



SHOUGANG CENTURY HOLDINGS LIMITED

Stock Code : 103

2025

**Environmental, Social
and Governance Report**



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ABOUT THIS REPORT

Shougang Century Holdings Limited (“Shougang Century”/the “Company”; together with its subsidiaries, collectively the “Group”) issues its environmental, social and governance (the “ESG”) report (the “ESG Report”) for the year ended 31 December 2025. The report expatiates the Group’s ESG management strategies and performance in 2025, especially focusing on the issues of investors and other stakeholders’ concerns and how the Group has value-added in economic, environmental and social terms by pursuing sustainability development into its business.

Reporting Boundary

The Group principally engages in the manufacturing of steel cords for radial tyres, sawing wires and hose wires. The ESG information contained in the ESG Report is divided into two segments: (1) steel cord segment; and (2) head office and other operating subsidiaries’ office (the “Offices”). For details of corporate profile, please refer to the “CORPORATE PROFILE” section on page 2 of the 2025 annual report of the Company.

Reporting Standards and Framework

Since 2013, the Company has established an ESG working group and set up an ESG database to collect and review relevant data so as to prepare the ESG Report. In addition, ESG Reporting Codethis report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) to satisfy the mandatory disclosure requirements and “comply or explain” provisions set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In addition to complying with the ESG Reporting Code, reference has been taken from international standards or guidelines in preparation of our ESG Report. The scopes of emissions and their emission factors are defined in accordance with Hong Kong and the international reporting framework published as shown below and quoted from relevant websites:

ABOUT THIS REPORT

- Respective Sustainability Reports 2025 of CLP Holdings Limited and HK Electric Investments Limited;
- The Hong Kong Environmental Protection Department's (the "EPD") Vehicle Emission Calculation model;
- The Greenhouse Gas Accounting Tool for Chinese Cities published by the World Resources Institute;
- 2023 Emission Reduction Project China Regional Grid Baseline Emission Factors published by the National Center for Climate Change Strategy and International Cooperation (the "NCSC");
- The discharge coefficient of pollutant from domestic source and the user manual published by the South China Institute of Environmental Sciences under the Ministry of Environment Protection;
- The World Resources Institute/World Business Council for Sustainable Development, as reported in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" and International Organisation for Standardisation ("ISO"), as reported in ISO14064-1;
- Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong published by the EPD and the Electrical and Mechanical Services Department (the "EMSD");
- Emission factors from Intergovernmental Panel on Climate Change;
- Practical guidance on how to collect, calculate and report the information called for under each of the key performance indicators ("KPI(s)") as reported in "How to Prepare an ESG Report", published by the Stock Exchange; and
- Guidance on Climate Disclosures published by the Stock Exchange.

The figures of 2025 and 2024 have not been assured by the third party.

Regarding corporate governance aspect, please refer to "CORPORATE GOVERNANCE REPORT" section on pages 34 to 75 of the 2025 annual report of the Company.

ABOUT THIS REPORT

Reporting Principles

The Group follows the four fundamental reporting principles set out in the ESG Reporting Code for the preparation of this report:

Materiality: Material environmental and social issues were identified and prioritised based on the results of the stakeholders' engagement and materiality assessment, and are disclosed in this ESG Report.

Quantitative: The Group records and discloses the KPIs in quantitative terms wherever appropriate for evaluation and validation of the effectiveness of ESG policies and measures.

Consistency: As far as reasonably practicable, the Group applies consistent measurement methodology to achieve meaningful comparison of the ESG performance over time. Any changes in the methodologies or the KPIs used will be disclosed in the relevant sections.

Balance: This report discloses information in an objective manner, which aims to provide stakeholders with a balanced overview of the Group's overall ESG performance.

Governance Structure

The board of directors of the Group (the 'Board') is the highest decision-making and responsibility body for ESG matters, fully responsible for formulating and reporting the Group's ESG strategies. The Board is responsible for assessing and identifying ESG risks, as well as ensuring the effective operation of the Group's risk management and internal control systems. At the same time, the Group is committed to promoting the values of social responsibility in each and integrating them into daily operations. The Board has established an ESG working group, which is dedicated to overseeing the commitments and performance of key ESG issues and regularly reporting to the Board to ensure that ESG principles are closely aligned with the Group's development strategies.

ABOUT THIS REPORT

The Group attaches great importance to the significant impact that ESG risks may have on the Company. In light of the external socio-economic macro environment and the Group's development strategies, the Group regularly conducts assessments on key ESG issues and submits them to the Board for consideration. The Board considers, reviews and recognises the ESG risks and opportunities of the Group, incorporates the management and enhancement of key issues into the core ESG work and integrates them into the overall strategy, and oversees the management and performance of the relevant issues.

The Group will continue to strengthen the mechanism for the Board's participation in ESG work and consider formulating ESG management policies covering pollutant emissions, management of energy and water consumption, carbon emissions, occupational health and safety and product quality, etc., in order to consolidate the Group's ESG work and establish a mechanism for regular review of the progress of target achievement so as to ensure that the targets are effectively realised. The Group has established a mechanism to regularly review the progress of achieving the targets to ensure their effective realisation. By achieving these targets, the Group endeavours to provide customers with better quality and safer products to enhance energy efficiency and productivity, thereby minimising environmental and social impacts, and to communicate with stakeholders where appropriate.

Contact us

The Group values stakeholders' feedback relating to this ESG Report. If there are any comments or suggestions, please share by post or email at the addresses below:

Postal address

Room 1215, 12/F., Honour Industrial Centre
6 Sun Yip Street, Chai Wan, Hong Kong

E-mail addresses

business_link@shougangcentury.com.hk
ir@shougangcentury.com.hk
schl@shougangcentury.com.hk

This ESG Report can be downloaded from the websites of the Stock Exchange and the Company.

MESSAGE FROM CHAIRMAN

Dear Stakeholders,

I am pleased to present our Group's tenth ESG Report on behalf of the Company. In 2025, while consolidating the market-leading position of the "Eastern" brand in steel cord, the Group actively advanced its global footprint and expanded into new businesses, steadily moving toward a new milestone in global operations. We will continue to take technological innovation as our core driver and are committed to building an industrial brand with global influence. While continuously expanding our business scope, we will also remain committed to our sustainability commitments and promote the synergistic development of the enterprise, society, and the environment.

Over the years, we have remained customer-oriented, providing high-quality products and comprehensive after-sales services, and enhancing our competitiveness through technological innovation and stringent quality management. Looking ahead to 2026, we will continue to refine our production and quality control processes to ensure product safety and stable performance in line with customer requirements, and we will continuously improve through customer satisfaction surveys.

Facing a complex and rapidly changing international political and economic landscape, while strengthening our core business, we are firmly advancing global expansion and international market development. This is aimed at seizing new opportunities in advanced manufacturing, enhancing the global influence of the "Eastern" brand, and improving supply chain stability and security amid an evolving international environment. In supply chain management, the Group expects to further deepen strategic cooperation with suppliers that value environmental protection and labour rights, so as to reduce potential environmental and social risks in the supply chain and ensure stable production and supply.

MESSAGE FROM CHAIRMAN

Extreme weather events driven by climate change, as well as the policy, technological and reputational risks arising from the transition to a low-carbon economy, all pose serious challenges to a company's long-term and steady operations. To address this, we regard technological innovation as the core driver to mitigate transition risks and capture new growth opportunities. Leveraging our deep technical accumulation in steel cord materials, the Group is actively expanding into high-tech materials. This move not only extends the value of the "Eastern" brand, but also represents a concrete practice of integrating environmental and social responsibility into the development of new quality productive forces.

While pursuing growth, our commitment to the environment remains unwavering. The Group has established a clear emissions reduction pathway and will continue to strengthen relevant management measures to ensure steady progress toward our long-term goals, including smart energy management, the application of photovoltaic power stations, equipment upgrades and retrofits, enhanced inspections to improve equipment utilisation, and the incorporation of energy-saving key performance indicators into employee assessments, thereby extending energy-saving management from the policy level to the execution level. At the same time, we will continue to optimise production processes to reduce energy consumption and waste, improve operational efficiency, and ensure compliance with environmental and safety standards.

As a responsible corporate citizen, the Group firmly believes employees are the most valuable asset in driving transformation. We will continue to foster a workplace that respects diversity and inclusion, safeguard employee rights, provide a safe and healthy working environment, enhance benefits and development opportunities, and provide equal employment opportunities for all employees in order to attract and retain talent and support the Group's long-term development. In addition, the Group will continue to fulfil its role as a corporate citizen by participating in charitable and community initiatives, sharing the fruits of development with society.

While expanding globally, the Group has always adhered to environmental and social responsibilities. We will continue to optimise our governance structure, strengthen risk management and internal controls, and enhance the transparency and credibility of information disclosure to ensure that sustainable development progresses in step with social responsibility. We will embed these principles into strategic decision-making and daily operations, promoting harmonious coexistence among the enterprise, society and the environment.

MESSAGE FROM CHAIRMAN

At last, on behalf of the Board, I would like to express my sincere gratitude to all board members and colleagues for their support and contributions to the ESG Report. I firmly believe that through our collective efforts, the Group will continue to build a more resilient future for shareholders, employees and the community by strategically allocating global production capacity and making continuous breakthroughs in technological innovation, identifying risks with greater prudence and seizing opportunities with greater innovation.

By Order of the Board

Su Fanrong

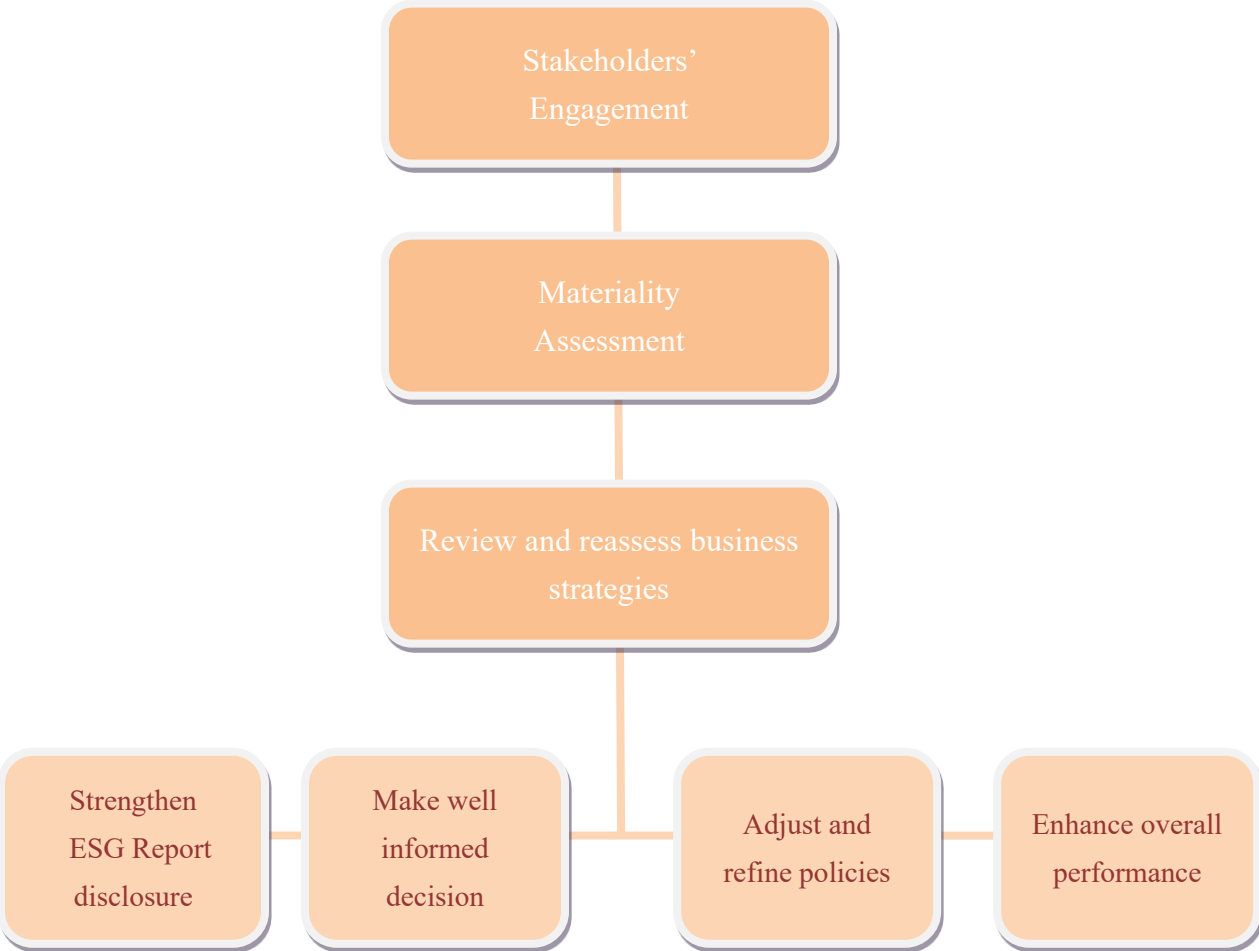
Chairman

Hong Kong, 31 March 2026

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

We believe that addressing the interests of stakeholders is fundamental to our Group's commitment to sustainable development. Alongside our goal of improving financial performance, meeting stakeholder expectations and addressing their concerns is a core responsibility. We are committed to carefully evaluating our business decisions and continuously refining our policies and strategies to enhance both financial and non-financial outcomes. Through a materiality assessment, we seek to more effectively respond to stakeholder needs. This approach will not only strengthen the quality of our ESG report disclosures but also support informed decision-making, guide the implementation of appropriate policies, and drive improvements in our overall performance.

A flow chart showing the process of stakeholders' engagement and materiality assessment



STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

STAKEHOLDERS' ENGAGEMENT

We identify stakeholders based on an assessment of individuals or entities that have a significant interest in or concern about the Group’s core activities, as well as those whose actions could materially influence our financial performance, operations, community investment, and environmental policies. Our stakeholders include shareholders, employees, customers, suppliers, media, the community and general public, government and regulators, along with banks and financial institutions/creditors. In order to map out our relationship with stakeholders and their ability to influence our decision-making process, the “Stakeholders’ Influence – Dependency Matrix” below generates insights on the importance and influence of each category of stakeholders. With this understanding, we can formulate a specific approach for the identified stakeholders and their concerns:

		Stakeholders’ influence on Company’s objective, project and business line			
Stakeholders’ dependence on Company’s objective, project and business line	High dependence			Shareholders	Employees
				Customers	Suppliers
	No direct impacts	Community & General Public	Media	Banks & Financial Institutions/ Creditors	Government & Regulators
		No influence	Low influence	Some influence	High influence

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group recognises the importance of engaging with its stakeholders and considers their feedback essential to its sustainable development. To effectively understand and address stakeholders' key concerns, we have established various engagement channels within our business processes to support ongoing communication. The table below outlines the Group's primary stakeholders, the communication methods used, as well as their expectations and concerns regarding the Group.

