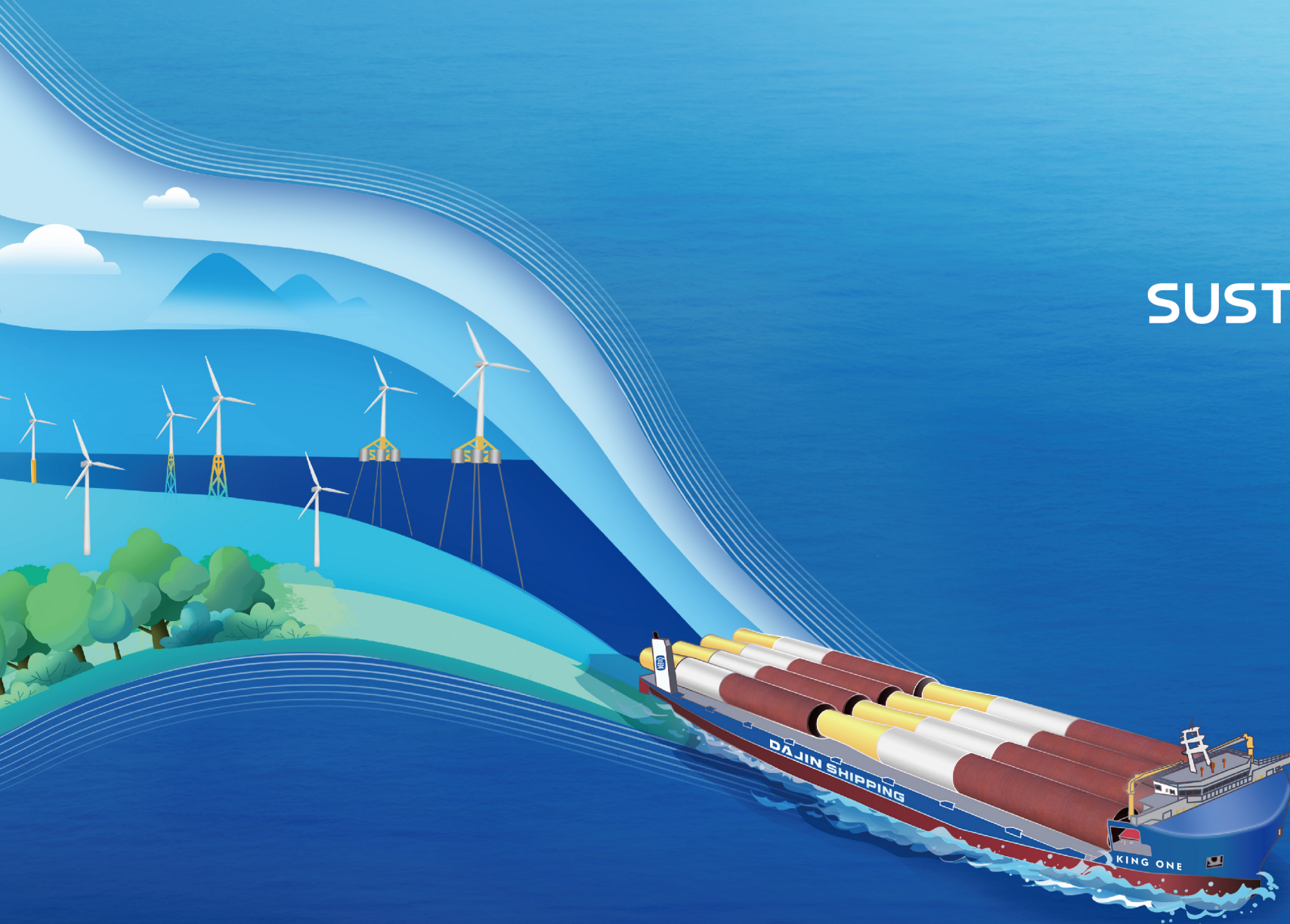


2024

# SUSTAINABILITY REPORT



DAJIN OFFSHORE  
**SAIL WITH THE WIND.**

**DAJIN**

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# About the Report

This Report is the second sustainability report (“the Report”) published by Dajin Heavy Industry Co., Ltd. (hereinafter “Dajin Heavy Industry”, “Dajin”, “the Company” or “We”). The Report is intended to disclose the Company’s achievements on sustainable development and management performance in Environmental, Social, and Governance (hereinafter “ESG”) objectively and transparently, helping stakeholders to better understand our business.

## Reporting Period

The information and data contained in the Report covers the period from 1 January 2024 to 31 December 2024 (hereinafter “2024” or “this year”). To ensure the comparability and completeness of the Report, the period has been extended forward and backward as appropriate.

## Reporting Scope

The Report covers Dajin Heavy Industry and its subordinate production facilities and wind farms. The financial data disclosed herein comes from the annual report of the Company while other data comes from internal statistics. The standards applied for the calculations that are involved in this regard have been indicated in the Report. Unless otherwise stated, the currency in the Report is denominated in RMB.

## Basis of Preparation

This report follows the relevant requirements of the Shenzhen Stock Exchange’s Self-Regulatory Guidelines No. 1 for Listed Companies – Standardized Operation of Main Board Listed Companies and Self-Regulatory Guidelines No.17 for Listed Companies – Sustainability Report (For Trial Implementation). It also refers to the Global Reporting Initiative Standards (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (UNSDGs).


## Terms and Definitions

Abbreviation	Full name
Penglai Facility	Penglai Dajin Offshore Heavy Industry Co., Ltd.
Fuxin Facility	Dajin Heavy Industry Co., Ltd.
Zhangjiakou Facility	Zhangjiakou Dajin Wind Power Equipment Co., Ltd.
Yangjiang Facility	Yangjiang Dajin Wind Power Offshore Engineering Technology Co., Ltd.
Xing An’meng Facility	Xing’anmeng Dajin Heavy Industry Co., Ltd.
Panjin Facility	Panjin Dajin Offshore Engineering Co., Ltd.

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# Letter from the Chairman

“

The year 2024 marked a period of continuous business optimization and significant achievements in global market expansion for Dajin Heavy Industry. Guided by innovation and a commitment to green development, we remain dedicated to delivering high-quality offshore and onshore wind power equipment and services to our global clients.

”

## To our Stakeholders,

The year 2024 marked a period of continuous business optimization and significant achievements in global market expansion for Dajin Heavy Industry. Guided by innovation and a commitment to green development, we remain dedicated to delivering high-quality offshore and onshore wind power equipment and services to our global clients. As the global energy transition accelerates—particularly with Europe's increasing focus on low-carbon solutions and green steel—we have proactively adapted, strategically positioned ourselves, strengthened our green supply chain, and promoted the application of green steel. These efforts have enabled us to meet the increasingly stringent carbon emission requirements of our clients while earning widespread recognition.

In the wind power equipment manufacturing sector, our offshore business has continued to expand, while our onshore operations have been adjusted in an orderly manner. The revenue contribution from both domestic and international offshore segments continued to grow, with overseas offshore projects emerging as a key driver of our sustained profitability. Although 2024 and 2025 present challenges for the wind power industry, including policy adjustments, supply chain fluctuations, and extreme weather conditions, we have maintained our market competitiveness through a stable operational business strategy and unwavering confidence in the industry. Despite the complexities of the external environment, we have achieved steady business growth.

We remain committed to our environmental responsibilities and continue to address the challenges and opportunities posed by climate change. In our decarbonization efforts, we are actively advancing the low-carbon transition of both our company and our supply chain. Through optimizing production processes and improving energy efficiency, we strive to reduce carbon emissions at every stage. Meanwhile, we have partnered with leading international providers of floating foundation solution providers to develop the next-generation floating foundation products, positioning ourselves for deep-sea offshore wind opportunities and laying a solid foundation for the sustainable development of global offshore wind industry.

At the same time, we uphold a people-oriented approach, fostering diversity and attracting top global talent. In 2024, we welcomed international colleagues from Spain, France, South Korea, India, and other countries, further enriching our international team and enhancing our global perspective and cross-cultural collaboration capabilities. We are committed to creating a positive work environment, offering ample opportunities for career growth, and continuously investing in training and skill development to foster a sense of belonging and drive continuous personal and professional advancement.

In corporate governance, we continue to optimize our internal structures, strengthen risk management and internal controls, and enhance compliance reviews in areas such as anti-bribery, trade compliance, and environmental regulations. We have gradually improved our compliance management framework to ensure that the Company operates in a lawful, transparent, and efficient manner, with all business activities adhering to domestic and international legal requirements, thereby promoting stable growth in the global market. We also maintain close collaboration with our global supply chain partners, working together to navigate market challenges, drive industry-wide synergy, and achieve mutually beneficial growth.

Reflecting on 2024, we have encountered uncertainties and challenges in the wind power industry, but we have also grown and achieved significant milestones. Looking ahead, we remain steadfast in our commitment to ESG principles, integrating them deeply into our corporate strategy and daily operations. We will continue to enhance our sustainability capabilities and core competitiveness, contributing even more to the global energy transition and sustainable development goals.

Chairman of Dajin Heavy Industry **Jin Xin**



# About Us

## Company Profile

Dajin Heavy Industry Co., Ltd. was founded in 2000 in Fuxin, Liaoning Province, China, and was listed on the Main Board of the Shenzhen Stock Exchange in 2010 (Stock Code: 002487), becoming the first publicly listed company in China's wind power tower industry. After more than 20 years of dedicated development, the Company has firmly established itself as a leading global manufacturer of offshore wind power equipment, delivering high-quality, low-carbon emission, and reliable infrastructure to support the growth of renewable energy worldwide.

As an industry pioneer, Dajin Heavy Industry has been deeply engaged in wind power equipment manufacturing, specializing in providing a full range of wind towers and foundations for both onshore and offshore wind energy. Our product portfolio includes wind turbine towers, transition pieces, foundation sections, monopiles, deep-sea jackets, floating foundations, and offshore substations. We continuously drive technological innovation and industrial upgrades, achieving groundbreaking milestones in multiple areas. The Company became the first in China to export offshore wind towers (14.7MW) to Europe, the first in Asia to export extra-large monopiles (14.7MW) to Europe, and the only top-tier wind power equipment manufacturer in the Asia-Pacific region capable of large-scale exports of offshore wind power products to the European market. By the end of 2024, our delivered products have supported a total global wind power installed capacity of 10 GW, contributing to the low-carbon transition of the global energy landscape.

Leveraging advanced manufacturing technology, stringent quality control, and highly efficient delivery capabilities, Dajin Heavy Industry has successfully completed high-profile offshore projects in the UK, Germany, France, Denmark, and other European markets, earning widespread recognition from international clients. Meanwhile, we are actively expanding into emerging markets such as Japan and South Korea, collaborating with local partners to jointly advance offshore wind power and marine engineering development. Through continuous technological innovation and premium services, we are steadily building a global business presence.

Guided by our sustainability strategy, we are accelerating investment in renewable energy development, advancing deep-sea floating foundation technology, and enhancing our global logistics network, including specialized large-scale offshore transport vessels. This deep industrial chain integration is becoming a new growth drivers for the Company's long-term and stable development. Looking ahead, Dajin Heavy Industry will continue to uphold the principles of innovation-driven and green development, supporting the sustainable evolution of the global clean energy industry and contributing to the shared goal of carbon neutrality.



★ ★ ★

The Company became the first in China to export offshore wind towers (14.7MW) to Europe

★ ★ ★

The Company became the first in Asia to export extra-large monopiles (14.7MW) to Europe

## Business Ecosystem

Adhering to the vision of “Sailing Towards a Sustainable and Greener Future” and remaining committed to the mission of “From Dajin to the World, From Good to Great”, Dajin Heavy Industry is dedicated to providing clients with high-quality, low-carbon emission and sustainable products, as well as integrated solutions for industry-related services and operations. We are committed not only to being a manufacturer of wind power infrastructure but also to playing a pivotal role in driving the global energy transition.

The Company firmly implements its “Dual-Sea Strategy” (offshore wind power and overseas markets), deepening its global footprint by leveraging cutting-edge technology, high efficient production,

and an optimized supply chain to promote the high-quality development of the offshore wind power industry. Despite market fluctuations, policy adjustments, and environmental challenges in the global wind power sector, Dajin Heavy Industry remains strategically focused. With world-class production capacity, a flexible and efficient logistics network, and strong cost competitiveness, we continue to enhance our industry influence and collaborate with our global partners to drive the sustainable transformation of clean energy.

Looking ahead, the Company will further strengthen its global capabilities, advancing green manufacturing and a low-carbon emission supply chain transformation with an international perspective. We are actively responding to the European market's increasing demands for green steel, carbon reduction, and sustainable development, providing more reliable, innovative, and environmentally friendly solutions for the global wind power industry. Through these efforts, we are building a “Dajin Ecosystem” that truly belongs to the era of globalization.



## Business Segments



### Wind Power Equipment Manufacturing

Dajin Heavy Industry specializes in wind power equipment manufacturing, offering key structural components for both onshore and offshore wind power projects, including towers, monopiles, transition pieces, jackets, and floating foundations. To continuously optimize our production capacity, we have established seven major manufacturing facilities across China (including one under construction), along with three specialized ports (with one under construction). With an annual production capacity exceeding 2 million tons, we provide high-quality infrastructure support for wind power projects worldwide.



### Renewable Energy Development

Dajin Heavy Industry is actively expanding its renewable energy investment and development business, deepening its presence across the renewable energy value chain. As of the end of 2024, we have owned and operate a 250 MW grid-connected wind power projects (commissioned in March 2023, with 63 installed turbines). This project has generated a cumulative 1.102 billion kWh of green electricity, equivalent to reducing 591,300 tons of CO<sub>2</sub> emissions. Additionally, we are advancing the construction of a 250 MW photovoltaic project, which is expected to be commissioned by April 2025. Furthermore, we have secured project approvals and grid connection clearance for 950 MW of wind power capacity, with plans to complete construction and grid connection within the next two years, contributing more green energy to global clean energy development.



### Global Logistics System & Self-operated International Shipping Fleet

To accelerate global expansion and enhance supply chain resilience and logistics efficiency, Dajin Heavy Industry is actively developing a specialized global offshore transportation system for offshore projects. We have already initiated Phase 1 of our construction plan, which includes 2-4 deck carriers, with the first two vessels scheduled to be delivered in 2025. Looking ahead, we plan to establish a fleet of 10-20 ultra-large deck transport vessels of varying tonnage. This high-efficiency, low-carbon logistics system will support the global delivery of offshore wind and marine equipment, further strengthening our supply chain competitiveness in the global markets.

## Global Business Layout

Dajin Heavy Industry adheres to a globalization development strategy, continuously deepening its presence in the offshore wind and renewable energy industry chain, supporting the global green and low-carbon emission transformation through high-quality manufacturing and services.

Currently, the Company has established over 40 subsidiaries and affiliated enterprises in European countries such as Germany and Poland, as well as in several provinces (regions) in China, including Liaoning, Inner Mongolia, Hebei, Shandong, and Guangdong. With a client base and sales network spanning more than 30 countries and regions, we have built a reputation for exceptional product quality, a robust supply chain, and a strong commitment to sustainability. Collaborating closely with global wind power developers, energy enterprises, and industry partners, we are dedicated to jointly promoting the transformation and upgrading of the global energy structure toward a low-carbon emission and sustainable future.

the Company has established over **40**  
subsidiaries and affiliated enterprises in European  
countries such as Germany and Poland

With a client base and sales network spanning  
more than **30** countries and regions

## Company Facility Distribution

Business Segments and Facility Distribution	Facilities/Projects
Offshore Wind Power Equipment Manufacturing	Penglai Offshore Facility and Ports
	Yangjiang Offshore Facility
	Tangshan Offshore Facility & Ports (in progress)
Onshore Wind Power Equipment Manufacturing	Liaoning Fuxin Production Facility
	Hebei Zhangjiakou Production Facility
	Inner Mongolia Xing'anmeng Production Facility
Renewable Energy Development	Fuxin Zhangwu Xiliujiazi Power New Energy Co., Ltd.
	Tangshan Shilihai 250MW Aquaculture-PV Complementary Project (in progress)
	Tangshan Caofeidian 700MW Onshore Wind Power Project (Approved)
	Tangshan Fengnan 250MW Wind Power Project
Self-operated International Shipping Fleet Segment	Panjin Offshore Facility












# Key Performance in Sustainability

## Sustainable Development Progress




## 2024 Sustainability Core Initiatives and Key Performance



Sections and Topics		Key Sustainable Development Initiatives	Key Performance and Objectives	United Nations Sustainable Development Goals
Environmental	Reducing Carbon Emissions	<ul style="list-style-type: none"> <li>Continuously identify, analyze, and assess climate change related risks and opportunities in accordance with TCFD (Task Force on Climate-Related Financial Disclosures) recommendations and implement corresponding mitigation measures.</li> <li>Further updated the “dual-carbon” targets and decarbonization roadmap at the Dajin Heavy Industry Penglai Facility, building on the fact that it has already achieved peak carbon emissions in operations.</li> <li>Promote green procurement and enhance the efficiency of resource utilization across all stages of the supply chain.</li> <li>Practice the concept of green logistics by strengthening the warehouse management capability and improving the efficiency of logistics.</li> <li>Continuously accelerate the construction of wind farms and photovoltaic power plants to reduce the Company's own carbon emissions while contributing to the society's transition toward low-carbon development.</li> </ul>	<ul style="list-style-type: none"> <li>The Penglai Facility aims to reduce Scope 1 and Scope 2 carbon emissions by 42% from the benchmark year by 2030, decrease Scope 3 emissions by 25%, and cut emission intensity in steel procurement by half. By 2040, it will achieve carbon neutrality for Scope 1 and 2, completing the decarbonization of its own operations. By 2050, it targets net-zero emissions across the entire value chain, with a significant reduction of 95% in emissions intensity from steel and flange procurement.</li> <li>The Company holds a total of 250MW of grid-connected wind power projects, with 63 installed turbines, generating a cumulative 1.102 billion kWh of green electricity, equivalent to reducing 591,300 tons of carbon dioxide emissions.</li> <li>In 2024, the Penglai Facility used a total of 11,181,000.00 kWh of green electricity, accounting for 32% of its total electricity consumption. The facility plans to increase this proportion to 60% by 2025, achieve 96.5% green electricity usage by 2030, and reach 100% by 2036.</li> <li>CDP C level in Climate.</li> </ul>  	  
	Energy Management	<ul style="list-style-type: none"> <li>Developing regulations on energy-saving and consumption reduction tailored to the company's business characteristics, Dajin Heavy Industry has implemented refined energy management practices to enhance energy efficiency across operations.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate consumption information for all energy consumption categories into the Company management system.</li> </ul>	
	Process Innovation and Energy Saving Technology Application	<ul style="list-style-type: none"> <li>Dajin continuously optimizes process technologies across key production stages—including beveling, welding, and painting—to reduce raw material usage and energy consumption. These efforts contribute to lowering both material inputs and carbon emissions associated with the manufacturing process.</li> </ul>	<ul style="list-style-type: none"> <li>By optimizing bevel angles, Zhangjiakou Facility achieved a reduction of 11.06% in wire consumption, equivalent to around 140kg, and a 11.07% reduction in flux consumption, approximately 150kg.</li> <li>The introduction of Regenerative Thermal Oxidation (RTO) technology converts VOCs in exhaust gases into carbon dioxide and water through high-temperature oxidation, and the purification efficiency of some part of the heating process reaches as high as 95% to 99%.</li> </ul>	
	Biodiversity Conservation	<ul style="list-style-type: none"> <li>Released the Biodiversity Statement, committing to proactive risk prevention and control, strict in-process management, and regular publicity on biodiversity conservation.</li> <li>For the management of foreign vessels, signing agreements with professional third-party organizations for the treatment of oily sewage and garbage from ships to ensure that waste can be disposed of in a timely, safe and standardized manner.</li> <li>For new facility projects, scientific planning and strict construction management will minimize the negative impacts of project operation on the ecological environment.</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance with external vessels ballast water, wastewater and waste treatment.</li> </ul>	 

Sections and Topics		Key Sustainable Development Initiatives	Key Performance and Objectives	United Nations Sustainable Development Goals
Environmental	Waste Management	<ul style="list-style-type: none"> <li>Formulated a series of standard documents, clarify the requirements for waste recycling, storage and disposal, and entrusted qualified third parties to carry out the recycling and treatment process, ensuring that all kinds of waste are disposed of in full compliance with applicable regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Utilization of 1,145.52 tons of steel offcuts and 0.3 tons of waste materials (e.g., wooden pallets, packaging, etc.).</li> <li>Penglai Facility set up a production recycling rate of no less than 90% by 2030 and committed to full circularity by 2040.</li> </ul>	
	Circular Economy	<ul style="list-style-type: none"> <li>Secondary cutting and processing of reusable scrap generated during the cutting of steel plates in the production process.</li> <li>Processing and utilization of backlog inventory to avoid waste of resources and additional costs.</li> </ul>		
	Water Resources	<ul style="list-style-type: none"> <li>Water consumption is reduced through the use of recycled water systems, water-saving fixtures, and water-efficient processes.</li> <li>Domestic wastewater is treated and reused through the installation of advanced wastewater treatment systems, promoting circular water usage.</li> </ul>	<ul style="list-style-type: none"> <li>CDP C level in Water Security.  </li> </ul>	



