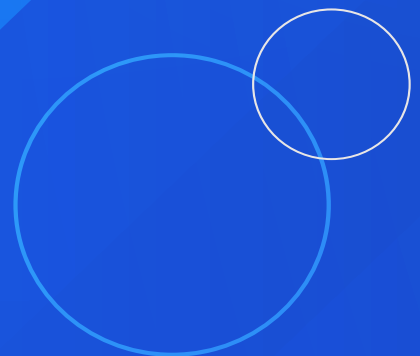




# 2025

## Environmental, Social and Governance Report

Bestway Marine & Energy Technology Co.,Ltd



# Table of Contents

About This Report	01	Environment	30
Chairman's Message	02	Addressing Climate Change	31
About the BESTWAY	04	Environmental Compliance Management	31
Special Topic: Responding to the Sky and Expanding to the Sea, Contributing to Climate Resilience	08	Resource Management and Circular Economy	33
		Emission Management	36
Sustainable Development Governance	18	Social	38
Sustainable Development Strategy	19	Product and Service Safety and Quality	39
BESTWAY ESG Management	20	Customer Service and Management	40
Stakeholder Communication	20	Innovation-Driven	41
Materiality Issue Management	21	Intellectual Property Protection	44
		Data Security and Customer Privacy Protection	46
Governance	22	Supply Chain Security	49
Corporate Governance	23	Employees	51
Protection of Investor Rights and Interests	25	Social Contribution	58
Compliance Management	26	Rural Revitalization	59
Business Ethics	28	Report Appendix	60
		Key Performance Indicators	60
		Indicator Index Table	64
		Reader Feedback Form	65

# Report Opening

## Report Overview

This report is the first Environmental, Social and Governance (ESG) Report published by Bestway Marine & Energy Technology Co.,Ltd (hereinafter referred to as "the BESTWAY", "the Company" or "We"). Adhering to the principles of objectivity, standardization, transparency and comprehensiveness, this report discloses in detail the specific measures, key practices, highlight cases and key performance indicators in actively assuming social responsibility and promoting sustainable development in 2025, aiming to respond to the expectations of stakeholders and better fulfill social responsibility in the future.

## Preparation Basis

This report is prepared with reference to the "Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 17 - Sustainable Development Report (Trial)" and "Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 3 - Preparation of Sustainable Development Report", the Global Reporting Initiative's "Universal Standards for Sustainability Reporting (GRI Standards 2021)", and the "United Nations Sustainable Development Goals" (SDGs). It focuses on reporting the BESTWAY's work in promoting environmental, social and corporate governance aspects. The preparation of this report follows the principles of materiality, quantification, balance and consistency.

## Report Scope

Unless otherwise specified, the data contained in this report covers the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as "the Reporting Period").

The scope of this report is consistent with the scope of the consolidated financial statements in the Company's 2025 annual financial report.

## Data Sources and Reliability Assurance

All information and data in this report are derived from environmental, social and governance information as well as the Company's financial reports that have been compiled, aggregated and reviewed by the Company. Unless otherwise specified, all monetary amounts in this report are denominated in Renminbi (RMB). During the Reporting Period, due to adjustments in statistical methods for some data, certain information has been restated. In case of any inconsistency with data in previous reports, please refer to this report.

The Board of Directors of the Company undertakes that this report contains no false or misleading information and is responsible for the authenticity, accuracy and completeness of its contents.

## Report Access

This report is published annually. You may download the electronic version of this report from the Shenzhen Stock Exchange website ([www.szse.cn](http://www.szse.cn)) and CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

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# Chairman's Message

Dear Shareholders, Partners, Fellow Employees, and Friends from All Sectors of Society:

Hello everyone!

As time passes and seasons change, we remain steadfast in our commitment. The year 2025 marks a pivotal year for the BESTWAY in deepening its presence in the three core areas of marine engineering, defense equipment, and new energy. It is also a year of deepening the integration of sustainable development concepts into strategic planning and business operations. In this year filled with opportunities and breakthroughs, we officially release our first Environmental, Social and Governance (ESG) Report. As a leading private enterprise in ship design and construction, a comprehensive solution provider uniquely integrating ship design and construction in the industry, a research, development and manufacturing supplier of special vessels and defense equipment, and a new energy comprehensive service operator, we have precisely aligned with the three major goals of "Maritime Power", "Dual Carbon Goals", and "Military Industry Upgrade", consistently resonating with national strategies to build a solid business structure. We firmly believe that the high-quality development of an enterprise is inseparable from environmental sustainability, social prosperity, and modernized governance. This report aims to systematically present our practices, achievements over the past year, and our commitments for the future.

