee, as the highest decision-making and supervisory body for safety quality management, oversees the system’s construction and major decision-making matters. The General Manager, in accordance with the law, fulfills the primary responsibility for work safety, comprehensively overseeing safety policy formulation, management system document approval, and overall work safety arrangements. The Company also appoints a dedicated safety quality management system leader, formally assigned by the management with full authority, to oversee system implementation, operation monitoring, internal audits, and continuous improvement efforts, and to regularly supervise and inspect maritime safety and pollution prevention activities throughout the Company.



Organizational structure of safety quality management

The Company and its ships strictly adhere to ISM requirements and have built a comprehensive safety quality management system. As of the end of the Reporting Period, the Company holds ISO 9001 Quality Management System certification, a valid Certificate of Conformity (DOC), a Ship Safety Management Certificate (SMC), and a Level I Compliance Certificate for Work Safety Standardization Construction of Transportation Enterprises. Annual audits are conducted as scheduled, fulfilling the safety operation responsibilities of a shipping company through institutionalized and standardized management. During the Reporting Period, the Company’s ships “NAN LIAN 7”, “NAN LIAN 18”, and “NAN LIAN 006” were awarded the “Quality Ship Certificate” title by the Maritime Safety Administration of the People’s Republic of China.



ISO 9001 Quality Management System Certification of Shenghang Group and its subsidiary Shenghang Haoyuan

Partial Ship Safety Management Certificates



Quality Ship Certificate



Level I Compliance Certificate for Work Safety Standardization Construction of Transportation Enterprises



Strategy

The Company routinely identifies and assesses risks and opportunities related to maritime safety, precisely formulating countermeasures and enhancing risk prevention effectiveness.

Shipping safety risk identification and assessment

Type of risk	Risk description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Natural risk	Ships are frequently exposed to adverse weather conditions such as typhoons and thick fog, as well as complex maritime conditions including abnormal ocean currents, icebergs, and hidden reefs. These hazards may result in vessel damage, cargo loss, and personal injuries, consequently leading to legal disputes and compensation claims.	High	Short and medium term	Operations	Increase in costs Decrease in operating revenue	<ul style="list-style-type: none"> Strengthen cooperation with meteorological agencies, equip advanced meteorological monitoring equipment, and formulate navigation plans in advance; Ensure insurance coverage; Regularly carry out emergency drills.
Reputation risks	The loss of ships and cargoes and huge compensation caused negative public opinion, which damaged the Company's reputation, resulting in customer loss and business decline.	Low	Long term	Operations, downstream	Decrease in operating revenue	<ul style="list-style-type: none"> Improve the risk prevention mechanism, strengthen the maintenance and management of ships, improve the management level of cargo transportation; Establish emergency response plans, strengthen crisis public relations management, and continuously improve service quality.
Legal risk	IMO and national governments have set strict safety standards and trade regulations, such as the risk of fines, ship arrest, and market access restrictions for violation of the relevant regulations.	Low	Long term	Upstream, operations, and downstream	Increase in costs Decrease in operating revenue	<ul style="list-style-type: none"> Establish a strict safety management system and regularly train crew members and management on laws and regulations; Pay close attention to changes in domestic and regional regulations, and adjust Company policies and operating procedures in time to meet new legal requirements.
Operational risks	Ship staff non-compliant acts, such as insufficient experience, inadequate operational proficiency, or fatigue, may result in damage to shipboard equipment or the occurrence of navigation incidents.	Low	Short term	Operations	Decrease in operating revenue	<ul style="list-style-type: none"> Ensure thorough training before boarding to ensure crew members are familiar with the safety system and necessary knowledge and skills; Strict rules and regulations shall be established to prohibit seafarers from operating against regulations.

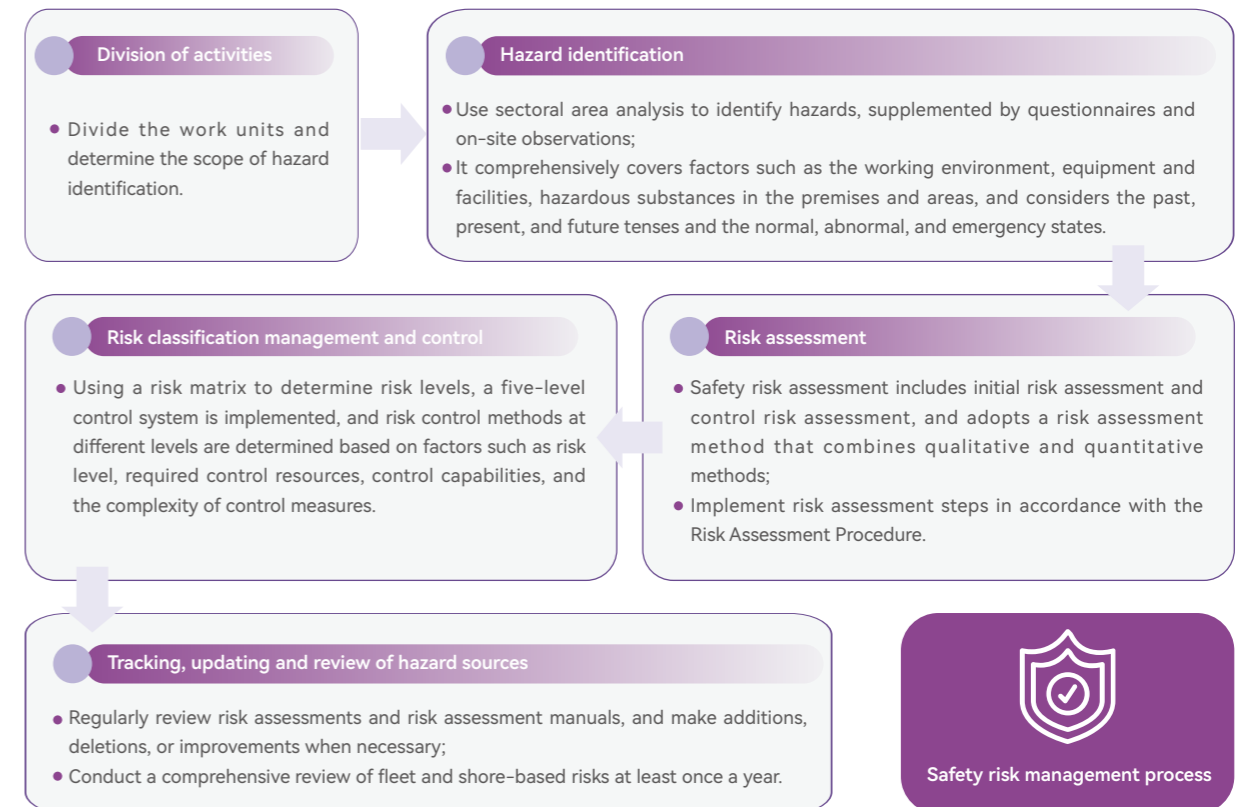
Shipping safety opportunity identification and assessment

Opportunity type	Opportunity description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Technological innovation opportunities	The application of new technologies in the field of shipping safety, such as intelligent monitoring and big data analysis, etc., installation of Automatic Identification Systems (AIS), Electronic Chart Display and Information Systems (ECDIS), and using big data to monitor equipment status, improves safety monitoring and early warning capabilities.	High	Long term	Operations	Decrease in costs Increase in revenue	<ul style="list-style-type: none"> Improve smart shipping safety management, enhance technical deployment, and upgrade systems.

Impact, risk, and opportunity management

Safety risk management

Focusing on the needs of maritime safety operations, the Company emphasizes the standardization and normalization of safety risk management. It has established and continuously improved a dual risk prevention work mechanism, developed core systems such as *Hazard Identification and Risk Classification Control Procedure* and *Risk Assessment Procedure*, providing systematic guidance for hazard identification, risk assessment, and the implementation of control measures. This allows for precise identification and dynamic monitoring of all hazards and potential risks.



Investigation of potential safety hazards

The Company has developed compliance documents such as *Instructions for Hazard Investigation and Control*, *Instructions for Special Inspection of Ships*, and *Hazardous Source Inspection and Control Classification Procedure*, continuously improving the ship QHSE management inspection system. These documents clearly define the scope, standards, and responsibilities for inspecting production safety hazards and implementing control measures, reinforcing routine rolling comprehensive inspections on ships and strictly implementing hazard rectification and closure management, effectively fulfilling the shipping company's primary responsibility for work safety and eliminating all operational risks and hazards.



Hazard inspection and "Dual Review" audits throughout ship navigation process



Prior to departure

All preparations for ship sailing shall be implemented in accordance with the *Instructions for Preparations before Ship Entering and Leaving the Port* and the *Instructions for Operation before Ship Sailing*:

- The second mate prepares the voyage plan;
- The master holds a meeting to prevent collisions with fishing ships;
- The master conducts a risk assessment for preventing collisions with fishing ships;
- The master performs a pre-departure risk assessment;
- The master organizes a pre-departure meeting;
- After approval, the master signs and sends the scanned document to the maritime supervisor for review via email or WeChat;
- The maritime supervisor reviews and replies to the master in writing;
- A written notice is issued to the 24-hour duty personnel for implementation and monitoring;
- The ship sailing.