Sections and Topics		Key Sustainable Development Initiatives	Key Performance and Objectives	United Nations Sustainable Development Goals
Social	Product and Service Quality	<ul style="list-style-type: none"> <li>Set quality management objectives, real-time monitoring, statistics and analysis of the completion of the objectives, for individual non-compliance with the development of relevant corrective measures to ensure the effective realization of the Company's quality management objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Penglai Facility revised 67 documents and issued 45 new documents throughout the year, further refining the details of quality control.</li> <li>Full coverage of ISO 9001 quality system certification for production bases that have been in long-term operation.</li> </ul>	
	Health and Safety	<ul style="list-style-type: none"> <li>Establish a strong correlation mechanism between safety targets and the management KPIs, and incorporate the accident rate, hidden danger rectification rate and other indicators into the performance evaluation of all employees.</li> <li>Organize safety training for all employees and promote an internally driven safety culture.</li> <li>Implementing full-cycle health and safety management for outsourced personnel, ensuring "same work, same standard and same training" to comprehensively safeguard the health and safety of outsourced personnel.</li> <li>Conducting systematic inspections of various production processes that may pose potential safety hazards.</li> </ul>	<ul style="list-style-type: none"> <li>The Company's NOY monopile / Thor monopile / NSC monopile / WAK monopile / SGRE offshore tower / GE offshore tower projects have accumulated about 3 million safe man-hours.</li> <li>Penglai Facility organized 260 safety inspections throughout the year, identifying 21,850 potential safety hazards and rectifying the corrective actions.</li> <li>100% of outsourced employees signed HSE contracts before the project started.</li> </ul>	  
	Employee Rights and Benefits	<ul style="list-style-type: none"> <li>Established a Labor and Human Rights Management System based on the <i>International Labor Organization (ILO) Core Conventions</i> and the <i>United Nations Guiding Principles on Business and Human Rights</i>, which explicitly prohibits child labor, forced labor, and any form of discriminatory treatment.</li> <li>Included provisions to guarantee the right of employees to freedom of association and collective bargaining in the <i>Social Responsibility Management System</i>.</li> </ul>	<ul style="list-style-type: none"> <li>0 incidents of illegal employment, such as child labor and forced labor, and 0 incidents of discrimination, humiliation, corporal punishment, and other violations of rights and interests and unfairness identified throughout the year.</li> <li>Female senior management member reached 20%.</li> </ul>	 
	Compensation and Benefits	<ul style="list-style-type: none"> <li>Establish a fair and transparent compensation governance framework, adhering to the principle of equal pay for equal work.</li> </ul>		
	Diversity	<ul style="list-style-type: none"> <li>Building a Diverse, Equitable and Inclusive (DEI) workplace, where discrimination on the basis of race, religion, disability, gender and age is strictly prohibited.</li> <li>We promote diversity within our board of directors and management team, aligning with the United Nations' commitments to gender equality.</li> </ul>		
	Employee Development	<ul style="list-style-type: none"> <li>Establish a high-potential talent pool across different businesses and backgrounds</li> <li>Implementation of differentiated training programs.</li> </ul>	<ul style="list-style-type: none"> <li>Over 20,000 cumulative training hours for the year.</li> </ul>	

Sections and Topics		Key Sustainable Development Initiatives	Key Performance and Objectives	United Nations Sustainable Development Goals
Social	Sustainable Supply Chains	<ul style="list-style-type: none"> <li>Formulated the <i>Supplier Social Responsibility Guidelines</i>, establishing diverse audit standards covering labor rights, safety, and environmental protection, ensuring compliance through "document pre-review + on-site inspections".</li> <li>Require suppliers to sign the <i>Conflict-Free Minerals Commitment</i>, adhering to the <i>OECD Supply Chain Due Diligence Guidance</i>.</li> <li>The Company has upgraded the "<i>Management Measures for Supplier Development and Admission</i>" to gradually improve the content of supply chain due diligence and build an access system that covers ESG risk assessments throughout the entire lifecycle.</li> </ul>	<ul style="list-style-type: none"> <li><i>Green Supply Chain Management Approach</i> sent to the associated 19 suppliers.</li> <li>100% of suppliers with potential conflict minerals risk signed the <i>Conflict-Free Minerals Commitment</i>.</li> </ul>	

Sections and Topics		Key Sustainable Development Initiatives	Key Performance and Objectives	United Nations Sustainable Development Goals
Governance	ESG Governance	<ul style="list-style-type: none"> <li>On the basis of retaining the original Sustainable Development Center, four specialized committees have been established, namely, the Green Steel Special Committee, the Carbon Emission Reduction Special Committee, the Sustainable Development Risk Assessment Special Committee and the Sustainable Procurement Special Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Held 5 meetings of the Board of Directors and 9 meetings of specialized committees throughout the year, and revised 28 corporate policies.</li> <li>Obtained EcoVadis Bronze Medal.</li> </ul> 	
	Business Ethics and Compliance	<ul style="list-style-type: none"> <li>Organized visits to warning education bases for executives and personnel in sensitive positions to strengthen the awareness of red line.</li> <li>Introduced a series of systems, such as the "<i>Regulations on Integrity of Management Personnel and Personnel in Economically Sensitive Positions</i>" and whistle blower protection, to build a business ethics management system that covers the entire process before, during and after the event.</li> </ul>	<ul style="list-style-type: none"> <li>100% signing rate of <i>Supplier Integrity Agreement</i> among Tier 1 suppliers and 75% among all suppliers.</li> <li>Proportion of employees participating in training related to business integrity is 100%.</li> </ul>	

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## SDGs



# Sustainable Development Management

Sustainable development management serves as a fundamental pillar of Dajin Heavy Industry's long-term and stable operations. We remain committed to responsible governance, actively fostering a corporate culture of sustainability, and deeply integrating green, low-carbon emission, and sustainable principles into our operational framework.

The Company continuously improves its responsibility management system, strengthening the governance framework, enhancing risk control, and optimizing management mechanisms to provide robust support for sustainable development. At the same time, we maintain transparent and in-depth communication with stakeholders, working together to build a collaborative, co-created, and shared sustainable development ecosystem that contributes to the global transition toward clean energy.

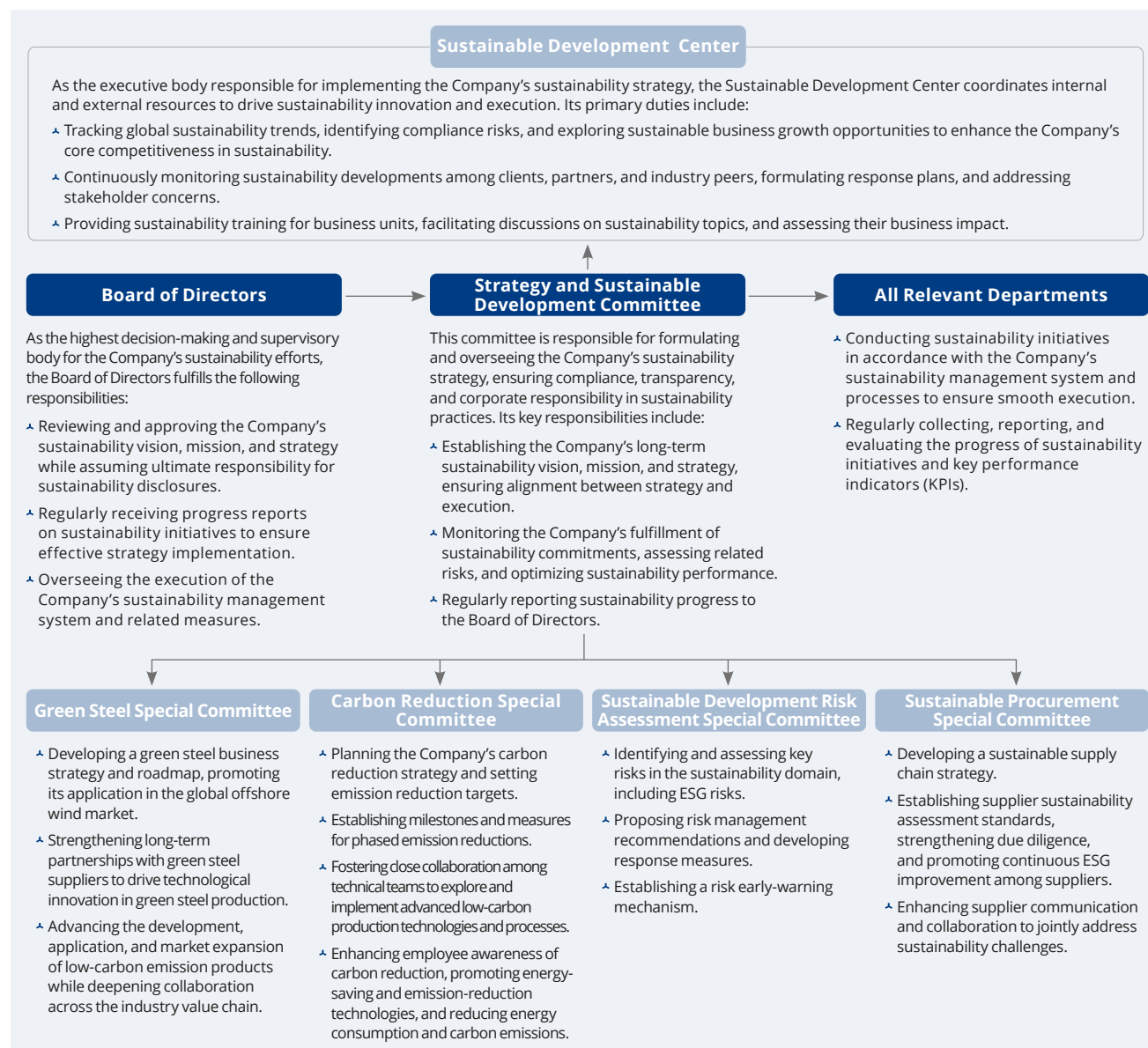


# Sustainable Development Governance Framework

To fully implement the sustainable development strategy and enhance management effectiveness and competitiveness, Dajin Heavy Industry officially established the Strategy and Sustainability Committee in 2024. Building upon the original Sustainable Development Center, this initiative further refines the Company's governance structure, creating a top-down sustainability management system. Under the Strategy and Sustainability Committee, four specialized subcommittees have been established: the Green Steel Special Committee, the Carbon Reduction Special Committee, the Sustainability Risk Assessment Special Committee, and the Sustainable Procurement Special Committee. Each special committee is responsible for specific functions, supporting the Company's high-quality development in the green and low-carbon emission transition.

The Green Steel Special Committee is dedicated to driving the Company's green steel business, focusing on enhancing carbon competitiveness, and supporting domestic and international clients in building low-carbon supply chains. By integrating internal and external resources, it accelerates the development and industrial application of low-carbon emission steel, ensuring the Company maintains a proactive position in the green transition. The Carbon Reduction Special Committee focuses on advancing the Company's carbon reduction targets by formulating scientific emission reduction pathways and applying innovative technologies. It strengthens carbon management capabilities to ensure steady progress in green and low-carbon emission development. The Sustainable Development Risk Assessment Special Committee is tasked with establishing a risk identification and early-warning mechanism. It conducts comprehensive evaluations of potential risks related to sustainability issues and proposes scientific and effective risk mitigation strategies to ensure the Company's stable operations and long-term sustainable development. The Sustainable Procurement Special Committee focuses on green supply chain management, driving the transformation and innovation of the supply chain towards sustainability. By formulating and implementing sustainable procurement policies, it enhances supply chain transparency and low-carbon emissions, ensuring that upstream and downstream partners work together to achieve green goals.

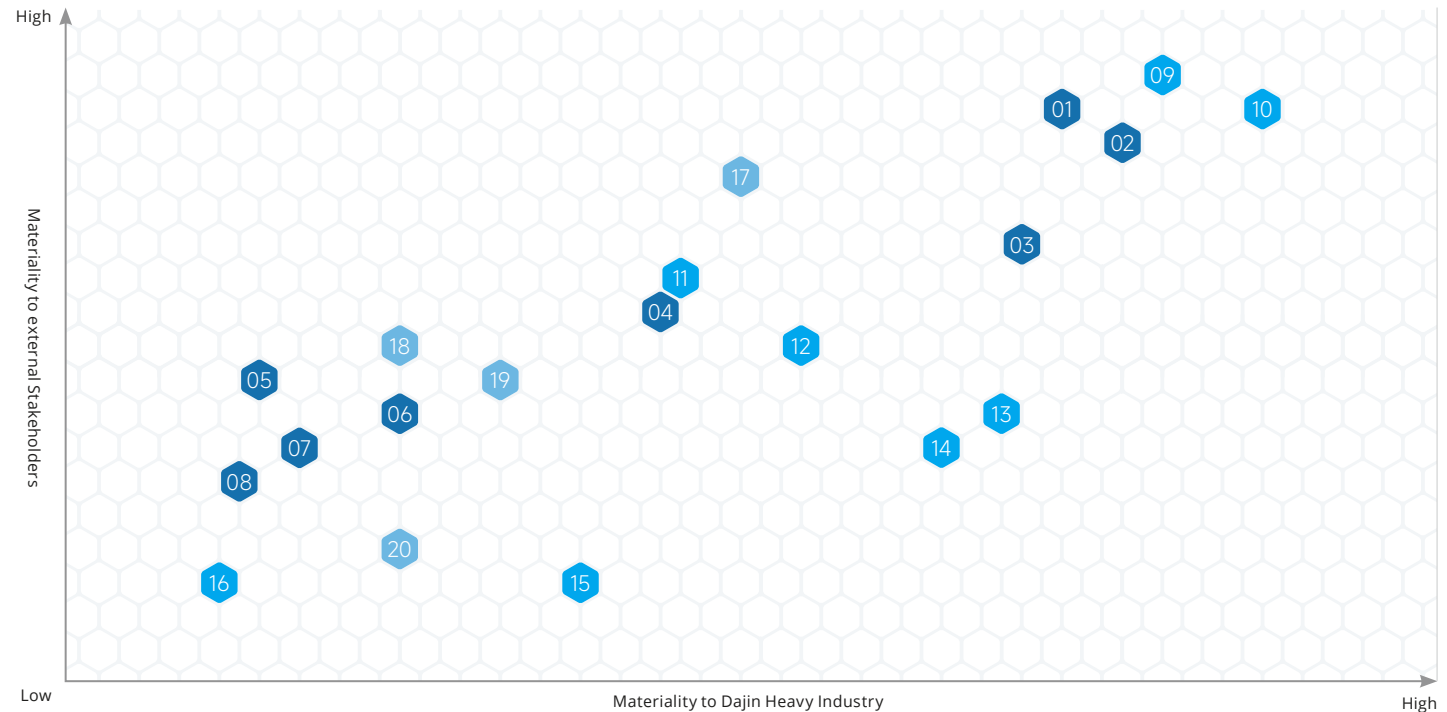
The Sustainable Development Center, as a permanent executive body, is responsible for coordinating policy research, providing data support, and facilitating cross-functional collaboration. Through a governance mechanism of "two fixed annual meetings plus ad-hoc motions," the Center ensures the efficient implementation of strategic initiatives, integrates green technology breakthroughs with carbon competitiveness enhancement, and drives high-quality, low-carbon development. This enables the Company to provide global clients with innovative and sustainable industrial solutions.



# Materiality Assessment

In 2024, Dajin Heavy Industry further optimized its materiality assessment process to ensure a systematic, accurate, and efficient selection of key sustainability topics. By integrating insights from key stakeholders, analyzing national policies, global and domestic sustainability standards, and industry trends, we effectively aligned our sustainability strategy with macro policy directions and disclosure requirements, while conducting in-depth research on industry-relevant topics.

Based on the above analysis, we developed a survey covering 20 key material topics, inviting both internal and external stakeholders to participate in the evaluation. The assessment ranked the significance of each topic based on two core dimensions: "Impact on Dajin Heavy Industry" and "Impact on external stakeholders". This approach led to the formation of a Materiality Matrix, ensuring our sustainability strategy is closely aligned with industry needs and societal expectations.



## Environmental

- 01 Low-carbon Products
- 02 Reducing Carbon Emissions
- 03 Technological Innovation and Application of Energy-saving Technologies
- 04 Waste Management
- 05 Biodiversity Conservation
- 06 Energy Management
- 07 Promoting Circular Economy
- 08 Water Resources Management

## Social










- 09 Quality of Products and Services
- 10 Health and Safety
- 11 Sustainable Supply Chain
- 12 Employee's Rights and Interests
- 13 Employee Development
- 14 Remuneration and Benefits
- 15 Diversity
- 16 Public Welfare Activities

## Governance

- 17 Business Ethics and Compliance
- 18 Compliance Disclosure
- 19 ESG Strategy and Risk Management
- 20 ESG Governance

## Stakeholder Communication

We remain committed to actively addressing stakeholder expectations. Considering our business characteristics and operational realities, we systematically identify core stakeholders and have established diverse communication channels and efficient engagement mechanisms to facilitate transparent dialogue. By attentively listening to stakeholder perspectives, we integrate their feedback into our sustainability decision-making and practices, continuously improving corporate governance and driving high-quality sustainable development.

Stakeholders	Communication
 <b>Domestic and Overseas clients</b>	Business cooperation, factory audits, site visits, client service hotline, client satisfaction surveys, client meetings and emails, official website and other online platforms, etc.
 <b>Shareholders, Potential investors</b>	Exchange and official website, e-interactive platform, company announcements through telephone and e-mail, shareholders' meeting, analysts' strategy meeting results briefing, on-site visit, etc.
 <b>Government and Regulatory Bodies</b>	Government and regulatory meetings, training program cooperation, information disclosure, official correspondence and policy advice, etc.
 <b>Directors, Supervisors, Senior Management</b>	General Meeting of Shareholders, Board of Directors and its specialized committees, Supervisory Board, Specialized Meeting of Sole Directors, etc.
 <b>Employees</b>	Staff Council, Employee Suggestion Box Employee Satisfaction Survey, Employee Activities, Employee Training, etc.
 <b>Suppliers and Contractors</b>	Supplier contractor business partnerships, audits, training, communication meetings, business negotiations, etc.
 <b>Community and the Public</b>	Community service activities, official website and other online platforms, etc.
 <b>Media</b>	Press releases, company announcements, media interviews, etc.
 <b>Industry Association</b>	Industry on-site communication meetings, industry online seminars, cooperation and communication through e-mail and telephone, etc.



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## Special Topic:

# Penglai Facility Practices SBTi Targets and Leads the Way to Low-Carbon Transition

Amid the pressing challenges of global climate change, enterprises play a crucial role in driving social and economic development while bearing an inescapable responsibility for environmental protection. Dajin Heavy Industry recognizes that achieving carbon neutrality is not only a corporate social responsibility but also a strategic pathway for transformation, upgrading, and long-term sustainability. As a result, the Company has fully integrated carbon neutrality goals into its corporate development strategy, leveraging technological innovation, management optimization, and industrial chain collaboration to drive emission reductions and contribute to a green, low-carbon society.

### SDGs





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the Way to Low-Carbon Transition

Advancing Green Steel Strategy – Pioneering  
New Chapter in Sustainable Manufacturing

## Setting SBTi Target

The Penglai Facility "has adhered strictly to the Science Based Targets initiative (SBTi) standards and conducts in-depth research and analysis on its operational status and industry development trends. Based on this, Penglai Facility has established a set of emission reduction targets that are both challenging and feasible.

For Scope 1 and Scope 2 GHG emissions, the facility has set clear targets

by 2030, it aims to reduce absolute emissions by **42%** compared to 2024 levels  
and by 2050, this reduction will increase to **90%**

For Scope 3 emissions

the target is to reduce emissions by **25%** by 2030  
compared to 2024 levels, and achieve a **90%** reduction by 2050

Ultimately, the Penglai Facility is committed to achieving net-zero greenhouse gas emissions across the entire value chain by 2050



## Current Status of Carbon Emissions and Energy Structure

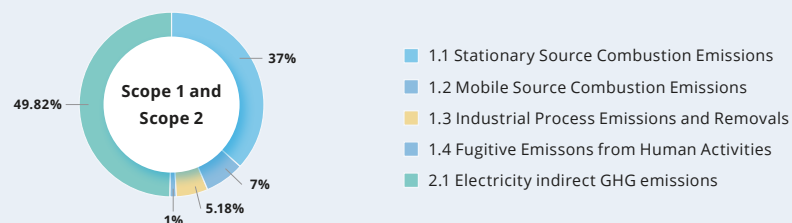
The Penglai Facility takes 2024 as the key benchmark year and follows internationally recognized standards such as the Greenhouse Gas Protocol (GHG Protocol) and ISO 14064-1:2018 Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals. The facility has conducted a comprehensive, systematic, and detailed inventory of its greenhouse gas emissions. The results indicate that emissions sources at the Penglai Facility are widely distributed across multiple areas:

Scope 1 covers direct greenhouse gas emissions from sources such as stationary combustion and mobile combustion, with annual emissions totaling 15,916.75 tons of CO<sub>2</sub>e, accounting for 2.24% of total emissions.