## Driving Green Transformation, Protecting the Blue Ocean

We deeply recognize the historical responsibility of the shipbuilding and marine engineering industry in the green transformation, and have translated this into concrete actions to drive technological innovation and production practices.

In the field of low-carbon development, we focus on the research, development and design of new energy vessels. Over the past year, we have completed the design of multiple LNG-powered vessels and methanol-electric hybrid vessels. By optimizing production processes and promoting clean energy substitution, we have achieved a steady decline in carbon emission intensity. Meanwhile, the offshore wind turbine installation platforms we built have been extensively deployed in domestic offshore wind power projects. With excellent construction craftsmanship and stable equipment performance, they have become important equipment support for the advancement of offshore wind power projects, effectively contributing to the development of the offshore wind power industry and providing solid support for the high-quality advancement of the national clean energy cause.

In terms of resource utilization and ecological protection, we adhere to refined control throughout the entire process. We strictly implement environmental protection standards to ensure comprehensive compliant disposal of rainwater, exhaust gas and hazardous waste, achieving 100% compliant disposal of hazardous waste. We have built a new rainwater purification system, where initial rainwater treated through "filtration screen filtration + sedimentation tank precipitation" is reused without discharge. Meanwhile, by engaging third-party service organizations to conduct cleaner production audits, we systematically analyze the production status, set priorities and targets for cleaner production audits, effectively reduce pollutant emissions, successfully complete the preset targets of cleaner production audits, and achieve a win-win situation for both economic and environmental benefits.

## Practicing Social Responsibility, Creating a Value Ecosystem Together

The BESTWAY consistently adheres to driving industrial progress through technological innovation. In 2025, the Company continued to maintain R&D investment, with R&D expenditure accounting for 1.12% of operating revenue. We have achieved fruitful results, with 47 new patents and 35 software copyrights added throughout the year. We have achieved key technological breakthroughs in the development of core products such as large lifting and salvage engineering vessels, offshore wind turbine installation platforms, AHTS multi-functional work vessels, new energy methanol-electric hybrid multi-purpose vessels, large deep-sea farming factory vessels, and multi-functional unmanned vessels. We have also deepened industry-university-research collaboration with institutions such as China Classification Society, Wuhan University of Technology, Tianjin University, and Shanghai University of Engineering Science, driving the proportion of high-tech products (services) related to these technologies to exceed 90%. In the defense equipment field, we successfully completed the acceptance of 9 military-civilian integration projects, providing technical support for the construction of national maritime defense security and emergency rescue systems.

Employees are the cornerstone of enterprise development. We adhere to the corporate vision of "Building the Enterprise with Integrity, Serving the Country through Technology, People-oriented, and Pursuing Excellence", striving to create a safe, healthy and inclusive working environment for employees, and continuously enhancing employees' sense of happiness and belonging. We strictly comply with labor regulations and effectively safeguard employees' legitimate rights, interests and well-being. Through school-enterprise cooperation, skills training, and dual-channel promotion mechanisms, we have built diverse growth platforms for employees, comprehensively carrying out over 566 employee skills and management training sessions, with an employee coverage rate of 87.41%. The Company always prioritizes employee occupational health and safety, achieving annual occupational health and safety management goals through regular employee physical examinations, regular safety production training, and fire emergency drills. We actively give back to the community through paired assistance, participation in maritime emergency rescue drills, and organizing volunteer services, contributing positively to the harmonious development of the community.