During the voyage

- In accordance with the *Instructions for Daily Operations of Ships Underway* and all checklists of SQ1101 to SQ1154 stipulated in SQM-03-100 Duty and Navigation Safety Operations, item-by-item inspections shall be carried out on ship navigation equipment/navigation aids/communication equipment, and navigation precautions applicable to different sea areas and sea conditions, so as to ensure the safe navigation of the ship in all waters and under all sea conditions.
- During the voyage, the Company's 24-hour duty personnel use video monitoring/phone calls/WeChat, and other methods to remind and verify ships navigating in heavy winds and waves, danger zones, high-risk collision zones with commercial and fishing ships, bridge areas, and complex waterways like the Yangtze River and Pearl River, ensuring safe navigation under various conditions.



Prior to arrival

Preparations (such as tank cleaning, equipment inspection, data preparation, etc.) shall be made before arrival in accordance with the *Instructions for Operation before Ship Arrival* to ensure the safe arrival of the ship:

- Prior to arrival at port, the chief mate reviews relevant procedures and the SQM-07 *Cargo Handling Manual*, *Tank Cleaning Guide*, SQM-03 *Ship Operation and Management Manual*, and *P&A Manual*. Based on the ship type and cargo type, the cargo hold is cleaned according to the relevant tank cleaning regulations to ensure the cargo hold is in a suitable condition for cargo upon arrival at port;
- Before arriving at the port, the master fills out the *Port Information Form* based on the *Port Entry Guide*, nautical charts, tide tables, and *Route Guide*;
- The Engine Department conducts a self-inspection according to the "Pre-arrival Engine Room Check" to ensure the mechanical equipment is in normal working condition.

Key performance

During the Reporting Period,

the Company carried out a total of about **5,600** safety hazards inspections, and the rectification rate of hidden hazards was **100%**.



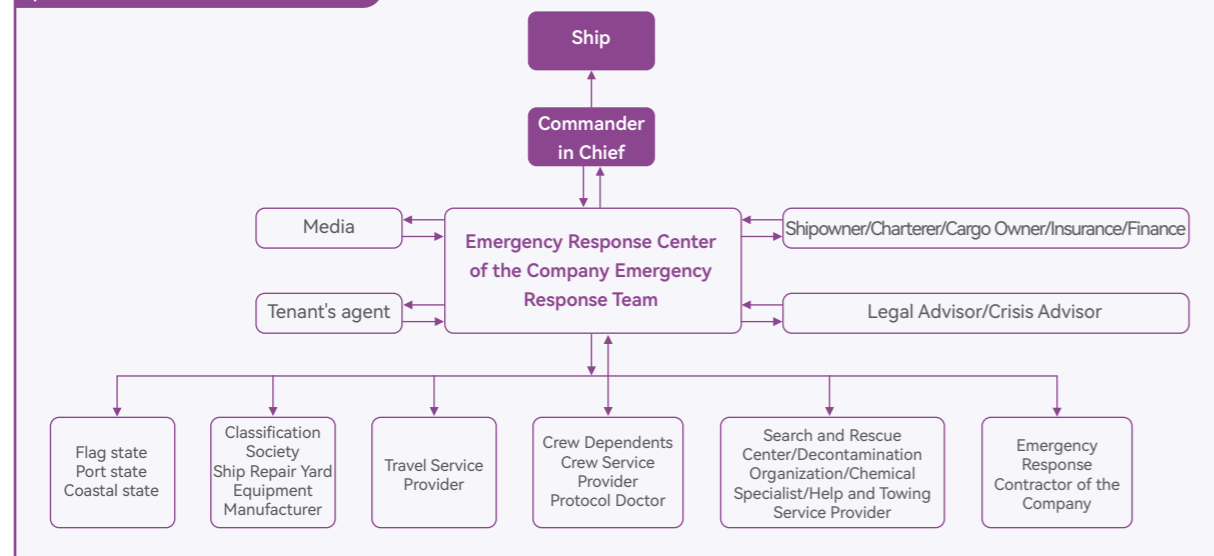
Special investigation of potential hazard inspection




Safety emergency management 

To effectively strengthen the integrated safety defense of ship-shore operations and efficiently respond to various emergency events, the Company has established a 24-hour duty system, set up an emergency response team, and systematically developed *Emergency Manual* and other emergency management systems. It has established a clear, rapid, and efficient emergency response process. The Company formulates an annual emergency training and drill plan covering all elements, organizing ship and shore personnel to conduct full-scenario emergency drills. Through multi-dimensional evaluations, the Company systematically reviews and quantitatively assesses the effectiveness of the drills, continuously optimizing the emergency response process, enhancing personnel's emergency capabilities, ensuring timely responses, organized command, proper handling, and smooth collaboration during emergencies, and fully safeguarding the safety of ship operations and personnel life and property.


Ship-shore emergency response procedures



Shore-based firefighting emergency drill 

In response to the "Safety Firefighting Month" initiative, on June 13, 2025, the Company organized a fire extinguishing and emergency evacuation drill. The drill included safety knowledge on electricity usage, simulated kitchen oil fire scenarios, and hands-on fire extinguisher training, effectively enhancing employees' emergency response abilities. The drill also tested the scientific nature and operability of emergency plans, further solidifying the Company's safety "firewall."



Comprehensive emergency response drill for waterborne chemical ship accident 

On May 27, 2025, the Company, in collaboration with the Shanghai Maritime Search and Rescue Center Jinshan Sub-center and 15 other units, conducted a comprehensive emergency response drill for waterborne chemical ship accidents. This drill was closely tied to the theme of "Work Safety Month." It simulated a scenario where the ship "SHENG HANG 008" collided, resulting in the leakage of fuel oil and toluene. The drill tested the Company's emergency collaboration capabilities with multiple parties and demonstrated a commitment to safety responsibility. The drill involved high-tech equipment, including multi-rotor drones, ship smart monitoring systems, and intelligent monitoring at the docks, leveraging technology to strengthen maritime safety defenses.



Safety emergency drill overview

Indicator	Unit	2025
Safety emergency drill	Number of sessions	4,367
Including:		
Oil spill drills	Number of sessions	629
Ship-shore joint emergency drills	Number of sessions	6

Indicators and targets

The Company sets “Zero Accidents” as its ultimate goal and strictly implements the “Dual Responsibility” system, dividing and assigning work safety responsibilities at all levels to departments and ships, signs “Work Safety Responsibility Statement” at every level, and includes the rates of ship collisions, grounding, and other accidents, as well as the work injury accident rate, ship inspections, and other safety management indicators into employees’ job performance evaluation systems. This positive incentive mechanism fully motivates employees to take responsibility for work safety work, effectively building a solid work safety defense line.



Safety management indicators

Indicator	Unit	2025
Work safety expenditure	RMB 10,000	2,896.79
Work safety liability insurance expenditure	RMB 10,000	3.65
Work safety liability insurance personnel coverage rate	%	100
Number of work safety accidents *	Case	0
Number of fatalities due to work accidents	Person	0

*Note: Work safety accidents refer to particularly major accidents, major accidents, significant accidents, and general accidents.

2025 Work Injury Statistics

Indicator	Unit	Shenghang Group	Shenghang Haoyuan
Total number of work injuries	Person	3	0
Number of lost workdays due to work injuries	Workdays	112	0
Total lost time injury frequency rate (LTIF) per million hours	%	0.48	0
Total recordable case frequency rate (TRCF) per million hours	%	0.80	1.55

Shipping safety and quality management

The Company always adheres to the high standards of safe operation, closely cooperates with the fleet to implement various navigation management regulations, and takes multiple measures in key areas such as emergency management, extreme weather prevention and avoidance, hazardous cargo management, and pirate attack prevention, comprehensively enhancing maritime safety and quality.



Fleet safety management

In response to the fleet’s safety needs, the Company has developed the *Instructions for Piracy and Hijacking Emergency Response* and organizes regular security drills for each ship. These drills aim to strengthen crew members’ emergency response capabilities while ensuring daily inspection and regular maintenance of security equipment to ensure that the equipment is always in good working condition. Additionally, the Company conducts periodic internal audits and comprehensive assessments of the ship security system, optimizing and improving weak areas in system operation to enhance the overall ship security management. During the Reporting Period, the Company did not experience any piracy incidents.

Anti-piracy measures

Route planning	When designing routes, try to avoid pirates and hazardous areas as much as possible.
Pre-departure inspection	Before leaving the dock or weighing anchor and setting sail, the captain arranges anti-piracy safety inspections for all departments and conducts a comprehensive check of all areas where people may hide.
Navigation alert	When sailing in waters prone to piracy, assign personnel to stand guard on security duty and keep an eye out for approaching suspicious ships.
Communication guarantee	Ensure that communication equipment is in good condition and maintain contact with the Company, nearby ships, coastal governments, and other agencies.
Security zone settings	Before departure, the crew will seal off internal ship passages, designate crew cabins as secure zones, and deploy security measures.
Equipment protection	The stern of the ship is illuminated with strong lights to prevent pirates from boarding the ship; Harden defensive doors and equip them with facilities such as razor barbed nets.
Emergency preparedness	Formulate emergency plans and conduct anti-piracy emergency drills.



Anti-piracy equipment

In response to one of the core shipping risks—extreme weather—the Company has developed multiple emergency management systems for ships, such as the *Tsunami Emergency Instructions*, *Instructions for Ships Against Typhoons*, *Instructions for Ships Maneuvering in Heavy Waves*, and *Instructions for Operations of Preventing Cold Waves and Strong Winds on Ships*. These instructions define core operational points for tsunami risk avoidance, typhoon prevention, operating procedures for high winds and waves, cold front high-wind anchorage, and adjustments to course and speed, standardizing ship navigation operations. The Company also monitors meteorological conditions and warning information in real-time, strengthening equipment maintenance and operational restrictions, fully ensuring safe navigation and reducing operational impacts.