Stakeholders	Communication Channels	Expectations and Concerns
Shareholders	<ul style="list-style-type: none"> - Regular reports and announcements - Annual general meeting and general meetings - Company website - Press releases - E-mail and postal correspondence - Telephone enquiries 	<ul style="list-style-type: none"> - Return on the investment - Stock price performance - Information disclosure and transparency - Company's growth and sustainability - Protection of interests and fair treatment of shareholders
Employees	<ul style="list-style-type: none"> - Employees' satisfaction survey - Training - Regular performance review - Team building activities - Department heads communicating with their subordinates - Congress of Workers and Staff 	<ul style="list-style-type: none"> - Salary competitiveness - Working environment - Occupational health and safety - Job security and satisfaction - Career advancement and training - Management system
Customers	<ul style="list-style-type: none"> - Customers' satisfaction survey - Regular face-to-face meetings and visits - Scoring system for rating our services and products - Feedback on product quality and service from time to time 	<ul style="list-style-type: none"> - Supply chain management - Product safety - Compliance with laws and regulations - Quality assurance process - Product specification requirements - Credibility - Pre-sale and after-sale services - Sustainable development

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholders	Communication Channels	Expectations and Concerns
Suppliers	<ul style="list-style-type: none"> - Regular face-to-face meetings and visits - Scoring system for assessing the quality of products provided by suppliers 	<ul style="list-style-type: none"> - Profitability - Compliance with laws and regulations - Supply chain management - Accountability, credibility and reliability - Good communications
Government & Regulators	<ul style="list-style-type: none"> - Occasional face-to-face meetings and visits 	<ul style="list-style-type: none"> - Compliance with laws and regulations - Compliance with accounting standards and procedures - Operational and ethical practices - Community investment
Banks & Financial Institutions/ Creditors	<ul style="list-style-type: none"> - Occasional face-to-face meetings and visits 	<ul style="list-style-type: none"> - Profitability - Financial management - Ability to repay loans and interests - Compliance with law and regulations - Credibility - Financial position - Stock price performance

To elevate the Group's overall ESG performance, we will respond promptly to the concerns raised by all stakeholder groups and ensure the establishment of reliable and efficient communication channels.

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT

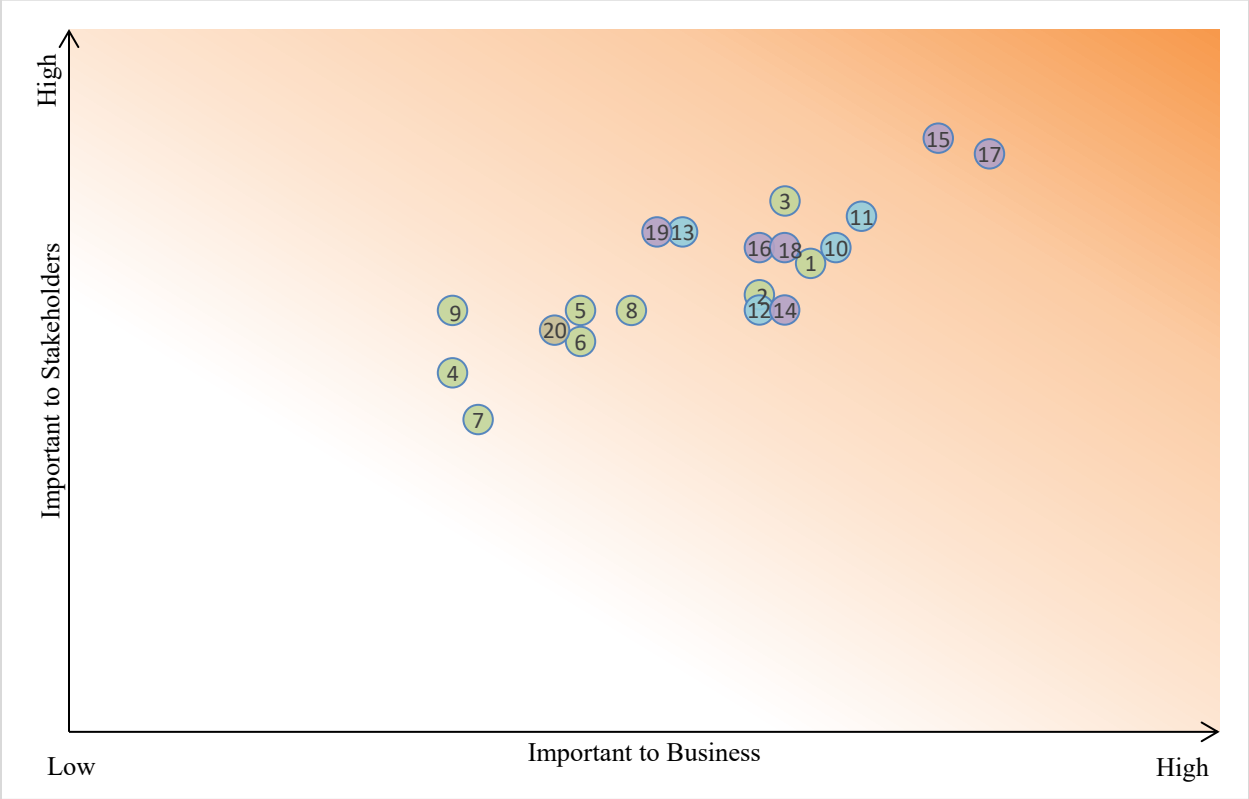
The Group recognises the importance of identifying and managing sustainable development issues. To ensure ESG topics are being managed and reported in accordance with their materiality, we adopted a three-step assessment process.

Step 1: Identification	Step 2: Prioritisation	Step 3: Validation
<p>All fundamental sustainability topics were identified in accordance with the ESG Reporting Code. With reference to the Group’s business development strategies, historical materiality assessment result and industrial practices, the Group has determined 20 relevant ESG topics that are deemed to have impacts on the environment and society through our operations.</p>	<p>Internal and external stakeholders were invited to participate in a questionnaire to rate the importance of the selected ESG topics to the Group’s development from their perspectives. Results of the questionnaires were analysed to generate ESG materiality ranking.</p>	<p>The ESG working group of the Group validated and confirmed the key material ESG issues for ensuring all the identified material ESG topics, which were important to the business development, were reported and in compliance with ESG Reporting Code.</p>

Results of the materiality assessment were analysed and presented in the form of a materiality matrix. Product quality assurance and customer satisfaction are critical issues of paramount concern to the Group. We regard the assessment findings as key indicators that will guide our future planning and ESG policymaking. By leveraging these insights, we aim to promote sustainable growth and further strengthen our ESG policies.

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

Materiality Matrix



Environmental

1. Air emissions
2. Greenhouse gas (“GHG”) emissions
3. Hazardous waste
4. Non-hazardous waste
5. Energy consumption
6. Water consumption
7. Packaging consumption
8. Environment and natural resources
9. Climate change

Operating practices

14. Supply chain management
15. Customer satisfaction
16. Intellectual property rights protection
17. Product quality assurance
18. Customer data protection and privacy
19. Anti-corruption

Social

10. Employment
11. Occupational health and safety
12. Development and training
13. Labour standards

Community

20. Community investment

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

ENVIRONMENT

The Group understands the importance of green economy and maintaining environmental sustainability in its daily operations, and is fully conscious of the environmental impacts that may arise from its business operations. We are now facing severe global challenges, including climate changes. In view of the recent occurrences of extreme weather caused by climate change, the Group is fully aware of its duties as a responsible corporate in protecting the environment by reducing its overall GHG emissions and improving its water conservation efforts and energy efficiency, and aims at operating its business activities in compliance with all applicable national and regional rules and regulations from time to time.

Hence, the Group is committed to protecting environment proactively and complying with relevant environmental laws, rules and regulations in Hong Kong and the People's Republic of China ("PRC") in which it operates its businesses. We have implemented proper measures to reduce wastes and GHG emissions, while maintaining and providing safe and high-quality products and services to our customers. In order to mitigate wastes, and use energy and resources more wisely, we have adopted principles to reduce, reuse and recycle in our plants and offices in Hong Kong and the Mainland. Employees have been nurtured and encouraged to have energy conservation and environmental protection consciousness.

Starting from 2018, through regular monitoring and active management, we respond to environmental risks and changes in the external environment in a prompt manner. We also strengthen our 5S Management, which are known as "sort", "set in order", "shine", "standardise" and "self-discipline" in both manufacturing plants in order to make the production lines greener and more environmentally friendly. We continue to devote our efforts in environmental protection by implementing policies and measures discussed hereunder, so that our businesses and the communities in which we operate can be benefited.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

We have adopted various policies, procedures and measures which would be updated and revised from time to time to reduce GHG emissions, wastes generated and energy consumption in our plants and offices in Hong Kong and the Mainland as shown below:

GHG Emissions	Wastes Generated	Energy Consumption
<ul style="list-style-type: none"> • Procedures of handling excess emissions and measures on reduction of emissions 	<ul style="list-style-type: none"> • Management on the handling of hazardous waste system 	<ul style="list-style-type: none"> • Measures on effective energy conservation
<ul style="list-style-type: none"> • Regulations on the management, prevention and control of waste gas pollution 	<ul style="list-style-type: none"> • Regulations and methods on the waste treatment 	<ul style="list-style-type: none"> • Guidelines on resources conservation in Offices and environmental protection
<ul style="list-style-type: none"> • Regulations on the management of waste gas 	<ul style="list-style-type: none"> • Regulations on hazardous chemicals management 	<ul style="list-style-type: none"> • Regulations on energy-savings management
	<ul style="list-style-type: none"> • Regulations on waste management 	<ul style="list-style-type: none"> • Regulations on usage of office resources
	<ul style="list-style-type: none"> • Risk identification, assessment and control procedures 	<ul style="list-style-type: none"> • Regulations on management of energy-saving and consumption reduction
	<ul style="list-style-type: none"> • Regulations on the management of waste water 	

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Environment Management System Authentication

The latest certificates, ISO14001:2015 Environment Management System Certificate, were obtained by Jiaxing Eastern Steel Cord Co., Ltd. (“JESC”) and Tengzhou Eastern Steel Cord Co., Ltd. (“TESC”) in October 2023 and December 2023 respectively. These systems have been operating effectively and reviewed annually by WIT Assessment Company Limited and Shanghai NQA Certification Co. Ltd. respectively. The respective certificates are valid till October 2026 and December 2026.

Energy Management System Authentication

The latest certificate, ISO50001:2018 Energy Management System Certificate, were obtained by JESC and TESC in May 2023 and December 2023 respectively. These system have been operating effectively and reviewed by WIT Assessment Company Limited and Sinolight Inspection & Certification Co., Ltd respectively. The respective certificates are valid till March 2026 and December 2026.

Quality Management System Authentication

The latest certificates, IATF16949:2016 Quality Management System Certificate, were issued by TÜV Rheinland Cert GmbH, to JESC and TESC in December 2023. The latest certificate, ISO9001:2015 Quality Management System Certificate, was obtained by TESC in December 2023. These systems have been operating effectively. These certificates are valid till December 2026 and January 2027.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

EMISSIONS

The Group strictly monitors and controls the generation of wastes, sewage discharges and GHG emissions during the production process, and ensures all the emissions and discharges are within environmental quality standards as set out by the local government of the place where our businesses operate to mitigate negative impacts on the environment. These laws, ordinances and regulations include the Environmental Protection Law of the PRC (《中國環境保護法》), the Environmental Protection Tax Law of the PRC (《中國環境保護稅法》), the Water Pollution Prevention and Control Law of the PRC (《中國水污染防治法》), the Prevention and Control of Atmospheric Pollution of the PRC (《中國大氣污染防治法》), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), and the Product Eco-responsibility Ordinance (Chapter 603 of the Laws of Hong Kong) etc..

GHG Emissions and Other Pollutants Emissions

The Group is committed to reducing air emissions, GHG emissions and other pollutants' emissions in all our areas of operation as far as practicable. We have implemented and improved the aforesaid policies and measures since inception and from time to time to suit the need of environmental protection law requirements. To reduce GHG and other pollutants, we have adopted several measures, for example, selling products with minimal packaging, using less heat and air-conditioning in our manufacturing plants of the steel cord segment.

The amount of total air pollutants in 2025 has decreased as compared to that of 2024. Further details in respect of other energy-saving measures are illustrated in the section of “**Emissions Target and Steps Taken to achieve it**” in this ESG Report.