## Consolidating Corporate Governance, Building a Solid Foundation for Development

In terms of corporate governance, we continuously optimize the corporate governance structure, ensuring the scientific and efficient nature of decision-making by improving the functions of the Board of Directors and various specialized committees and safeguarding the independence of independent directors. We continuously improve the internal control and compliance system, deepen risk management mechanisms, strengthen process control through digital tools, prevent operational risks, and adhere to the bottom line of integrity management. By the end of 2025, the BESTWAY's order backlog exceeded RMB 14.5 billion (including pending effectiveness), with production scheduled until 2028, rewarding shareholders' trust with stable operating performance. We attach importance to intellectual property protection and innovation incentives, forming a virtuous cycle of "R&D - Transformation - Protection", injecting core momentum into the sustainable development of the enterprise.



## Looking Ahead

This is the Company's first ESG Report, serving both as a summary of the past and an expectation for the future.

Looking back at 2025, our sustainable development management has achieved phased results, but we are also keenly aware that this remains a systematic project requiring long-term investment and continuous improvement.

Looking ahead to 2026 and beyond, we will take this report as an opportunity to further integrate ESG concepts into strategic planning and business operations, continuously deepen the green and low-carbon transformation, accelerate new energy technology R&D and green production transformation, promote the localization of defense equipment, and expand new energy marine application scenarios. We will continuously improve the ESG governance system and strengthen communication and collaboration with stakeholders. While creating economic value, we will actively fulfill social responsibilities and protect the blue marine ecology.

The journey is long, and only through hard work can we succeed. We thank all shareholders for their firm trust, partners for walking alongside us, fellow employees for their hard work, and all sectors of society for their continued attention and support to the BESTWAY. In the future, we will uphold the core values of "Integrity, Integration, Excellence, and Win-Win", with firmer responsibility and more outstanding technological innovation, deeply cultivating the marine economy, protecting the green homeland, and writing a new chapter in the coordinated development of the enterprise and society!

Thank you all!

Bestway Marine & Energy Technology Co.,Ltd  
Chairman: He Xudong  
April 2026

# About the BESTWAY

## Company Profile

Bestway Marine & Energy Technology Co., Ltd was founded in 2001 and listed on the Growth Enterprise Market of Shenzhen Stock Exchange in 2009, becoming the first listed company in the comprehensive shipbuilding technology sector in China. It is a unique comprehensive solution provider integrating ship design, supervision and construction in the industry, an advanced R&D and manufacturing supplier, and a new energy comprehensive service operator. The Company's current main business covers three major business areas: marine engineering, defense equipment, and new energy, fully leveraging the synergies between platforms. The Company adheres to the development strategy of "Technology Leadership, Integrated R&D and Manufacturing, Military-Civilian Integration, and Intelligent Green Development", upholds the vision of "Serving National Strategies and Becoming a Thriving Marine Technology Industry Group", is committed to innovative development, and builds the enterprise's development path with integrity and strength.

## Development History

Year	Event
2001	Bestway Marine & Energy Technology Co.,Ltd was founded in 2001
2009	Among the first batch of companies listed on the Growth Enterprise Market of Shenzhen Stock Exchange
2014	Acquired Shanghai Wojin Natural Gas Utilization Co., Ltd.
2015	Acquired Taizhou Jinhaiyun Marine Equipment Co., Ltd. (now renamed Jiangsu Jinhaiyun Technology Co., Ltd.)
2017	Acquired Jiangsu Dajin Heavy Industry Co., Ltd.
2021	Release of the 2021-2025 Five-Year Strategic Plan
2022	Acquisition of Shanghai Changhai Shipping Co., Ltd.
2025	Operating revenue exceeded RMB 4.5 billion, and net profit reached RMB 297 million, hitting a ten-year high.

## Corporate Culture

### Corporate Mission

Driven by technology, empowering humanity to better explore the oceans

### Corporate Vision

Serving national strategies and becoming a thriving marine technology industry group.