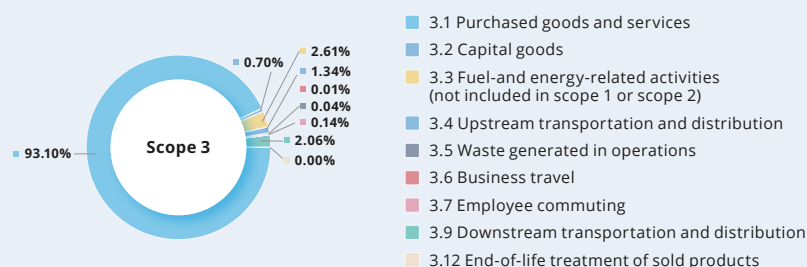
Scope 2 primarily involves indirect emissions from purchased electricity, with annual emissions of 15,820.32 tons of CO<sub>2</sub>e, representing 2.23%.

Scope 3 includes various indirect emissions along the value chain, such as purchased goods and services, capital goods, and upstream and downstream transportation and distribution. The annual emissions for Scope 3 reached 678,615.85 tons of CO<sub>2</sub>e, accounting for 95.53% of the total.

Emissions by Sub-category under Scope 1 and Scope 2 (tCO<sub>2</sub>e)



Emissions by Sub-category under Scope 3 (tCO<sub>2</sub>e)

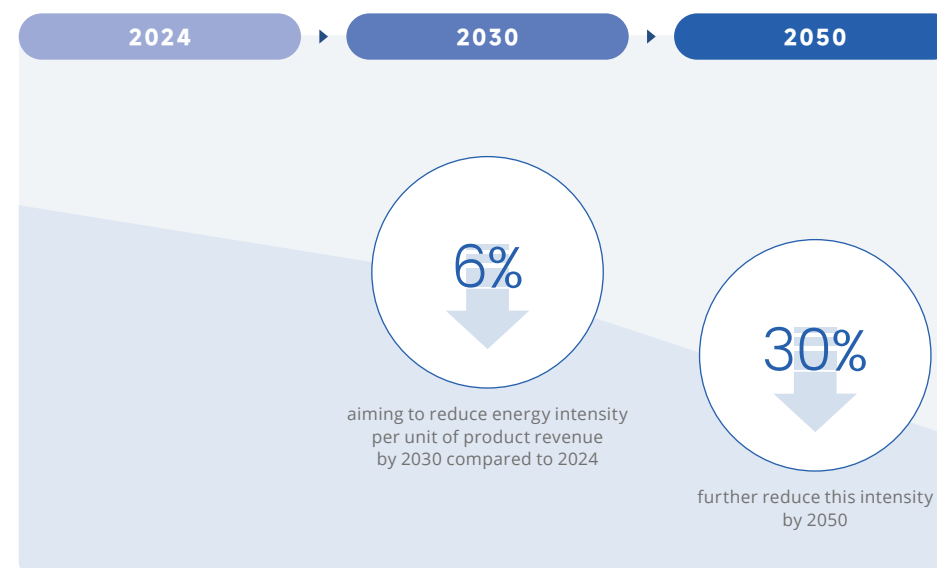


## Carbon Neutral Pathway

Aligned with the principles and requirements of SBTi, the Penglai Facility's carbon neutrality pathway for Scope 1 and Scope 2 emissions focuses on three core strategies: energy efficiency, electrification and green electricity development, and carbon offsetting. The approaches include reducing energy consumption through targeted energy-saving goals, optimized energy management, and technological advancements; accelerating the transition to a cleaner energy structure by promoting electrification and expanding the use of green electricity; and offsetting residual emissions through carbon sink projects. By systematically implementing these strategies, the Penglai Facility is committed to achieving its carbon neutrality targets.

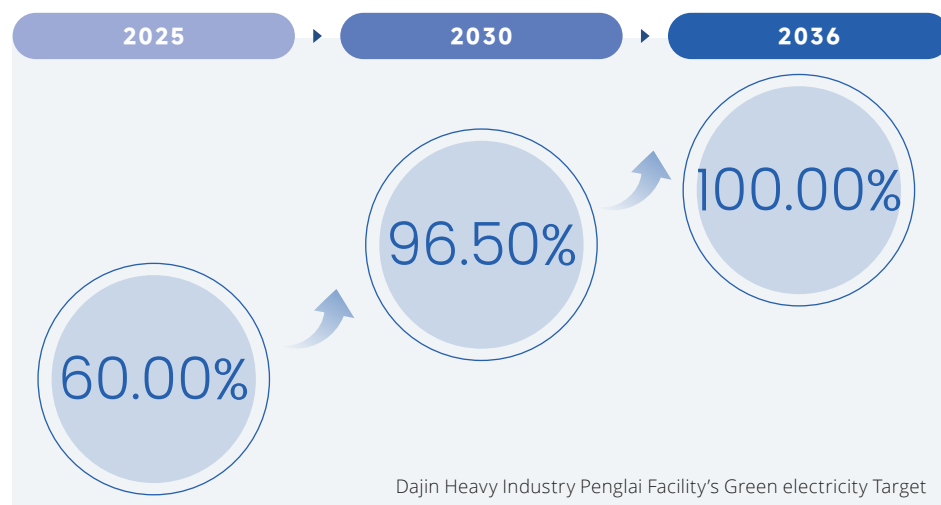
## Energy-Saving Measures and Renovation

The Penglai Facility has established clear, forward-looking energy-saving KPI targets, aiming to reduce energy intensity per unit of product revenue by 6% by 2030 compared to 2024, and further reduce this intensity by 30% by 2050. To ensure the achievement of these goals, the facility has prioritized the development and enhancement of its energy management system, including compliance with ISO 50001. Additionally, it continues to deeply explore energy-saving potential through practical measures such as optimizing production equipment and improving process flows.



## Energy Structure Adjustment

Penglai Facility actively aligns with the energy transition trend and will vigorously promote the electrification process. A detailed electrification KPI system has been established, targeting different emission sources. For fixed sources, such as welding preheating using natural gas, canteens and boilers, and heating in the coating workshop, as well as non-road transportation equipment using gasoline and diesel, electrification renovations are being steadily implemented. Furthermore, green electricity development is a key pillar of the facility's sustainability strategy. In 2024, the Penglai Facility used a total of 11,181,000.00 kWh of green electricity, accounting for 32% of its total electricity consumption. The facility plans to increase this proportion to 60% by 2025, achieve 96.5% green electricity usage by 2030, and reach 100% by 2036.



## Carbon Offset Strategy

Building on the proactive emission reduction measures such as energy efficiency improvements and electrification, the Penglai Facility will develop a scientifically sound and reasonable carbon offset strategy for the emissions that cannot be fully eliminated. To achieve operational carbon neutrality and ensure precise alignment with the SBTi net-zero targets, the facility will:

- Purchase high-quality carbon offsets to neutralize remaining emissions.
- Actively explore and participate in carbon sink projects, with a focus on forest and ocean-based carbon sinks to leverage emerging decarbonization opportunities.

## Scope 3 Net Zero Target

To steadily achieve its Scope 3 greenhouse gas (GHG) reduction targets, the Penglai Facility is prioritizing supply chain management as a key driver of decarbonization, with a particular emphasis on key raw materials such as heavy steel plates and flanges, driving low-carbon transformation systematically through the following initiatives:

### Strengthening Supplier Carbon Footprint Management

The Company has established strict carbon footprint entry standards for suppliers, requiring upstream suppliers to provide lower-carbon products to reduce carbon emissions at the source. Additionally, the Company has enhanced the sustainable supply chain evaluation mechanism, with an increase weight on carbon emissions indicators, ensuring that low-carbon requirements are integrated throughout the entire supply chain.

### Advancing Green Upgrades in Production Processes

The Company encourages suppliers to optimize production processes and apply low-carbon technologies to enhance carbon reduction levels throughout the entire product lifecycle. The Company is also actively fostering a new suppliers system that meets green standards, building a full-chain carbon reduction ecosystem to continuously strengthen supply chain resilience and green competitiveness.

### Green Logistics and Transportation Decarbonization

At the upstream and downstream logistics stages, Penglai Facility is actively promoting the transition to alternative marine fuels, gradually replacing traditional fossil fuels with low-carbon or zero-carbon alternatives. This initiative significantly reduces greenhouse gas emissions in upstream and downstream transportation, mitigating the supply chain's impact on climate change.

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#### SDGs



## Special Topic:

# Advancing Green Steel Strategy—Pioneering a New Chapter in Sustainable Manufacturing

In the context of accelerating global climate governance, the 2°C temperature control target set by the Paris Agreement is profoundly reshaping the global industrial landscape. The implementation of the European Union's Carbon Border Adjustment Mechanism (CBAM) has formally integrated carbon pricing into the international trade system, with carbon taxes scheduled to be levied on high-emission imports such as steel from 2026 onwards. This transformation is not only accelerating the clean transition of global manufacturing but also urging companies to expedite their low-carbon development pathways.

As a core material for strategic industries such as wind power and renewable energy, green steel's low-carbon emission attributes directly determine the emission reduction effectiveness of the entire industry chain. In response, Dajin Heavy Industry has proactively developed a green supply chain strategy, driving the low-carbon transition of upstream suppliers and deepening the global decarbonization pathways across industrial value chains. As the only offshore wind foundation supplier in the Asia-Pacific region with large-scale deliveries to Europe, Dajin is actively integrating into the global green supply chain transformation, contributing to the green transition of the wind power industry.

In 2024, Dajin Heavy Industry officially established its Green Steel Special Committee to comprehensively advance the development of its green steel business, enhance the Company's carbon competitiveness and support domestic and international clients in building more low-carbon supply chains. The Company set up a dedicated Green Steel Task Force to coordinate its green steel development strategies, promote innovation and application of low-carbon emission steel technologies, and reduce the carbon footprint of its wind power products—setting a benchmark for the global green transformation of the wind power industry.



## Establishment of the Green Steel Task Force

To comprehensively implement its green steel strategy, Dajin Heavy Industry officially established the Green Steel Task Force in 2024. Led by a Sponsor, the task force coordinated by a designated team leader and composed of core members from key departments including the Sustainable Development Center, Supply Chain Management Center, and Overseas Business Division, creating a highly efficient and collaborative working mechanism.

Based on clearly defined responsibilities, the task force has developed a set of scientific working principles to ensure the effective execution of the strategy. The Sponsor provides strategic guidance, the team leader is responsible for overall coordination, and departmental members work in close collaboration to form a synergized effort. Through close cooperation among the Sustainable Development Center, Supply Chain Management Center, and Overseas Business Division, the task force ensures efficient communication with clients and suppliers, promptly conveying requirements and feedback while accurately tracking of market trends. This approach guarantees that suppliers' products meet client expectations. At the same time, under the coordination of the task force, departments proactively provide necessary support and resources, collectively advancing the success of green steel initiatives and, accelerating the low-carbon emission transformation of the supply chain and the adoption of Green Steel products.

## In-Depth Research to Advance the Green Transition of Chinese Steel Mills

In 2024, Dajin Heavy Industry's Green Steel Task Force conducted in-depth research at more than 10 leading steel mills across China. The research focused on key topics such as steel plate production processes, product carbon footprints, decarbonization technologies, green steel development plans, and cost premiums. During these visits, the task force held in-depth discussions with the steel mills' industrial research institutes and carbon management departments. The dialogues centered on exploring technology pathways for green steel, sharing research findings, and the latest technological developments, and actively identifying practical and feasible green steel solutions to support the industry's low-carbon transformation.



In May 2024, the Company visited the headquarters of Baowu Group, Baosteel's Baoshan Base in Shanghai and Zhanjiang Base to learn more about heavy steel plate production lines and green steel planning.

Dajin Heavy Industry Co., Ltd | 2024 Sustainability Report



In August 2024, the Company visited Nanjing Iron and Steel to conduct research and exchange ideas on "low-carbon" strategy and green steel.

## Establishing Green Steel Cooperation Principles to Deepen Industry-Wide Win-Win Collaboration

In promoting the development of green steel products, Dajin Heavy Industry adheres to the principle of win-win cooperation and has established a set of green steel collaboration guidelines. These guidelines clearly state that partners must possess advanced low-carbon production capabilities to ensure a competitiveness in the global low-carbon transition. By partnering closely with top-tier green steel suppliers, Dajin Heavy Industry continues to enhance its technical capabilities and market adaptability in green steel. Together with its partners, Dajin aims to meet the challenges of global green transformation and jointly build a competitive, internationally recognized green supply chain system.

### Steel Plate Quality

Partner steel mills must have the ability to produce high quality steel plates, especially in the manufacture of high-strength, corrosion-resistant steel plates, to meet the stringent requirements for material properties in overseas offshore wind projects.

### Green Steel Certification and Standards

The green steel products of the partner steel mills must comply with the relevant EU and international certifications and standards to ensure the environmental performance of the products and their acceptability in the market.

### Capacity and Reputations

Priority is given to steel mill partners with large-scale production capacity and market influence to ensure the continuous supply of green steel products and their wide application in the market.

### Technological Innovation and R&D Capability

Priority will be given to those mills with foresight and innovation in green steel technology R&D to promote the development and application of low-carbon or zero-carbon steel plates.

### Supply Chain Transparency

Steel mills are required to provide comprehensive carbon emissions data and other environmental information to ensure transparency and traceability throughout the supply chain.

### Market Adaptability

The green steel products of the partner steel mills must be adaptable to market demand, including meeting the actual needs of overseas offshore wind projects in terms of cost, performance, and delivery time.

### Long-term Strategic Cooperation

Establish long-term strategic partnerships with steel mills to jointly set and promote higher environmental and sustainability goals, and collaborate to meet the challenges of future market and regulatory changes.

Dajin Heavy Industry Establishes Principles for Cooperation with Green Steel Mills

## Signing Green Steel Strategic Partnerships to Drive Low-Carbon Growth in the Global Wind Power Industry

In 2024, Dajin Heavy Industry officially signed green steel strategic cooperation framework agreements with Baosteel and Nanjing Iron & Steel. The partnerships focus on improving steel plate production processes, optimizing carbon footprints, and advancing green steel planning. Through joint efforts in technical research, project implementation, and knowledge sharing, Dajin and its partners are working together to build an international green supply chain system and provide low-carbon emission steel solutions from China to support the decarbonization of the global wind power industry.



Signing of the Green Steel Strategic Cooperation Framework Agreement with Baosteel



Signing of Green Steel Strategic Cooperation Framework Agreement with Nanjing Iron and Steel (NISCO)

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Advancing Green Steel Strategy—Pioneering a New Chapter in Sustainable Manufacturing

Looking ahead, Chinese steel mills will continue to leverage their institutional strengths, resource integration capabilities, and technological innovation, to make steady advancements in the green steel sector, providing strong support for the sustainable development of offshore wind industry in Europe. Dajin Heavy Industry will take this green steel cooperation as a key opportunity to deepen its green and low-carbon transformation. By joining forces with global partners to build a greener and more sustainable supply chain, Dajin is committed to contributing “Dajin Strength” to the realization of global climate goals.



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## SDGs



# Environmental

Dajin Heavy Industry remains steadfast in its corporate vision of “Sailing Toward a Sustainable and Greener Future.” The Company is committed to green and low-carbon emission development, integrating environmental sustainability deeply into its production and operations. By actively contributing to the achievement of carbon peaking and carbon neutrality goals, while strengthening its own environmental management systems, Dajin strives to protect natural ecological harmony and support both national and global transitions toward a green and low-carbon emission future.



## Responding to Climate Change

Dajin Heavy Industry incorporates climate change-related factors into its business risk identification process, continuously advancing its efforts to identify and respond to climate change risks. At the same time, the Company proactively seizes the opportunities brought by climate change, positioning global low-carbon emission development and energy transformation as key growth drivers. The Company accelerates product optimization and strategically expands its focus on the renewable energy sector to meet the ever-evolving low-carbon emission demands of its downstream clients.

### Climate Change Risk and Opportunities

Following the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Dajin Heavy Industry comprehensively identifies, analyzes, and evaluates the risks and opportunities related to climate change within the context of its business and operational conditions. Based on this analysis, the Company develops corresponding strategies and countermeasures to address these challenges and capitalize on emerging opportunities.

#### Major Climate Change-related Risk and Opportunities for Dajin Heavy Industry and Measures to Address Them

Types	Categories	Descriptions	Existing or Potential Impact on the Company	Impact Scopes	Company Response Measures in Place or Planned
Physical Risk	Acute	Increased frequency of extreme natural disasters, such as typhoons, floods, and extreme weather events.	This will lead to power outages, water outages, and damage to production equipment, which will affect the normal operation of the Company's production facilities, affect logistics and transportation, and reduce the timeliness and safety of the supply chain transportation link, resulting in potential economic losses.	Short-term	Early warning mechanisms and emergency plans to deal with severe weather have been set up at each production site, and the resilience of equipment has been upgraded to improve resistance to natural disasters.  Programs are in place to ensure a stable and continuous supply of the supply chain, and we are working with marine logistics-related departments to adjust transportation routes in accordance with weather conditions to reduce the possible impact of bad weather on product delivery.
	Chronic	Risks of long-term climate change, such as a sustained rise in global temperatures due to climate change, leading to rising sea levels, changes in the distribution of water resources, and hot weather.	Some of the production facilities are located along the coastline as well as in river basins, and the related risks may lead to relocation of operation sites, increased demand for refrigeration equipment, and increased frequency of equipment maintenance, etc., which may increase the Company's operating costs.	Medium- and Long-term	When constructing new production facilities and other office areas, the long-term risks of climate change are taken into account in the selection of sites, so as to minimize the impact of such risks.  For established production facilities, construction of breakwaters and upgrading of the efficiency of refrigeration equipment will be carried out to strengthen the resilience of the facilities to the long-term risk of climate change.
Transition Risk	Policy and Regulatory Risks	As domestic and international attention to climate change continues to grow, related climate regulations and industry standards are becoming increasingly stringent, such as CBAM, China's "Dual Carbon" development strategy, and new policies and regulations are constantly being introduced.	In the face of increasingly stringent regulatory trends, the Company may face growing compliance risks in areas such as product import and export trade and compliance operations. Meanwhile, given the global surge in demand for low-carbon and renewable energy, changes in clean energy-related policies and subsidies may occur, potentially affecting the Company's profitability.	Medium- and Long-term	Pay close attention to the update of domestic and international policies and regulations, follow the latest policy trends related to climate change, and quickly implement strategies to reduce the carbon footprint of products and operational carbon emissions.
	Market Risks	Market attention and expectations for green and low-carbon emission products are rising, with both domestic and international downstream clients placing higher demands on the Company's climate risk management and low-carbon emission performance.	In order to meet the requirements of low-carbon emission and environmental protection, the Company needs to allocate more resources to technological research and development, equipment upgrades, and raw material optimization, etc., which may lead to increased production and procurement costs.	Medium- and Long-term	Evaluate the carbon emissions of the whole process of the product production cycle, and accurately formulate precise carbon reduction plans based on inventory reports.  During the year, the Company established a dedicated Green Steel Task Force to conduct in-depth research on steel plate production process in China, product carbon footprints, decarbonization technologies, green steel planning and cost premiums, etc.. The task force is committed to providing practical green steel solutions for global offshore and onshore wind clients.

Types	Categories	Descriptions	Existing or Potential Impact on the Company	Impact Scopes	Company Response Measures in Place or Planned
Transition Risk	Reputational Risks	Stakeholders are increasingly attentive to the Company's performance in green and low-carbon development as well as its response to climate change.	If the Company fails to communicate the progress and status of low-carbon emission development in a timely manner, it may negatively impact the Company's reputation and brand image, which in turn may affect the Company's market performance.	Medium- and Long-term	<p>The Company is actively undertaking low-carbon transformation initiatives, accelerating the deployment of the sustainable energy industry, and timely communicating its progress in low-carbon emission development to stakeholders through channels such as sustainability report, enhancing its image as sustainable development leader.</p> <p>This year, the Company was awarded the EcoVadis Bronze Medal, CDP C level both in Climate and Water Security, and recognized by a leading international offshore wind developer and operator as the "Most Advanced Supplier in Sustainable Development in Asia-Pacific Region".</p>
	Market Opportunity	Both domestic and international policies supporting the new energy industry have been introduced, such as China's <i>Action Plan for High-Quality Development of the New Energy Storage Manufacturing Industry (Draft for Public Comments)</i> and Japan's <i>Green Growth Strategy Through Achieving Carbon Neutrality in 2050</i> . These initiatives further promote the development of both offshore and onshore wind power industry, thereby expanding the potential of the wind power market.	For companies focused on wind power equipment manufacturing, the introduction and implementation of favorable policies have created new market opportunities, potentially driving the expansion of the Company's operational market and increasing revenue.	Long-term	<p>Continuously improving product quality and optimizing the manufacturing processes according to clients' needs, the Company aims to steadily provide high-quality, low-emission towers, offshore engineering infrastructure and other steel components for wind power to downstream clients, expanding the Company's market share.</p> <p>Accelerating the layout of renewable energy industries, such as wind farms, and formulating a work plan focused on "increasing design optimization and deepening cost reduction" to enhance the competitiveness of the Company's sustainable energy power generation projects and maintain its market advantage.</p>
Opportunities	Resilience Opportunities	Various countries and regions around the world are gradually establishing and launching carbon emissions trading system, aiming to control and reduce greenhouse gas emissions through market-based mechanism for carbon emission trading.	An increasing number of energy-intensive industries are participating in carbon emissions trading schemes. This enables companies to obtain emission allowance while optimizing their own emission costs. At the same time, it encourages environmental technology innovation in environmental technologies and the use and development of clean energy, thereby promoting the Company's sustainable development.	Medium- and Long-term	<p>Closely monitoring the latest developments in the carbon market, Dajin Heavy Industry keeps track of market trends in real time to help the Company anticipate future directions, mitigate potential risks, and seize environmental opportunities.</p> <p>The Company continues to invest in and develop renewable energy projects while actively participating in green electricity trading to reduce carbon emissions. As of 2024, the Company has generated a total of 1.102 billion kWh of green electricity, equivalent to reducing 591,300 tons of CO<sub>2</sub> emissions.</p>

## Providing Low-Carbon Emission Solutions

Dajin Heavy Industries remains committed to delivering high-quality wind power products and delivery solutions while actively reducing carbon emissions generated during production and daily operations. Additionally, the Company plays a key role in guiding and promoting low-carbon development among upstream and downstream partners in the supply chain, jointly advancing the transition to a low-carbon economy.