Details of the data of air emissions is set out under the headings “**Air Emissions**” and “**GHG Emissions**”. We continue to appoint environmental technicians in the steel cord segment to monitor all emissions from the plants and report to their managers/supervisors immediately if the emission amount exceeds the standards required under the relevant environmental laws and regulations.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Sewage Discharge Management

Since 2019, to ensure the release of sewage to the sewer complies with the standards under the Environmental Quality Standard for Surface Water (《地表水環境品質標準》) and Wastewater Quality Standards for Discharge to Municipal Sewers (《污水排入城鎮下水道水質標準》) of the PRC, both plants have set up sewage treatment stations to collect and dispose of domestic sewage and industrial sewage. Besides, they have also set up condensate receivers to collect and reuse water after steam cooling from steam condensate return systems in the production lines. They monitor the pH value and Chemical Oxygen Demand (“COD”) daily at regular intervals, and detect heavy metals ions of industrial sewage in the sewer from time to time. Immediate actions will be taken to stop the discharge of industrial sewage if emissions are discovered to be excessive, and perform exhaustive inspection to ensure all emissions are in compliance with the standard requirements as set out by the PRC environmental regulatory authority. JESC obtained a Jiaxing province Pollutant Discharge Rights Permits and a national Pollutant Discharge Permits and issued by Jiaxing Ecology and Environment Bureau in February 2022 and June 2020 respectively. They are valid till December 2025 and June 2025 respectively. These Permits aim to regulate and restrict pollutant discharge units, and to ensure compliance with the regulatory requirements of the relevant environmental laws. In addition, JESC has installed four online waste water monitoring systems in March 2020, to ensure that the waste water discharge can meet the standard required. TESC has strengthened the management of sewage treatment infrastructures, targeted monitoring of sewage treatment in various sectors, and is committed to stabilizing sewage discharge (even achieve zero discharge). During the years ended 31 December 2025 and 2024, the pH value, COD and heavy metals ions of industrial sewage were lower than the stipulated standards. Further details in respect of other energy-saving measures are illustrated in the section of “**Energy Use and Water Efficiency Targets and Steps Taken to achieve them**” in this ESG Report.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Waste Management

A hazardous waste treatment system and waste treatment procedures have been established which formulated provisions for collection, storage, and disposal of hazardous wastes generated in production lines. Qualified disposal enterprises in accordance with the Measures for Hazardous Waste Operation Administration (《危險廢物經營授權管理辦法》) and the Environmental Pollution by Solid Wastes of Prevention and Control Law of the PRC (《中國固體廢物污染環境防治法》) have been engaged to dispose of hazardous wastes properly. All of the non-hazardous wastes were disposed of by engaging recycling enterprises for recycling and reusing or by using other legitimate measures. In order to strengthen the environmental awareness of the employees, JESC established an environmental protection team to manage the classification of hazardous wastes, solid wastes and domestic garbage generated from the operation of the production, record and real-time track all the wastes produced every day, and the results are obvious. JESC has also built a new hazardous waste warehouse in the same year to better manage and control the amount of the wastes generated. Since 2017, JESC has tested and installed a new emulsion condensed evaporator to condense the density of lubricant. Further details in respect of the disposal of hazardous and non-hazardous wastes are illustrated in the section of “**Hazardous and Non-hazardous Wastes**” in this ESG Report. In addition, further details in respect of other energy-saving measures are illustrated in the section of “**Hazardous and Non-hazardous Wastes Reduction Targets and Steps Taken to achieve them**” in this ESG Report.

Air Emissions

In general, the key air pollutants include nitrogen oxides, sulphur oxides and the respiratory suspended particles. The air pollutants of the Group are mainly generated from the gaseous fuel consumption in the production lines of the steel cord segment. The related data of air emissions⁽¹⁾ for the years ended 31 December 2025 and 2024 are as follows:

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Steel Cord Segment

Types of air pollutants (tonne(s))	2025	2024
Nitrogen oxides	19.26	18.84
Sulphur oxides	1.41	1.58
Respiratory suspended particles	1.27	1.72
Total air pollutants	21.94	22.14
Total air pollutants per thousand tonnes of production volume (tonne(s)/'000 tonnes)	0.09	0.09

1. The above air emissions data presented in nitrogen oxides, sulphur oxides and the respiratory suspended particles were provided from a third-party inspection agency.
2. The amount of total air pollutants in 2025 has decreased as compared to that of 2024 by approximately 0.9%. Other details are illustrated under the heading “**GHG Emissions and Other Pollutants Emissions**”.
3. The Offices mainly provide management and consulting services to the Group and there is no production line. Thus, the table did not list out the relevant ESG data of the segment.

GHG Emissions

GHG emissions come from all sorts of everyday activities, principally from electricity consumption, combustion of natural gas and driving. The increase in GHG emissions is one of the main reasons for the rise of the global temperature and occurrence of extreme weather and carbon dioxide is the major GHG emitted through human activities. We are committed to managing our GHG emissions by reducing flaring and improving the efficiency in use of energy and resources in our day-to-day operations.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

The GHG emissions of the two segments for the years ended 31 December 2025 and 2024 are as follows:

	Steel Cord Segment		Offices		Total	
	2025	2024	2025	2024	2025	2024
Direct emissions (tonne(s)) (Scope 1)						
Corporate fleet	63.25	69.30	25.23	35.29	88.48	104.59
Natural gas	27,337.15	26,092.85	N/A	N/A	27,337.15	26,092.85
Total emissions (tonne(s)) (Scope 1)	27,400.40	26,162.15	25.23	35.29	27,425.63	26,197.44
Indirect energy emissions (tonne(s)) (Scope 2)						
Electricity	243,661.71	236,856.90	26.66	24.91	243,688.37	236,881.81
Total emissions (tonne(s)) (Scopes 1 and 2)	271,062.11	263,019.05	51.89	60.20	271,114.00	263,079.25
Total emissions per thousand tonnes of production volume (tonne(s)/'000 tonnes)	1,057.56	1,069.35	N/A	N/A	N/A	N/A
Total emissions per metre square of gross floor area (tonne(s)/m ²)	N/A	N/A	0.05	0.05	N/A	N/A

1. The Group adopts the operational control approach for the calculation of GHG emissions. This method defines the accounting scope based on the Group's control rights over operational policies for various business activities. It not only more accurately reflects the Group's actual responsibility in carbon emission management but also helps strengthen the monitoring and management of GHG emissions, ensuring alignment between the calculation results and the Group's sustainable development objectives.
2. Due to the operation needs of the steel cord segment, GHG emissions mainly come from the combustion of natural gas and electricity consumption. GHG emissions generated by the Offices mainly come from corporate fleet and electricity consumption. Emissions from corporate fleet only include the transportation of employees as we do not have our own corporate fleet to transport/deliver our products to customers.
3. The direct emissions (Scope 1) are calculated using the methodology of "amount of petrol or natural gas consumed × emission factor × global warming potential".
4. The indirect energy emissions (Scope 2) in the Mainland and Hong Kong are 243,678.01 tonnes and 10.36 tonnes respectively, which are calculated using the total electricity purchased and emission factors. The emission factors are obtained from 2023 Emission Reduction Project China Regional Grid Baseline Emission Factors published by the NCSC and Sustainability Report 2025 of HK Electric Investments Limited.
5. GHG emissions factors are calculated based on the Report on GHG Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) issued by the EPD and the EMSD, Guide to Low Carbon Office issued by the EPD, Legislative Council Complex Greenhouse Gas Accounting Report issued by CCA, 2023 Emission Reduction Project China Regional Grid Baseline Emission Factors (using the average of the operation margin and build margin) published by the NCSC.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

6. We have disclosed Scope 1 and Scope 2 GHG emissions. We have also begun preliminary data collection with the relevant departments to identify material Scope 3 categories for our business, with a view to future disclosure.

Hazardous and Non-hazardous Wastes

Other hazardous and non-hazardous wastes (apart from air pollutants and GHG emissions) generated for the years ended 31 December 2025 and 2024 are as follows:

Steel Cord Segment

Types of hazardous wastes (tonne(s))	2025	2024
Solid wastes		
Sludge from sewage treatment station	1,258.11	1,092.38
Sludge from lubricating station	264.29	314.06
Total solid wastes	1,522.40	1,406.44
Total solid wastes per thousand tonnes of production volume (tonne(s)/'000 tonnes)	5.94	5.72
Liquid wastes		
Lubricant	903.11	916.53
Used acid	11,371.58	11,729.45
Total liquid wastes	12,274.69	12,645.98
Total liquid wastes per thousand tonnes of production volume (tonne(s)/'000 tonnes)	47.89	51.41
Sewage		
Industrial and domestic sewage	417,120.00	478,268.00
Total sewage per thousand tonnes of production volume (tonne(s)/'000 tonnes)	1,627.41	1,944.49

1. In accordance with the List of National Hazardous Wastes formulated by the Environmental Pollution by Solid Wastes of Prevention and Control Law of the PRC (《中國固體廢物污染環境防治法》), all the captioned wastes we have recorded are defined as hazardous wastes.
2. Sewage was discharged of from the business units of the PRC and consumption data was based on the amount of sewage discharged.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Steel Cord Segment

Types of non-hazardous wastes	2025	2024
Industrial wastes (tonne(s))		
Scrapped rod ties, scrapped wires and steel wire rod ties	7,838.27	8,126.97
Oxidised surface of steel wire rod	1,150.97	1,051.06
Total industrial wastes	8,989.24	9,178.03
Total industrial wastes per thousand tonnes of production volume (tonne(s)/'000 tonnes)	35.07	37.31
Metallic wastes (tonne(s))		
Scrapped spools	119.97	146.61
Total metallic wastes per thousand tonnes of production volume (tonne(s)/'000 tonnes)	0.47	0.57
Packaging wastes (tonne(s))		
Scrapped plastic separators	16.40	5.66
Scrapped plastic bags	76.92	90.79
Used packaging plastic ties	6.80	7.35
Used packaging plastic bags for steel wire rod	276.55	260.79
Total packaging wastes	376.67	364.59
Total packaging wastes per thousand tonnes of production volume (tonne(s)/'000 tonnes)	1.47	1.48
Other wastes (tonne(s))		
Used powdered lubricant	265.58	280.93
Total used powdered lubricant per thousand tonnes of production volume (tonne(s)/'000 tonnes)	1.04	1.14
Scrapped wooden brackets	66.29	66.03
Total scrapped wooden brackets per thousand tonnes of production volume (tonne(s)/'000 tonnes)	0.27	0.27

1. The aforesaid wastes generated in production lines of the steel cord segment were disposed of properly by those qualified disposal enterprises to mitigate the impact on the environment and those wastes are not defined as hazardous wastes according to the “List of National Hazardous Wastes”. Those wastes could be properly disposed of and re-used.
2. Due to the increase in the production volume during the year, the amount of packaging wastes has increased in 2025 as compared to that of 2024, but most of the non-hazardous wastes per thousand tonnes of production volume is less than or about the same as that of 2024.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Offices

Types of non-hazardous wastes	2025	2024
Paper wastes collected for recycling (kg(s)) ⁽¹⁾	600	621

1. The total amount of paper wastes collected for recycling in 2025 decreased when compared to that of 2024, as the Group continues to implement the measures for reducing papers.
2. In 2025 and 2024, the Offices did not produce any hazardous wastes.
3. Paper wastes collected for recycling commenced from the third quarter of 2016, including shredded paper and old newspapers. Since 2020, we started to recycle old newspapers, in calculating the amount of paper wastes collected for recycling.
4. Due to our administrative operation in the Offices, we inevitably consume large amounts of paper. The Group has stepped up its efforts in lowering the paper consumption in the Offices and has adopted principles to reduce, reuse and recycle in the Offices. To lower the impacts from the unavoidable consumption, we are also committed to enhancing our efforts in paper wastes recycling, while lowering paper consumption in the meantime. For details in respect of the measures on paper recycling implemented in the Offices are illustrated under the section of “**THE ENVIRONMENT AND NATURAL RESOURCES**” in this ESG Report.

Emissions Target and Steps Taken to achieve it

The Group is committed to playing our parts in reducing emissions in order to fight climate change and devote our efforts to protect the environment. Our targets have not been validated by a third party. We review the targets and performance of Scopes 1 and 2 GHG emissions annually and evaluate whether any revisions are needed. No revision has been made to the targets in 2025.

Our emissions target in 2030:

- reduce total GHG emissions per thousand tonnes of production volume by 20% in the steel cord segment as compared to that in 2021

We aim to reduce emissions and have implemented a series of energy-saving steps. Our target is a gross GHG target as we currently have not planned to purchase carbon credits to offset our emissions to achieve the target. Our targets are not derived using a sectoral decarbonisation approach. We currently have not purchased carbon credits to offset our emissions. We are committed to enhancing energy efficiency and climate resilience. We will keep evaluating the necessity of purchasing carbon credits in the future.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

JESC has fully utilised the smart energy management system to promote orderly electricity consumption and reduce comprehensive energy consumption and GHG emissions. In addition, JESC and TESC have constructed photovoltaic power stations and put into use for power generation to reduce GHG emissions. TESC reduced energy consumption through equipment enhancement and replacement of high-energy-consuming facilities with green, environmentally friendly and energy-saving facilities. Also, TESC has strengthened the inspection of equipment and dealing with problems in a timely manner, so as to reduce downtime, improve equipment utilisation, and reduce energy consumption.

The energy-saving KPI was established in TESC and was included in the scope of employee performance appraisal, so as to promote energy conservation among employees. Apart from the above measures, JESC renovated dust removal system of dry drawing production process, and installed an industrial dust collector for dry drawing machines, replacing the original ten dust removal towers. Furthermore, technical transformation of electroplating line in the east area was also carried out, three acid mist purification towers were integrated into one, which greatly reduced the emission of waste gas.

Besides, we use energy efficient equipment, reuse water produced by the condensation of steam in production lines and reduce electricity, water and paper consumption in the Offices to mitigate emissions. Since 2017, we place great emphasis on the promotion of the concept of environmental protection by participating in the “Green Office Awards Labelling Scheme” (“GOALS”) and “Eco-Healthy Workplace Awards Labelling Scheme” (“Eco-Healthy Workplace”) organised by the World Green Organisation (“WGO”) to increase the awareness on physical and mental health of employees on workplace and be able to identify and apply reduction opportunities, ranging from energy, water and paper consumption to carbon at the office to assess and improve the environmental footprint.

To show our continual support on the promotion of green office, we will continue to participate in GOALS and Eco-Healthy Workplace. The idea of GOALS has become the mindset of our colleagues in our subsidiaries in the Mainland, they are now accustomed to switching off the lights when they leave their office and switching off lights that are not in use. Sticking labels beside the light switch is just a reminder to strengthen employees’ awareness on the importance of electricity saving. We will continue to spare no effort in strengthening and improving the current measures and policies in mitigating emissions. The effectiveness of the measures will be reviewed periodically in order to seek continuous improvement in the efficient use of energy and resources. Further details in respect of green measures implemented in Offices are illustrated in the section of “**THE ENVIRONMENT AND NATURAL RESOURCES**” in this ESG Report.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Hazardous and Non-hazardous Wastes Reduction Targets and Steps Taken to achieve them

We are committed to reducing waste generation in our operations for the sake of minimising our environmental impacts. We monitor the waste generated in our production process to look for reduction opportunities as our target.