Key performance

During the Reporting Period,
the Company achieved a **100%**
success rate in typhoon and flood
control.

Ship safety management 

The Company steadily advances the standardization of work safety, formulating regulations such as the *Instructions for Vessel Operation for Bridge Area Waters* to standardize safety operation processes. Simultaneously, through the implementation of visual management and lockout/tagout practices, it deeply integrates ship safety management with maritime safety, places safety warning signs and visual safety boards systematically in all areas of the ship, including the engine room, work areas, crew living quarters, and shore-based office areas. The Company also strictly enforces lockout/tagout management for electromechanical equipment and related work areas, ensuring the clear communication of core information, optimizing hazardous energy isolation and misoperation prevention mechanisms, thereby safeguarding the safe and compliant operation of ships.



Cargo safety management 

The Company focuses on the field of bulk liquid chemical transportation, and strictly follows the classification and operation process regulations of hazardous goods in the MARPOL Convention and IMDG Code. It improves the entire process of managing crew duties on ships carrying dangerous goods in accordance with the latest *Regulations for the Behavior of Crew on Ships Carrying Dangerous Goods (Trial)* issued by the Maritime Safety Administration of the Ministry of Transport and other requirements, aiming to provide safe and reliable shipping services to customers.

The Company has established a comprehensive cargo safety management system, developing manuals such as the *Liquid Cargo Handling Manual*, *Special Liquid Cargo Handling Manual*, *Cargo Tank Washing Manual*, and *Cargo Handling Manual for Gas Carriers*. These manuals standardize the processes for loading, unloading, storing, shipping, and delivering hazardous cargo. The Company continuously invests resources to provide crew members with specialized training on hazardous cargo operations, focusing on practical skills and safety risk prevention awareness, enhancing compliance management capabilities in complex transport scenarios.



Special audits and training for mooring, navigation, and cargo handling equipment

SHENG HANG HUA 5 Voyage V2518 completes maiden voyage at Qinzhou Yihai Terminal 

To strengthen ship safety management and ensure safe mooring and unmooring operations at the terminal, the Company developed a safety plan and led the first mooring coordination meeting. The meeting standardized the entire process, including pre-mooring equipment checks, operational procedures during the operation, and emergency response to unforeseen situations. On July 26, 2025, the maiden voyage was successfully completed, and 6,000 tons of benzene were safely unloaded into the designated tank area.



Ship operation compliance 

The Company uses the *Instructions for Ship Acceptance of PSC (FSC)* and *On-site Supervision and Inspection* as its core action guide, actively cooperating with port state authorities and relevant parties to carry out various supervisory inspections and surveys to ensure the compliant and safe operation of ships.

Flag state and port state supervision and inspection

Indicator	Unit	2025
Ships undergoing PSC inspections	Ship	37
Ships detained in PSC inspections*	Ship	1
Ships undergoing FSC inspections	Ship	111
Ships detained in FSC inspections	Ship	0
Ships undergoing SIRE inspections	Ship	83
SIRE inspection pass rate	%	100
Ships undergoing CDI inspections	Ship	4
CDI inspection pass rate	%	100

*Note: During the Reporting Period, one PSC detention incident occurred to vessels operated by Shenghang Haoyuan, a subsidiary of the Company. Rectification was completed as required and the detention was lifted on the following day, with no impact on vessel operations. The Company will continuously improve its safety supervision mechanism and implement targeted preventive measures in future operations.

Partner safety control

To establish a shared responsibility and coordinated safety ecosystem, the Company includes partner safety management in its safety quality management system. Long-term cooperation agreements are signed to clarify the safety rights and responsibilities, compliance standards, and occupational health protection requirements for both parties, standardizing partner safety behavior from the outset. Additionally, targeted training for partners is carried out, continuously improving their safety management awareness and practical skills, thereby providing solid support for the safety of the entire shipping process.

Tanker, chemical tanker, and Yangtze River navigation risk point training

Case

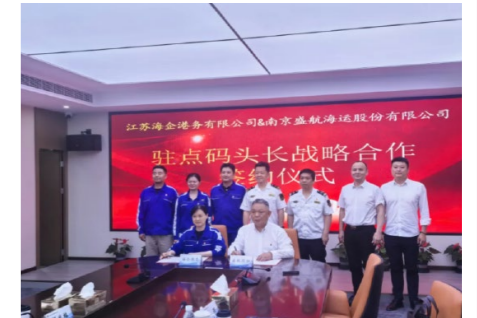
In August 2025, the Company provided training for its partner Zhenjiang CHIMEI Terminal on tanker, chemical tanker, and Yangtze River navigation risk points. The training covered ship knowledge, operational standards, dual risk management, and challenges and regulations of navigation, helping the partner improve safety management and emergency response capabilities.



Shenghang Group signs long-term strategic cooperation agreement for stationed terminals with Haiqi Port Services

Case

On May 23, 2025, the Company signed a long-term strategic cooperation agreement for stationed terminals with Jiangsu Haiqi Port Services Co., Ltd. (hereinafter referred to as "Haiqi Port Services") in Taizhou. The cooperation focuses on enhancing the safety management of ship-shore operations for bulk liquid hazardous goods. The two parties will optimize systems, jointly control risks, and conduct professional skills training to improve the terminal master mechanism, assisting in the promotion of related safety operation guidelines. Both parties agreed to establish an annual thematic meeting mechanism to promote professional and standardized ship-shore interface safety management through resource sharing and technical communication.



Safety culture development

The Company continuously strengthens safety culture construction across all ship-shore scenarios, conducting various safety culture training and advocacy. It places safety signage in office areas, integrating safety culture into daily operations and strengthening overall safety awareness and participation.



Safety training

Conduct pre-job and on-the-job safety education and training for shore-based departments and ships by classification.



Senior crew seminar

Hold quarterly senior crew seminars to exchange and train on safety awareness, safety/human factors and security matters, cybersecurity, accident case analysis, etc.



Work safety month

During the work safety month, activities such as ship-shore joint drills, safety audits, fire drills, and ship inspection and maintenance were carried out.



Talks during ship visits

Informal meetings are held with the crew during ship visits to encourage to actively participate in safety culture events and to assess crew safety awareness.



Quarterly newsletter

A safety management journal is issued quarterly.

Special deployment meeting for the New Year's work safety

Case

On December 15, 2025, the Company held a special work safety deployment meeting for the New Year's holiday period. The meeting addressed key aspects such as navigation safety, cargo and tank cleaning operation management, high-risk operation supervision, alcohol control policies, maritime security measures, and emergency management mechanisms, ensuring full implementation of the principal work safety responsibilities.



Safety training overview

Indicator	Unit	2025
Number of safety education training sessions	Session	144
Number of participants in safety education training	Participants	2,031
Total duration of safety education training	Hour	3,201.05
Safety education training coverage rate	%	100

Occupational Health Management

Governance

Shenghang Group adheres to the principle of "people-oriented, prevention-oriented, unified leadership, hierarchical responsibility, rapid response, and coordinated response," and is committed to providing a comprehensive, high-standard occupational health protection system for its employees. In strict accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, International Medical Guidelines for Ships, Medical First Aid Guidelines for Dangerous Cargo Accidents, and other relevant laws and regulations, the Company has formulated the HSEEn Occupational Health Safety, Environmental, and Energy Management Manual, Human Resources and Health Manual, Regulations on Management of Employee Medical Treatment and Occupational Health, and the Instructions for Crew Physical Examination and Treatment of Diseases and Injuries, continually improving its occupational health management framework. The Company and its subsidiary Shenghang Haoyuan have passed ISO 45001 Occupational Health and Safety Management System certification.

Strategy

The Company regularly conducts risk identification and assessment for occupational health issues, clarifying potential risks and their impact timelines, and developing corresponding countermeasures. This provides precise guidance for the implementation of occupational health management.



ISO 45001 Occupational Health and Safety Management System Certification of Shenghang Group and Its Subsidiary Shenghang Haoyuan

Occupational health risk identification and assessment

Type of risk	Risk description	Possibility of occurrence	Affected time range	Value chain links affected	Potential financial impact	Countermeasures
Hazardous chemicals	The storage, transportation, use, and leakage of hazardous chemicals all pose occupational health risks.	High	Short term	Operations	Increase in litigation, compensation and fines Production losses	Organize regular crew physical examinations; Equipped with professional protective equipment; All operations shall be carried out in strict accordance with the specifications.
Mental health	Seafarers need to work on the ship for a long time, with limited communication with the outside world and mental health pressure. Mental health issues may lead to work errors, which can cause damage to goods, navigation accidents, and other losses.	Low	Short term	Operations	Production losses	Regularly organize psychological counseling lectures and psychological counseling services; Improve on-board entertainment facilities and carry out recreational activities; Arrange navigation tasks reasonably.
High temperature and high humidity environment	When the ship is sailing in summer or tropical areas, the high temperature and humidity in the cabin are easy to cause heat exhaustion, heatstroke, etc., which affects the health and work efficiency of the crew.	Medium	Short term	Operations	Increase in litigation, compensation and fines Production losses	Improve the ventilation and cooling system of the ship to ensure the air circulation in the cabin; Provide heatstroke prevention and cooling drinks and medicines; Adjust the operating time and strength in high temperature environment.