### Carbon Peak and Carbon Neutrality Goals and Carbon Reduction Pathway

To support China's 14th Five-Year Plan, the 2035 Long-Range Objectives, the 30-60 Carbon Peaking and Carbon Neutrality Goals, as well as the United Nations' Paris Agreement, Dajin Heavy Industry's Penglai Facility has taken the lead in announcing its "Dual-Carbon" goals. In 2024, building upon its already achieved peak carbon emissions, the Company will further update its "Dual-Carbon" goals and outline a refined carbon reduction roadmap.

Target for 2030	Target for 2040	Target for 2050
<ul style="list-style-type: none"> <li>Carbon emissions from scope 1 (direct emissions) and scope 2 (indirect emissions) have decreased by 42% compared to the base year.</li> <li>Scope 3 (value chain emissions) reduced by 25%; for steel procurement, the emission intensity of scope 3 will decrease from 2.39 tons of steel Plate/ton CO<sub>2</sub>e to 1.22 tons of steel plate/ton CO<sub>2</sub>e, which achieve half reduction on emission intensity.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve carbon neutrality in scope 1 and 2, and decarbonize its own operations through process optimization, energy structure transformation (such as using renewable energy) and other measures.</li> </ul>	<ul style="list-style-type: none"> <li>By 2050, net zero emissions of the full value chain (including scope 3) will be achieved, in which the emission intensity of steel and flange procurement will be significantly reduced from 2.39 tons of products/ton CO<sub>2</sub>e to 0.128 tons/ton CO<sub>2</sub>e, a decrease of 95%.</li> </ul>

Penglai Facility "Dual Carbon" Targets

#### Performance

In 2024, an investment of **179,600** RMB was made in emission reduction initiatives.

### Reducing the Carbon Footprint of Product

Dajin Heavy Industry is committed to building a green, low-carbon supply chain and actively explores product lifecycle carbon emissions management. By identifying key factors affecting the carbon footprint across raw material procurement, manufacturing, and logistics, the Company implements multiple measures to improve resource efficiency and advance carbon reduction.

#### Implementing of Green Procurement

To further promote green development across the supply chain, the Company has formulated and implemented the Green Supply Chain Management Measures. These measures cover raw material suppliers, manufacturers, distributors, retailers, and end-users, forming a chain structure, pathway, or network to establish a comprehensive green supply chain system. By enhancing resource efficiency at each stage of the supply chain, Dajin Heavy Industry effectively minimizes ecological and environmental impacts, supporting to maintain its sustainable competitive advantage.

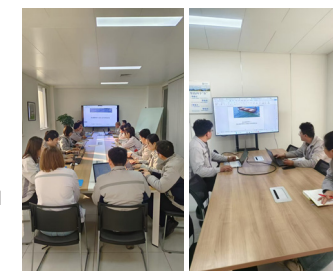
#### Performance

In 2024, the Company distributed the *Green Supply Chain Management Measures* and the *Conflict Minerals Non-use Self-Declaration* to 19 relevant suppliers via email.

All suppliers organized internal training sessions and submitted their acknowledgement, achieving a **100%** response rate.

In addition, during the supplier admission process, we require suppliers to upload their ISO 14000 Environmental Management System certificates through the Company's procurement platform ("Yicaitong"). This ensures that suppliers adhere to international environmental management standards during production, thereby minimizing negative environmental impacts. By setting this requirement, we aim to lead upstream and downstream enterprises in enhancing environmental management practices, improving overall supply chain environmental performance, and driving coordinated progress in green supply chain development.

To ensure the full implementation of green supply chain practices, the Company conducted a specialized training program on the Green Supply Chain Management Measures in 2024 for employees in the Supply Chain Management Center. The program deepened their understanding of sustainable procurement principles and strengthened their practical application skills. By integrating training with real-world practice, the Company actively promotes green procurement initiatives across all departments, fostering a culture where all employees participate in and uphold green supply chain management.



Supply Chain Management Center conducted trainings on *Green Supply Chain Management Measures*

### Implementing Green Production: Promoting Low-Carbon Process Upgrades

The Company continually explores carbon reduction pathways in production processes, focusing on key production techniques such as beveling, welding, and painting. By continuously optimizing production techniques and workflows, we reduce raw material and energy consumption, collaboratively decreasing carbon emissions from both material usage and manufacturing operations.

#### Case Study

#### Optimizing Bevel Angles to Improve Welding Energy Efficiency

In a project in Zhangjiakou Facility, the traditional old beveling process has the problem of wastage of welding consumables and energy due to design limitations. The project originally used larger bevel angles, such as 60° and 75°, for steel plate welding, which met the welding strength requirements but resulted in lower welding consumables and energy utilization. In order to reduce cost, waste and environmental burdens, the project team scientifically optimized the bevel angle. By reducing the groove angle while maintaining welding strength, we achieved dual savings in both welding materials and energy consumption. After optimization: Wire consumption decreased by 11.06% (approx. 140 kg per unit). Flux usage dropped by 11.07% (approx. 150 kg per unit). The improved process also enhanced energy efficiency, reducing both material waste and carbon emissions. This delivers a true win-win outcome—lower production costs and greater environmental benefits.

#### Gas-free Bevel Welding Process Reduces Toxic Gas Emissions

At the Fuxin Facility, traditional tower fabrication relied on submerged arc welding (SAW) for longitudinal and circumferential seams, with carbon arc gouging as the primary method for weld root cleaning. However, this process emits benzopyrene-laden fumes, posing health risks to workers while generating smoke, arc glare, and noise pollution—undermining environmental goals. To address this, Fuxin Facility established a Gas-free Gouging Process Team, integrating professionals from R&D, production, equipment, and quality control departments to tackle the problem. After several rounds of testing and optimization, the team successfully developed and implemented a gas-free gouging technology suitable for steel plates with a thickness of less than 23mm, which was fully adopted in actual production. For towers weighing less than 60 tons, the average carbon rod consumption has been reduced to 1 rod/ton. This improvement not only significantly reduces the emission of harmful gases in the work environment but also reduces smoke, arc light, and noise pollution generated during the carbon arc gouging process. It has greatly improved the work environment, reduced occupational health risks, and enhanced employees' sense of safety and comfort.

#### Spraying Painting Process Upgrade to Reduce Paint Waste

In the anti-corrosion workshop, the traditional spraying method often resulted in the release of harmful gases such as xylene and toluene, and led to significant paint waste and frequent defects. To improve this situation, the Fuxin Facility introduced a general-purpose spray painting turntable and rotating spray process to optimize the spraying method. This improvement effectively reduced the paint quota loss factor, improved the passing rate of paint inspection, and reduced paint defects and usage. At the same time, the harmful gas emission was significantly reduced, achieving the double enhancement of environmental protection and production efficiency.

#### Upgrading Catalytic Combustion RTO Heating System to Reduce VOC Emissions

Traditional catalytic combustion technology faces challenges such as catalyst poisoning and deactivation caused by tar, sulfur compounds, and other substances, along with insufficient high-temperature stability. These issues lead to fluctuations in treatment efficiency and rising operation and maintenance costs. To overcome these bottlenecks, the Zhangjiakou facility has introduced Regenerative Thermal Oxidation (RTO) technology.

RTO technology uses high-temperature oxidation to convert VOCs in waste gases into carbon dioxide and water, achieving a purification efficiency of 95% to 99%. The system is equipped with real-time monitoring to track operating status and waste gas emissions, ensuring that the discharged gases meet environmental standards. Furthermore, the RTO equipment uses regenerative ceramic beds to recover heat, which is then used to preheat subsequent waste gases, enabling efficient heat recovery and significantly reducing energy consumption during operation.



## Performance

In 2024, the utilization of steel scrap and leftover materials reached

1,145.52 tons

while the utilization of other scrap materials, such as wooden pallets and packaging materials, amounted to

300 kg

## Promoting Recycling

The Company continuously enhances its capacity to recycle waste materials throughout the production process. Through innovative production management initiatives, it effectively lowers production costs, reduces reliance on primary resources, and minimizes environmental pollution caused by waste. By promoting the adoption of green production models, the Company fosters a sustainable approach that delivers both economic and environmental benefits, creating a win-win outcome.

## Case Study

## Green Recycling of Steel Plate Cutting Scrap

In 2024, the Yangjiang Facility implemented unified management of steel plate cutting waste generated during the production process, significantly enhancing both environmental and economic benefits. By setting up a special waste recycling area on the production line, the waste materials that can be reused are selected for secondary cutting and processing, and are made into various kinds of tooling such as marine tooling, vertical shipping tooling, tower storage saddles, and flange support solutions. For the steel plate cutting scrap that can't be utilized, the base adopts a unified collection method and establishes a cooperative relationship with a professional waste recycling company to sell the collected steel plate cutting scrap on a regular basis. This series of initiatives have reduced the demand for new steel plates, alleviating environmental pressures from resource extraction, and lowering energy consumption and carbon emissions associated with new steel plates production. This initiative not only saves raw material procurement costs, but also provides innovative ideas for the green development of the entire industry.



Tower Storage Saddles

## Re-utilization of Overstocked Bolts Inventory

In 2024, the Fuxin Facility undertook the production task of mixed tower transition sections for a project. During production, the originally planned M42 bolts were insufficient, and there were no available fixed matching bolts in the hardware warehouse for direct installation. To address this issue, the facility selected bolts from the overstocked inventory that were either of the wrong length, had varying thread lengths, or were slightly larger in size. These bolts were then processed using a lathe machine to modify them into the required M42 bolt model. These modified bolts were successfully applied to the fixed welding work of the mixed tower transition section. A total of 260 sets of bolts were modified throughout the year, effectively solving the bolt shortage problem in the production of the mixed tower transition sections. This not only optimized the overstocked inventory but also prevented resource waste and additional cost expenditures.

## Building Green Logistics

The Company actively practices the concept of green logistics by strengthening warehousing management capabilities, improving logistics transit efficiency, and optimizing transportation route planning, continuously enhancing its green logistics system.

### Management Objectives

- ▲ Strictly check the warehouse material submission plan to reduce purchasing and reducing emission.
- ▲ The warehouse logistics industry is facing the trend of green development, and it needs to improve the storage operation capacity by focusing on the environment, resources and efficiency.
- ▲ Enhance the intelligent storage management capability, improve the space utilization rate, and realize a more refined inventory management.

### Major Measures

- ▲ Optimize inventory management, reduce inventory overhang, and reduce inventory loss.
- ▲ Improve the utilization rate of storage space and reduce storage costs.
- ▲ Improve storage operation efficiency and reduce labor cost.
- ▲ Ensure the safety and compliance of storage operations.
- ▲ Achieve the real-time monitoring, data analysis and decision support of warehousing operations.

### Fuxin Facility Strengthened the Warehouse Management Capability

### Management Performance

Continue to improve warehouse management and job responsibilities, efficiently integrate environmental protection and social responsibility into the operation of corporate culture, and strengthen various measures in environmental improvement and supply chain cooperation and resource conservation have been achieved to reduce costs and increase efficiency.

### Case Study

#### Penglai Facility Reduced the Environmental Impact during Logistics and Transport

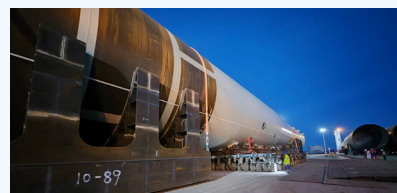
In 2024, the logistics workshop at the Penglai Facility further enhanced its efficiency by optimizing key factors such as production capacity, product type, transport procedure optimization, and tooling modifications. By integrating SPMT (Self-Propelled Modular Transporter) resources and refining axle configurations, the facility reduced the number of axles from 120 in the first half of 2024 to 100 axles, contributing to lower emissions of sulfur dioxide, nitrogen oxides, smoke, and other exhaust gases. Additionally, the logistics workshop improved packaging methods to address challenges posed by the large mass and small contact surface of individual products, which previously led to paint wrinkling and breakage. With this improvement, there was virtually no damage during transport, significantly reducing the need for paint repairs.



SPMT

#### The Shipping Division Continuously Deepens Optimal Transport Solutions

In 2024, the Shipping Division fully leveraged its professional advantages and innovative spirit during the sea transport phase of product delivery. By accurately planning the number of monopiles and the ship's cargo capacity, the Division carried out deck modifications, adding external extension brackets to expand the cargo area. At the same time, considering the safety risks in international waters, comprehensive safety measures were implemented, significantly enhancing risk resilience. Without detouring, the transportation task was successfully completed, achieving a perfect balance between cost savings, efficiency improvement, and safety assurance. Additionally, the Shipping Division incorporated carbon emission indicators into its shipping vessel leasing criteria, classifying the vessels' carbon emissions based on reports provided by leasing companies and prioritizing the selection of energy-efficient shipping companies with lower carbon emission indicators to promote green shipping.



## Supporting Society's Low-Carbon Transition

Dajin Heavy Industry upholds the concept of green and low-carbon development, actively laying out and accelerating the development of the green energy industry, particularly in wind power generation and other fields. The Company is dedicated to reducing its own carbon emissions while contributing to society's transition toward low-carbon development.

The Company continues to advance the construction of wind farms and photovoltaic power plants. By the end of 2024, the Company had completed and put into operation the 250MW Fuxin Zhangwu Xiliuji Wind Farm. Additionally, the 250MW Tangshan Caofeidian Aquaculture-PV Complementary Project is under construction and is expected to be connected to the grid in April 2025. The 700MW Tangshan Caofeidian Wind Power Project and the 250MW Tangshan Fengnan Wind Power Project have both obtained construction permits and are actively processing preliminary development procedures. Once completed, these projects are expected to provide approximately 3.4 billion kWh of green electricity annually, reducing carbon emissions by about 1.82 million tons.

### Performance

In 2024,

the Company cumulatively holds **250,000** kW of grid-connected wind power projects

with **63** turbines installed

The total power generation reached **1.102** billion kWh

equivalent to a reduction of **591,300** tons of carbon dioxide emissions

### Green Finance

In line with the Company's renewable energy investment strategy, the Company has actively advanced green finance initiatives. By the end of 2024, the Shilihai PV Project had secured 849 million RMB in financing approvals, with 320 million RMB disbursed. In the future, the financing scale for the Tangshan Wind Power Project is expected to reach 3 billion RMB.



## Strengthening Environmental Management

Dajin Heavy Industry always adheres to the development philosophy of green and environmental protection, actively promoting a clean production model, and striving to build a production system with efficient resource utilization and environmental friendliness. Throughout its production and operations, the Company continuously explores and advances the circular economy, strictly controlling the discharge of pollutants and waste, and reducing the impact on the surrounding natural ecology and biodiversity from the source. Through practical actions, the Company fulfills its green responsibility and makes a positive contribution to sustainable development.

### Enhancing Management Capabilities

#### Environmental Management System

Dajin Heavy Industries has always regarded environmental protection as one of its core responsibilities in business development. The Company strictly complies with and enforces key laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Clean Production Promotion Law of the People's Republic of China*. Additionally, the Company follows the relevant standards of the ISO 14001 Environmental Management System and actively builds and improves its environmental management system. The Company has developed key documents, including the *Environmental Policy Statement*, *Environmental Management Procedures*, *Environmental Impact Assessment Forms*, and *List of Significant Environmental Factors*, ensuring that environmental management requirements and measures are more standardized and transparent, thereby laying a solid foundation for the Company's sustainable development.

Each of the Company's production facilities has established Health, Safety, and Environment (HSE) departments, responsible for managing environmental matters at the facility level and regularly reporting the management results to the Company headquarters. By the end of 2024, all long-term operational production facilities have obtained ISO 14001 Environmental Management System certification, and the newly established production facilities in 2024 have initiated the certification process.

#### Environmental Audit and Risk Prevention and Control

The Company regularly conducts internal and external environmental impact audits, systematically checking the environmental risks and compliance at each production facility. Internally, the Company has developed policy documents such as the *Departmental Environmental Factors List*, *Departmental Environmental Factors Checklist*, and *Departmental Environmental Factors Evaluation Form*, and identifies significant environmental factors associated with each department based on these documents. At the same time, each facility regularly identifies and evaluates internal environmental factors, addressing any issues with targeted corrective actions to ensure early detection and prevention of environmental risks.

#### Environmental Emergency Management

The Company pays close attention to the prevention and response to sudden environmental incidents and is committed to enhancing the Company's overall environmental emergency capabilities. The Company has developed several environmental emergency management plans, including the *Emergency Plan for Environmental Incidents* and *Emergency Plans for Heavy Pollution Weather*. These plans clearly define the handling procedures for sudden environmental incidents such as hazardous waste leakage, fires and other unforeseen events. Additionally, the Company implements a tiered management system for environmental emergencies, ensuring a refined approach to emergency incident management.

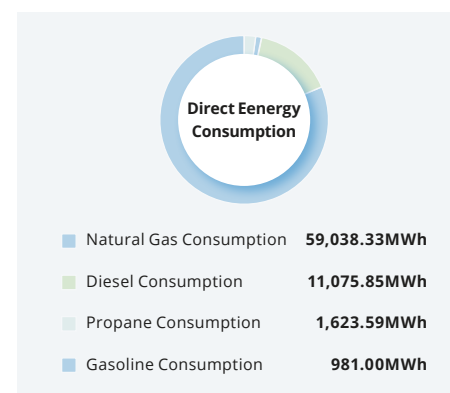
### Resource Management Optimization

#### Energy Management

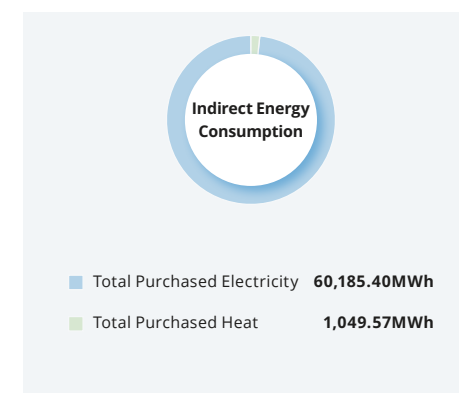
Dajin Heavy Industry strictly adheres to national and local energy management laws and regulations, developing energy-saving and consumption-reduction policies tailored to its business operations. The Company implements meticulous management of energy consumption throughout its production and operations. By actively adopting energy-saving and efficiency-improving measures, the Company effectively fulfills its commitment to energy conservation and emission reduction.

Indicators	Unit	Data
Total Integrated Energy Consumption	MWh	133,953.76
Energy Consumption per Million RMB of Revenue	MWh/Revenue in million RMB	35.44
Total Direct Energy Consumption	MWh	72,718.79
Total Indirect Energy Consumption	MWh	61,234.97

Direct Energy Consumption of Dajin Heavy Industry in 2024 (MWh)



Indirect Energy Consumption of Dajin Heavy Industry in 2024 (MWh)





## Case Study

### The Penglai Facility Upgrades Carbon Rods and Heating Rods to Optimize Energy Management

The Penglai Facility adheres to the concept of energy conservation and emission reduction, actively improving energy utilization efficiency. In the production process, the Company strictly selects carbon rods each year, choosing durable, stable-performing, fracture-resistant, and easy-to-operate rods, which effectively improves operational efficiency, reduces defect rates, and minimizes energy waste caused by frequent carbon rod replacements and rework. For the monopile welding process, where the steel plates are thick and require a preheating temperature above 100°C before welding, resulting in high energy consumption, the Penglai Facility has improved the heating rods and optimized the internal structure to concentrate the heat source. After the improvements, heating efficiency has significantly increased, and energy consumption has been drastically reduced while achieving the same preheating effect, successfully meeting the energy-saving and efficiency-enhancing goals.



Improved Monopile Welding Preheating Process

### Raw Material Management

The Company has established materials management procedures such as the *Consumables Exchange and Distribution Control Procedure* and the *Consumables Control Management Regulations*, which strictly manage the distribution and recycling of materials like welding wire and flux, effectively reducing unnecessary material waste.