Our hazardous and non-hazardous wastes reduction targets in 2030:

- reduce total hazardous wastes per thousand tonnes of production volume by 10% in the steel cord segment as compared to that in 2021
- reduce total non-hazardous wastes per thousand tonnes of production volume by 5% in the steel cord segment as compared to that in 2021

To achieve the targets, the Group has entered into contracts in respect of the disposal of the sludge from sewage station and lubricating station, used acid and lubricant between qualified disposal enterprises. These hazardous wastes generated in production lines of the steel cord segment were disposed of properly by those qualified disposal enterprises in accordance to the Standard for Pollution Control on Hazardous Wastes Storage (《危險廢物貯存污染控制標準》) regulated in the PRC and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中國人民共和國固體廢物污染環境防治法》). In addition, JESC has completed a sludges desiccation project in December 2022, reduced the amount of sludges disposal, and saved the related disposal fee. All used wrapping papers, metallic and plastic packaging ties, plastic films, paper cores and scrapped wood pallets incurred in production lines of the steel cord segment had also been disposed properly by those qualified disposal enterprises if possible. JESC optimised the pickling process to reduce the discharge of used acid, thereby saved the related disposal fee. We actively dispose paper wastes and old newspapers to recycling enterprises for recycling or reusing. Further details in respect of the measures on green measures implemented in the Offices are illustrated in the section of “**THE ENVIRONMENT AND NATURAL RESOURCES**” in this ESG Report.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

USE OF RESOURCES

The Group has adopted a set of specific and efficient policy in the use of resources in the production lines and spares no effort in nurturing and encouraging employees to have practices for energy and resources conservation. The Group has also implemented various measures to reduce paper, water and electricity consumption in production lines and the Offices. To monitor the implementation of energy consumption measures, environmental technicians and/or the manager of Human Resources and Administration Department are responsible for monitoring the use of energy and resources in the production lines and the Offices. The Group also started the work of utilising green steel raw materials during the year. Details of the green measures are set out under the heading “**THE ENVIRONMENT AND NATURAL RESOURCES**” in this ESG Report.

Direct and Indirect Energy Consumption

The energy consumption data of the two segments for the years ended 31 December 2025 and 2024 are as follows:

	Steel Cord Segment		Offices		Total	
	2025	2024	2025	2024	2025	2024
Direct energy consumption (MWh)						
Natural gas ⁽³⁾	141,180.33	134,754.25	N/A	N/A	141,180.33	134,754.25
Petrol	262.33	287.43	104.62	146.36	366.95	433.79
Total direct energy consumption (MWh)	141,442.66	135,041.68	104.62	146.36	141,547.28	135,188.04
Indirect energy consumption (MWh)						
Electricity consumption	500,691.89	486,708.93	48.91	51.18	500,740.80	486,760.11
Total direct and indirect energy consumption (MWh)	642,134.55	621,750.61	153.53	197.54	642,288.08	621,948.15
Total energy consumption per thousand tonnes of production volume (MWh/'000 tonnes)	2,505.32	2,527.84	N/A	N/A	N/A	N/A
Total energy consumption per metre square of gross floor area (MWh/m ²)	N/A	N/A	0.13	0.17	N/A	N/A

1. Energy consumption data was measured based on the amount of electricity, fuels and gas consumed and energy conversion factors had taken reference from the Bioenergy Feedstock Development Program at Oak Ridge National Laboratory and A Beginner’s Guide to Energy and Power, an article submitted by N Packer, Staffordshire University, UK, February 2011.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

- The total amount of direct and indirect energy consumption of the steel cord segment in 2025 increased when compared to that of 2024. This is mainly attributable to the increase in the production volume of the steel cord segment during the year, thus resulted in a significant increase in energy consumption, but the total energy consumption per thousand tonnes of production volume is less than that of 2024. Details of the energy-saving measures in the production lines are illustrated under the heading “**Energy Use and Water Efficiency Targets and Steps Taken to achieve them**” of this ESG Report.
- Natural gas was consumed in the combustion furnace at production lines of the steel cord plants.

Water Consumption

Water is a paramount resource in the running of our operation and production, therefore we are acutely aware of water resources consumption and aim to maximise our water utilisation efficiency. Currently, the water resources supply comes primarily from local municipal water supply, rivers and lake water. We have installed condensate receivers to collect and reuse water after steam cooling from steam condensate return system in the production lines.

The water consumption data of the two segments for the years ended 31 December 2025 and 2024 are set out as follows:

	Steel Cord Segment		Offices		Total	
	2025	2024	2025	2024	2025	2024
Total water consumption (m ³)	1,068,323.11	997,386.48	36.39	103.18	1,068,359.50	997,489.66
Total water consumption per thousand tonnes production volume (m ³ /’000 tonnes)	4,168.12	4,055.06	N/A	N/A	N/A	N/A
Total water consumption per metre square of gross floor area (m ³ /m ²)	N/A	N/A	0.03	0.09	N/A	N/A

- The data of amount of water is quoted by the water bills received and bottled water consumed.

Energy Use and Water Efficiency Targets and Steps Taken to achieve them

Our production processes are inevitably water-intensive, so we strive to reduce water consumption and protect the environment.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Our energy use and water efficiency targets in 2030:

- reduce total energy consumption per thousand tonnes of production volume by 3% in the steel cord segment as compared to that in 2021
- reduce total water consumption per thousand tonnes of production volume by 3% in the steel cord segment as compared to that in 2021

We take the following steps to achieve the targets:

1. Carrying out preheat recovery of air compressors, use it for daily hot water and to save steam usage and steam costs;
2. Replacing some high-energy consumption transformers by JESC, upgrading the energy efficiency level to the first-level energy efficiency to reduce power consumption;
3. Generating electricity from the photovoltaic power generation facilities on the roof of TESC's factory building, to save electricity consumption;
4. TESC has set up a new sewage treatment station to process the domestic sewage and industrial sewage, so as to save production water;
5. Setting up two sets of harmonic management devices to reduce heating rate of cables and other production machinery and equipment;
6. Using energy efficient equipment, such as motors, frequency converters, reactors and the cross-sectional area of the cable in the power supply system to reduce the usage of electricity;
7. Reducing the amount of water consumption in the production lines through the reuse of water after steam cooling from steam condensate return system in steel cord segment;
8. JESC analysed water consumption every day through the smart energy management system, and deal with any abnormality in time to avoid wasting water and reduce water consumption;
9. Adopting water-saving measures, for example, after the drainage water from the cooling towers is purified, it is reused in the cooling towers to reduce the amount of new water supplement;
10. Reducing the amount of electricity consumption in the production line of TESC through upgrading and improving the production equipment of TESC's manufacturing plant;

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11. Modifying and maintaining the air-conditioning system and ventilation system of TESC's steel cord plant to reduce the usage of electricity;
12. Using energy efficient LED lighting rather than fluorescent lamp; and
13. Selling products with minimal packaging.

JESC was listed as one of the water-saving enterprises in Zhejiang Province in 2019, which will remain in force for a period of five years, which is jointly recognised by Jiaxing Municipal Bureau of Economic and Information Technology, Jiaxing Municipal Bureau of Housing and Urban-Rural Development and Jiaxing Municipal Water Conservancy Bureau. The list is used to strengthen the work guidance for water-saving enterprises to improve water efficiency and promote the green and high-quality development of enterprises.

The Group has also implemented energy-saving steps in the Offices as stated under the heading “**THE ENVIRONMENT AND NATURAL RESOURCES**” in this ESG Report.

Packaging Materials for Finished Products

The Group encourages reusing and recycling certain materials like spools and wooden pallets so as to reduce wastes. However, we understand that finished products produced by the steel cord segment should be packed properly and follow customers' instructions before delivery so as to avoid any damage during transportation. Therefore, packaging materials could not be reduced significantly, in particular when the production volume increased. The types and data of package materials for steel cord segment for the years ended 31 December 2025 and 2024 are as follows:

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Steel Cord Segment

Types of packaging materials	2025	2024
Wooden, plastic and metallic pallets (unit(s))	219,176.00	212,632.00
Total wooden, plastic and metallic pallets per thousand tonnes of production volume (unit(s)/'000 tonnes)	855.13	864.49
Spools (unit(s))	11,258,782.00	10,304,289.00
Total spools per thousand tonnes of production volume (unit(s)/'000 tonnes)	43,926.70	41,893.97
Plastic bags (unit(s))	254,146.00	242,707.00
Total plastic bags per thousand tonnes of production volume (unit(s)/'000 tonnes)	991.56	986.77
Cardboard boxes (unit(s))	219,433.00	203,493.00
Total cardboard boxes per thousand tonnes of production volume (unit(s)/'000 tonnes)	856.13	827.34
Plastic scale boards (piece(s))	1,085,731.00	1,033,276.00
Total plastic scale boards per thousand tonnes of production volume (piece(s)/'000 tonnes)	4,236.03	4,200.97
Humidity indicators (piece(s))	233,404.00	214,149.00
Total humidity indicators per thousand tonnes of production volume (piece(s)/'000 tonnes)	910.64	870.66
Desiccants (tonne(s))	1,150.32	1,195.82
Total desiccants per unit of production volume (tonne(s)/'000 tonnes)	4.49	4.86
Packaging ties (tonne(s))	71.32	72.14
Total packaging ties per thousand tonnes of production volume (tonne(s)/'000 tonne)	0.28	0.29

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

THE ENVIRONMENT AND NATURAL RESOURCES

We understand that our business nature would have an impact on the environmental and natural resources. Thus, continuous efforts have been put into minimising such impact by implementing various measures at the Offices and production lines as far as we could so as to generate profits and return to the shareholders simultaneously, and also protect the environment. We have adopted various green measures to mitigate the impact of the renovation of the Offices and to achieve better furnishment to make our offices greener.

We encourage employees to go green at Offices by implementing the following steps:

Green Steps	
Lighting	<ul style="list-style-type: none">• During the period from 1:10 p.m. to 1:50 p.m. (lunch time) and from 6:00 p.m. (after office hours) on business days, only those lighting which are essentially needed for safety, security or other specific purposes are maintained by adopting timer or plug load controller.• Switch off lights that are not in use. Those lighting which are in individual office areas are mandatory to switch off when the occupier is away or out for work.• Non-essential lighting should be switched off if there are only few people working in the office.• The last-man-out should check and turn off the lighting of all areas of the office.• Use energy efficient LED lighting rather than fluorescent lamp or tungsten filament lamp.• Monitor the implementation of the switch off light policy daily.
Air-conditioning	<ul style="list-style-type: none">• Individual air-conditioner can be adjusted manually to suitable temperature. It is recommended to adjust the temperature of individual air-conditioner to 25°C or above to save energy.• The last-man-out should check and switch off the air-conditioning of all areas of the office. Individual office users should check and ensure that the air-conditioner is turned off before leaving.• Affix stickers as a reminder to encourage employees switch off air-conditioning when not in use.• Alternative ventilation systems, e.g., fans, were available and good enough for normal air ventilation without air-conditioning.

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	<ul style="list-style-type: none"> • Individual office equipment with energy label (e.g., computers and monitors with EU Energy Star) were adopted.
Office Equipment	<ul style="list-style-type: none"> • Air-conditioning system was well-maintained regularly to maintain efficiency.
	<ul style="list-style-type: none"> • Affix “Save Energy” stickers near the main power switches as a reminder to employees.
	<ul style="list-style-type: none"> • Computers, monitors and individual multi-functional printers (if any) should be switched off after office hours or when leaving the workplace to reduce power consumption.
	<ul style="list-style-type: none"> • All computers shall preset time for standby or hibernate mode. Switch computers to sleep or hibernate mode and switch off monitors when they are idle to reduce power consumption.
	<ul style="list-style-type: none"> • The auto energy-saving mode of the computer has been activated and the brightness of the screen of the monitor has been lowered to reduce power consumption.
	<ul style="list-style-type: none"> • 22-inch LED monitors were widely adopted in office for higher resolution so that the chance of eye problems can be reduced.
	<ul style="list-style-type: none"> • LED monitors instead of Cathode Ray Tube monitors were used in order to save the consumption of electricity.
	<ul style="list-style-type: none"> • Multi-function device (includes printing, scanning, photo copying and fax) was used and well-maintained to prevent waste of paper.
	<ul style="list-style-type: none"> • Purchase environmentally friendly stationery and office equipment as priority. Stop purchasing and using stationery and office equipment which may cause a negative impact to the environment.
	<ul style="list-style-type: none"> • Employees should reuse stationeries, e.g., paper clips, folders, binders and envelopes.
	<ul style="list-style-type: none"> • Refrigerator and cool water dispenser were kept away from sunlight, well-ventilated and well-maintained.
	<ul style="list-style-type: none"> • Unwanted materials and thick ice were regularly cleared and defrosted from refrigerator.
	<ul style="list-style-type: none"> • The last-man-out should check and turn off all office equipment.
Water	<ul style="list-style-type: none"> • Strengthen the daily maintenance of water supply equipment. Employees should inform the property management office through Human Resources and Administration Department for carrying out repairing work promptly once water supply equipment is damaged.
	<ul style="list-style-type: none"> • Employees are reminded to shut water taps after use at drinking water and pantry area.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

	<ul style="list-style-type: none"> • Cleaning staff or drivers should clean with wet mop or cloth instead of flushing.
	<ul style="list-style-type: none"> • Employees were encouraged to report leaks and drips.
	<ul style="list-style-type: none"> • Water taps are equipped with automatic open or close sensor to save water.
	<ul style="list-style-type: none"> • Dual flush cistern was adopted for toilet.
Behavioural Change	<ul style="list-style-type: none"> • Employees should adjust the margins and font size of documents in order to optimise the use of paper, use double-sided copying, reuse single-sided paper, shred non-useful papers instead of throwing away together with domestic wastes, prevent unnecessary and wrong printing and avoid colour printing and copying to conserve more ink.
	<ul style="list-style-type: none"> • To nurture employees the habits of waste separation at source, waste separation bins have been positioned at pantry for collecting glass, plastic and metallic wastes. Other domestic wastes which cannot be recycled should be placed in existing garbage bins. Printed waste papers after shredding will also be arranged to be disposed of by recycling enterprises for recycling.
	<ul style="list-style-type: none"> • Employees should purchase in bulk (e.g., barreled fresh water) to reduce resource utilisation by transportation.
	<ul style="list-style-type: none"> • Buy toners and inks that can be refilled to avoid more metallic or plastic cartridges disposed of to landfills.
	<ul style="list-style-type: none"> • Use reusable utensils and refuse to use disposable cups, plates, forks and other utensils.
Others	<ul style="list-style-type: none"> • Pen refills instead of new pen will be provided when used up.
	<ul style="list-style-type: none"> • Recycle the cartridges by manufacturer or EPD assigned recyclers (e.g., Computer Recycling Programme).
	<ul style="list-style-type: none"> • Electronic documentation was available and widely adopted.
	<ul style="list-style-type: none"> • In-situ reminders such as signage, poster, friendly reminder for switch-off light and air-conditioner were placed in a prominent position.
	<ul style="list-style-type: none"> • Environmental awareness was continuously raised through different environmental programs and other means in which employees could actively participate in.
	<ul style="list-style-type: none"> • Umbrella stand was available to avoid using one-off umbrella bags.
	<ul style="list-style-type: none"> • General greenery in office area.
	<ul style="list-style-type: none"> • Use environmentally friendly paper (wood-free paper) for printing annual report and circulars, etc..
	<ul style="list-style-type: none"> • Building was within walking distance from public transport stops or transportation stations.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Through implementing the aforesaid steps, recycling of waste and recovery of resources, we believe that we can manage the negative impacts on the environment and use resources effectively and efficiently to the greatest extent. We are gratefully being awarded a Certificate of Recognition by WGO for the period from July 2025 to July 2026 by participating in the GOALS and Eco-Healthy Workplace as an affirmation to our contribution. We also commit to continuously improving our environmental performance in our production lines by installing more environmentally friendly production machinery and equipment.