Impact, risk, and opportunity management

The Company has established a "monitoring and control + emergency response" occupational health risk protection system, formulating the Occupational Health Monitoring and Reporting System for Nanjing Shenghang Employees. Based on job differentiation, monitoring periods are set for chemical, biological, and physical hazards, with targeted preventive measures being implemented according to the monitoring results. Meanwhile, the Company has set up an emergency leading group for occupational disease prevention and control, formulated emergency response plans and occupational disease emergency disposal rules with regular evaluation and updates, and stockpiled medical and protective supplies to guarantee rapid response in unexpected situations. In addition, the Company continues to carry out advocacy for occupational disease prevention, raising employees' awareness of occupational health and self-protection.

Indicators and targets

The Company aims for "0 damage" and strives to minimize the possibility of accidents and injuries through a series of methods and measures, fully ensuring the occupational health of employees.

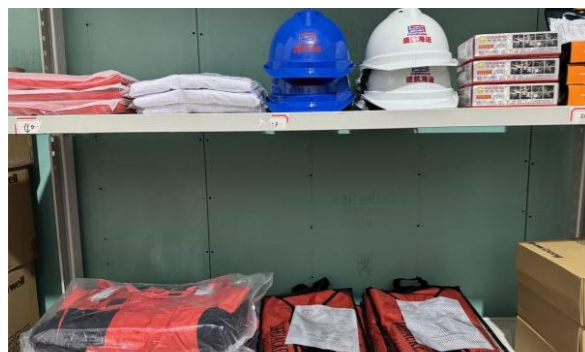
Occupational health management indicators

Indicator	Unit	2025
Occupational health examination coverage	%	100
Occupational hazards pass rate	%	100
Cases of new occupational diseases	Case	0
Occupational disease incidence rate	%	0
Work-related injury insurance expenditure	RMB 10,000	68.12
Coverage of work injury insurance personnel	%	100
Shipowners' P&I insurance expenditure	RMB 10,000	1,429.90
Shipowners' P&I insurance coverage	%	100

Occupational health management measures

Occupational disease protection

In strict accordance with the relevant national and industry standards, the Company is equipped with necessary labor protection equipment, special protective equipment, medicines and medical equipment, and regularly updates and inspects them, fully implements occupational health protection work, and ensures the safety of employees in various operating environments.



Protective equipment



Occupational health examination

The Company, considering the job characteristics of shore-based employees and crew members, regularly organizes occupational health checkups. The General Administration Department and Crew Department separately handle the checkup results for shore-based employees and crew members, conducting classification and summarization analysis, and implementing targeted health prevention measures adapted to the risks associated with different positions. Additionally, the Company has established a regular collaboration mechanism with professional medical institutions, smoothed the connection channel for ship-shore medical support, ensuring that sick employees working on shore or onboard ships can receive timely and standardized medical treatment.

Occupational health education

The Company regularly conducts occupational health training and educational campaigns to enhance employees' awareness of occupational hazards and improve their protective awareness and capabilities. Furthermore, the Company places great importance on the psychological health of crew members. Articles on the topic are published in the *Quarterly Newsletter* to help employees relieve stress from routine tasks, while providing practical methods for improving psychological resilience, thus strengthening the protection of crew members' physical and mental well-being.

Specialized training of occupational health and safety

Case

On December 26, 2025, the Company invited the director of the Public Health Education Center, Nanjing Station, to conduct specialized occupational health and safety training for the shore-based employees. The training focused on three core areas: emergency response to unexpected events, prevention of infectious diseases and occupational diseases, and work safety and psychological health counseling. The aim was to build a "health defense line" for the Company's development, supporting both employee health and the Company's high-quality development.



Mental health knowledge lecture for crew members

Case

In December 2025, the General Manager of the Company held a mental health knowledge lecture for crew members. Combining the occupational characteristics of crew members, the lecture analyzed influencing factors such as their mental health status and working environment, and proposed corporate-level support measures as well as self-regulation methods for crew members, which is of great significance for enhancing crew members' psychological quality and protecting their occupational mental health.



05

Human-Centered Development for Social Contribution

ESG material topics covered in this Chapter

- Protection of employees' legitimate rights and interests
- Employee training and development
- Social welfare
- Rural revitalization

SDGs Responded to in this Chapter



Labor Rights and Interests

Employee recruitment and employment

Shenghang Group values the protection of employees' legal rights and is committed to creating a fair and harmonious work environment. The Company strictly follows laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*, and has formulated and improved internal documents like the *Human Resources Management System* and the *Employee Handbook* to standardize the management of shore-based employees.

The Company formulates talent recruitment plans in alignment with its development strategy, adheres to fair competition and merit-based employment, and expands the high-quality talent pool through diversified recruitment channels and flexible employment models. Meanwhile, it implements diversification and internationalization strategies, treats employees with different genders, ethnicities, ages and other backgrounds equally, and builds a team integrating diverse backgrounds.

Diversified recruitment channels



Social recruitment

The Company actively participates in youth talent exchange conferences and other recruitment activities, utilizing various online recruitment platforms for social recruitment.



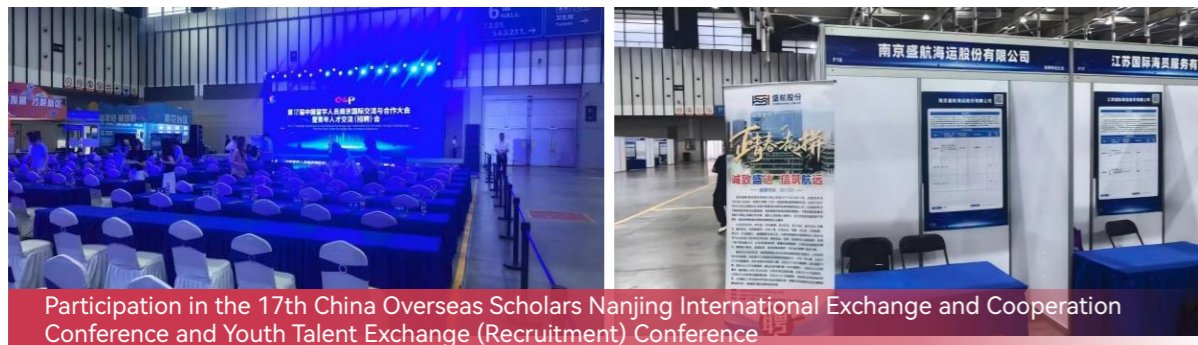
Campus recruitment

The Company has established university-enterprise cooperation relationships with key domestic universities and offers internship and employment opportunities for fresh graduates through campus recruitment.



Internal and external recommendations

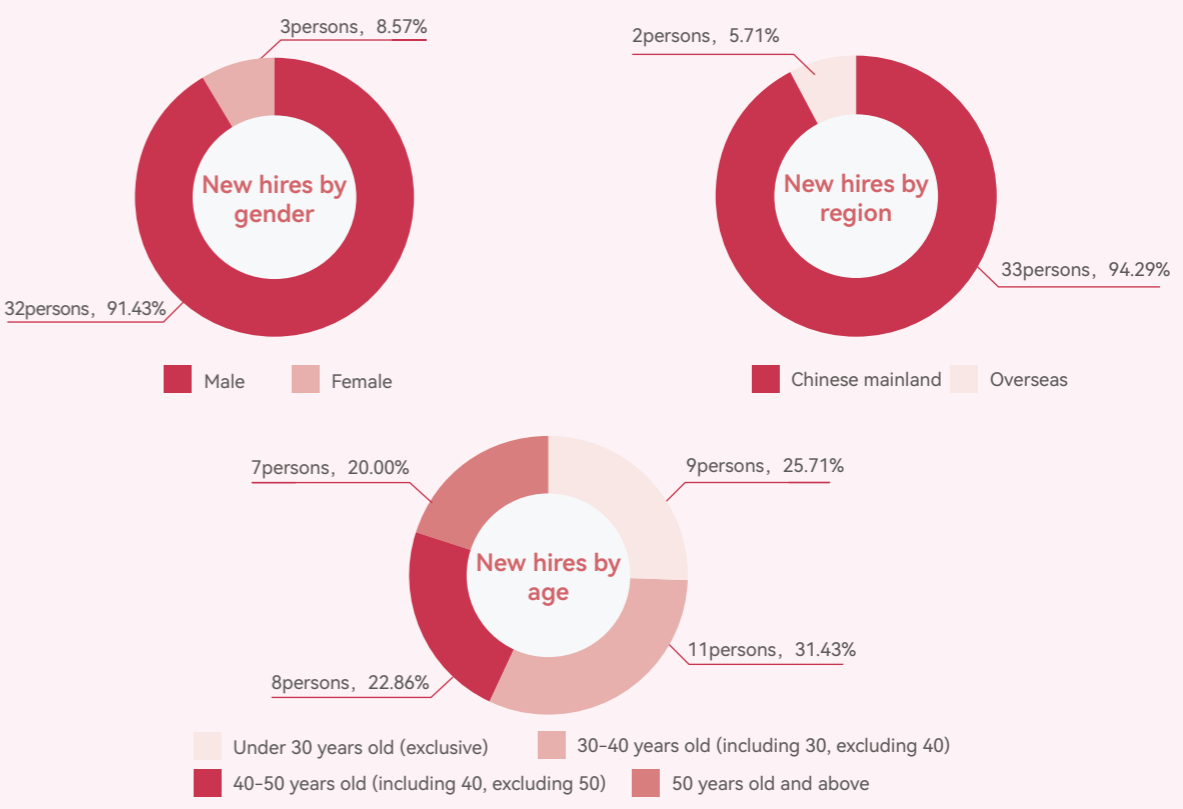
A talent referral mechanism is in place, encouraging internal and external personnel to actively recommend outstanding talent based on job competency requirements.