Indicators	Unit	Data
Total Consumption of Major Raw Materials	1,000 metric tons	524.2
Raw Material Consumption per Million RMB of Revenue	1,000 metric tons/ Revenue in million RMB	0.139
Steel Plates	1,000 metric tons	488.2
Flanges	1,000 metric tons	28
Welding Materials	1,000 metric tons	7.9
Total Paint Usage	1,000 liters	2069.49

### Water Resource Management

To improve water resource utilization efficiency and reduce water consumption, the Company continues to optimize its water resource management strategies. In daily operations, the Company focuses on reducing water usage by implementing water recycling, utilizing water-saving devices, and adopting water-efficient processes. For domestic water consumption, the Company displays water conservation notices in prominent areas to encourage water-saving actions. Additionally, through training and promotional activities, the Company strengthens employees' awareness of water conservation, transforming it into a collective action among all employees, creating a positive atmosphere for water resources protection within the Company.

#### Penglai Facility

The Penglai Facility has established a waste water treatment station to treat domestic waste water, which is then used for greening and watering within the yard. Additionally, to encourage employees to actively conserve water resources, the facility tracks water consumption in the canteen monthly and continuously monitors overall water usage to ensure the effective management and water-saving measures.

#### Fuxin Facility

To enhance the management of dust reduction water, Fuxin Facility has implemented an internal management system, About Dust Reduction Water. This system standardizes the number of dust reduction applications, water source usage, water consumption, and other relevant requirements to ensure the rational use of water resources.

Indicators	Unit	Data
Total Water Resources Acquired	1,000 metric tons	199.8
Water Resources Acquired per Million RMB of Revenue	1,000 metric tons/ Revenue in million RMB	0.053
Of which: Total Purchased Water Resources	1,000 metric tons	188.7
Of which: Total Natural Water Resources Acquired	1,000 metric tons	11.1

## Circular Economy

The Company adheres to the core principle of recycling and is committed to enhancing the overall utilization of resources. We have established a comprehensive recycling system for production waste and are actively exploring viable pathways for waste reuse in the procurement process. By collaborating closely with our suppliers, we aim to transform waste generated during procurement into reusable resources, thus reducing resource waste and minimizing environmental impact.

**The Penglai Facility is actively advancing the development of a circular economy within the facility, with clear milestones:**

by 2030, the production recycling rate will reach at least **90%**  
and by 2040, **full recycling will be achieved.**

### Case Study

#### Transform Cutting Waste into Practical Brackets

Penglai Facility actively practices the concept of resource recycling and reuse in production, moving away from traditional waste disposal methods and innovatively recycling cutting wastes and other materials. In 2024, the facility creatively utilized cutting wastes and discarded bolts to make more than 200 warning line brackets, while using plate strips to create over 50 fan brackets.



Brackets Made from Cutting Wastes

## Green Office

The Company emphasizes fostering green office awareness by posting notices in office buildings, canteens, factory areas, and other spaces with reminders such as "turning off lights when not in use", "energy-saving and environmental protection". We also encourage employees to save water and paper, fostering a culture of conservation. Additionally, the Company continues to carry out energy-saving upgrades to equipment, gradually replacing energy-intensive devices with more energy-efficient lighting, power generation, and other equipment to reduce energy consumption of daily operations. During the year, the Penglai Facility completed the replacement of outdoor lighting with energy-efficient (LED) lights and installed time-controlled clock lighting systems that adjust lighting based on seasonal timing to prevent energy waste. The Zhangjiakou Facility, based on the lighting requirements of the anti-corrosion workshop, selected high-brightness, long-lifetime LED fixtures, improving the overall lighting quality of the workshop while significantly reducing electricity consumption.

## Emissions Management

### Noise Control

The Company strictly adheres to the *Environmental Noise Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations, placing great emphasis on noise pollution prevention and control in daily production, especially in areas prone to high noise, such as cutting and sandblasting. A series of effective measures have been implemented to mitigate noise pollution.

To ensure the occupational health and safety of employees in high-noise environments, the Company provides labor protection supplies on time, in accordance with national and local requirements. Additionally, the Company continues to upgrade equipment and facilities, replacing high-noise machinery with low-noise alternatives to reduce noise at the source. The Company also standardizes material usage procedures to lower noise levels in the working environment. During project construction and operations, the Company applies various noise-reduction techniques, such as adding dampers to equipment, using the building structures for sound insulation, installing silencers on key noise sources like fans, and strategically arranging production areas to minimize noise overlap and spread. This year, the Penglai Facility received certification under the *Industrial Enterprise Boundary Noise Standards* (GB12348-2008) at the secondary standard level. Additionally, the noise indicators for various projects meet the requirements outlined in the *Industrial Enterprise Boundary Environmental Noise Emission Standards* (GB12348-2008) and the *Environmental Quality Standards for Noise* (GB3096-2008).

### Case Study

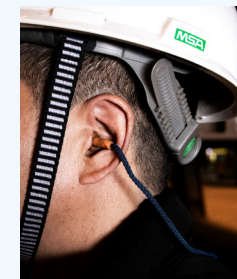
#### Noise Control and Safety Assurance at Penglai Facility

Penglai Facility has taken multiple effective measures to address operational noise of grinding mills and potential safety hazards, ensuring the health and work safety of employees. These specific measures include:

- ▲ Installation of Silencers: The grinders are equipped with silencers to reduce noise pollution.
- ▲ Provision of Earplugs: Based on noise levels, earplugs are provided to employees to further protect their hearing.



Grinders Silencers



Noise-canceling Earplugs for On-site Personnel

- ▲ Safety During Grinding Wheel Replacement: A quick plug-in method is used to cut off the air supply when replacing grinding wheels, ensuring safety during the process.

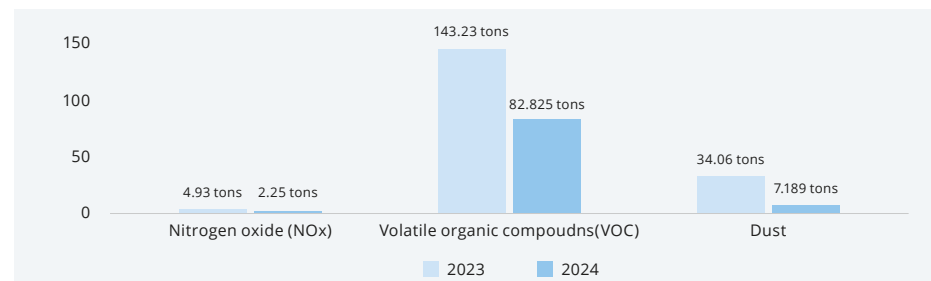
Through these measures, the Company is committed to providing a safer and healthier working environment for its employees.

## Waste Gas Management

The waste gas emissions generated by the Company's operation mainly come from the smoke and dust produced during cutting, grinding and welding. The Company strictly abide by the *Environmental Protection Law*, the *Air Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations to ensure that the generation, collection, treatment and discharge of waste gases comply with national laws and regulations. The Company clearly defines the responsibilities and specific requirements for waste gas management during project processes.

The Company reduces emissions from production and operation by installing dust prevention and purification equipment, optimizing production processes, and strengthening end-of-pipe treatment. All waste gas are fully compliant with regulatory standards. At the same time, the Company engages a professional third-party organization to conduct regular monitoring and analysis of air pollutants, enabling real-time tracking of pollutant compliance levels.

Dajin Heavy Industry Major Waste Gas Emissions



### Case Study

#### Enhancing Waste Gas Treatment Efficiency Through Integrated Treatment Facilities

To effectively address the issue of volatile organic compounds (VOCs), dust, and particulate matter emissions generated during the painting and sandblasting processes and to ensure compliance with discharge standards, the Penglai Facility has taken the following three approaches to improve the efficiency of waste gas treatment:

**Improving Waste Gas Collection Efficiency:** For smoke and dust generated during welding and grinding, the facility employs a combination of dust bags and filtration screens to uniformly collect pollutants. This method effectively prevents the escape of waste gases and reduces the risk of diffusion in the workshop at the source.

**Increasing the Variety of Waste Gas Treatment Technologies:** For organic waste gases, technologies such as activated carbon adsorption, catalytic combustion, and regenerative thermal oxidation (RTO) are used in combination. Activated carbon adsorbs pollutants, catalytic combustion decomposes organic substances, and RTO technology improves energy utilization, significantly enhancing the waste gas treatment efficiency.

**Strengthening End-of-Pipe Treatment:** Dust purification devices have been installed outside the welding material drying area, effectively reducing the amount of smoke and dust levels in the workshop, further improving the work environment for employees.

Through the above integrated measures, the Penglai Facility has successfully enhanced its waste gas treatment efficiency, making a positive contribution to environmental protection and safeguarding employee health.

#### Equipment and Process Upgrades for Comprehensive Waste Gas Treatment

The Fuxin Facility is committed to enhancing the efficiency of industrial exhaust gas treatment by building a high-performance emission control system that ensures full-process management from the source to final discharge, guaranteeing compliance with environmental standards:

**Fume Control in Manual Welding Areas:** In the manual welding zones of the fabrication workshop, the facility has deployed mobile welding fume purifiers. These devices efficiently capture welding fumes at the moment they are generated, significantly enhancing initial fume collection, minimizing pollutant dispersion, and improving the working environment.

**Exhaust Treatment in the Anti-Corrosion Workshop:** As a key source of exhaust gases, the anti-corrosion workshop is equipped with an advanced dust and paint mist treatment system. Utilizing combustion and activated carbon adsorption technologies, this system effectively purifies the air by significantly reducing pollutant concentrations, thereby ensuring clean and safe air quality in the workshop.

**Exhaust Treatment for High-Energy Cutting Gases:** The facility has implemented a desulfurization and drying pre-treatment process to ensure that no harmful substances are produced during the combustion of cutting gases, achieving "zero pollution" in exhaust gas emissions and positive contribution to environmental protection.

## Waste Management

The Company strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Soil and Water Conservation Law of the People's Republic of China*, the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and the *Measures for the Administration of Hazardous Waste Business Licenses*. The Company strictly controls over the generation and discharge of waste throughout production operations to minimize environmental impact.

The Company's solid waste mainly includes general waste, hazardous waste, and domestic waste. The Company has developed relevant documents such as the *Waste Management Standards*, the *Waste Disposal Area Management Regulations*, and the *Hazardous Waste Storage and Disposal Management Regulations* to standardize the responsibilities of each link in waste disposal, clarify the requirements for recycling, storage, and disposal, and entrust qualified third parties for recycling and treatment to ensure all waste is disposed of in compliance with regulations.

Indicators	Unit	Data
Total Weight of General Waste Generated	tons	18,105.68
Total Weight of General Waste Disposed	tons	18,105.68
Where: Total Weight of Metal Waste Recycled	tons	1,145.52
Where: Total Weight of Metal Waste Processed by Third Parties	tons	12,883.33
Total Weight of Hazardous Waste Generated	tons	526.31
Total Weight of Hazardous Waste Disposed	tons	545.00



### General Waste Management

The Company requires all departments to strictly follow the waste disposal process documents after waste generation and classify the waste according to its type, transferring it to the designated waste storage area to facilitate recycling efforts.



### Hazardous Waste Management

The Company has set up independent hazardous waste storage rooms with scientifically reasonable layouts and strict management measures to ensure that the storage and handling of hazardous materials pose no risk to workplace safety or employee health.



### Office and Domestic Waste Management

Waste generated from daily office operations and employee activities is collected and sorted centrally. Recyclable materials are reused wherever possible to reduce resource consumption and promote a green office culture.



## Biodiversity Protection

The Company places great importance on the impact of its operations on biodiversity and strictly adheres to international and domestic laws and policy requirements, including the *UN Convention on Biological Diversity* and the “*Kunming Declaration*”, as well as the Chinese government’s *Opinions on Further Strengthening Biodiversity Protection*. All business operations comply with relevant biodiversity protection standards.

The Company continuously enhances its biodiversity management system by integrating biodiversity strategies into its ESG governance framework, ensuring awareness and implementation across business processes. It has issued a *Biodiversity Statement*, committing to the principles of sustainable development,

firmly prohibiting any activity that damages ecosystems or harms biodiversity, and actively participating in biodiversity conservation efforts while promoting its sustainable resource use through scientific approaches.

The Company conducts thorough risk identification and hazard assessments, embedding ecological protection principles throughout the entire project lifecycle. From planning and construction to operational management, strict oversight ensures the effective implementation of biodiversity protection measures, driving long-term ecological sustainability.

### Proactive Prevention and Control

The Company places strong emphasis on the proactive management of biodiversity-related risks and is actively advancing the development of a robust biodiversity risk governance, assessment, and prevention system. Biodiversity risk identification and control mechanisms are continuously strengthened within the Company’s governance structure and core business processes. For construction and operational activities, the Company conducts comprehensive and scientific assessments to accurately identify potential impacts on biodiversity caused by environmental pollution, natural disasters, and other factors-effectively mitigating risks at the source. At the same time, the Company strictly adheres to biodiversity conservation principles and firmly refrains from conducting operations in areas of significant global or national biodiversity importance.

### Rigorous Ongoing Oversight

The Company strictly follows policy guidelines related to ecological conservation red lines and firmly upholds the ecological red line protection concept. During facility site selection and layout planning, rigorous analysis and evaluation are conducted to ensure alignment with biodiversity conservation requirements. Throughout the entire lifecycle of engineering and project construction, the Company actively implements measures to protect natural habitats, wetlands, forests, wildlife corridors, and agricultural land-minimizing adverse impacts on surrounding ecosystems and biodiversity caused by project development and operations. At the same time, the Company closely monitors dynamic changes within ecosystems located in ecological red line areas and strengthens the monitoring and management of biodiversity conservation conditions.

### Continuous Awareness Campaigns

The Company actively utilizes multiple channels to promote biodiversity conservation through consistent communication and public outreach. It strengthens engagement with social organizations and media, while also expanding international exchange and cooperation in the field of biodiversity. By deeply participating in and leveraging existing global green initiatives, the Company aims to raise awareness of biodiversity protection among its employees, suppliers, partners, and the general public. Through diverse biodiversity-themed educational campaigns and professional training activities, the Company continuously enhances the biodiversity knowledge and awareness of its staff and stakeholders. These efforts contribute to building a strong image of Dajin as an ecologically friendly enterprise within the context of green finance and sustainable development.



### Dajin Heavy Industry Biodiversity Conservation Initiative

During the reporting period, the Company implemented strict control measures in key areas such as foreign vessel waste disposal and ecological restoration for new facilities. For foreign vessel management, the Company has established a comprehensive waste management system and partnered with professional third-party agencies for the treatment of oily wastewater and solid waste. These efforts ensure that vessel-generated waste is disposed of in a timely, safe, and standardized manner, thereby minimizing environmental pollution to the greatest extent possible.

For new built facilities, the Company applies scientific planning and strict construction management to minimize ecological impact. In addition, ongoing ecological maintenance efforts have been carried out to further ensure optimal restoration results during the operational phase. These measures reflect the Company's strong commitment to environmental protection and its social responsibility, and further support the realization of its sustainability goals.



## Environmental Key Performance Data

Indicators	Unit	2024	2023
Total GHG Emissions	Ton CO <sub>2</sub> e	49,639.64	57,580.18
GHG Emissions (Scope 1)	Ton CO <sub>2</sub> e	20,194.84	21,174.11
GHG Emissions (Scope 2)	Ton CO <sub>2</sub> e	29,444.80	36,406.07
GHG Emissions Intensity per Million RMB Revenue	Ton CO <sub>2</sub> e / million RMB Revenue	13.13	13.31
Total Renewable Energy Production	MWh	686,008.35	416,119.95
Total Integrated Energy Consumption	MWh	133,953.76	155,572.72
Energy Consumption per Million RMB of Revenue	MWh / million RMB Revenue	35.44	35.97
Total Direct Energy Consumption	MWh	72,718.79	91,319.56
Total Gasoline Consumption	MWh	981.00	1,089.79
Total Diesel Consumption	MWh	11,075.85	17,601.37
Total Natural Gas Consumption	MWh	59,038.33	69,851.09
Total Propane Consumption	MWh	1,623.59	2,777.31
Total Indirect Energy Consumption	MWh	61,234.97	64,253.16
Total Green Electricity Consumption in Penglai Facility	MWh	11,181	0
Total Major Raw Materials Consumption	1,000 tons	524.2	511.3
Raw Material Consumption per Million RMB of Revenue	1,000 tons/ Million RMB Revenue	0.139	0.118
Total Water Consumption	1,000 tons	199.8	184.5
Water Consumption per Million RMB of Revenue	1,000 tons/ Million RMB Revenue	0.053	0.043
Where: Total Water Purchased	1,000 tons	188.7	173.5
Where: Total Water Sourcing	1,000 tons	11.1	11.0
Total General Waste Generation	tons	18,105.68	/
Total General Waste Disposal	tons	18,105.68	/
Total Hazardous Waste Generation	tons	526.31	680.20
Total Hazardous Waste Disposal	tons	526.31	661.53

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## SDGs



# Social

Dajin Heavy Industry has always taken product quality and service as its core pursuit, and has continuously strengthened the foundation of product management, and is committed to providing clients with high-quality product solutions on a continuous basis. In the production process, the Company actively builds a sustainable supply chain system, adhering to the concept of mutual benefit and win-win with suppliers, and promotes the realization of sustainable development goals. At the same time, the Company pays great attention to the legitimate rights and interests of each employee and occupational health and safety, continuously improves the employee training and development system, actively responds to the needs of employees, and continues to optimize employee benefits to ensure that each employee can enjoy a fair, diverse, inclusive and safe working environment.



## Quality Assurance

Dajin Heavy Industry insists on quality as the foundation and honesty as the basis, and always guarantees high-quality products and services in order to fulfill the promises to clients. The Company maintains friendly and close contact with clients in order to accurately understand the cutting-edge needs of domestic and foreign clients for products and services. By perfecting the quality management system, creating a high-standard quality control process and advanced quality management concepts, adhering to the excellent quality and continuously optimizing the services, the Company steadily improves its reputation and brand value.

## Strict Product Quality Control

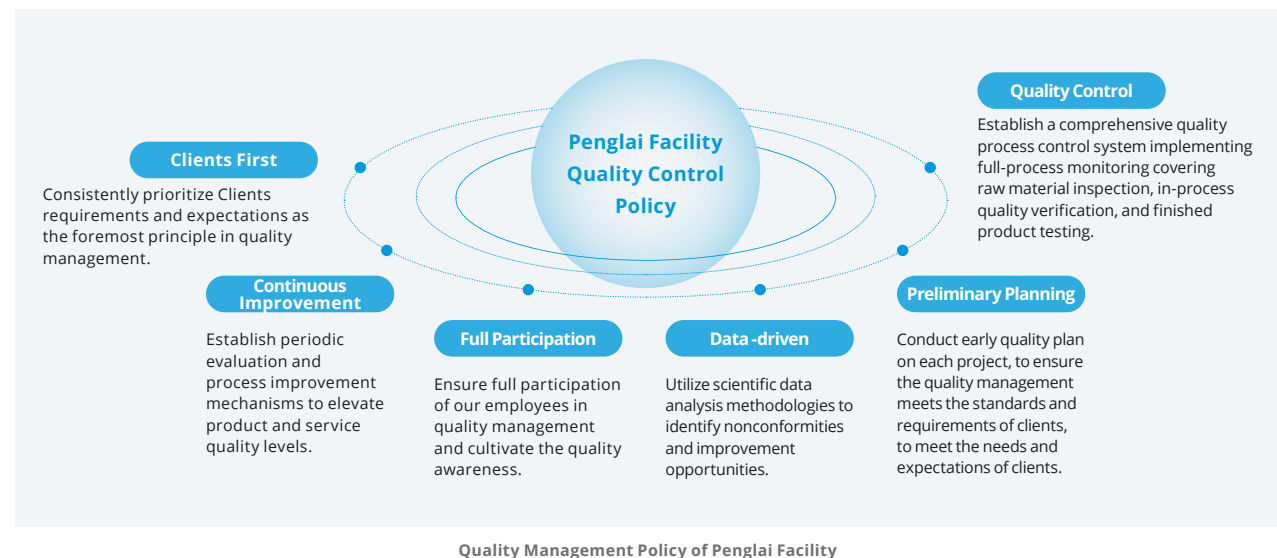
### Quality Management Objectives

Aligned with the quality policy framework, the Company sets annual QHSE management objectives across various functions, levels, and production processes, considering workshop capacity, product types, and other factors. These objectives cover HSE management, facility procurement security, technology and processes, production qualification rates, instrument calibration, human resources, domestic and international project management, production planning, equipment and facility management, and administrative oversight. This ensures that quality management objectives are practical, measurable, and aligned with the Company's overall development strategy.

To achieve these objectives, each department monitors, tracks, and analyzes progress monthly. For any non-compliance, corrective measures are developed and overseen by the Quality Management Department, which ensures improvement efforts across functional areas. The effectiveness of these measures is verified to guarantee the successful implementation of the Company's quality management goals.

### Quality Management System

The Company has established a comprehensive quality management system and measures to continuously enhance product quality management, ensuring that every stage of production meets expected standards while strengthening its core competitiveness.



As of the end of 2024, all the Company's long-term production facilities have been certified to the ISO 9001 quality management system, ensuring consistent, high-quality control on a global scale. Additionally, according to our business characteristics the Penglai Facility has obtained multiple certifications, including EN1090 EX Class 4 steel structure manufacturing, ISO3834 welding quality management system, Japanese Industrial Standard (JIS) certification-Class H, Japanese ClassNK and DNV-GL-C401. These certifications further strengthen its quality assurance capabilities during production.