WORLD GREEN
ORGANISATION
世界綠色組織

PRME Principles for Responsible
Management Education



SUSTAINABLE
DEVELOPMENT
GOALS
KNOWLEDGE PLATFORM

Certificate of Recognition

The **Shougang Century Holdings Limited** company
has participated in the Green Office Award Labelling Scheme (GOALS) and
attended the training in the UN responsible management education,
which contributes to the global effort to achieve the Sustainable Development Goals.

31 Dec 2025

Date



WORLD GREEN
ORGANISATION
世界綠色組織

A handwritten signature in black ink, appearing to read 'Wang'.

This Certificate is presented by World Green Organisation

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

CLIMATE CHANGE

The emerging challenge of climate change creates visible and responding to climate change has become a global consensus. The Chinese government has also put forward the climate action goal of “striving to reach the peak of carbon dioxide emissions by 2030 and striving to achieve carbon neutrality by 2060”.

The Group attaches great importance to climate change, and has identified and analysed the key climate-related risks in order to formulate actions to tackle with the potential impact on the long-term interests of the Group and other stakeholders. We believe that minimising the environmental footprint and strengthening energy-saving renovation are essential to mitigate the adverse impact of climate change.

The Task Force on Climate-related Financial Disclosures (the “TCFD”) divided climate-related risks into two major categories: (i) physical risks related to the physical impacts of climate change; and (ii) transition risks to achieve a lower-carbon economy.

Governance

The Group has always integrated the concept of sustainable development into its corporate strategy and effectively fulfilled its emission reduction commitments. We attach great importance to climate change governance, continuously optimise our internal climate change management mechanism, and explicitly set carbon emission management targets.

The Board is the highest decision-making institution for climate change matters of the Group, taking ultimate responsibility for the Group’s climate-related strategies and reporting. The Board authorises the ESG working group to supervise and provide recommendations on the identification, assessment, and management of climate-related risks, as well as the formulation and progress of climate-related goals. The Board regularly reviews ESG reports annually, regularly obtains information on climate-related risks and opportunities, and ensures that climate factors are integrated into the Group’s strategic planning. In the process of overseeing the Group’s strategy, major transaction decisions and risk management, the Board and the ESG working group will consider climate-related risks and opportunities, including weighing relevant tradeoffs, such as transition costs and long-term sustainable benefits.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

The ESG working group, which is composed of member with relevant professional qualifications in ESG, is comprehensively responsible for the overall planning, decision-making, and supervision of climate matters, guiding relevant departments to implement response actions, and regularly reporting to the Board on the progress of annual work. Dedicated resourcing will be evaluated as part of the Group's regular budgeting process and scaled as operations expand. In terms of internal management, the ESG working group, supported by the external consultants, systematically collects operational information from various business segments, departments, and employees to continuously monitor climate risks and opportunities related to the business. Externally, it closely follows industry trends, policy dynamics, and climate issues in the upstream and downstream of the industry chain to assess their potential impact on the Group. To ensure the effectiveness and foresight of response measures, the ESG working group regularly holds meetings monthly to discuss and review the ESG issues (including but not limited to climate-related risks and opportunities).

Strategy

The Group regularly assesses the impact of climate-related risks and opportunities on the Group's operations and value chain. By combining our own business operations and referring to internationally recognised climate change development trend forecasts, we further identified and sorted out the potential impacts of climate-related risks and opportunities on the Group's operations and financial aspects in the short term, medium term and long term, covering periods up to 2030, 2040 and 2050 respectively.

In view of the Stock Exchange's relief arrangements (including reasonable information relief, capability relief and financial impact relief), this report temporarily does not disclose details on financial impact and climate-related scenario analysis, but mainly focuses on qualitative descriptions. In addition, we have not yet implemented a climate-related transition plan. The Group commits to continuously improving relevant capabilities and gradually perfecting them in future reports.

Climate Resilience

The Group's assessment of its climate resilience is subject to uncertainties primarily arising from its value chain, including the consumption of water and electricity resources, energy efficiency during product use, and the level of resource utilisation across its supply chain. The Group retains the flexibility to adjust its strategy over time, including through investment in energy-efficient equipment and low-carbon technologies as it continuously optimises its production and operation management models, gradually improves resource utilisation efficiency and reduces energy consumption and environmental impact through automation and digital technologies; meanwhile, it actively increases the proportion of renewable energy use, fully integrates climate and environmental factors into supply chain management and explore more green innovation paths, thereby supporting the Group's steady development towards a more resilient and sustainable direction.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Climate-related Risks and Opportunities

Risk Types	Impact on Business and Value Chain	Potential Financial Impact	Time Horizons	Measures
Physical Risk				
Acute Risk	Natural disasters and extreme weather events such as high temperature, cold weather, floods, heavy rain, typhoons, etc., will damage infrastructure and electronic equipment, which may cause production line disruptions and supply chain disruptions; the health and safety of employees, customers or business partners are affected by extreme weather, and business operations may be interrupted.	Fixed asset impairment, increase in operating costs, decrease in operating revenue.	Short term, medium term, long term.	<p>Conduct property enhancement initiatives, strengthen building safety assessment and inspection to prevent and alleviate impacts due to extreme weather events, including flooding and typhoon.</p> <p>Precautionary measures have been taken by the Group, including work arrangements in the case of adverse weather conditions such as Typhoon Signal No. 8 or above or “black” rainstorm warning signal, as well as insurance coverage for fire, flood and typhoon damages to merchandise, furniture, fixtures and fittings.</p> <p>Established the Typhoon and Flood Emergency Plan.</p> <p>Through a diversified business layout and extensive geographic diversification strategy, we optimise the stability of our supply, production and sales networks. Our production bases are located in two different regions. Our supply chain and sales network cover the whole country and some overseas markets, systematically enhancing the risk resilience of the overall business chain.</p>

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Risk Types	Impact on Business and Value Chain	Potential Financial Impact	Time Horizons	Measures
Transition Risks				
Policy and Legal Risks	<p>China is expected to adopt more aggressive policies and measures to limit GHG emissions, thereby matching the national target of achieving carbon neutrality before 2060.</p> <p>Growing stakeholders' expectation on sustainability achievement. As the value of loss and damage arising from climate change grows, litigation risk of the Group is also likely to increase. Reasons for such litigation include the failure of organisations to mitigate impacts of climate change, failure to adapt to climate change, and the insufficiency of disclosure around material financial risks.</p>	Increase in compliance costs.	Short term, medium term, long term.	<p>Actively obtain policy trends and incorporate them into the Company's long-term planning in a timely manner.</p> <p>Conduct regular reviews and analyses of local and international reporting requirements.</p> <p>Actively consider to enhance reporting and data collection procedures through assistance from independent consultant.</p> <p>Closely monitor the development of regulations on prudent financial management and disclosure relating to climate change.</p> <p>Established an ESG working group to drive initiatives.</p>
Technology Risk	Technological improvements or innovations that support the transition to a lower-carbon, energy efficient economic system involve the development and use of emerging technologies, that may affect the competitiveness of the Group.	Decrease in operating revenue.	Short term, medium term, long term.	Study and optimise equipment energy-saving renovation plans to further reduce equipment energy consumption.
Reputation Risk	Customer, community and general public's perceptions of the Group's contribution to a lower-carbon economy.	Decrease in operating revenue.	Short term, medium term, long term.	Continuously implement energy conservation and emission reduction measures, and regularly disclose relevant results and progress to the public. Through proactive publicity and communication, respond to carbon reduction initiatives and strengthen the enterprise's public engagement in climate action, so as to enhance brand image and social recognition.

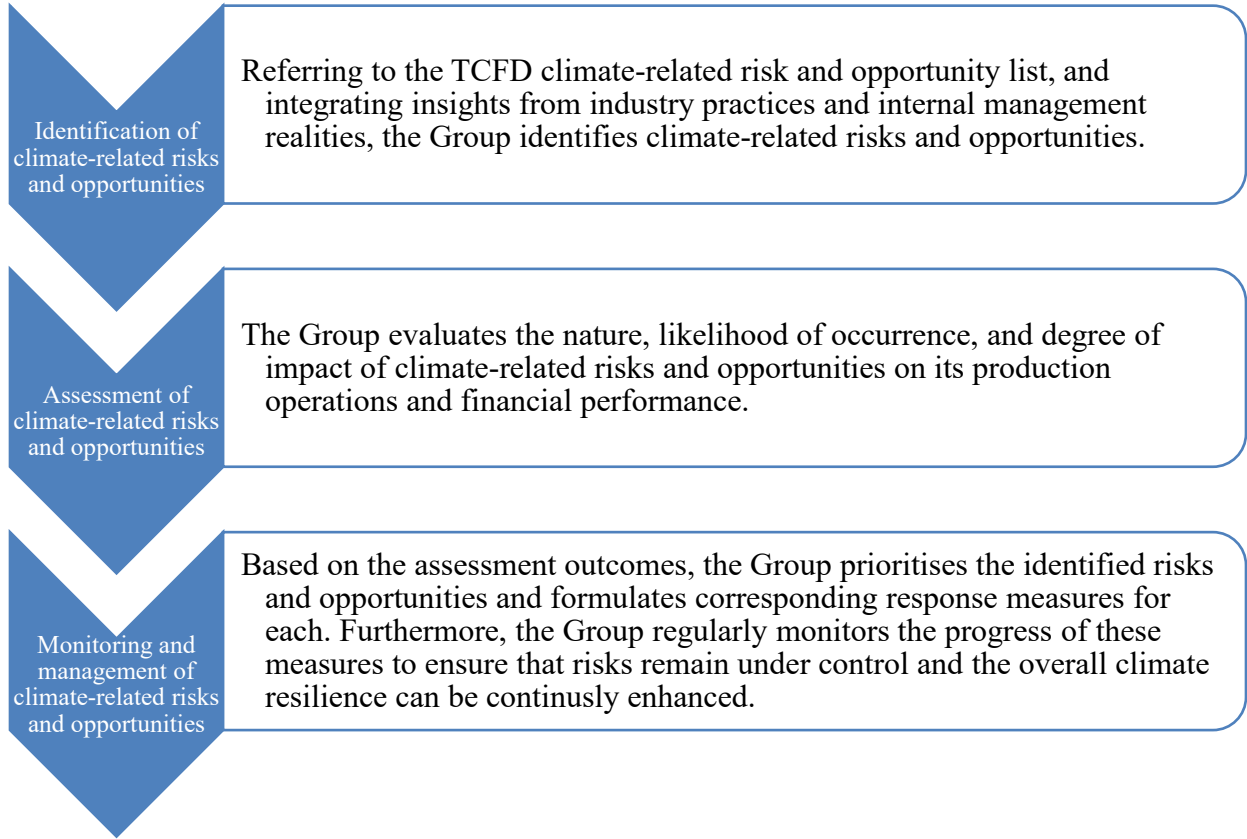
OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Opportunity Types	Impact on Business and Value Chain	Potential Financial Impact	Time Horizons	Measures
Resource efficiency (use of clean technology/energy)	New technologies provide enterprises with more low-cost options in the use of renewable energy and energy saving and emission reduction, helping enterprises further reduce carbon emissions while lowering operating costs.	Decrease in operating costs.	Short term, medium term, long term.	During the operation process, optimise the energy structure, product and purchase green energy, and increase the proportion of clean energy use.
Products (providing green and low-carbon products)	Provide customers with products that match their green and low-carbon preferences, helping customers achieve carbon neutrality in their value chain, thereby increasing market share.	Increase in operating revenue.	Short term, medium term, long term.	Rationally allocate resources to create low-carbon products, utilise green and low-carbon materials or technologies as much as possible to meet evolving market demands, enhance market recognition.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Risk Management

We fully recognise the importance of managing climate-related risks and opportunities within the Group’s overall risk governance framework. A comprehensive risk management mechanism has been established, covering three key stages: identification, assessment, and monitoring of climate-related risks and opportunities. This enables us to continuously enhance our capability to address climate-related challenges and leverage emerging opportunities.



BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

EMPLOYMENT

Our People and Safety

Employees are the Group's most valuable assets and a vital pillar of our long-term sustainable development. Their capabilities, knowledge and experience are irreplaceable. Our top priority is ensuring the safety and health of our employees in the workplace, and we are committed to creating a harmonious, safe, and healthy working environment for all employees.