Key performance

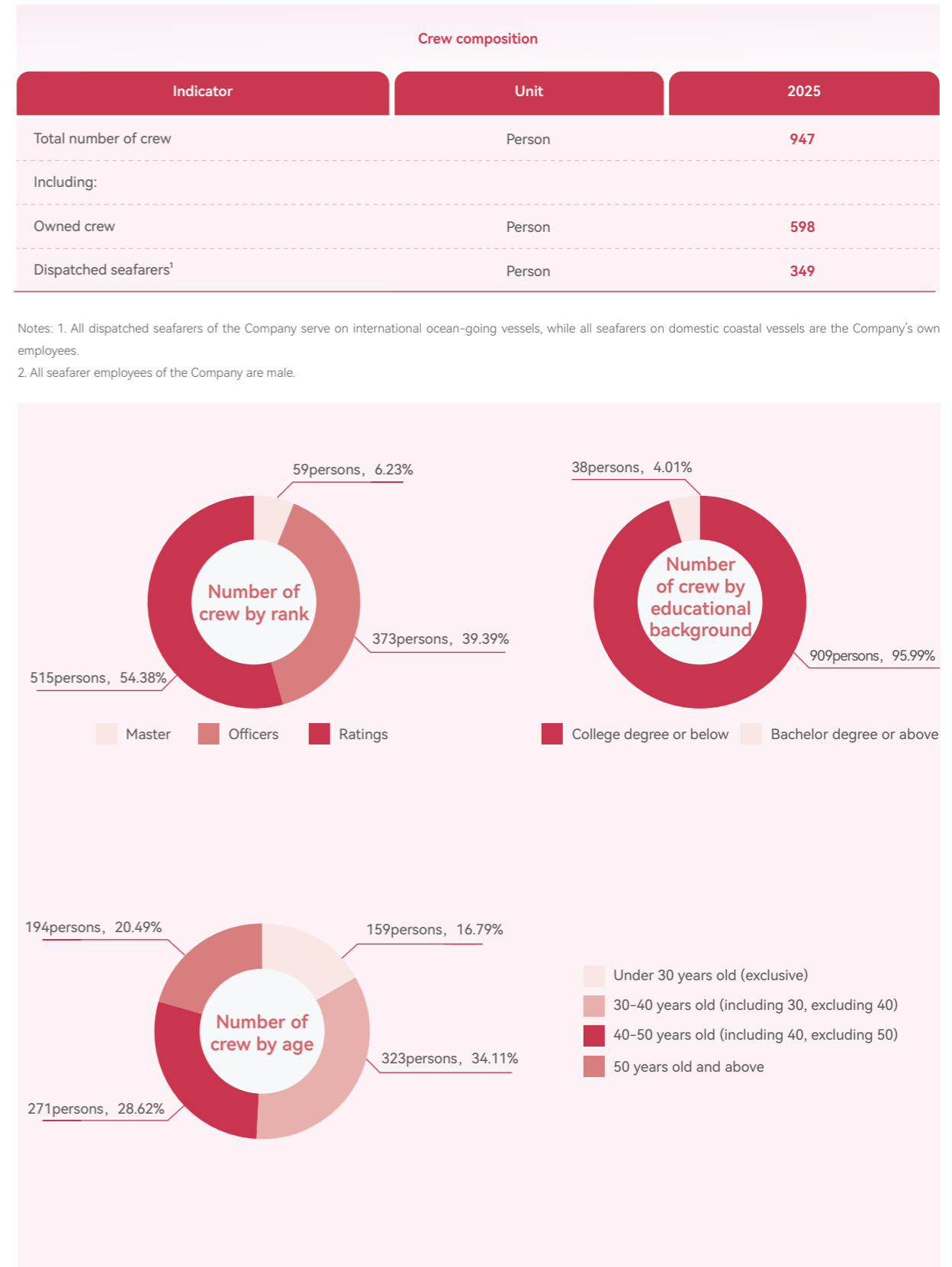
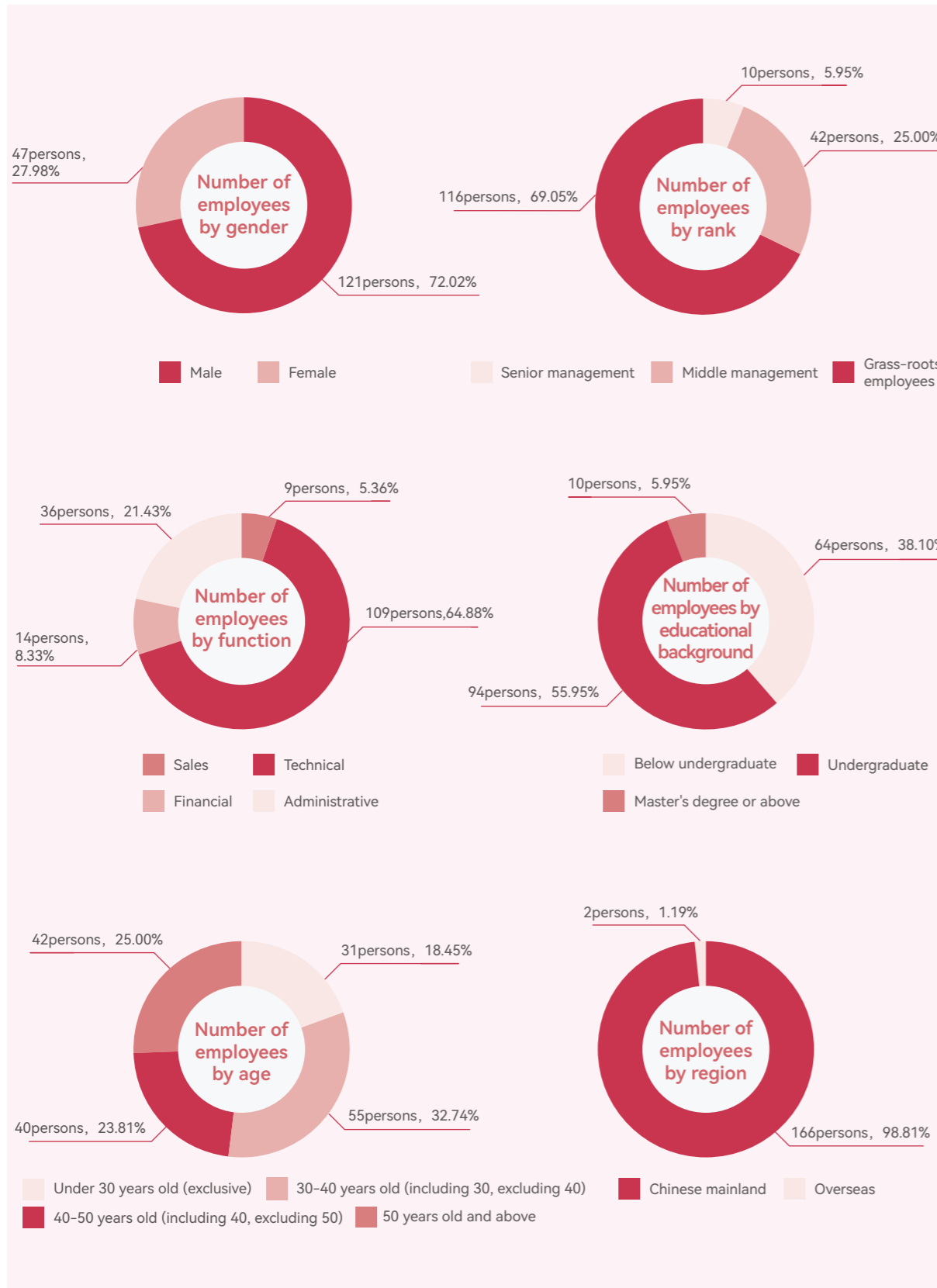
During the reporting period, the Company and its subsidiaries continuously strengthened the development of its talent pool through social recruitment, internal and external referrals, and other approaches, with a total of **35** new shore-based employees recruited.