In terms of employee training, the Penglai Facility emphasizes professional skill development tailored to actual post requirements. In 2024, one QA employee obtained a BSI three-system internal auditor certification, four NDT employees obtained NDT competency certificates, and high-precision equipment operators in the QC section also successfully obtained equipment operation certifications. The growing number of certified staff provides a strong guarantee for improving employees' ability and meeting quality requirements, and further enhances the Company's competitiveness in quality management.

### Quality Enhancement

The Company is dedicated to advancing research and enhancing its production processes, continuously driving technological innovation and quality improvement. Through ongoing optimization of production techniques, it has achieved significant progress in product quality. To ensure quality management is integrated into every stage of production, the Company actively organizes various training programs, including pre-project training, handover training, and independent quality training sessions. These initiatives not only strengthen employees' awareness of quality management but also enhance their professional skills in quality control, further driving continuous improvements in product quality.

#### Case Study

#### Penglai Facility Carries Out the Innovative Test of "Welding Process without Plate Flipping and Back Gouging"

The Penglai Facility actively promotes welding process innovation, carried out the "No Flip, No Back Gouging" innovation test. As offshore wind power projects grow in capacity and scale, traditional plate assembly methods in monopile foundation manufacturing face efficiency problems and safety risks, making it difficult to meet the industry's high-quality development demands. To address these challenges, the Penglai Facility has optimized plate assembly and rolling techniques through innovative research and development. While ensuring compliance with domestic and international industry standards, the facility successfully reduced two plate-flipping processes, significantly improving section manufacturing efficiency. Additionally, by analyzing and calculating the design of the single-V groove angle, it optimized the groove area and effective welding area after back gouging, reducing residual welding stress and enhancing structural fatigue resistance and design lifespan. These technical innovations not only lower production costs but also greatly enhance efficiency, ensuring high-quality and timely product delivery. This initiative further supports the Company's goal of cost reduction and efficiency improvement.

### Quality Risk Prevention

The Company consistently integrates quality risk management throughout the entire product lifecycle. Using systematic risk assessment methods, the Company continuously identifies potential significant quality risks, prioritizing them based on their severity and probability of occurrence. In response to the identified risks, combined with the actual situation, the Company implements proactive and effective preventive measures to control and reduce product quality risks during actual operations. By summarizing and generalizing project experiences over time, the Company not only provides valuable insights for future projects but also successfully prevents the recurrence of quality risks, improving project management efficiency and continuously enhancing its quality management system.

In 2024, based on project risk assessments, the Penglai Facility thoroughly identified potential quality risks in the production and inspection processes. It revised and improved existing quality procedures and the quality management system, updating 67 documents and adding 45 new ones throughout the year. These updates further refined quality control details and ensured the real-time effectiveness of the quality management system. Thanks to strict quality management measures and a continuous improvement control mechanism, the Penglai Facility encountered no major product quality risks in 2024, demonstrating the Company's strength and reliability in quality control.

The Penglai Facility encountered no major product quality risks in 2024, demonstrating the Company's strength and reliability in quality control.



## Service Enhancement

Dajin Heavy Industry always prioritizes client-centered development, responding actively to client concerns with high service standards and standardized processes. The Company continuously strengthens cooperation with both domestic and international clients, delivering high-quality products and services to every client.

### Standardizing Service Mode

The Company has established a comprehensive pre-sale, sale, and after-sale service process. The headquarters' domestic marketing center, overseas business division, and project departments, both domestically and internationally, follow this process. Through initial research, real-time monitoring, and regular communication, the Company has created a clear, complementary service management model that provides high-quality service to clients across various regions.

### Improving Service Process

Tailoring its approach to different types of overseas business, the Company conducts market research and risk assessment while regularly gathering client needs and feedback. The Company prioritizes client concerns, fostering strong partnerships with clients. For domestic operations, a well-established service process ensures prompt responses to client inquiries and needs. Additionally, the Penglai Facility has developed tools like the *Project Process Work Planning Chart* and *After-sales Service Management Regulations* to continually optimize service quality, aligning with the Company's strategy and overall business objectives.

### Protecting Client's Rights

The Company values client feedback and protects their interests across all areas. By using tools like the *Client Complaint Information Registration Form* and *Client Satisfaction Questionnaire*, the Company regularly collects and analyzes feedback, providing efficient, high-quality responses. Clients' issues with products or services are promptly addressed, and the Company maintains regular visits to better understand their needs and improve service quality. In 2024, with perfect service mechanism and high quality client experience, the Company earned numerous honors from its partners, such as "Class A Qualified Supplier" and "Most Potential Partner", further highlighting Dajin Heavy Industry's excellence in client service.

## Production Safety

Dajin Heavy Industry prioritizes production safety as a fundamental pillar of enterprise development, striving to establish a scientific, comprehensive safety management system and a strict safety control framework. The Company ensures end-to-end safety coverage, from raw material procurement to final production delivery, clearly defining safety responsibilities at all levels. Regular safety inspections and risk assessments are conducted to maintain a secure and controlled production process. Additionally, the Company emphasizes employee safety awareness and emergency response preparedness. Regular safety training sessions and practical emergency drills equip employees with the necessary skills to handle emergencies effectively. These initiatives enhance workplace safety literacy, improve on-site response capabilities, and reinforce a strong safety culture. By continuously refining its safety management practices, Dajin Heavy Industry has built a solid foundation for stable production operations, fostering a safer environment for employees, clients, and society. The Company's commitment to safety excellence is reflected in its achievement of ISO 45001 Occupational Health and Safety Management Systems, demonstrating its adherence to international safety standards and ongoing improvements in safety management.

### Performance

In 2024, there were no major safety incidents at any of the Company's production facilities.

## Safety Management System

To enhance its safety management capabilities, Dajin Heavy Industry's headquarters and production facilities have developed a comprehensive safety framework. This includes the *Quality and Safety Manual*, *HSE Risk Assessment Management Procedures*, *HSE Violations and Dereliction of Duty Accountability Standards*, and *HSE Monthly Evaluation Form*, all aligned with the Law of the People's Republic of China on *Occupational Disease Prevention and Control* and other national regulations. The Company conducts annual comprehensive risk assessments and formulates targeted risk management measures before the start of each project. Prior to project commencement, risk identification is performed, and corresponding mitigation strategies are implemented. Timely risk training and supervision are carried out based on project-specific conditions. The Company has also established the "Top Ten Safety Red Lines" and a structured safety assessment, reward, and penalty mechanism, ensuring standardized and effective safety management practices. Additionally, production facilities have implemented systematic safety management systems tailored to regional and operational characteristics. Continuous employee safety education and training further reinforce workplace safety, ensuring full-process risk control and ongoing improvements in the Company's overall safety management capabilities.

## Safety Management and Security

In 2024, Dajin Heavy Industry conducted a thorough investigation of potential safety risks across all production processes. At the Penglai Facility, a permit-based approval system for high-risk operations was implemented in accordance with HSE system requirements. This involved issuing and approving 1,085 safety work permits while enforcing strict risk control measures. Additionally, safety risk identification and assessment processes were upgraded 11 times, leading to the improvement of 16 safety risks and their corresponding preventive measures. To further enhance safety management, Penglai Facility carried out over 240 specialized safety inspections, identifying and rectifying 21,850 safety violations. These proactive measures significantly strengthened risk control and ensured a safe and stable production process.

Throughout 2024, the Company achieved approximately 3 million safe working hours across major projects, including NOY monopile, Thor monopile, NSC monopile, WAK monopile, SGRE offshore tower, and GE offshore tower. All projects successfully met the safety targets of "zero casualties and zero environmental pollution". Notably, the owners of the NOY project in France and the Thor project in Denmark awarded the Company commendation medals, recognizing its outstanding safety management performance.

Install AEDs across production facilities to ensure prompt emergency response for cardiac incidents, effectively reducing life-threatening risks associated with sudden cardiac arrest among workforce.

Deploy dedicated emergency response vehicles equipped with essential medical devices and staffed by certified personnel to ensure immediate on-site emergency care and medical evacuation, thereby enhancing rescue operational efficiency.

Establish a 24/7 emergency hotline to ensure immediate access to emergency response teams for production personnel during critical incidents at any time.



Deploy certified first-aid personnel holding Red Cross First Responder credentials with medical training to ensure accurate on-site assessment and treatment, guaranteeing effective emergency response operations.

蓬莱基地生产安全保障措施

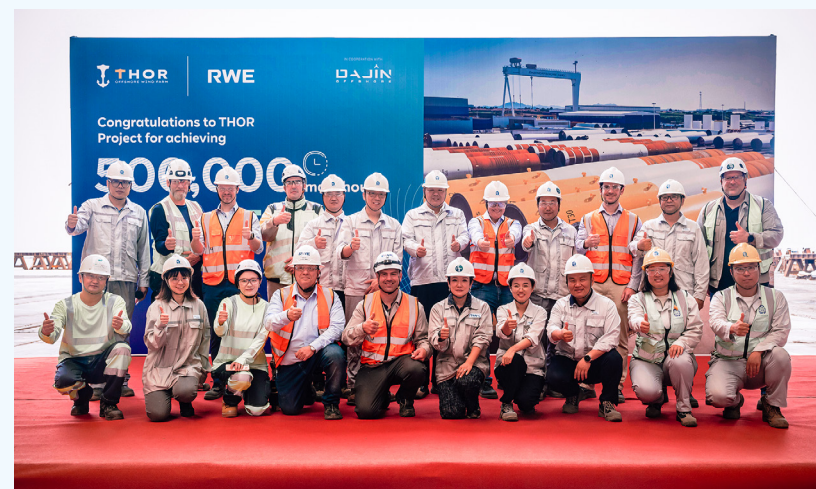
### Case Study

#### Dajin Heavy Industry's TP-less Monopile Project Achieves 500,000 Working Hours with Zero LTI(Lost Time Injury)

On August 20, 2024, the TP-less monopile project for Denmark's Thor offshore wind farm, constructed by Dajin Heavy Industry at its Penglai Facility, successfully reached 500,000 work hours with zero LTI. To celebrate this outstanding achievement, representatives from the overseas client visited the Penglai Facility, joining the project team to mark this significant milestone and present an award to the Dajin Thor Project Team. This milestone not only highlights the Company's continuous breakthroughs in production projects but also demonstrates its remarkable achievements in safety management, high-quality delivery, and teamwork.



500,000 Safe Working Hours  
Plaque Awarded by the Client  
of Thor Project



Thor Project Celebrates 500,000 Safe Working Hours



## Case Study

## Penglai Facility to Carry Out Special Rectification of Safety Work in 2024

To further enhance the Company's safe production environment and create a secure and healthy working atmosphere for employees, in 2024, Penglai Facility carried out special safety rectification work. By upgrading the electrical control systems of 12 self-produced welding platforms, evaluating and optimizing the position of platform lifting guide wheels, setting up dedicated charging stations, and standardizing the use of cylinder joints in the Structure I workshop, the safety of production operations has been effectively improved, and various safety hazards have been successfully eliminated to ensure the steady progress of production work.

## Case Study

## Penglai Facility Launches Online HSE Observation Card Filling System

To further improve the on-site safety supervision and management, and to encourage employees to actively participate in safety management, Penglai Facility launched an online HSE observation card filling system in 2024. Employees can quickly fill in the observation data by scanning the QR code through WeChat on their cell phones, which is easy and fast to operate. The facility regularly conducts statistical analysis of HSE observation data to identify weak points in safety management and provide a strong reference for subsequent safety management decisions. The system is in use, not only reduces the cost of safety management, but also promotes the construction of the Company's safety management informatization, and effectively improves the Company's safety management capability.



Penglai Facility HSE Observation Card

## Developing Employee Safety Awareness

The Company has always regarded safety culture as a key component of ESG governance, continuously enhancing employee safety awareness and capability. Each production facility strictly adheres to the Company's safety philosophy and actively organizes diverse safety activities and incentive programs, such as Production Safety Month, milestone rewards for safe working hours, monthly awards for outstanding team leaders and safety officers, and recognition for excellent safety observation cards. In addition, regular company-wide safety training sessions are conducted to reinforce employees' awareness of production safety and instill a strong safety-first mindset. These initiatives effectively encourage proactive employee participation in safety management, providing a solid foundation for the Company's sustainable development.

## Performance

In 2024,

Penglai Facility places great emphasis on safety training and strictly adheres to HSE management requirements. In 2024, it conducted **467** entrance safety training sessions for new employees and off-site subcontractor personnel, training a total of **1,641** people. Additionally, it organized **62** sessions of daily safety training, internal pre-service training, and special position assessments, covering **2,266** participants. The facility also held **162** specialized safety training sessions, training **2,800** employees, significantly enhancing their safety awareness and operational skills.

To strengthen emergency response capabilities, Penglai Facility conducted **12** emergency drills with **280** participants, improving employees' ability to handle emergency situations and ensuring safe and controlled production operations.

Throughout the year, Penglai Facility carried out **260** safety inspections, identified **21,850** potential safety hazards, and successfully completed corrective actions, further reinforcing workplace safety and risk prevention.



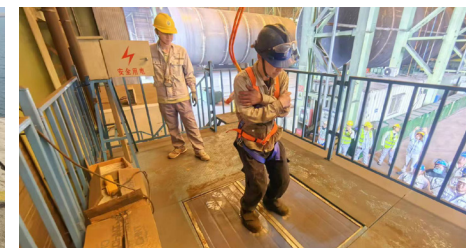
Penglai Facility conducts safety incentives and awards



Penglai Facility Conducts Safety Knowledge and Skills Training



Penglai Facility Conducts Safety Emergency Drill



Penglai Facility Conducts Falling Prevention Safety Experience Event

## Employee Rights and Benefits

Dajin Heavy Industry has always adhered to the development concept of people-oriented and regarded employees as the core assets of enterprise development. The Company insists on equal employment, protects all rights and interests of employees, pays attention to the health and safety of employees, and effectively cares for employees. We are committed to creating a fair, inclusive and safe working environment for our employees, and promoting the common growth of employees and the Company.

### Adherence to Equal Employment

The Company strictly complies with relevant domestic and international laws and regulations in all its operational locations. It has developed the *Employee Handbook* and the *Labor and Human Rights Management Manual*, and adheres to the principles of fairness, impartiality, and transparency to standardize its recruitment policies and ensure the full protection of employees' rights. The Company provides equal employment opportunities to female employees, overseas employees, ethnic minority employees, and other special groups. The Company firmly opposes all forms of workplace discrimination and is committed to building a diverse and inclusive career development platform, effectively safeguarding the equal rights and interests of all employees.



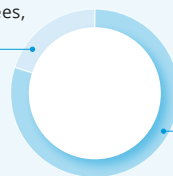
Male Management Staff 295  
Female Management Staff 76

#### Performance

In 2024,

Dajin Heavy Industry had a total of **1,964** employees

among which **388** were female employees, accounting for approximately **19.9%**



**1,558** were male employees, accounting for approximately **80.1%**

The workforce also includes **138** ethnic minority employees and **1** disabled employee

fully reflecting the Company's commitment to diversity and inclusion in its recruitment and employment management practices Dajin actively provides equal development opportunities and career platforms for all employees.

### Protecting Employee Rights and Interests

The Company attaches great importance to the protection of employees' legitimate rights and interests by continuously enhancing its compensation and benefits system. During traditional festivals and holidays, the Company regularly provides benefits to all employees, effectively enhancing their sense of fulfillment and happiness. Additionally, the Company regularly offers professional health check-ups and occupational disease screenings, with special focus on employees in hazardous positions to ensure their physical and mental health.

To uphold fairness, the Company has established a dedicated complaint hotline and mailbox for reporting complaints, allowing employees to report discrimination or unfair treatment verbally or in writing. The Audit and Supervision Center conducts thorough investigations and responds within 15 days. If employees are dissatisfied with the outcome, they may escalate their complaints to the labor department. Proven violations result in legal penalties for responsible parties, with timely feedback to affected employees. By maintaining open feedback channels and valuing employee input, the Company continuously improves its management practices, safeguards employees' legal rights, and fosters a fair and harmonious working environment.

#### Employee Representative Congress

Conven the first Employee Representative Congress, during which the Employee Representative Congress Charter was reviewed and adopted, ensuring that employees can fully participate in decision-making.

#### Instant Messaging Tools

Conduct real-time communication, collaboration and file sharing within the Company through enterprise platforms like WeCom and DingTalk.

#### Internal Mail System

Conduct daily communication via the internal email system to exchange work information, provide updates, and address issues with colleagues and supervisors.

#### Department Meeting

All departments conduct regular meetings to review work progress, discuss plans and address issues, effectively enhancing internal communication and collaboration.

#### Dajin Heavy Industry's Internal Communication Mechanism

#### Performance

In 2024, The employee social insurance coverage rate is **99%**

## Enhancement of Employee Competencies

The Company has established a systematic training system, based on the Employee Training Management Measures, through internal training, external training and external boarding diversified training forms, regularly provide professional, technical and skills training for employees. The Company focuses on the comprehensiveness and practicability of the training content to help employees continuously improve their knowledge reserve and skill level, enhance their career competitiveness and development potential, and endeavor to provide employees with comprehensive career growth opportunities.

### Case Study

#### Penglai Facility Leverages “Employee Skills Matrix” for Customized Trainings

To continuously enhance employee skill levels, the Penglai Facility utilizes the Employee Skills Matrix as an assessment tool, aligning training programs with job function requirements and survey data. This approach enables the development and implementation of an annual targeted training plan to improve employee competencies. In 2024, the base conducted 141 training sessions, totaling 360.5 training hours. Additionally, to meet the increasing qualifications and professional standards required by overseas clients, the base supported 36 employees in obtaining external professional certification. This not only fulfilled client expectations but also enhanced employees' expertise and career development prospects. By strengthening its talent foundation, Penglai Facility is contributing to the Company's global expansion and ESG capability development.



Penglai Facility Conducts Project Management Basic Knowledge Trainings

#### The Panjin Facility Conducts Systematic Trainings Throughout the Year

In 2024, the Panjin facility conducted a year-round systematic training program with the core objectives of “consolidating the foundation, improving skills, and building an elite workforce”. The training focused on key areas such as corporate culture promotion, safety production standards, job skill enhancement, and sustainable development concepts. The facility implemented a training approach that combined theory with practice, ensuring that employees quickly integrated into the team and mastered job skills. This provided strong talent support for the efficient commissioning and sustainable operation of the new base. A total of 8,785 training hours were completed throughout the year, with a training pass rate of 100%.

#### The Fuxin Facility Conducts Professional Trainings to Comprehensively Improve Skill Levels

In order to improve employees' business skills and personal qualities, and strengthen the talent team, the Fuxin Facility based on *Employee Training Management Measures* and *Employee Skill Matrix Management System*, combined with the actual needs of each department and employees' skill short boards, scientific planning and precise implementation of professional training. The training content covers management knowledge and skills, quality and technical process improvement, occupational health and safety and company system, etc. In 2024, the Fuxin Facility has carried out 32 times of competence improvement training, 9 times of job standardization training, 11 times of company system and staff career development training, totaling 273.5 hours. Through scientific and systematic training, it ensures that the training content is closely integrated with business development, employee growth and ESG objectives, continuously strengthens the talent team construction, and effectively improves the quality and skill level of employees.

In 2024, the Fuxin Facility has carried out **32** times of competence improvement trainings

**9** times of job standardization trainings

**11** times of company system and staff career development trainings

totaling **273.5** hours

## Dajin Heavy Industry Employee Career Development Paths

Performance-based Grade System—Performance as the core basis and evaluation criteria for promotion

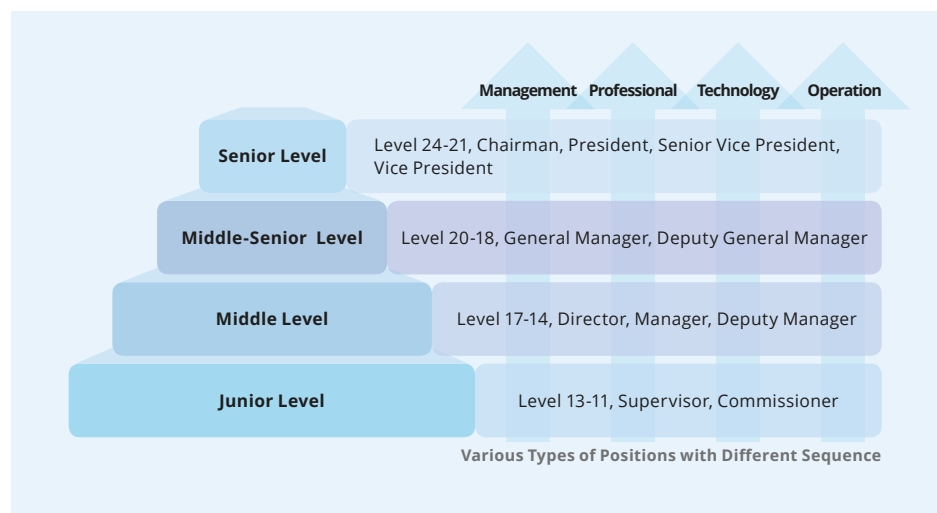


Diagram of Position Levels

### Grade Design Philosophy

- Broaden job grading structure to expand promotion opportunities.
- Same position, different levels. Same levels, different salary. Salary ranges with overlapping levels.
- Clear and well-defined job levels to provide employees with transparent career goals.