During the year, we have implemented various measures to promote occupational health and safety at the workplace and ensure that employees work in a safe environment. This is also a part of the initiatives we have taken under GOALS and Eco-Healthy Workplace (collectively the "Schemes") organised by WGO. We have implemented some of the recommended practices listed in the guidelines of the Schemes, such as putting labels around the shelves and working stations to remind employees not to look at the computer screens for too long, using trolleys when carrying heavy objects, adjusting light intensity in the office for a comfortable and safe working environment, removing excess lighting in the areas that are too bright, placing computer screens at a right angle to the windows, placing the photocopiers in a designated area to reduce noise, keeping all sections of the office tidy and clean, disposing garbage into appropriate containers, placing air purifiers, cleaning carpets regularly and providing chairs with "height adjustable seat", "adjustable armrest" and "tilting backrest" to employees etc.. All the above measures are adopted in order to provide a safe and healthy working environment to our valuable employees of the Group. For further details regarding the Schemes, please refer to the heading "**COMMUNITY INVESTMENT**" in this ESG Report.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Management Systems for the Employees of the Group

The Group has prepared human resources policies, which are stipulated in employees' handbooks, notices, and relevant codes of conduct, and implemented employees' management systems in its business units. The above-mentioned handbooks, notices, codes and systems cover the area of relevant rules and regulations in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods, and other benefits and welfare. Regulations and rules set out in those handbooks, notices, codes and systems are in line with the applicable laws and regulations in Hong Kong and the PRC, including the anti-discrimination Ordinance (e.g. Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong)), Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), Company Law of the PRC (《中國公司法》), Labour Law of the PRC (《中國勞動法》), Labour Contract Law of the PRC (《中國勞動合同法》), etc.. During the year under review, there was no material breach of or non-compliance with those applicable laws and regulations by the Group.

Compensation and Dismissal

We have formulated procedures and terms and conditions in the employees' handbooks to deal with those employees who violate any rules set out by the Group. A written warning notice will be given or immediate dismissal will be imposed to those employees according to the level of severity of each case. Human resources department of the concerned company should be consulted prior to the proposed dismissal of any employee so as to ensure the compliance with the legal requirements.

We will pay sufficient compensation to those employees subject to the aforesaid laws and regulations.

Working Hours and Rest Periods

The employees' handbooks and employment contracts have clearly specified the working hours of employees. For employees who are required to work on irregular hours or public holidays, overtime pay and additional compensation are offered as defined in their employees' job descriptions. The Group has complied with the relevant employment laws and regulations in respect of working hours and rest periods in Hong Kong and the PRC.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Emolument Policies of the Directors and Employees

The emoluments of the directors of the Company are determined by the remuneration committee of the Company according to his/her experience and duties, his/her role played in the Board, the Group's performance and profitability, the remuneration benchmark in the industry and the prevailing market conditions. The emolument policy of the Group's employees is also based on their merit, qualifications and competence as well as the prevailing market conditions of the industry. In general, remuneration packages, including discretionary bonus, are reviewed annually. In addition to salary payments, other employee benefits including medical subsidies, hospitalisation scheme and a defined contribution provident fund stipulated by the regulations of the PRC, Mandatory Provident Fund Scheme stipulated by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and other retirement schemes or other similar defined contribution provident fund schemes have been provided as retirement benefits to employees in Hong Kong and the PRC respectively. Employees in the PRC are also entitled to other benefits under the Labour Law of the PRC (《中國勞動法》).

Equal Opportunity, Recruitment and Promotion

The Group is committed to protecting human rights and strictly prohibits any discrimination, harassment, victimisation or vilification of employees occurred at workplace in spite of their gender, physical or mental state, race, nationality, religion, age, family status or sexual orientation, or any other attributes recognised by the laws of the country in which the Group operates. We emphasise the prohibition of discrimination, especially sexual discrimination at workplace. Thus, we have established the Policy on Prevention of Sexual Harassment at Workplace.

The procedures of recruitment, promotion and retention of talents are implemented in accordance with the principles of equal opportunity under the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), Protection of Women's Rights and Interests Law of the PRC (《中國婦女權益保障法》), the Special Rules on the Labour Protection of Female Employees (《女職工勞動保護特別規定》) and Protection of Disability Law of the PRC (《中國殘疾人保障法》).

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

In addition, we have adopted the “Policy for Nomination of a Director of the Company”, which sets out the procedures for the selection, appointment and reappointment of Directors, with selection criteria including but not limited to considering the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.

The Group has formulated a promotion mechanism which sets out uniform selection criteria and guidelines for employees’ promotion. Moreover, the Group has established a complaint channel for employees to make complaint if he/she has been suffered from any unfair treatments.

Personal Data Privacy

The Group respects personal data privacy and is committed to implementing and complying with the data protection principles and all relevant provisions of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and codes of practice/guidelines issued by the Privacy Commissioner for Personal Data, Hong Kong for the collection of personal data from employees for the purpose of providing them with benefits, compensation, salary payments, performance assessment, promotion etc..

Diversity and Gender Mainstreaming

The Group has established a diversity policy for employees, regardless of their gender, age, religion, race and nationality but recruit them based on their skills and professions. All employees are entitled to the same rights of work, salary and benefits.

Since 2013, the Board has also established a Board Diversity Policy to attract and retain talented people as board members. The Board Diversity Policy has been reviewed and recommended by nomination committee members, and approved by Directors, such as increasing diversity at the Board level, including but not limited to gender, language, age, religion, social-economic status, cultural and educational background, ethnicity, professional experience, regional and industry experience, skills, knowledge, thinking styles, know-how and length of service, in particular focus on gender diversity, independence of independent non-executive Directors and skills and experience, as an essential element in supporting the attainment of the Company’s objectives and its sustainable development. A summary regarding the Board Diversity Policy can refer to the “The summary of Board Diversity Policy and its measurable objectives” section on page 66 under the heading “CORPORATE GOVERNANCE REPORT” of the 2025 annual report of the Company.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Communication with Employees

The Group values its employees as they are our important internal stakeholders and we believe that loyal employees help contribute the Group's business strategies as well as achieve goals and missions. In addition, the Group also pays attention to the opinions/suggestions of employees.

The two steel cord plants of the Group conduct an Employees' Satisfaction Survey every year by using a scoring assessment mechanism to indicate the employees' satisfaction level on their career prospects. Through the surveys, we can measure the engagement level of our employees to the companies and know whether employees are engaged or disengaged under common factors, such as promotion, benefits and compensation, working conditions, relationship with management, company culture etc.. Those surveys also provide employees with a channel for open feedback, thereby creating a platform for mutual communication. In addition, the information obtained from the surveys enables us to identify the strengths and opportunities for improving engagement in our Group. The Company has conducted the same Employees' Satisfaction Survey since 2016, aiming to collect employees' opinions/suggestions on career perspectives and submit the relevant employees' job satisfaction summary analysis report to the management for review. The management of the Company will consider and make response to the feedback from employees and refine the relevant human resources-related policies and systems, if practicable.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

The Group is aware of the importance of safeguarding the rights and interests of employees, especially the production workers in the PRC, as those production workers constitute the majority of the Group's employees. If they are not satisfied with their salaries, meal allowance, working hours and conditions, apart from expressing their views/opinions to the management of the Group, they also have the right to report to the Chinese Trade Union and negotiate with their employers under the Trade Union Law of the PRC (《中國工會法》), Articles of Association of Trade Unions in the PRC (《中國工會章程》) and Congress of Workers of the Industrial Enterprises Regulations (《全民所有制工業企業職工代表大會條例》). Our employees, including production workers, can present their opinions and recommendations at the Congress of Workers and Staff. All in all, we are pleased to listen to the needs and opinions from employees and provide various communication channels for employees to express their views regarding employment issues. We also obey the Special Rules on Labour Protection of Female Employees (《女職工勞動保護特別規定》) to protect the health of female employees.

Total Workforce and Employee Turnover Rate by Gender, Employment Type, Age Group and Staff Hometown Region

Total workforce by gender, employment type, age group and hometown region of staff of the two segments as at 31 December 2025 and 2024 are as follows:

Unit		Steel Cord Segment		Offices		Total	
		2025	2024	2025	2024	2025	2024
Total number of employees		2,542	2,440	52	58	2,594	2,498
By gender							
Male	No. of employees	2,126	2,048	28	31	2,154	2,079
Female	No. of employees	416	392	24	27	440	419
By employment type							
Full time	No. of employees	2,542	2,440	52	58	2,594	2,498
Part time	No. of employees	0	0	0	0	0	0
By age group							
30 or below	No. of employees	304	313	3	2	307	315
31 to 50	No. of employees	1,944	1,850	36	35	1,980	1,885
Over 50	No. of employees	294	277	13	21	307	298

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Year	Unit	Steel Cord Segment				Offices				Total
		Shandong Province	Zhejiang Province	Henan Province	Hong Kong	Shanghai	Beijing	Others		
By staff hometown region										
2025	No. of employees	1,689	403	85	6	21	3	387	2,594	
2024	No. of employees	1,556	423	92	7	23	7	390	2,498	

- The above table of the total workforce by staff hometown region of the two segments is showing the two segments' top three hometown regions that most of the employees live respectively.

The number and turnover rate of employees by gender, employment type, age group and hometown region of staff for the years ended 31 December 2025 and 2024 are as follows:

Unit	Steel Cord Segment				Offices				Total				
	2025		2024		2025		2024		2025		2024		
Number and rate of employee turnover (%)	691	2.21	570	1.92	8	1.26	3	0.48	699	2.19	573	1.89	
By gender													
Male	No. of employees and %	568	1.82	501	1.69	4	0.63	2	0.32	572	1.79	503	1.66
Female	No. of employees and %	123	0.39	69	0.23	4	0.63	1	0.16	127	0.40	70	0.23
By employment type													
Full time	No. of employees and %	691	2.21	570	1.92	8	1.26	3	0.48	699	2.19	573	1.89
Part time	No. of employees and %	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
By age group													
30 or below	No. of employees and %	234	0.75	203	0.68	0	0.00	0	0.00	234	0.73	203	0.67
31 to 50	No. of employees and %	428	1.37	349	1.18	3	0.47	0	0.00	431	1.35	349	1.15
Over 50	No. of employees and %	29	0.09	18	0.06	5	0.79	3	0.48	34	0.11	21	0.07

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Year	Unit	Steel Cord Segment								Offices					
		Shandong Province		Zhejiang Province		Sichuan Province		Others		Hong Kong	Shanghai	Others			
By staff hometown region															
2025	No. of employees and %	544	1.74	33	0.11	25	0.08	89	0.28	1	0.16	5	0.78	2	0.32
Year	Unit	Steel Cord Segment								Offices					
		Shandong Province		Zhejiang Province		Sichuan Province		Others		Hong Kong	Beijing				
By staff hometown region															
2024	No. of employees and %	384	1.29	32	0.11	23	0.08	131	0.44	2	0.3	1	0.18		

Promotion of Employees' Work-life Balance

Achieving an ideal work-life balance has always been challenging for our employees. We believe that when employees feel more motivated and experience less pressure at work, they are more likely to stay with the Company for a longer period. This, in turn, can lead to higher employee retention, reduced time spent on training, and stronger employee loyalty to the Company.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

HEALTH AND SAFETY

The Group treats its employees' health and safety as high priority, and we are committed to maintaining a safe, healthy and productive workplace for our employees. Thus, we provide orientation training, comprehensive and ongoing safety trainings to our employees of the main departments, in particular to those who worked at workshops and production lines of the Company and its principal business units/its subsidiaries, to help them adapt to the operation of the plant and machinery and production facilities.

In order to provide a safe and healthy working environment to our employees, the Group has formulated various production safety regulations, relevant workshop regulations and codes of conduct in workplace, which provide guidelines on handling personal injuries and operating equipment accidents in case of occurrence, handling dangerous chemicals and operating machines which are set out in the procedures on operation safety manual and safety codes in accordance with the Occupational Safety and Health Ordinance, Occupational Disease Prevention Law in the PRC (《中國職業病防治法》) and the Production Safety Law of the PRC (《中國安全生產法》).

We have adopted the codes of practice in safety operation for handling hazardous wastes and operating machines to strictly regulate employees who often handle hazardous wastes and operate machines. They have to take and/or wear full set occupational protective equipment provided by the Group, such as face shields, safety glasses/goggles, safety belts, protective clothing etc. when they are handling dangerous chemicals or operating machines to protect their health and safety. They should check if the operating machines or equipment are in order and safe before use. All the operating machines and equipment have been inspected regularly to ensure safety. We have also prepared a compilation of responsibilities on safety issues to regulate the duties of each of main department of the two steel cord plants in terms of planning, monitoring and reviewing of safety and health measures. Safety maintenance officers have been appointed by the two plants to implement, monitor and enforce the management of health and safety policies. Moreover, we have also formulated regulations in respect of maintenance of healthy and safe workplace for our employees.

Our two manufacturing plants in the PRC have implemented several working measures, especially strengthening the safety and 5S Management, which are known as “sort”, “set in order”, “shine”, “standardise” and “self-discipline” so as to enable our employees to work at a safe and green working environment and production lines.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

The Group has regulated that all new employees in the Mainland must take three levels of production safety trainings before taking up their duties, i.e., departmental trainings, workshop trainings and class/team work lines trainings. Employees who have special job duties, such as handling of dangerous chemicals, electricians, fitters, welders, forklift operators etc., must follow the operation safety rules. For employees who change job positions, must also re-take relevant safety trainings before serving. We also provide trainings to Hong Kong and PRC employees, aiming to deliver a message of the importance of occupational health and safety in Hong Kong and PRC offices.

In addition, a reporting channel has been established for work injuries and work-related fatalities. In the event of any work injury or work-related fatality, the managers of the main business units of the Company and its subsidiaries must report to the manager of human resources and administration department immediately. We have also adopted an internal key performance indicator defining a tolerance level for occupational injuries and work-related fatalities in main business units of the subsidiaries. When no occupational injury or serious occupational accident has occurred, or the occurrence rate is below the tolerance level, the responsible person of the management will be awarded. We believe that such measures can reduce the occurrence of work injuries.

Occupational Health and Safety Management System Authentication

JESC and TESC obtained the ISO45001:2018 Occupational Health and Safety Management System Authentication Certificates since October 2014 and January 2016, which are reviewed by Jiangsu Jiuzhou Certification Co.,Ltd. and Shanghai NQA Certification Co., Ltd. respectively in 2023 and 2024. The respective latest certificates are valid till October 2026 and January 2028.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Number and Rate of Work-related Fatalities in the past three years and Lost Days due to Work Injury

Under the Employees' Compensation Ordinance, the Company must possess a valid employees' compensation insurance policy to cover its legal liabilities under both the ordinance and common law for work injuries in Hong Kong. All employees working in the PRC are protected from work injuries and work-related diseases subject to China's social security system. If an employee has suffered from work-related injury, fatality or disease in his/her course of employment, we must report to the Labour Department in Hong Kong or Ministry of Human Resources and Social Security of the PRC in writing within the period stipulated by the Occupational Safety and Health Ordinance, Regulation on Work-Related Injury Insurances (《工傷保險條例》) of the PRC and The State Council of the PRC, as the case may be.