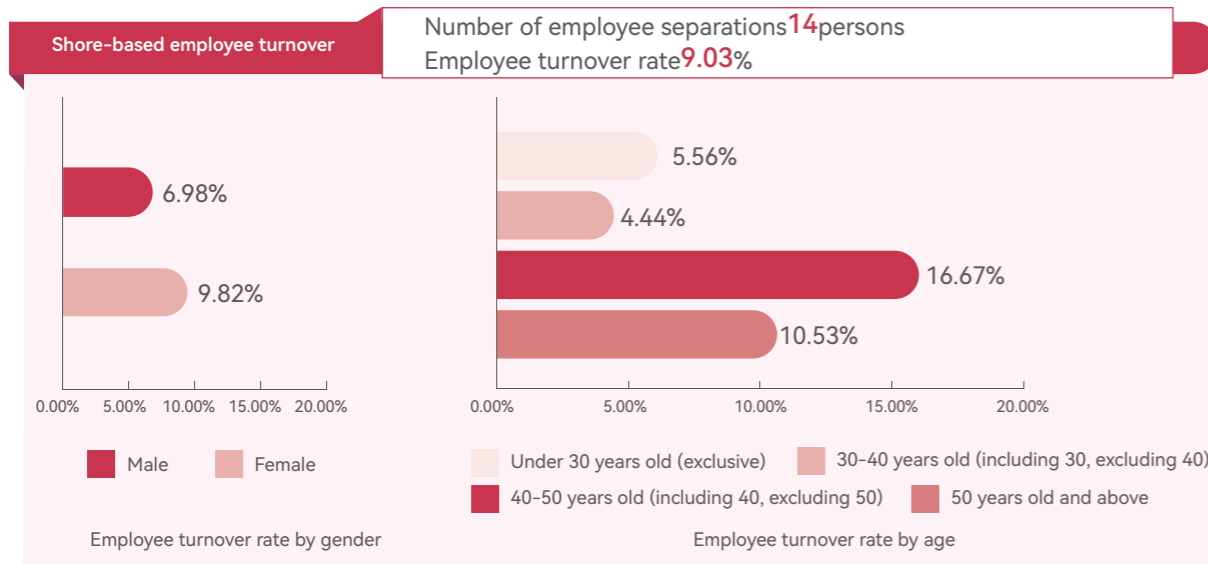
Composition of new shore-based employees



Composition of shore-based employees

Indicator	Unit	2025
Total number of employees	Person	168
Employees from ethnic minorities	Person	1
Proportion of employees from ethnic minorities	%	0.60
Disabled employees	Person	1
Veteran employees	Person	1





Note: 1. Data sourced from Shenghang Group only.
2. The turnover rate is calculated as follows: Employee Turnover Rate = Number of employees leaving during the year / (Number of employees at the beginning of the year + Number of new employees during the year).

Employee compensation and benefits

Compensation performance

The Company has developed a scientifically sound and reasonable compensation and performance appraisal system, and has established the *2025 Annual Company Performance Appraisal and Incentive Plan*, effectively safeguarding the legitimate rights and interests of shore-based employees and crew members. Adhering to the principles of differentiation and transparency, the Company accurately establishes a differentiated compensation structure by integrating core elements such as the skill requirements, job characteristics, maritime operating environment and labor intensity of different positions on shore and onboard vessels, while ensuring the fairness and rationality of salary distribution, enabling the salary system to truly become an important carrier for uniting people and driving development.

Key performance

During the Reporting Period,

100% of employees participated in performance and career development evaluations.

Compensation structure for shore-based employees

Determination basis	Compensation item
Position and qualifications	Standard salary
	Non-salary income
Variable income	Performance assessment results

Comprehensive compensation structure for crew

Determination basis	Compensation item
Position and qualifications	Basic salary, overtime pay, annual leave payment, and health food allowance
	Travel allowance
Variable income	Performance assessment results

To drive business growth, motivate employees, and optimize management, shore-based employees are assessed and incentivized based on three core dimensions: business objectives, safety objectives, and responsibility indicators. All employees are linked to the Company's net profit and safety targets, with evaluations implemented through job responsibility indicators. The Company also has a Performance Appraisal Committee that organizes all parties to reach consensus on strategic action plans and performance targets. The appraisal system includes four levels: excellent, good, to be improved and unqualified. Compensation is accurately allocated based on these levels, and performance review meetings are held periodically to evaluate the process. Timely adjustments are made in light of the Company's development and the actual situation of each department to balance the performance target values of all departments, giving full play to the incentive and guiding role of performance assessment and promoting employees to improve their work efficiency and quality.

The Company sets up a performance grievance mechanism and holds regular performance review meetings. If employees have any objection to the assessment results, they can file grievances in writing with the Human Resource Department. The Human Resources Department is responsible for investigation and coordination and making suggestions, and the Performance Appraisal Committee is the final handling body.

Launch meeting for compensation and performance system optimization project

Case

On June 18, 2025, the Company held a launch meeting for the compensation and performance system optimization project, inviting industry professionals to provide guidance. Drawing on best practices from leading domestic central enterprises and state-owned enterprises, the meeting focused on four core areas: organizational diagnosis and optimization, position classification and staffing, compensation and performance system upgrading, and internal control system improvement. Through systematic reform of management mechanisms, the Company aims to build core competitive advantages and inject strong momentum into its high-quality development.



Employee benefits

The Company focuses on the differentiated needs of shore-based employees and crew members, continuously optimizing the benefits system to provide a strong support system for all employees to work with peace of mind and develop stably. The benefits system conveys the Company's care and attention to employees through thoughtful welfare guarantees.

Employee benefits	
Statutory benefits	Social pooling insurance and housing provident fund
Vacation benefits	Statutory holidays, marriage leave, maternity leave/abortion leave, pregnancy check-up leave, breast-feeding leave, paternity leave, annual leave, funeral leave, sick leave and work-related injury leave
Work benefits	Working meals, communication subsidies, and work clothes
Care benefits	Wedding or maternity gift money, hospitalization condolence payment, and funeral condolence payment
Holiday gift money	Gift money for Spring Festival, Dragon Boat Festival and Mid-Autumn Festival, and gift money for female employees on Women's Day
Other benefits	Regular health checkups, reimbursement of certificate training fees for ship management personnel

Crew benefits		
Exclusive benefits	Special benefits	Subsidy benefits
The Long-term contract seafarers' benefits, reimbursement of officer certificate training expenses, inland river crew leave benefits, crew meal expenses, meal expenses of outsiders	Self-repair service fee, tank cleaning fee, voyage reward, self-berthing and self-pilotage fee, ship assessment award, and ship assessment reward fee	Subsidies for concurrent power supply, subsidies for loading special goods, subsidies for staffing differences, and subsidies for personal tax

Key performance

During the Reporting Period, the social insurance coverage rate of employees was **100%***; the number of paid annual leave days per capita for shore-based employees is **6.76** days.

*Note: This data excludes dispatched seafarers and employees who participate in insurance on their own.

Employee care

Employees are the cornerstone of a shipping company's sustainable development. The Company, based on the collaborative nature of ship and shore operations, balances the work and life needs of shore-based employees and crew members. Through various initiatives, including organizing daily activities for crew members, providing medicine boxes, inviting external medical professionals for traditional Chinese medicine consultations, and offering health education, the Company continues to convey care and concern for employees, strengthening their sense of unity and promoting collaborative development between employees and the Company.



Daily activities for crew members



Provision of medicine boxes



Traditional Chinese medicine consultations

Labor human rights protection

The Company strictly adheres to international labor conventions and laws, including the 2006 Maritime Labor Convention (MLC), Labor Law of the People's Republic of China, and other domestic and international labor laws. The Company has developed a Human Rights Reporting and Complaint Procedure, respecting the rights of employees to free association and collective bargaining, resolutely opposing discrimination, harassment, violence, forced labor and employment of child labor. Furthermore, it ensures that employee grievances have a channel for resolution and are addressed with clear policies, integrating compliance protection and humanitarian care into labor rights management.

Provisions on labor human rights protection

No forced labor

Implement the working hour system in accordance with the Labor Law and the relevant requirements to ensure reasonable rest time for employees;
Suppliers and partners are required to comply with the *Supplier Code of Conduct*, which explicitly prohibits forced labor.

No child labor

Require suppliers and partners to comply with the *Supplier Code of Conduct*, which explicitly prohibits the use of child labor;
Identity information is reviewed during the recruitment and deployment process to ensure that candidates under the age of 18 are not employed, engaged or sent to work on Company ships.

No discrimination

In the process of recruitment and employee appointment, the Company treats different races, genders, ages, marital status, disabilities and religious beliefs equally, provides equal employment positions and development opportunities, and eliminates any form of discrimination.

Anti-harassment and anti-bullying

Establish a "Workplace Harassment and Bullying Prevention Policy" that explicitly prohibits any form of harassment and bullying in office areas and any work-related premises.
The Company has established provisions to prevent violence and harassment for both shore-based employees and crew members, clearly defining harassment, bullying, and behavioral red lines, and has set up a complaint handling process with a zero-tolerance attitude toward violations.

Key performance

During the Reporting Period, the labor contract signing rate of the Company's employees stood at **100%**; no violations involving child labor, forced labor, discrimination, harassment, or bullying occurred.

Of the labor dispute arbitration cases initiated during the Reporting Period, 2 have been closed by the labor arbitration commission with a decision to terminate proceedings. All other cases have been settled amicably or withdrawn. The outcomes of these proceedings will not have a material impact on the Company.