### Promotion Rules

- Candidates must not have any subpar performance ratings (annual or semi-annual) to qualify for promotion or grade advancement.
- Employees with 'S' performance ratings are eligible for promotion the following year. If no higher grade exists for their current position, they shall receive a salary band adjustment to maintain incentive effectiveness.
- Employees with 'A' performance ratings shall receive priority nomination for promotion/grade advancement, subject to final qualification review.
- Employees with 'B' performance ratings may be nominated for promotion based on merit, pending comprehensive corporate evaluation.
- Outstanding performers in virtual organizations may receive independent promotion/ advancement nominations through a dedicated evaluation channel.



## Caring for Employees

The Company is dedicated to fostering a “Happy Workplace” by providing a comfortable office environment, scientifically reasonable task allocation, and effective overtime management, ensuring the physical and mental well-being of employees. Additionally, the Company actively encourages employees to participate in team activities and interactive experiences, fostering a positive and uplifting work atmosphere. To help employees better cope with work and life pressures, the Company regularly organizes mental health education and discussion activities to improve employees’ psychological resilience and stress-coping abilities. For female employees, the Company strictly adheres to regulations on pregnancy, maternity, and breastfeeding leave, while also providing dedicated mother-and-baby rooms to protect the special rights and interests of female employees. Furthermore, the Company conducts regular employee satisfaction surveys, implements a rapid response mechanism to promptly incorporate employee concerns into management decision-making. Through these actions, the Company demonstrates its commitment to valuing employee and continuously enhancing their sense of belonging and well-being.



## Responsibility for Good

The Company is dedicated to building a sustainable supply chain by continuously supporting local community development and fostering long-term, stable partnerships with suppliers. Through these efforts, the Company actively promotes local economic growth, encourages the sustainable development of its partners, and fulfills its corporate social responsibility.

### Promoting Sustainable Supply Chains

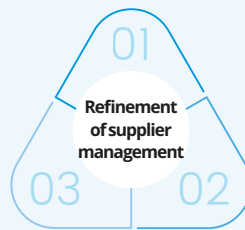
The Company has established a comprehensive supplier management system to strictly ensure that suppliers meet high standards in environmental, social and governance aspects. Through regular training and assessment, the sustainable development capability of suppliers is continuously improved.

#### Improving Supply Chain System Building

In compliance with relevant laws and regulations, the Company has established a comprehensive supply chain compliance framework. This includes the *Code of Conduct for Supplier Procurement Personnel*, the *Code of Conduct for Bidding of the Supply Chain Management Center*, the *Procurement Risk Compliance Management System of the Supply Chain Management Center*, and the *Assessment and Management Measures for Supply Chain Management Center Operational Personnel*. To strengthen governance, the Company has developed a new compliance system, implemented three lines of defense, and refined a three-tier management structure. By systematically integrating process optimization, comprehensive risk management, regulatory development, personnel training, and risk awareness, the Company has built a robust internal control and compliance system for its supply chain. With a commitment to "Standardized practices, coordinated operations, transparency, integrity, and efficiency", the Company strives to create a responsible and well-governed supply chain. These efforts drive continuous improvement in compliance, operational excellence, and sustainable supply chain development.

Develop the *Wind Power Materials Supplier Directory*, *Marine Equipment Supplier Directory*, and *Wind Energy Logistics Provider Directory* to establish a categorized supplier database, effectively identify supply gaps, and formulate targeted development plans.

Standardize qualification management for all supplier categories by establishing a supplier onboarding framework to ensure only compliant suppliers gain access.



Refinement of supplier process management, the implementation of key projects, urgent projects, risk supplier SQE management, identification of production process delivery, quality and business risks; through outsourcing parts process management, problem analysis, the development of corrective and preventive measures, tracking and verification and landing, and effectively enhance the supplier delivery qualification rate.

Dajin Heavy Industry Supplier Management Measures

Each of the Company's production bases, in line with national laws and regulations, the Company's strategic deployments, and regional operational characteristics, has systematically developed standardized management systems such as the "Procurement Control Procedure" and "Tender Management Measures". These systems ensure that procurement activities comply with ESG governance requirements, achieve transparency, standardization, and traceability in the procurement process, and ensure fairness, justice, and objectivity in procurement decisions. The Company continues to enhance the compliance level and sustainable development capacity of supply chain management. In 2024, the Company received no customs penalties in its import and export business, and the timeliness and accuracy of imports and exports were 100%.

In 2024, the Company received no customs penalties in its import and export business

100%  
the timeliness and accuracy of imports and exports were

#### Enhancing Supply Chain Management

The Company conducts out strict risk assessment of suppliers, and continuously monitors the qualification rate of product quality, timely delivery rate, price level and service quality of suppliers according to the Management Measures for Supplier Performance Evaluation. We conduct supplier performance evaluation once every six months, fill out and approve the semi-annual performance evaluation form of each supplier, and according to the evaluation results, we will conduct four levels of hierarchical management for suppliers, namely "A, B, C, D", and eliminate those suppliers who don't meet the requirements, so as to comprehensively improve the comprehensive ability of suppliers, further control the risk of supply chain operation, and make every effort to build an efficient and sustainable supply chain. In order to further strengthen supply chain management, the Company's production facilities have formulated a scientific subcontractor assessment and review mechanism based on project characteristics and operational requirements. Through the implementation of hierarchical classification management, the establishment of a dynamic assessment and evaluation system, and the strict implementation of the exit mechanism for unqualified subcontractors and other measures, the Company has effectively guaranteed the quality control and progress management of the project construction and ensured the high-quality and sustainable development of the project.

In 2024, the Company upgraded the "Supplier Development and Access Management Measures". Adhering to the principles of "fairness, justice, and transparency", the Company focuses on three core supplier categories: wind power materials, marine equipment, and logistics transportation. Through rigorous document review and on-site inspection, and by referencing the OECD "Guidelines for Multinational Enterprises on Responsible Business Conduct", the Company gradually improves the content of supply chain due diligence. The Company is building an access system that covers ESG risk assessments across the entire lifecycle, with a particular focus on key indicators such as environmental compliance records (including the "Self-Declaration of No Use of Conflict Minerals"), carbon emission intensity, and resource recycling rates, ensuring that environmental risks within the supply chain are controllable.

**01-Establish a supplier access mechanism**

- Formulate strict supplier access standards to ensure that all suppliers undergo qualification review before cooperation;
- Set up the supplier information database, record the performance, reputation and compliance of suppliers.

**02-Establish a supplier inspection and integrity campaign mechanism**

- Formulate the supplier inspection mechanism, clarify the inspection standards, procedures, archiving and filing regulations.
- In the process of business investigation and negotiation, the supervision and personnel shall clarify to the supplier the procurement requirements and the serious consequences of violating the relevant integrity agreement, and keep the recording and video of the process.

**03-Implement supplier training and awareness programs**

- Regularly publicize the company's clean culture and values to suppliers.
- Make and distribute the Transparent Dajin Handbook to ensure that suppliers understand the Company's anti-corruption policies.

**04-Strengthen contract management**

- Clarify the integrity clause in the contract.
- A multi-department contract performance supervision mechanism shall be established to ensure the transparency and fairness of the contract execution process.

**05-Redeling the reporting and feedback mechanism**

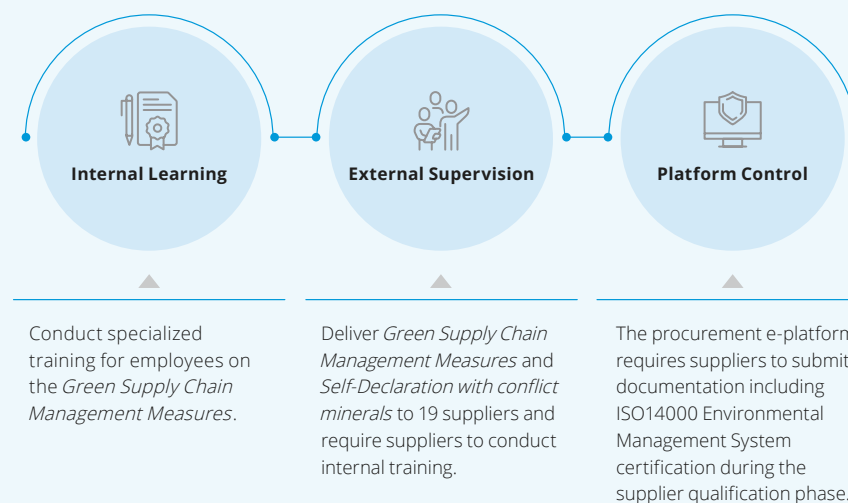
- Encourage internal employees and external partners to report unhealthy practices, and open up the reporting channels for the whole process.
- Conduct timely investigation into the reported information, and take corresponding measures for the violations.

**06-Promote cost reduction and efficiency enhancement**

- Through technical communication, flow and cooperative innovation with suppliers, to achieve cost reduction and efficiency enhancement.

**Dajin Heavy Industry Supplier Management Measures**

In 2024, the Company focused on ESG governance, clarifying the key responsibilities of each position in supply chain development and setting measurable sustainable performance indicators. Through a company-wide sustainable development capability assessment, the Company accurately identified personnel with skill gaps and implemented targeted ESG-specific training. This approach promotes team sustainable transformation through compliance assessments and capability reshaping. The Penglai Facility, with the Green Supply Chain Management Measures as its core framework, carried out green supply chain awareness initiatives for all employees. Through internal specialized training, the procurement team's professional capabilities were enhanced. At the same time, the facility provided training resources to suppliers, established a learning progress tracking and performance evaluation mechanism, and promoted continuous improvement of the overall ESG performance of the supply chain. Through these measures, the Penglai Facility has provided solid support for achieving its green transformation goals, ensuring the sustainability and green development of its supply chain.

**Green Supply Chain Management Measures****Dajin Heavy Industry Green Supply Chain Management Measures**



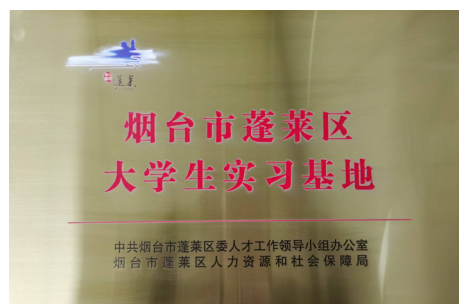
## Contribution to Community Development

Dajin Heavy Industry actively participates in local community building and development, supporting education and charitable causes, and is committed to promoting the comprehensive progress of society. The Penglai Facility has signed a university-enterprise cooperation agreement with local universities, becoming an educational practice base for these institutions. Both parties adhere to the principles of complementary advantages, resource sharing, mutual benefits, and common development. This collaboration model provides a platform for interaction and mutual growth between the facility and the universities, further promoting the development of local education.

At the same time, in the fall of 2024, the Panjin Facility also partnered with Dalian Ocean University and Dalian Maritime University to launch campus recruitment positions, offering more job opportunities to fresh graduates. This initiative fosters connections and training opportunities between university students and the Company. Looking ahead to 2025, Dajin Heavy Industry plans to establish specialized campus recruitment positions in departments such as technology, quality, and production, along with corresponding training programs. This will further deepen the cooperation with local universities in the areas of technology, education, and talent development, contributing to both local education and the sustainable development of the Company.



Dajin Heavy Industry Organized the “Student Workplace Experience Day” on August 25, 2024





## Social Key Performance

Indicators	Unit	2024	2023
Total number of employees	person(s)	1,946	1,640
Total number of female employees	person(s)	388	331
Total number of male employees	person(s)	1,558	1,309
Total number of full-time employees	person(s)	1,936	1,640
Total number of part-time employees	person(s)	10	0
Total number of employees from ethnic minorities	person(s)	138	114
Total number of employees from vulnerable groups	person(s)	1	0
Total number of new employees	person(s)	660	524
Number of work-related injuries recognized by the local Human Resources and Social Security Bureau	person(s)	11	7
Number of work-related fatalities	person(s)	0	0
Total work-related injury rate	%	0	0
Number of personal injury accidents per 1,000 tons of production	time(s)/per 1,000 tons of production	0.025	0.023
Total work hours lost due to work-related injuries	hour(s)	5,366	1,900
Total employee turnover	person(s)	591	380
Total employee turnover rate	%	32.96%	25.20%
Total employee training hours	hour(s)	20,851	15,662
Total number of suppliers*	case(s)	1127	134

\*Note: This year, the scope of supplier statistics has significantly expanded compared to last year. Last year's scope covered key collaborative suppliers, while this year, it includes the addition of the Panjin Facility and extends to all suppliers involved in transactions during 2024.

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## SDGs



# Governance

Dajin Heavy Industry upholds the management philosophy of “Compliance and Integrity”, continuously refining its corporate governance, strengthening internal controls, and ensuring all business activities comply with laws, regulations, and industry standards. Striving to safeguard stakeholders’ rights and interests, the Company takes integrity, transparency, and standardization as its core values, integrating them into daily operations to achieve a win - win situation for all parties. The Company is committed to fostering a corporate culture of high-standard, one that is deeply rooted in strong business ethics and compliance. This culture serves as a driving force for Dajin Heavy Industry, enabling it to pursue long-term sustainable growth. This approach not only enhances the Company’s industry reputation but also provides reliable protection for stakeholders, laying a solid foundation for its stable development in both domestic and international markets.

## Responsible Governance

Dajin Heavy Industry continuously promotes the modernization of its corporate governance system and governance capabilities. The Company comprehensively strengthens scientific governance and standardized operations, conscientiously discharges its information disclosure obligations, innovatively conducts investor relations management work, and actively defends investors' legitimate rights and interests. Dajin Heavy Industry, dedicated to building a regulated and transparent listed company, adheres to the tenets of standardization and transparency.

## Corporate Governance Structure

Dajin Heavy Industry strictly adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other relevant laws and regulations, as well as governance guidelines such as the *Code of Governance for Listed Companies in China* and the *Rules for Listing of Stocks on the Shenzhen Stock Exchange*. The Company has established a robust governance structure to ensure the standardized operation of the Company. The Company follows an operation mechanism with "Three Boards and One Management", comprising the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, and senior management. Each entity operates within its designated role and exercises its allocated power, ensuring effective checks and balances among decision-making, supervision and operation management, providing scientific governance guarantee for the Company. This system enhances oversight, fosters accountability, and supports the Company's stable and sustainable growth.

The Board of Directors oversees four specialized committees: the Strategy and Sustainability Development Committee, Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee. These committees assist the Board of Directors in key governance areas, including strategic planning, audit oversight, executive appointments, and performance evaluation, ensuring efficiency and transparency in corporate operations. Additionally, the Company prioritizes diversity in gender and backgrounds within its Board of Directors and management team. This diverse composition strengthens the comprehensiveness of decision-making, enhances risk management capabilities, and ensures scientific and reasonable decision-making and well-informed, adaptive strategies in a dynamic market environment.

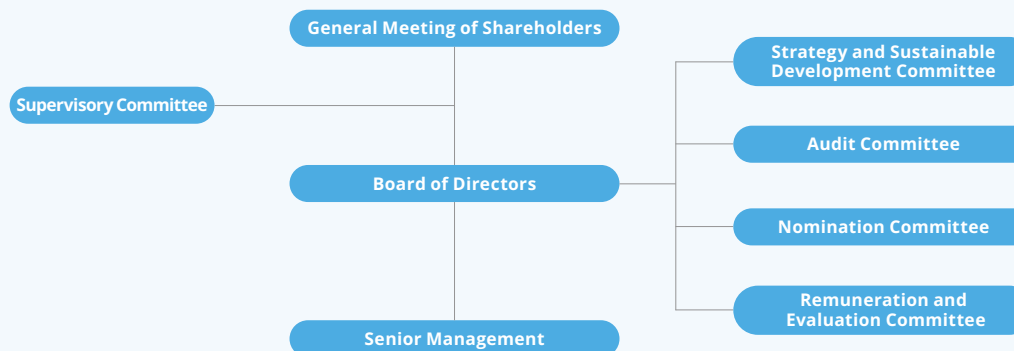
### Performance

In 2024,

**Board Composition** In 2024, the Company's Board of Directors comprised **7** members, including **2** female directors.

**Board Meetings** In 2024, the Company held a total of **5** Board meetings and **9** specialized committee meetings, ensuring scientific and efficient decision-making.

**Revision and Formulation of Company Policies** In 2024, the Company revised and formulated **28** new policies, further improving its internal management system and continuously optimizing its corporate governance structure.



Dajin Heavy Industry Management Structure

## Protecting Shareholders' Rights and Interests

Dajin Heavy Industry has always adhered to the principle of legal compliance and, continuously refining its investor relations management framework, in accordance with relevant laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, formulated and revised the Measures for the Management of Investor Relations. We adhere to the principles of full and compliant information disclosure, equal opportunities for investors, and honesty and trustworthiness. We are committed to providing high-quality services to investors, respecting their rights and interests, and driving the maximization of both corporate value and shareholder returns.

The Company strictly complies with the requirements of laws and regulations such as the Securities Law of the People's Republic of China, the Rules for General Meetings of Shareholders of Listed Companies and other relevant laws and regulations, standardizing the procedures for convening, holding, and voting at the general meetings of shareholders. This ensures that all shareholders enjoy equal status and rights, while fulfilling their corresponding obligations. Through these measures, we safeguard shareholders' legitimate rights and interests, and ensure the standardization and transparency of corporate governance.

## Information Disclosure

Dajin Heavy Industry strictly adheres the Rules for the Listing of Stocks on the Shenzhen Stock Exchange and the Self-Regulatory Guidelines No.1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation of Main Board Listed Companies, and other relevant laws, administrative regulations, and regulatory guidelines. The Company diligently fulfills its information disclosure obligations in accordance with its Information Disclosure Management System, ensuring that all disclosed information is true, accurate, timely, and complete.

To keep investors and the public well-informed, the Company disseminates relevant information through multiple channels, including annual reports, quarterly reports, and other regular disclosures, as well as social media platforms such as WeChat. These efforts have significantly expanded the reach of the Company's information and enhanced its accessibility, enabling stakeholders to stay up to date with the Company's developments in a timely and comprehensive manner.

At the same time, we remain committed to improving information transparency by providing investors with more diverse and convenient access to Company-related information. These initiatives, by strengthening communication and fostering trust between the Company, its shareholders, and the public, continuously enhance corporate transparency and engagement.

## Protection of Creditors' Rights and Interests

Dajin Heavy Industry is committed to safeguarding not only shareholders' rights and interests but also the legitimate rights of creditors. During the reporting period, the Company strictly fulfilled its debt repayment obligations, ensuring that all loans were repaid on time with no overdue payments. Upholding the principles of integrity and responsible financial management, the Company strives to maintain strong, trust-based relationships with creditors. Through prudent fund management and robust risk control measures, the Company safeguard creditors' interests and thereby ensures financial stability and transparency. These efforts reinforce the Company's long-term financial health and its reputation as a reliable and trustworthy business partner.

### Performance

In 2024,

A total cash dividend of **116** million RMB was distributed

The Company held **3** general meetings of shareholders

### Performance

In 2024,

Responded to interactive e-platform **63** times

held **3** performance briefings

issued **3** long charts of performance



## Compliance

Dajin Heavy Industry is dedicated to fostering a corporate culture rooted in high standards, strong business ethics, and strict compliance. By continuously enhancing management practices, improving institutional construction and standardizing operations, the Company establishes clear codes of conduct and compliance guidelines for employees, managers, and business partners and guides them to abide by business ethics and compliance requirements. This in turn guarantees the long-term stable development of the Company.

### Compliance System Building

Dajin Heavy Industry places great emphasis on building a robust legal compliance system. In pursuit of this objective, the Company has established the Dajin Heavy Industry Legal Work Management System and the Dajin Heavy Industry Legal Dispute Management System, and carried out a structured division of responsibilities based on the unique characteristics of each business sector and the expertise of legal professionals. Through the continuous construction and continuous improvement of this system, the Company strengthens its comprehensive compliance management framework, ensuring that all business operations are conducted in a standardized manner within the legal framework. This proactive approach minimizes legal risks and supports the Company's long-term, sustainable development.

#### Law review ledger

For the contracts, agreements, letters, letters of guarantee and other legal documents applied for legal review by each center / department, they shall be registered and managed (time, matters, belonging department, docking person, revision frequency, etc.).

#### Intellectual property rights ledger

Establish an intellectual property ledger within the scope of the group and update it regularly. Strengthen the dynamic supervision of matters related to trademarks and patents to prevent potential risks.

#### Equity investment ledger

Establish an equity investment ledger within the scope of the group and update it regularly. Strengthen the dynamic supervision of matters related to changes in equity investments. Provide timely risk warnings according to the development and changes of the company's business to prevent potential risks.