Neither any serious accidents in relation to occupational health and safety nor work-related fatalities had occurred in connection to the Group in the past three years including the reporting year.

The related data of occupational injury of the Group for the years 2025 and 2024 are as follows:

	Unit	2025	2024
No. of working days lost due to employee's occupational injury ⁽¹⁾	Days	0	31

1. The significant decrease in the number of working days lost due to employee's occupational injury was mainly attributable to the fact that the Group attaches great importance to work safety. A number of measures were taken in 2025, including improvement of safety facilities, elimination of potential safety hazards, enhancement of production safety management and promotion of employees' safety awareness, which effectively reduced the incidence and severity of work-related injuries.

Compensation for Work Injuries

The Group complies with the laws, rules and regulations in relation to compensation for work injuries or occupational diseases in Hong Kong and the PRC, which include the Employees' Compensation Ordinance, Compensation Standard for Work Injury (《工傷賠償標準》), Regulation on Work-Related Injury Insurances (《工傷保險條例》), Social Insurance Law of the PRC (《中國社會保險法》) and Regulation on Work-Related Injury Insurance in Zhejiang Province (《浙江省工傷保險條例》) to pay compensation to employee who has suffered from work-related injuries or work-related diseases. The Group also considers to pay extra compensation more than statutorily required to those employees who are injured, dead or suffered from work-related diseases in their course of employment.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

DEVELOPMENT AND TRAINING

The Group aims to ensure the continuous development and training of all employees, and is committed to providing continuous development training programmes/courses to the Mainland employees, Directors and employees of the Company to enhance their production and management skills, as well as professional skills and knowledge. Therefore, the Group has adopted training course management policies for employees at different levels of the Group, including managerial grade or above, general staff and production workers, to provide them with a training framework for internal and external training programmes/courses. Each business segment is responsible for developing its own training programmes/courses to meet its specific business requirements. These training programmes/courses offered to employees include orientation training, on-the-job training, safety education, on-site training, simulative practice, vocational training, talk/lecture, quality management, job relocation training and external training related to professional qualifications. Through orientation training, new employees can have a fast understanding of the company, identify the organisational culture of the company and can easily adapt to it. Employees who fail the orientation training after the probation period stipulated in their employment contract and employees' handbook of their companies may result in disqualification as permanent employees with those companies. Any employee who has attended on-the-job training must take examinations to assess employee's performance.

During the year ended 31 December 2025, the Directors have attended programmes or seminar(s) organised by the Company, other qualified professional bodies or regulatory authorities. In particular, all Directors had actively participated in the anti-corruption training as required under the ESG Reporting Code.

The Group encourages employees to pursue lifelong learning and training. Therefore, we offer comprehensive benefits, such as examination leaves, for those employees who will attend examinations organised by professional bodies or academic institutions in relation to the job he/she performs. All in all, the Group provides all-round and comprehensive trainings to employees enhancing their technical skills and knowledge continuously.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

The Percentage of Employees Trained and Average Training Hours Completed per Employee by Gender and Employee Category

For the years ended 31 December 2025 and 2024, the respective percentage of employees trained and average training hours completed per employee by gender and employee category are as follows:

	Unit	Steel Cord Segment		Offices	
		2025	2024	2025	2024
Percentage of employees trained	%	51.05	54.57	3.00	6.29
Percentage of employees who received training by gender					
(a) Male	%	41.79	44.81	1.90	3.48
(b) Female	%	9.26	9.76	1.10	2.81
Percentage of employees who received training by employee category					
(i) Directors and/Senior Management	%	N/A	N/A	0.95	1.16
(ii) Managerial grade or above	%	0.06	0.13	0.47	1.89
(iii) Production workers	%	48.35	51.80	N/A	N/A
(iv) Supporting/General Staff	%	2.51	2.52	0.64	2.39
(v) Others	%	0.13	0.12	0.94	0.85
Average hours of training per employee by gender					
(a) Male	Hours	1.97	2.98	0.05	1.20
(b) Female	Hours	2.40	3.51	0.07	0.40
Average hours of training per employee by employee category					
(i) Directors and/Senior Management	Hours	N/A	N/A	0.31	0.31
(ii) Managerial grade or above	Hours	0.48	1.72	0.01	1.27
(iii) Production workers	Hours	2.22	3.38	N/A	N/A
(iv) Supporting/General Staff	Hours	0.69	1.03	0.08	2.28
(v) Others	Hours	0.19	0.12	0.53	0.34
Total training hours completed by employees	Hours	63,267.50	89,569.60	73.00	742.00
Average hours of training per employee	Hours	2.04	3.06	0.11	1.59

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

LABOUR STANDARDS

The Group has formulated a comprehensive set of human resources policies to recruit talented persons from the widest pool of available talent in a fair and equitable manner, including but not limited to stipulating rules on recruitment and also formulated a strict recruitment policy to prevent child and forced labour, and other potential illegal incidents.

Management Systems for Recruitment

The Group aims to recruit and retain the best employees to help achieve its business objectives, missions and visions by implementing recruitment management systems strictly. The Group has taken all practical steps to ensure that the job applicants are legally employed in accordance with the Provisions on the Prohibition of Child Labour of the PRC (《中國禁止使用童工規定》) and relevant laws and regulations in Hong Kong and the PRC and request new applicants truthfully fill in their personal information in the personal data form, and provide identification documents and/or working visa (if any) to human resources and administration department in a fair and equitable manner and also under legitimate procedures. Those procedures include but not limited to verification of identity to prevent the Group from recruiting employees under the age of 16 and forced labour. In addition, we ensure that applicants and employees are treated equally in respect of recruitment, assignment, development, evaluation and reward.

Prevention of Child Labour and Forced Labour

Pursuant to the Provisions on the Prohibition of Child Labour of the PRC (《中國禁止使用童工規定》) and the Law of the PRC on the Protection of Minors (《中國未成年人保護法》), the Group is prohibited to recruit employees under the age of 16 and forced labour. In this regard, we have formulated regulations on managing the prevention of child labour and forced labour, and established procedures for handling incidents with necessary actions taken to transport back those labour to hometown or place of origin if any child labour/forced labour is found. Disciplinary actions including the possibility of summary dismissal will be taken against employees deliberately providing untrue personal data, forged certificates or violating such regulations subject to the concerned company's employees' handbook and policies. Those regulations are in compliance with the Employment Ordinance and relevant laws and regulations in the PRC.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

All in all, the Group shall review the overall recruitment practices from time to time to prevent child labour, forced labour and other potential illegal incidents and shall comply with any laws, rules and regulations to prohibit child labour and forced labour. During the year of 2025, the Group was not aware of any breach of or non-compliance with applicable laws and regulations in relation to child labour and forced labour.

OPERATING PRACTICES

SUPPLY CHAIN MANAGEMENT

Our customers and suppliers

The Group has cultivated strong business relationships with its suppliers over the years, thanks to their consistent supply of stable and high-quality raw materials to the Group. The suppliers primarily supply steel wire rods for manufacturing of steel cords for radial tyres, which are used in steel cord segment.

We are committed to providing our customers (i.e., tyre manufacturers) with high-quality and superior steel cords, sawing wire and hose wire products. Quality control serves as a cornerstone of our supply chain management, and the steel cord segment will carefully select raw material suppliers known for their quality assurance, strong reputation, high credibility and integrity, enabling us to establish long-term business relationships with them. Additionally, we have implemented a rigorous procurement management mechanism and screening system to evaluate our raw materials suppliers based on various criteria, including price, exclusivity, transportation convenience, financial condition, quality, techniques and skills, reputation, after-sale services, social responsibility etc..

Furthermore, we conduct regular assessments of our existing suppliers based on key evaluation criteria, including consistent quality of raw materials, costs, service, delivery, customer feedback, and so on. We adhere to a series of established standard procedures for selecting and evaluating samples of raw materials, i.e., wire rods, to ensure they meet the quality requirements of international standards, such as ISO9001:2015. We also monitor the changes in information of customers and suppliers through well-established procedures to minimise potential business risks arising from changes in owners/beneficiaries of our customers and suppliers. thereby ensuring that our records of customers and suppliers remain accurate and reliable.

OPERATING PRACTICES

Number of Suppliers by Geographical Region

The number of suppliers by geographical region of steel cord segment for the years 2025 and 2024 are as follows:

	2025	2024
PRC		
Jiangsu	7	7
Others	9	6
Subtotal	16	13
Japan	1	0
Total	17	13

Practices relating to Engaging Suppliers, Number of Suppliers where the Practices are being Implemented, and the Execution and Monitoring of those Practices

For the steel cord segment, its purchasing department has established a series of supplier management procedures to rigorously monitor the quality of raw materials and regularly review the rating of those suppliers. Our objective is to select suppliers capable of delivering high-quality raw materials and superior service. To ensure that our key suppliers meet our quality standards, we have put in place a product quality assurance cooperation agreement. We believe that this practice can foster mutual trust between the suppliers and the Group, benefiting both parties and safeguarding their interests.

The above practices applied to all suppliers in respect of provision of raw materials for steel cord segment during the years of 2025 and 2024.

Additionally, we have established a green procurement policy to encourage employees to make bulk purchases, thereby minimising resource consumption related to transportation. This policy prioritises the purchase of environmentally friendly office supplies and equipment etc..

OPERATING PRACTICES

We urge our suppliers to align with the Group's standards, comply with all applicable laws and regulations, and actively work to minimise the adverse environmental impacts while conserving our natural resources. For instance, one of our suppliers, Nanjing Iron & Steel Co., Ltd., supplies us with products that adhere to its environmental policies and guidelines, as well as our requirements.

Our suppliers also have expectations on us, including profitability, level of compliance with laws and regulations, effectiveness of supply chain management, accountability, integrity and reliability, willingness to communicate, degree of integrity in co-operation and length of partnership.

We aim to be the preferred customers of our targeted suppliers. Their loyalty, support, and collaboration enhance our operational efficiency, allow us to source raw materials more sustainably, and ultimately strengthen the value of our supply chain.

Practices used to identify Environmental and Social Risks along the Supply Chain, and the Execution and Monitoring of those Practices

As a first step in achieving our sustainable development goals, we have established a new sustainable development procurement policy, which details the procedures and practices for integrating environmental and social considerations into the procurement process as well as evaluating the associated risks.

Particularly, the Group evaluates the environmental and social risks linked to its suppliers. Qualification requirements, such as environmental assessment reports and pollutant discharge permits, are outlined as mandatory qualifications (if appropriate). Additionally, industry-related requirements, like environmental system certifications, work safety permits, are listed as supporting qualifications (if appropriate). We also keep track of changes in suppliers' information to minimise potential risks.

Practices used to promote Environmentally Preferable Products and Services when Selecting Suppliers, and the Execution and Monitoring of those Practices

The Group supports the purchases of environmentally friendly products to reduce the environmental impact of our business operations. Consequently, the suppliers' responsibility for environmental protection and society are also our concerns in supply chain management.

OPERATING PRACTICES

On one hand, the Group diligently chooses suppliers who emphasise on environmental protection and respect the rights of employees, for instance, one of our suppliers, Nanjing Iron & Steel Co., Ltd., has its production philosophy in delivering an environmentally friendly and safe working environment to its employees. On the other hand, the Group collaborates closely with suppliers and continues to maintain good relationships with them to ensure more effective procurement, uphold the quality of products and services, and meet our production requirements.

Besides, we try to procure locally or nearby rather than overseas so as to reduce air and GHG emissions as well as energy consumption caused by transportation and shipping, hence the majority of our steel cord segment's suppliers are located in Jiangsu.

OPERATING PRACTICES

PRODUCT RESPONSIBILITY

To become a qualified supplier for new radial tyre customers, we must undergo rigorous testing procedures. For most international radial tyre manufacturers, these tests could take approximately two years to evaluate the performance of steel cord in various weather conditions. In this context, the Group places significant importance on delivering high-quality products that meet stringent safety standards, aiming to uphold our “Eastern” brand recognition in steel cord industry. We constantly monitor the quality of steel cords of different specifications to ensure that radial tyre manufacturers are satisfied with our products, and their requirements for production of safe radial tyres can be met. By adhering to these standards, we can gain their long-term support and trust, thereby enhancing the Group’s profitability.

In order to maintain customers’ confidence in our product quality, the Group offers after-sale services to our customers. If we receive any complaint from a customer, we will first engage with that customer and arrange for our technical personnel to visit that customer’s site for follow up or fine tune our product parameters (as the case may be). For example, if we determine that the complaint stems from the customer’s dissatisfaction with the current production process, we will improve the production process based on customers’ needs, and customers may return or exchange products in accordance with the terms and conditions of the contracts. Additionally, if we discover that operators have violated rules or failed to follow operational procedures, our management will issue warnings and provide further training to ensure compliance.

IATF 16949:2016 certificates were issued by TÜV Rheinland Cert GmbH, a leading international provider of inspection services, to TESC and JESC in 2018 and 2019 respectively proving the manufacturing of steel cords met the requirements of IATF standard. The respective certificates are valid till December 2026. ISO45001:2018 Occupational Health and Safety Management System certificates were issued to TESC and JESC in January 2016 and October 2014, and are valid until January 2028 and October 2026 respectively. Those certificates are intended to establish or reinforce the confidence of a customer towards the system and process quality control of a supplier, particularly related to the development, production and use and service of automotive-related products.

OPERATING PRACTICES

The Group has obtained a silver medal of EcoVadis sustainability rating for year 2025, which fully affirms our efforts and achievements in advancing sustainable development and meeting customers' expectations. EcoVadis ratings measure corporate social responsibility performance in four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. We will remain committed to participating and will continue striving for improved results year-on-year.

Pre-product quality control planning procedures and sales of products policies and procedures are in place for steel cord segment, in which the area of those procedures and policies covers sales return policy, customers' complaint procedures and intellectual property policies and measures related to maintenance and safeguard products. In addition, this segment also conducts customers' satisfaction surveys every year to collect customers' opinions on our product quality, delivery efficiency and after-sale service. The sales representatives of steel cord segment visit the customers occasionally to obtain comments/opinions, thereby improving the quality of our products and advancing our technical skills and knowledge in order to meet the customers' requirements.