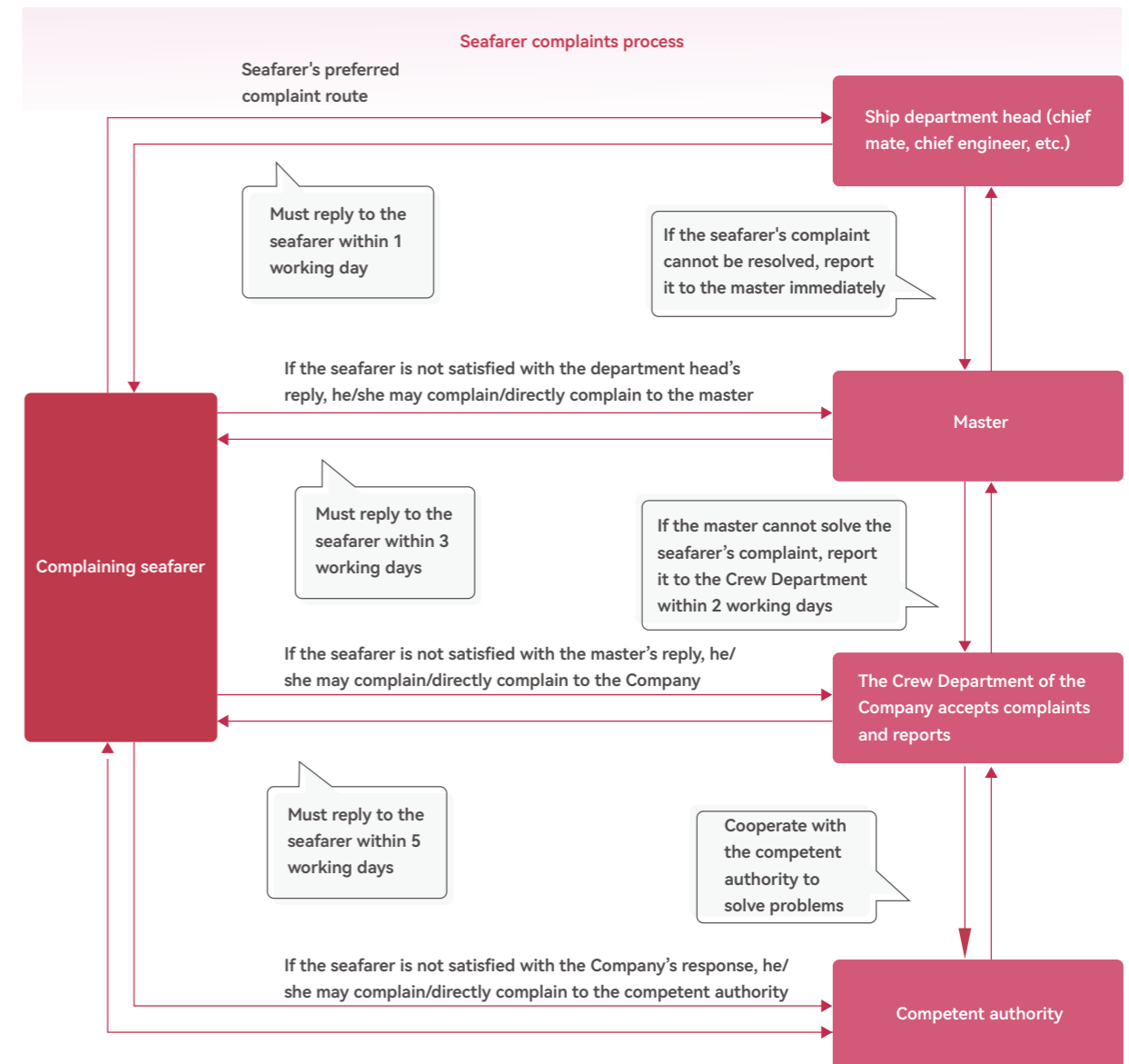
Employee democratic management

Through the labor union and workers' congress, the Company actively guides employees to participate in corporate management and decision-making. The Company has set up suggestion boxes and established diverse and efficient channels for employee communication. It encourages all employees to offer suggestions for the Company's development and actively adopts constructive recommendations. For matters related to employees' vital interests, the Company ensures that employee representatives' opinions are fully heard and considered, safeguarding their rights to information, participation, expression, and supervision.



Employee reasonable suggestion box

The Company has established a *Crew Member Complaints Procedure*, standardizing the complaint and reporting process. A designated person is responsible for follow-up and ensures strict confidentiality of related information, with a firm policy against retaliation towards complainants and those assisting in investigations.



Employee satisfaction

The Company places great importance on employee experience and their sense of value. It periodically conducts employee satisfaction surveys to widely listen to the voices and development needs of frontline employees. The Company has established a quick response and closed-loop follow-up mechanism for the feedback received, effectively transforming employee feedback into concrete actions for improving management and enhancing benefits. This continuous effort fosters a warm and inclusive work environment that increases employee satisfaction and sense of belonging.

Employee satisfaction survey

Case

During the Reporting Period, the General Administration Department conducted satisfaction surveys across various departments, focusing on ten key modules, such as meeting management, property management, cafeteria services, and vehicle management. Survey results were analyzed and feedback provided, with improvements implemented to continuously enhance logistical support services and effectively increase employee satisfaction and well-being.

Protection of women's rights and interests

The Company implements the *Special Provisions on Labor Protection for Female Employees* as per national regulations, and clearly outlines in its *Human Resources Management System* and *Employee Handbook* that female employees are entitled to benefits such as marriage leave, maternity check-up leave, maternity leave, breastfeeding leave, and childbirth leave, while providing necessary welfare support to effectively safeguard their legitimate rights during special periods. Additionally, the Company organizes various special activities for female employees each year, including those for International Women's Day (March 8), reflecting the Company's humanistic care for female employees.



Key performance

During the Reporting Period,

female employees accounted for **13.46%** of the management staff; one employee benefited from parental leave, and the return rate of employees on maternity leave was **100%**.

Note: This data pertains to shore-based employees.



Celebration activities on the International Women's Day

Career Development and Training

Employee training

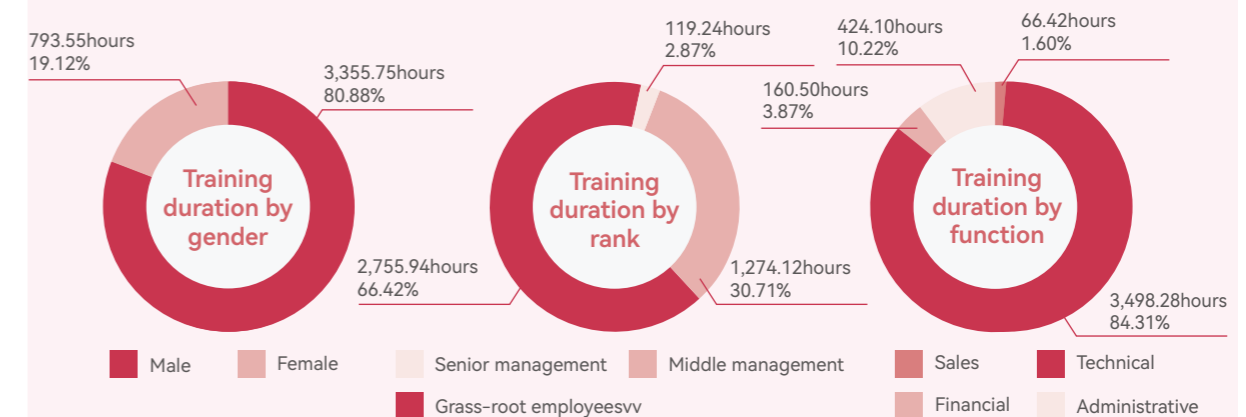
Shore-based personnel training

Shenghang Group views employee training as a key driver for individual growth and the Company's high-quality development. Managed by the Human Resources Department, the Company bases its annual training plans on the *Shore-Based Employee Training Management System* and conducts an analysis on the implementation status of the training and the actual feedback received, to ensure training delivers tangible results rather than mere formalities. This truly aligns employees' personal growth with corporate development, and embeds a learning-oriented culture into every link of talent cultivation.

In light of the differentiated training needs of all shore-based functional departments, the Company builds an integrated team of internal and external professional instructors, and develops a systematic training framework covering employees' entire career lifecycles. This framework includes diverse training types such as new employee onboarding, job skill improvement, system-based training, and leadership training. It flexibly combines multiple learning formats including off-the-job training, on-the-job study, and self-directed learning. Through targeted tiered and categorized development, the Company helps employees at all levels polish professional capabilities, solidify professional foundations, and boost management effectiveness.

Training of shore-based employees

Indicator	Unit	2025
Employee training expenditure	RMB 10,000	10.01
Training sessions	Session	188
Total number of trainees	Participants	2,808
Total training duration	Hour	4,149.30
Employee training coverage	%	100





Onboarding training for new employees



Specialized publicity and training for Manual for Shore-Based Employees (2025 Version)



Management leadership training



Business analysis and management training

Crew training

In order to improve the basic quality and professional skills of seafarers, the Company formulates a training plan for seafarers in accordance with the *Rules for the Management of Seafarers Training of the People's Republic of China* and other requirements. By implementing the "training-assessment-use" process management, the Company strengthens control over the training process and the conversion of assessment results, ensures that actual training effectiveness is closely aligned with the Company's business development goals, and builds a solid talent foundation for the high-quality development of shipping operations.

Crew training type and content

On-the-job training

- In accordance with the Company's system requirements, conduct basic training and specialized training for newly onboard crew members;
- In accordance with the content and requirements of the ship's annual training plan, the master shall conduct monthly training for all onboard crew members;
- When company management conducts ship visits, provide safety management training for all crew members;
- During ship visits by the Company's Marine and Technical Departments, conduct irregular training on professional skills and safety awareness for onboard crew members.

Pre-job training

- In accordance with the requirements of the Company's management system, the employed master, chief engineer, and chief mate must attend training at the Company before boarding the ship, with the main training content including pre-onboard training, pre-sailing instructions, and master's command qualification certification;
- For each employed crew member, basic pre-job training is required before boarding to ensure that the crew member has the basic safety and operational capabilities required for the position.

Company-level annual training

- In accordance with the requirements of the Company's system and TMSA, regularly organize crew members on leave to attend 3-day crew seminars at the Company. The main training content includes ship operational efficiency, safety management, safe watchkeeping, key points of collision avoidance operations between merchant ships and fishing vessels, cargo operations, anti-pollution maintenance, emergency drills and training operations, operational training for external inspections, and the Company's key rules and regulations;
- Seminars and special training are conducted alternately, adopting the form of on-site lectures and on-site exchanges and interactions to enhance the actual effect of training.