#### Standardization of Contracts/Legal Documents and Regular Updates

- ▲ Wind power project EPC contract
- ▲ Confidentiality agreement in Both Chinese and English versions
- ▲ Joint venture company, joint venture platform company cooperation agreement
- ▲ Articles of association applicable to different situations (three copies)
- ▲ Relevant templates related to the contract modification and termination
- ▲ New energy outsourcing technical service contract
- ▲ Vacation shipping contract
- ▲ MWS outsourcing agreement, bracket binding design outsourcing agreement

#### Standardized investment management

- ▲ Formulate reference texts for resolutions of the shareholders' meeting, board of directors, and board of supervisors and usage instructions, and strengthen post-investment compliance management. Distinguish between wholly-owned companies and joint venture companies, and formulate resolutions of the shareholders' meeting, board of directors, and board of supervisors, articles of association, amendments to the articles of association, etc. under different circumstances, including company establishment, capital increase, personnel changes, changes in business scope/registered address, and company cancellation.
- ▲ Formulate operation guidelines and key points for matters such as industrial and commercial registration, change, record-filing, and cancellation.

Dajin Heavy Industry Compliance Management Measures

### Internal Control and Risk Management

Dajin Heavy Industry adheres to making efforts in both internal control and risk prevention, which mutually promote each other, and continuously promotes the comprehensive risk management work to a deeper level to ensure that risk management is highly integrated with the business. The Company focuses on improving its ability to prevent and respond to risks. In four key areas, namely, the establishment of procurement bidding projects, bidding supervision, procurement payment and tracking, and inventory management, the Company implements real-time internal control supervision, which effectively ensures the compliance of the Company's operations and the level of risk control.

The Company emphasizes the initiative of compliance and risk control management and focuses on pre-event prevention. In daily business, by combining diversified means such as process and email review, consultation and answers, meeting participation, negotiation support, legal popularization, and due diligence investigation, etc., the Company effectively integrates risk identification, assessment, and prevention and control into every business link to ensure that the compliance review is comprehensive without omission and to minimize potential risks.

In terms of dispute resolution, the Company always adheres to safeguarding its rights in accordance with the law, strives to reduce economic losses, and firmly protects the Company's legitimate rights and interests. At the same time, in the face of the complexity of cross-border business, the Company actively introduces external legal resources, hires a third-party law firm to provide professional guidance, and uses local lawyers at the location of overseas projects to conduct localized risk analysis. The Company continuously pays attention to changes in the legal environment, strengthens legal compliance management at home and abroad, and ensures that comprehensive risk prevention and control measures are effectively implemented.

**Internal Control Function Positioning:** Driver of process and rule establishment, Risk identifier and aggregator, Enabler of risk management capability enhancement for business units/functions.

**Internal Control Objectives:** Facilitate all departments to progressively establish and continuously improve business management rules, Prevent operational issues caused by absent or inadequate management rules.

#### Overall Strategy:

Management	Externally: Provide clear value and positive guidance
	Internally: Provide clear guidance to form a resultant force
Capability	Standardization

- ▲ Explain the working method and value of internal control explicitly
- ▲ Identify the key points of the business side, and leverage the business through work value, actual cases and phased overall evaluation
- ▲ Clear internal value orientation, aiming to improve the coverage and integrity of rules
- ▲ Clear internal and external output caliber and quality
- ▲ Clear scatter and system promotion standards
- ▲ Clear the standard results and template applications

Dajin Heavy Industry Internal Control Program

## Compliance Culture Training

Dajin Heavy Industry continuously fosters a robust corporate compliance culture and emphasizes the compliance awareness and sense of responsibility of every employee. The Company regularly organizes all employees to participate in compliance awareness training to ensure that everyone understands and abides by the Company's compliance policies as well as the requirements of laws and regulations. At the same time, for key departments and employees involved in significant compliance risks, special compliance training is arranged specifically to help them have an in-depth understanding of and master the compliance requirements and risk control measures both within and outside the industry. Through these training programs, Dajin Heavy Industry continuously strengthens employees' identification with the compliance culture, ensuring that the concept of compliance takes root deeply within the Company and becomes an integral part of every employee's daily work. The construction of this compliance culture not only promotes the standardized operation of the Company but also lays a solid foundation for its long-term and stable development.

### Performance

In 2024,

Penglai Facility conducted **2** compliance trainings, which is **1,200** person-time

## Business Ethics

Dajin Heavy Industry strictly complies with laws and regulations such as the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Interim Provisions on Prohibiting Commercial Bribery Behaviors. It has formulated relevant business ethics systems including the Provisions on the Incorrupt Practice of Management Personnel and Personnel in Economically Sensitive Positions, the Whistleblower Reward System, and the Control Procedures and Preventive Measures for Fraud Prevention. The Company continuously improves its business ethics management system, clarifies the professional ethics norms for employees, and fosters an honest and clean work style.

## Business Ethics Management

Dajin Heavy Industry adheres to integrating integrity into the core values of its corporate culture and has established a business ethics management system that covers the entire process from pre-event, during-event to post-event. The Company has issued the Provisions on the Incorrupt Practice of Management Personnel and Personnel in Economically Sensitive Positions, and has implemented a series of systems such as whistleblower protection.

The Audit and Supervision Center performs its duties in multiple links. Based on the problems or hidden risks that occur during the bidding or process execution, it puts forward reasonable suggestions, continuously supervises the procurement process, improves the system, investigates fraudulent behaviors, and rewards whistleblowers.

At the same time, for employees in sensitive positions and senior executives, the Company has issued the Provisions on the Incorrupt Practice of Management Personnel and Personnel in Economically Sensitive Positions, which standardize the behavioral norms of employees in the fields of personnel, finance, materials, production, supply, sales, etc. during the operation and management process or the power operation process. In terms of conflict of interest management, the Company strengthens the supervision of the kinship between employees and suppliers, effectively ensuring the construction of the Company's business ethics and compliant operation.

### Business Ethics Management Process

#### Pre-event

During the project bidding process, the Integrity Agreement is issued to regulate the behavior of suppliers, emphasizing Dajin Heavy Industry's commitment to integrity and the penalties for bribery by suppliers. The Audit and Supervision Center exercise its monitoring function during the bidding process, overseeing supplier evaluations and bids in real-time.

#### During the event

The contracts of winning suppliers are reviewed to ensure consistency with the bidding documents (including technical documents). The supply of products is monitored in real-time to prevent situations where the goods do not match the description or are of inferior quality. Additionally, the delivery schedule is closely monitored, and if there are delays, deductions and follow-ups are implemented.

#### Post-event

In collaboration with the Financial Management Center/Facility Finance, the actual performance, supply conditions, and payment schedules of suppliers are supervised, and the reasonableness of payment amounts is reviewed. Regular audits, both special and routine, are conducted for each base or functional center. Based on audit findings, corrective actions are required from the relevant bases or centers.

During the bidding and contract signing process, Dajin Heavy Industry requires bidders and winning suppliers to sign the "Integrity Agreement". This agreement clearly restricts the integrity responsibilities of both Party A and Party B and stipulates the consequences that should be borne in case of violation of the integrity agreement. The Company publicly announces the channels and methods for reporting and complaining throughout the bidding process, and encourages suppliers to file complaints and reports in case of improper behaviors such as collusion in bidding between Party A and Party B. This practice not only ensures the fairness of the bidding process but also strengthens the crackdown on unethical behaviors.

### Fostering Integrity Awareness

The Company continues to enhance employees' awareness of business ethics and compliance, and for key business and key position holders, the Company has carried out specialized integrity and dedication training, and interactive integrity publicity in multiple aspects to promote integrity and diligence and dedication of employees, to help them better perform their duties, to safeguard the Company's clean business environment, and to further enhance the level of business operation and management.

### Case Study

#### Dajin Heavy Industry Conducted Training on Preventing Occupational Crimes

In July 2024, Dajin Heavy Industry invited the Penglai District People's Procuratorate to conduct a training session on preventing occupational crimes for all employees. The training aimed to enhance the Group's internal control mechanisms for preventing, detecting, and halting criminal activities, and to further optimize the law-based operational environment. The Penglai District People's Procuratorate systematically explained criminal cases involving enterprises, focusing on five key risk areas: embezzlement and bribery, business operations, financing, taxation, and safety. They analyzed typical cases to illustrate the risks. Through this training, employees increased their awareness of occupational crime risks and strengthened their sense of responsibility for compliant operations. This session not only helped improve the Group's ability to prevent and control criminal risks but also reinforced the foundation of the Company's legal framework, providing a solid guarantee for the Company's long-term, healthy, and compliant operations.

##### The Penglai Facility Participated in Occupational Crime Prevention Training



##### The Xinganmeng Facility Participated in Occupational Crime Prevention Training



##### The Zhangjiakou Facility Participated in Occupational Crime Prevention Training



## 案例

**Dajin Heavy Industry Organizes a Visit to an Education Base**

In August 2024, Dajin Heavy Industry organized a visit to a warning education base for all senior executives and employees in sensitive positions. Through on-site visits, real case analyses, and scenario reenactments, participants gained a firsthand understanding of the serious harm that illegal and unethical behaviors can cause to individuals, families, and society. The activity especially showcased vivid cases of how certain individuals strayed from their original values and fell into misconduct, and it illustrated their lives under strict confinement, marked by profound remorse and transformation. This powerful warning education left a strong intellectual and emotional impact on all participants. Through direct experience and reflection, everyone gained a clearer understanding of the importance of compliant operations and the severe consequences of illegal and unethical actions. The event reinforced the idea of always keeping a "red line" in mind and reminded executives and employees in sensitive positions to never cross this line. It further strengthened the Company's cultural development in areas such as business ethics, legal compliance, and personal professional integrity. The activity not only heightened employee awareness but also ensured that the Company's governance system and business ethics are collectively adhered to and implemented by all.

**Reporting and Handling**

To enhance compliance management and business ethics, the Company has established various public reporting channels, including email, phone, and WeChat, to ensure that stakeholders can conveniently and anonymously submit reports. Upon receiving a report, the Company promptly forms a dedicated investigation team to investigate and gather evidence related to the issue, ensuring that each report is thoroughly addressed and responded to. Dajin Heavy Industry places great importance on protecting the legitimate rights and interests of whistleblowers. We maintain strict confidentiality regarding both the whistleblower's identity and the reported information. The Company's reporting confidentiality policy is communicated to safeguard the privacy of the whistleblower. Additionally, we have created the Integrity Reporting Platform (<https://www.dajin.cn/index/index/report?lang=CN>) on the Company's official website, providing an open and transparent channel for all stakeholders and further promoting transparency in corporate governance. In 2024, the Company formally established the reporting channel and implemented the Whistleblower Reward System. Based on the information provided by whistleblowers, the Company conducts independent investigations while ensuring their safety through strict protection measures. After the investigation and verification process, whistleblowers are rewarded based on the circumstances. This initiative encourages employees and relevant parties to actively participate in supervision, fostering a healthy, transparent, and compliant working environment.

**Conflict of Interest Management**

Dajin Heavy Industry places significant emphasis on conflict-of-interest management and requires all employees to proactively disclose any actual or potential conflicts of interest. The Company mandates that the human resources departments at each facility and division report on employees and their kinship, while also monitoring the kinship between employee and suppliers in real-time to ensure effective management and control of relevant information. To further ensure the success of this management policy, the Company has established a robust internal monitoring system that continuously tracks and evaluates the handling process and outcomes of any conflicts of interest. This measure ensures that the Company's operations always stay on the track of compliance and fairness, laying a solid foundation for practicing ESG concepts and achieving sustainable development.



## Supplier Integrity Management

In 2024, the Company launched “Operation Seal the Source”, a special program focused on integrity management within the supply chain. This initiative aims to strengthen the supply chain management system by fostering synergy between the monitoring department and various business departments. The program enhances supply chain transparency and efficiency by embedding an integrity monitoring mechanism throughout the entire supplier process, including entry, evaluation, cooperation, and exit. Through this mechanism, the Company promotes the “Transparent Dajin” procurement culture to suppliers, clarifies integrity and compliance requirements, and transforms integrity management into a key driver for supply chain optimization. This approach injects new momentum into the Company's sustainable development efforts. Ultimately, it ensures that the Company's relationship with suppliers is more open, transparent, and aligned with high-standard business ethics and compliance management.

### Dajin Heavy Industry Launches “Operation Seal the Source” Special Program for Supply Chain Integrity Management

#### Formulate Clear Regulations on Integrity business Hospitality

Develop a detailed business hospitality protocol prior to hosting and forming the inspection team.

#### Training and Campaigning

Provide training on integrity regulations to all employees involved in external affairs activities, emphasizing the importance of honesty and self-discipline.

#### Establish a Supervision Mechanism

Establish an independent supervision group, responsible for monitoring the business hospitality process, to ensure the transparency and fairness of foreign activities.

#### Clearly Reject the Conflict of Interests

In the process of external affairs activities, clearly refuse any form of interests, delivery, gifts or improper hospitality, and explain to the integrity of the Company and individual.

#### Recording and Reporting

Record all activities and expenses in the external affairs activities, including, time, place, participants and expenses, etc., and report regularly to the superior or supervision department for review.

#### Reshape the Whistleblowing Channel

Provide anonymous whistleblowing channels for employees and partners, encourage them to report any behavior that violates the integrity regulations, and ensure that problems can be discovered and handled in a timely manner.

#### Periodic Audits

Regular audit of the external affairs activities, inspecting if violations exist, to ensure compliance of the activities.

#### Communicate with Partners

Before establishing a business relationship with partners, clearly inform the Company of the integrity regulations and require the other party to comply, to ensure that both parties remain transparent and fair in their business contacts.

#### Strengthen the Sense of Responsibility

Strengthen the sense of responsibility within the organization, so that every employee can understand that honesty and self-discipline is not only the company's regulations, but also the embodiment of personal professional ethics.

#### Continuous Improvement

According to the supervision and audit results, constantly optimize the foreign affairs, move the process and integrity regulations, to ensure the effectiveness and adaptability of the system.

### Performance

#### The Signing of Integrity Agreement:

The Company has signed the terms of the Integrity Agreement with a total of **919** suppliers, with a signing rate of **75%**, Among them, all first-tier suppliers have signed the agreement, with a signing rate of **100%**

#### The signing of environmental clauses:

The Company has signed environmental-related clauses with **79** suppliers to ensure that suppliers comply with the Company's requirements on environmental protection during cooperation

#### The signing of Labor Rights and Ethical Requirements Clauses:

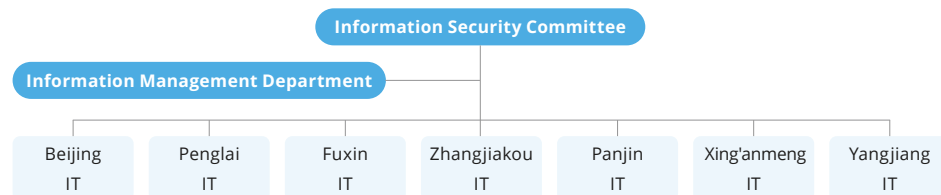
The Company has signed labor rights and ethical requirements clauses with a total of **88** contract manufacturing suppliers to ensure that the suppliers strictly comply with labor rights protection and ethical norms in the production process

## Information Security

We establish an information security management system by referring to the international standard ISO 27001 and assign a professional cybersecurity team to enhance the capability of information security protection. Meanwhile, the Company values employees' awareness of information security and continuously conducts information security training programs. With a complete information security management and protection mechanism and strict professional ethics norms for employees, we can fundamentally safeguard the Company's information security and related rights and interests.

### Improving Information Security Management System

Dajin Heavy Industry places great emphasis on the security and protection of client information, strictly adhering to relevant laws and regulations regarding information protection and network security to ensure the effective safeguarding of information security in its operations. The Company has established a dedicated network information security management team to enhance its information security capabilities. The Company has also revised and rigorously implemented its Information Security Management System and other related documents, clearly defining its information security strategy. This strategy covers key areas such as data protection, access control, and network security. These measures have allowed the Company to continually strengthen its information security infrastructure to address the increasingly complex network environment and ensure the protection of the Company's information security and related rights and interests. Additionally, the Company conducts ongoing information security training for its employees to improve overall awareness of information security. This ensures employees adhere to security management protocols in their daily work, enhances their awareness of information security protection, and builds a stronger defense against potential threats to the Company's information security.



#### Dajin Heavy Industry Information Security Management System

- **Construction of Security Management System:** We have established a comprehensive information security management system, and through regular review and upgrading of the system, we ensure that all potential security vulnerabilities can be detected and remedied on time, thus effectively reducing information security risks.
- **IT Infrastructure Management:** Through the implementation of a series of measures such as regular inspections, equipment upgrades, patch updates, virus protection, and network monitoring, we ensure that the IT infrastructure is protected from internal and external threats and that the system operates stably.
- **Application system Authority Control:** A strict system access control policy is implemented for the application to ensure that only authorized personnel can access and operate the information within the scope of authority to effectively prevent the risk of data leakage.

- **Data Backup and Recovery:** Strict implementation of system backup regulations, regular full backups, real-time incremental backups and offline backups of all systems, and regular system and data recovery drills to improve system availability and safeguard data security.
- **Employee Training and Awareness Enhancement:** Regularly provide employees with information security training to enhance their security awareness and operational skills. Through simulated phishing attacks and other means, we help employees identify potential network security threats and take correct protective measures to reduce security risks caused by human errors.
- **Emergency Response Plan:** We have developed a detailed emergency response plan for unavoidable security incidents. In the event of a data breach or other security incident, the Company can act quickly to limit the scope of damage and provide timely notification to ensure that the security incident is handled appropriately.

### Enhancing Information Security Capabilities

To address the evolving cybersecurity threats and challenges, the Company continued to strengthen its information security management capabilities in 2024. The Company implemented a range of effective measures, covering network security, access control, system and application security, as well as terminal and device management. These efforts were aimed at building a robust information security technology infrastructure, significantly reducing information security risks and enhancing overall protection.

#### Dajin Heavy Industry Enhances Information Security Measures

- **Network Security Enhancement:** Enhanced the security of network communications and applications by adjusting firewall policies, intrusion detection/defense systems, and strengthening access filtering to effectively stop the intrusion of external threats.
- **Data Protection Strategy:** The Company implemented stricter data encryption, backup, and recovery strategies to ensure the confidentiality and integrity of the Company's internal and client data; regularly checks the access rights of each system and constantly adjusts the access strategy to strictly limit unauthorized access and ensure data security.
- **System and Application Security Strengthening:** Strengthened system and application security through regular vulnerability scanning, log monitoring and other operations, timely detection and patching of potential security holes to ensure system stability and security.
- **Terminal Equipment Management:** Mandatory installed antivirus software on all terminal equipment, strengthening virus protection and threat detection capabilities to ensure that the Company's equipment is free from viruses, malware and other security threats.

## Governance Key Performance

### Information Security Training

Dajin Heavy Industry places great emphasis on employee information security awareness, ensuring that all employees understand and adhere to information security policies. To achieve this, the Company plans and implements a series of information security educational and practical activities aimed at enhancing employees' security awareness and prevention capabilities.

#### Regular Information Security Training

The Company continues to offer ongoing information security training, covering fundamental security knowledge, data protection techniques, and network threat identification. This training helps employees understand and apply methods for preventing security threats.

#### Security Tests and Simulations

In addition to regular training, various departments also conduct occasional security tests, such as simulated phishing email attacks, to help employees identify potential network security threats. These tests aim to deepen their awareness of prevention in real-life scenarios, thereby reducing human-related security risks and further strengthening overall information security protection.

Indicators	Unit	2024	2023
Number of Annual Shareholder Meetings Held	time(s)	3	5
Total Number of Management Employees	person(s)	371	155
Number of Male Management Employees	person(s)	295	126
Number of Female Management Employees	person(s)	76	29
Total Number of Board Members	person(s)	7	7
Number of Female Board Members	person(s)	2	2
Number of Board and Committee Meetings Held	time(s)	14	13
Number of Business Performance Briefings Held	time(s)	3	/
Total Amount of Dividends Distributed	million RMB	116.07	17.86
Percentage of Employees Participating In Business Ethics Training	%	100	62
Number of Business Ethics-Related Complaints	case(s)	4	0
Number of Corruption and Bribery Incidents	case(s)	7	1
Number of Information Security-Related Incidents	case(s)	0	0

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## Feedback Form

Hi, thank you for reading this report!

This is the second sustainability report released by Dajin Heavy Industry. We sincerely look forward to your feedback to continuously improve the level of disclosure of information on the Company's sustainable development, so that the report can truly play a role in communicating with stakeholders, and at the same time more effectively promote sustainable development management and practice.

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

☐ Very Good ☐ Good ☐ Fair ☐ Poor

2. How do you think Dajin Heavy Industry is doing in corporate responsibility?

☐ Very Good ☐ Good ☐ Fair ☐ Poor

3. How well do you think Dajin Heavy Industry is doing in stakeholder communication?

☐ Very Good ☐ Good ☐ Fair ☐ Poor

4. What is your opinion on Dajin Heavy Industry's fulfillment of sustainability and this report?

☐ Very Good ☐ Good ☐ Fair ☐ Poor

5. What is your overall assessment of this report?

☐ Very Good ☐ Good ☐ Fair ☐ Poor

6. Do you find the organization and layout of this report easy to read?

☐ Very Good ☐ Good ☐ Fair ☐ Poor

7. Do you have any suggestions for Dajin Heavy Industry to fulfill the sustainability and this report?

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**DAJIN** | **SAIL WITH THE WIND.** DAJIN OFFSHORE

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