We understand the importance of intellectual property rights protection and have developed some guidelines for identifying intellectual property rights and applying for registration. Intellectual properties are important assets towards our Company, so we strive to safeguard the rights and interests of intellectual properties. As the owner of certain intellectual property rights, we have adopted product standard management procedures to protect customers' information from unauthorised access, use and disclosure, and to preserve their data properly.

There was no issue regarding material non-compliance with the relevant laws and regulations that have any significant impact on the Group relating to health and safety, advertising, labelling and privacy matters during the year.

There were no products of the Group sold or shipped subject to recalls for safety and health reasons in 2025 and 2024.

OPERATING PRACTICES

Number of Products and Service Related Complaints Received and How to Deal With

As mentioned under the heading of “**PRODUCT RESPONSIBILITY**” above, when customer complaints are received, we will first communicate with our customer and arrange for our technical personnel to visit the customer’s site for follow up or fine tune our product parameters (as the case may be). After that, they will optimise the performance of products to suit the requirements of their customers (if necessary). Any corrective actions will then be recorded in the corrective action report and will follow up if any corresponding actions are required. Moreover, the disqualified products can be returned or exchanged subject to the terms and conditions of the sales contracts. The complaint rate of steel cord segment for the years 2025 and 2024 are as follows:

		Steel Cord Segment	
	Unit	2025	2024
Total number of products related complaints received per thousand tonnes of production volume	No. of complaints/ '000 tonnes	0.07	0.16

OPERATING PRACTICES

ANTI-CORRUPTION

Standard of Conduct

Establishing good corporate governance standards is essential to the success of our business development, as it promotes and reinforces the confidence of our stakeholders. We have developed and adopted several clear guidelines/policies for the Directors, management and employees of the Group which enable the Group to achieve a high standard of code of conduct, including the following:

- Declaration of Conflict of Interest
- Guidelines on Accepting and Offering Gifts and Entertainment
- Whistleblowing Policy
- Key Channels of Compliant
- Reporting and Monitoring Policy on Connected Transactions and Continuing Connected Transactions

All the above policies/guidelines are annexed to the Internal Management and Control Manual (“Internal Control Manual”) of the Company which will be reviewed and updated on a regular basis. The latest Internal Control Manual has been revised and adopted on 31 December 2025. Besides, all employees of the Group, including directors of the Company, should avoid conflict of interest between their private interests and the interests of the Company and should report in such cases. They must also follow the guidelines in relation to provision of gifts and entertainment and accepting gifts and benefits, and observe any updates and changes regarding the anti-corruption measures.

In addition, a whistleblowing policy and system have been implemented and set up since 22 March 2012 and revised from time to time thereafter to provide procedures to employees who have concerns about any suspected misconduct or malpractice within the Group, in which those employees can reflect those concerns or submit a written report to the Company through this policy. The Company will then evaluate the report to decide whether a full investigation is needed. If it is necessary, the investigation process will start and the Company will prepare an investigation report and then submit it to the audit committee of the Company upon completion of the investigation. The audit committee of the Company is responsible for monitoring and reviewing the operation of the whistleblowing policy and providing any recommendations attributable from the investigation of complaints.

OPERATING PRACTICES

We have also formulated policies/guidelines on anti-corruption and codes of conduct for respective core business units in the Mainland, namely Guidelines on Corporate Corruption Prevention, Management of Regulations on Anti-corruption and Anti-bribery, Whistleblowing Policy, Code of Conduct and Code of Ethics relating to fraud, bribery and extortion.

During the reporting period, the Company provided Directors and employees with training materials designed to strengthen their understanding of and compliance with all the applicable anti-corruption laws and regulations.

Also, we have engaged Moore Advisory Services Limited, the internal auditor of the Company, to review the abovementioned policies to avoid any misappropriates, suspected or alleged fraud, abuse of power etc. and to ensure that all employees comply with the code of conduct.

As for suppliers, we have a stringent procurement management system to assess our suppliers' performance and conduct in order to enhance the suppliers' commitment to the Group's standards and principles.

Moreover, the audit committee members of the Company have responded to SHINEWING (HK) CPA Limited, the external auditor of the Company, about their knowledge on any actual, suspected or alleged fraud which may affect the Group. During the year, the internal auditor, among others, has reviewed the risk management and internal control systems to see if any additional precaution needed to be added.

All the business operations have complied with relevant laws and regulations that may have a significant impact on the Group relating to bribery, extortion, fraud and money laundering etc. in the PRC and Hong Kong.

During the year, we were not aware of any legal cases regarding corrupt practices brought against the Company or its employees.

OUR COMMUNITY

COMMUNITY INVESTMENT

Community care is embedded in our corporate values, and we strives to create a positive impact on the communities where we operate. We take an active role in environmental initiatives and support social welfare activities and community care projects through donations. Our objectives are: (i) to foster environmental awareness across the Group; (ii) to advance occupational safety and health in the workplace; and (iii) to provide support to those in need within society.

To strengthen employees' awareness of environmental protection and occupational safety and health, as well as to encourage their contributions to society, we have established Corporate Social Responsibility Guidelines, Social Welfare Activities, and Philanthropy Management Guidelines. These initiatives aim to motivate all employees to engage in community activities, foster a safe and healthy working environment, comply with applicable laws and regulations, and uphold their commitment to environmental protection. We believe and expect that every employee has the potential to contribute positively to their local community.

During the year, the Company continued to support the Hong Kong Green Building Week 2025 (“HKGBW 2025”) organised by Construction Industry Council and the Hong Kong Green Building Council, and took part in the Biz-Green Dress Day of HKGBW 2025. The Company also participated in the "Green Low Carbon Day" campaign organised by The Community Chest of Hong Kong (“The Community Chest”) through a donation, aiming to promote low-carbon living and support green-related projects funded by The Community Chest. These engagements encourage employees to adopt practical measures for energy conservation, and to embrace a more sustainable lifestyle in the workplace.



OUR COMMUNITY

We have remained dedicated to fostering a sustainable culture at our workplace by participating in GOALS and Eco-Healthy Workplace organised by the WGO since 2017. These programs require companies to integrate comprehensive green practices in their offices based on WGO guidelines, with the assistance of Green Auditors. Through this journey to achieve the goals, we have gained knowledge and skills on environmental protection and sustainability, raised employees' awareness on healthy workplace, and systematically reduced our environmental footprint at the office across energy, water, paper, and carbon usage. As we have implemented green workplace practices far more than the minimum requirement, we have been awarded WGO's GOALS label and Eco-Healthy Workplace label, which is effective from 30 Jun 2025 to 31 Jul 2026, in recognition of our achievement in promoting green office and commitment to sustainable development. To share our success in sustainability, we continue to encourage our subsidiaries to take actions and implement green measures in their office area and workstations. Our colleagues in the Mainland have embraced the "green office" concept at their workplace, placing labels next to light switches to remind them of the importance of saving electricity and providing waste separation bins for recycling.



OUR COMMUNITY

In addition to implementing green practices at the Offices, the Company actively supports the communities through charitable activities and donations. We participated in the “2025 Dress Casual Day” organised by The Community Chest and contributed a certain amount of benevolent donation. Employees were encouraged to wear their favourite casual outfits to work in support of this meaningful cause, and it has received full support from the Directors, the management and the employees of the Company. Through this initiative, we aim to foster a spirit of compassion and care for those around us. Following the reporting date, we also made donations to the “Services for Street Sleepers, Residents in Cage Home and Cubicles” by supporting another event called “Skip Lunch Day 2026” launched by The Community Chest.



OUR COMMUNITY

On the other hand, we continue to care for our employees through a variety of activities aimed at strengthening team cohesion and a sense of belonging. During the year, in addition to hosting an appreciation dinner for employees who have served for 20 years to recognise their dedication, JESC also organised team-building excursions to foster interaction among colleagues in a relaxed setting. Meanwhile, TESC held a variety of activities, including a fun sports day, tug-of-war competitions, a rice dumpling-making activity for the Dragon Boat Festival, and parent-child events, which not only celebrate traditional culture but also enhance family engagement. Furthermore, our Shanghai subsidiary arranged a Christmas dinner and a family day featuring live-action CS activities, allowing employees to unwind, bond with colleagues, and enjoy quality time with their families.



OUR COMMUNITY

Furthermore, the Company was acknowledged by Mandatory Provident Fund Schemes Authority as “Good MPF Employer” for the year 2024/25 in recognition of the Company’s ongoing commitment to protecting and enhancing the retirement needs of our employees.

The Group also received a certificate of appreciation from TVB ESG Awards 2025 in recognition of our invaluable support for the Awards, reflecting our ongoing commitment to ESG best practices.

The Group recognises that corporate social responsibility is crucial for the long-term success of our business. Our current community involvement marks only the first step in our ongoing commitment to business sustainability. We are committed to fostering greater employee participation in a wide range of community-focused initiatives, including social welfare programs and community care projects to support our local communities. Looking ahead, we will proactively dedicate resources and seek new opportunities to give back to.



HKEX ESG REPORTING CODE CHECKLIST

Part C: “Comply or explain” Provisions

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2025 ESG Report
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	15-20
KPI A1.1	The types of emissions and respective emissions data.	20-23
KPI A1.3	Total hazardous waste produced and intensity.	23
KPI A1.4	Total non-hazardous waste produced and intensity.	24-25
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	25-26
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction target(s) set and steps taken to achieve them.	27

HKEX ESG REPORTING CODE CHECKLIST

Part C: “Comply or explain” Provisions

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2025 ESG Report
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	28
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	28-29
KPI A2.2	Water consumption in total and intensity.	29
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	29-31
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency target(s) set and steps taken to achieve them.	29-31
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	31-32
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	33-36
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	33-36

HKEX ESG REPORTING CODE CHECKLIST

Part C: “Comply or explain” Provisions

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2025 ESG Report
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	43-48
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	48-49
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	49-50

HKEX ESG REPORTING CODE CHECKLIST

Part C: “Comply or explain” Provisions

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2025 ESG Report
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	51-53
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	53
KPI B2.2	Lost days due to work injury.	53
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	51-53
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	54
KPI B3.1	The percentage of employees trained by gender and employee category.	55
KPI B3.2	The average training hours completed per employee by gender and employee category.	55

HKEX ESG REPORTING CODE CHECKLIST

Part C: “Comply or explain” Provisions

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2025 ESG Report
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	56-57
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	56-57
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	56-57
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	58
KPI B5.1	Number of suppliers by geographical region.	59
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	59-60
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	60
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	60-61

HKEX ESG REPORTING CODE CHECKLIST

Part C: “Comply or explain” Provisions

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2025 ESG Report
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	62-63
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	63
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	64
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	63
KPI B6.4	Description of quality assurance process and recall procedures.	62-63
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	63

HKEX ESG REPORTING CODE CHECKLIST

Part C: “Comply or explain” Provisions

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2025 ESG Report
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	65-66
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	66
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	65-66
KPI B7.3	Description of anti-corruption training provided to directors and staff.	66
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration communities’ interests.	67-71
KPI B8.1	Focus areas of contribution.	67-71
KPI B8.2	Resources contributed to the focus areas.	67-71

HKEX ESG REPORTING CODE CHECKLIST

Part D: Climate-related Disclosure

Paragraph and description	Refer to the page(s) no. of this 2025 ESG Report or remarks
(I) Governance	
19. An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	37-38
(II) Strategy	
Climate-related risks and opportunities	
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	38-41
Business model and value chain	
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	38-41

HKEX ESG REPORTING CODE CHECKLIST

Part D: Climate-related Disclosure

Paragraph and description	Refer to the page(s) no. of this 2025 ESG Report or remarks
Strategy and decision-making	
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	38-41
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	38-41
Financial position, financial performance and cash flows	
24. An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a), for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	38-41

HKEX ESG REPORTING CODE CHECKLIST

Part D: Climate-related Disclosure

Paragraph and description	Refer to the page(s) no. of this 2025 ESG Report or remarks
Anticipated financial effect	
25. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	38-41
Climate resilience	
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.	38

HKEX ESG REPORTING CODE CHECKLIST

Part D: Climate-related Disclosure

Paragraph and description	Refer to the page(s) no. of this 2025 ESG Report or remarks
<i>(III) Risk Management</i>	
27. An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.	42
<i>(IV) Metrics and Targets</i>	
Greenhouse gas emissions	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	21-23

HKEX ESG REPORTING CODE CHECKLIST

Part D: Climate-related Disclosure

Paragraph and description	Refer to the page(s) no. of this 2025 ESG Report or remarks
<p>29. An issuer shall:</p> <p>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</p> <p>(b) disclose the approach it uses to measure its greenhouse gas emissions;</p> <p>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and</p> <p>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	<p>21-23</p>
<p>Climate-related transition risks</p>	
<p>30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>Reasonable Information Relief – We will enhance the methods and processes for assessing the financial effect of climate-related risks and opportunities in our future reports.</p>

HKEX ESG REPORTING CODE CHECKLIST

Part D: Climate-related Disclosure

Paragraph and description	Refer to the page(s) no. of this 2025 ESG Report or remarks
Climate-related physical risks	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable Information Relief – We will enhance the methods and processes for assessing the financial effect of climate-related risks and opportunities in our future reports.
Climate-related opportunities	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable Information Relief – We will enhance the methods and processes for assessing the financial effect of climate-related risks and opportunities in our future reports.
Capital deployment	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group has identified climate-related risks and opportunities and will further identify relevant data to optimise disclosure.

HKEX ESG REPORTING CODE CHECKLIST

Part D: Climate-related Disclosure

Paragraph and description	Refer to the page(s) no. of this 2025 ESG Report or remarks
Internal carbon prices	
<p>34. An issuer shall disclose:</p> <p>(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	<p>We currently have not applied an internal carbon price in decision-making. We will evaluate the feasibility of using an internal carbon price in the future.</p>
Remuneration	
<p>35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.</p>	<p>We do not currently factor climate-related considerations into remuneration and will explore the possibility of adoption in the future.</p>
Industry-based metrics	
<p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.</p>	<p>We did not apply the industry-based metrics. We will explore the feasibility of considering industry-based metrics in the future.</p>

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Part D: Climate-related Disclosure

Paragraph and description	Refer to the page(s) no. of this 2025 ESG Report or remarks
Climate-related targets	
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	21-31
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	21-31
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	21-31
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39.	21-31
Applicability of cross-industry metrics and industry-based metrics	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	We did not apply the industry-based metrics. We will explore the feasibility of considering industry-based metrics in the future.



SHOUGANG CENTURY HOLDINGS LIMITED

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