Crew training		
Indicator	Unit	2025
Crew training expenditure	RMB 10,000	93.42
Onboard crew training		
Total number of training sessions	Session	68
Total number of trainees	Person	947
Training coverage	%	100
Total training duration	Hour	197,355
Average training duration by rank		
Master	Hours/person	215.00
Officers	Hours/person	209.29
Ratings	Hours/person	207.00
Specialized crew member seminar training		
Total training sessions	Session	5
Total number of trainees	Participants	244
Total training duration	Hour	14,488



Professional skills training for assistant chief engineers and assistant second engineers

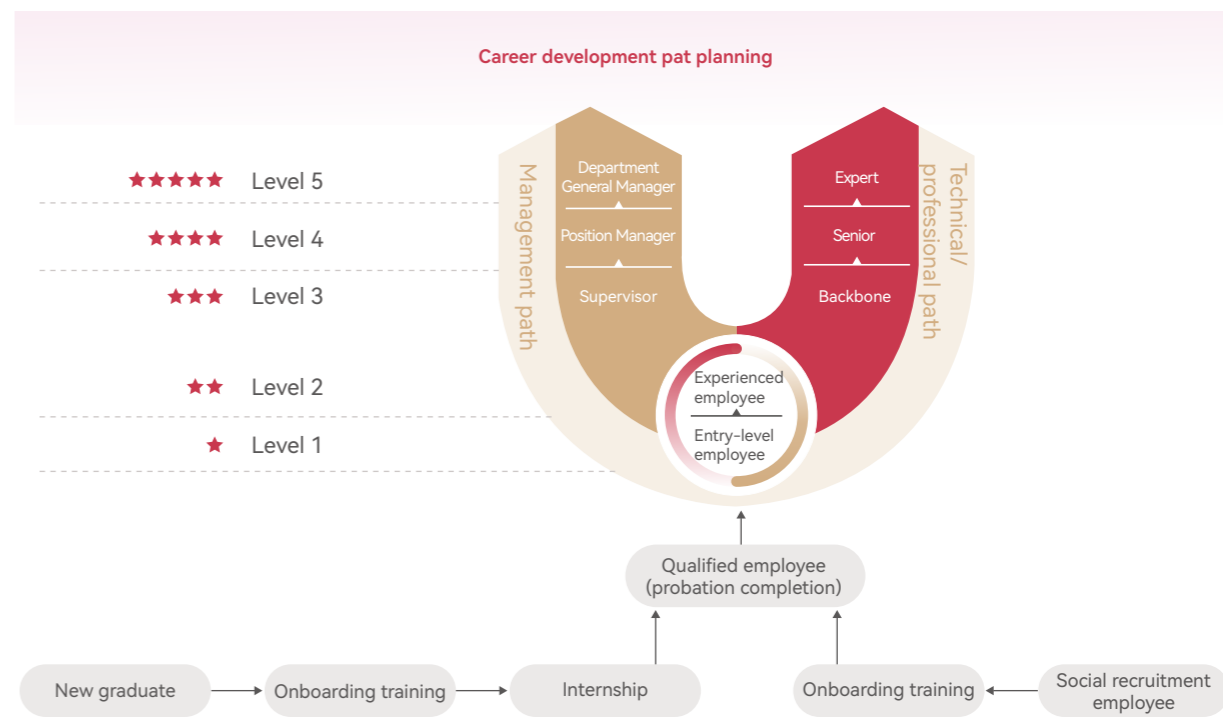
Crew member seminar Case

In 2025, the Company held three crew member seminars focusing on optimizing corporate safety management and enhancing employees' professional skills. Key topics discussed included ship safety management, risk prevention, standardized operation procedures, and stress relief. Through interactive communication, the seminars helped strengthen the understanding and trust between ship management and crew members, improving ship management levels and promoting crew member development.

Employee development

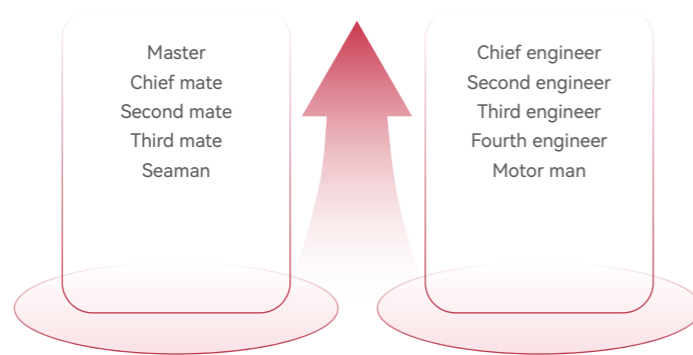
The Company has established and improved an employee career planning and development system, opened various positions to employees and provided fair career development opportunities, encouraged each employee to tap their personal potential in different types of positions, and provided solid support for employees' career development from multiple dimensions.

For shore-based employees, the Company develops dual channels of management sequence and professional sequence to provide fair and diversified choices and development opportunities for each employee.



In terms of crew training and promotion, the Company has formulated system documents such as *Crew Employment, Assessment and Management Procedure* and *Crew Promotion Assessment System*, systematically regulating crew capability enhancement, selection interviews, and job-level promotion processes. A professional and hierarchical promotion path ensures fairness and sustainability in crew career development, strengthening the foundation for building a high-quality crew team.

Crew rank promotion path diagram



Crew interview promotion day



Crew promotion interview

Social Contribution and Rural Revitalization

Enthusiasm for social welfare

In accordance with the *Law of the People's Republic of China on Donations for Public Welfare* and other relevant laws and regulations, the Company has formulated the Management System for External Donations to regulate external donation activities, oversee the implementation of donations, and guide subordinate units in establishing sound decision-making and management systems for external donations. At the same time, the Company actively fulfills its corporate social responsibility by engaging in charitable donations, volunteer services, and other forms of public welfare. The Company is committed to improving people's livelihoods and environmental protection, contributing to social welfare and demonstrating corporate responsibility and humanistic care through practical actions.

Public welfare environmental protection initiative of Xuanwu Lake



On April 13, 2025, the Company organized shore-based employees to participate in a public welfare environmental protection activity at Xuanwu Lake in Nanjing, themed "Spring at Xuanwu Lake, United Shenghang People." A total of 123 volunteers participated, each contributing an average of 3 hours, for a total of 369 volunteer hours. The volunteers cleaned up trash along the Xuanwu Lake shoreline and surrounding areas, receiving high praise from park managers, citizens, and tourists. Their efforts contributed positively to the construction of ecological civilization.



Supporting rural revitalization

The Company has always upheld the corporate mission of "serving the country through industry, contributing to society, and benefiting employees," continuously focusing on the "Three Rural Issues" (agriculture, rural areas, and farmers). The Company is committed to consolidating and expanding the achievements of poverty alleviation, supporting rural revitalization, and actively exploring new paths for joint development between villages and enterprises.

Caring for rural communities with heart: joining hands for a new chapter – charity & comfort activity in Yancheng



On October 28, 2025, Company leaders visited Chunhua Village, Luguo Town, Jianhu County, Yancheng City, to conduct a public welfare visit. The Company donated over 140 books to the village, providing enriching reading material, especially for local youth. Additionally, it distributed living essentials and health care packages to elderly and vulnerable residents. This visit benefited approximately 130 people and injected heartfelt support for rural cultural revitalization and elderly care services, fully reflecting the Company's commitment to society and responsibility in contributing to people's livelihoods.



APPENDICES

Indicator Index Table

Chapter	Global Reporting Initiative (GRI) Standards	Guidelines for Sustainability Reporting for Chinese Enterprises (CASS-ESG6.0)	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (for Trial Implementation) issued by the Shenzhen Stock Exchange	
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Chapter	Global Reporting Initiative (GRI) Standards	Guidelines for Sustainability Reporting for Chinese Enterprises (CASS-ESG6.0)	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (for Trial Implementation) issued by the Shenzhen Stock Exchange	
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	Career Development and Training	404-1/404-2	S4.3.1/S4.3.2/S4.3.3/ S4.3.4/S4.3.5/S4.3.6	Article 50
	Social Contribution and Rural Revitalization	413-1	S1.1.2/S1.1.3/S1.1.4/S1.2.1	Article 39 Article 40
APPENDICES	Indicator Index Table	/	A3	Article 57
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Feedback Form

Dear readers,

Thank you very much for reading this report. We highly value and sincerely welcome your feedback. Your comments and suggestions will serve as critical guidance for us to continuously enhance the quality of ESG disclosures, strengthen ESG management practices, and advance sustainable development initiatives. We deeply appreciate your valuable input.

1.How would you evaluate our overall ESG performance?

Excellent Good Fair Poor Very poor

2.What is your general assessment of this report?

Excellent Good Fair Poor Very poor

3.How effectively do you think we communicate with stakeholders?

Excellent Good Fair Poor Very poor

4.How would you assess our performance in industrial value creation?

Excellent Good Fair Poor Very poor

5.How would you rate our performance in environmental protection, safety, and occupational health?

Excellent Good Fair Poor Very poor

6.How adequately do we address employee-related responsibilities?

Excellent Good Fair Poor Very poor

7.How comprehensively do we implement ESG practices?

Excellent Good Fair Poor Very poor

What specific recommendations do you have regarding our ESG implementation and this report?