### Corporate Values

Integrity, Integration, Excellence, Win-Win

### ESG Development Strategy

- Social Responsibility: Occupational health, humanistic care, charity and public welfare
- Environmental Responsibility: Practicing ecological civilization, pursuing sustainable development, reducing social energy consumption, and reducing pollutant emissions
- Low-carbon Innovation: Green energy, green design, green procurement, green manufacturing, green logistics, green office

## Corporate Culture

- Integrity: The BESTWAY inherits the corporate development vision of "Building the Enterprise with Integrity". To customers, partners, employees, and the enterprise itself, we always adhere to the concept of integrity as the foundation, believing that integrity leads to long-term success.
- Integration: The BESTWAY's business layout involves multiple related industries and value fields. Cultural integration and coordinated development are inevitable requirements for the BESTWAY's strategic coordination and internal management.
- Excellence: The BESTWAY takes "Technology Leadership" as the starting point, deeply cultivates its main business, strives for progress, establishes benchmark enterprises in the shipbuilding and defense fields, and becomes a leader in industry transformation and development.
- Win-Win: The BESTWAY establishes an open cooperation concept, fully mobilizes various resources, and coordinates with government agencies, industry customers and other parties. Through resource integration and complementary advantages, we achieve win-win results, and are committed to building a value-oriented enterprise with good operating efficiency, high employee happiness index, and trustworthiness.

## 2025 BESTWAY Milestones

Date	Event
December 18, 2025	The 2#1064 TEU container vessel built by subsidiary Jiangsu Dajin Heavy Industry Co., Ltd. ("Dajin Heavy Industry") for H.P.Wegener was successfully delivered.
November 19, 2025	The "Zhanjiang Bay No. 1" built by subsidiary Dajin Heavy Industry for Zhanjiang Bay Laboratory was successfully delivered. This platform, independently developed and designed by Zhanjiang Bay Laboratory, is the world's first floating dynamic positioning farming platform integrating multiple functions including offshore semi-submersible farming, autonomous navigation for typhoon avoidance, green energy supply, and intelligent control.
August 13, 2025	Subsidiary Dajin Heavy Industry successfully signed the EPC contract for a series of 6 vessels of 65-meter anchor handling tug supply vessels (AHTS), achieving new progress in the offshore engineering market expansion.
May 28, 2025	The "CRCC Bridge Lifting 2" 1300-ton full-revolving crane vessel, carefully built by subsidiary Dajin Heavy Industry for China Railway Construction Bridge Engineering Bureau Group Co., Ltd., was successfully delivered at Qingdao Haixi Terminal.
April 7, 2025	Subsidiary Dajin Heavy Industry and China Railway Construction Bridge Engineering Bureau Group Co., Ltd. jointly signed the construction contract for the "156-meter Dynamic Positioning Piling Vessel" at Tianjin CRCC Building.

# Annual Honors

Award/Recognition

Image

Shanghai Patent Work Demonstration Unit



The project "Key Technologies and Applications of Autonomous Navigation for Unmanned Vessels" won the Second Prize of Technical Invention Award of Shanghai Science and Technology Award



Selected in the 2025 Songjiang District Enterprise Technology Center Recognition List



Selected in Shanghai Top 100 Manufacturing Enterprises (65th), Shanghai Top 100 Private Enterprises (92nd), Shanghai Top 100 Private Manufacturing Enterprises (38th), and Shanghai Top 100 Emerging Industries (54th)



2025 Shanghai Design "Design 100+" Global Competition TOP 100 Project



Award/Recognition

Image[1]

Ship Design Unit Design Condition Evaluation "General Ship Design Unit (Grade A)" and "Fishing Vessel Design Unit (Grade A)"



2024 Shanghai Design 100+ Global Competition



High-tech Enterprise

Shanghai Jiahou Ship and Ocean Engineering Research and Design Co., Ltd., Shanghai Jiachuan Engineering Supervision Development Co., Ltd., Jiangsu Jinhaiyun Technology Co., Ltd., Jiangsu Dajin Heavy Industry Co., Ltd., Jiangsu Jiamei Offshore Engineering Equipment Co., Ltd., Jiangsu Chuanhai Engineering Design Research Institute Co., Ltd.



Data Sharing Ecosystem Construction Application Unit



Specialized, Refined, Characteristic and Innovative SMEs

Bestway Marine & Energy Technology Co.,Ltd, Shanghai Jiahou Ship and Ocean Engineering Research and Design Co., Ltd., Jiangsu Jinhaiyun Technology Co., Ltd., Jiangsu Dajin Heavy Industry Co., Ltd.



National Specialized, Refined, Characteristic and Innovative "Little Giant" Enterprise

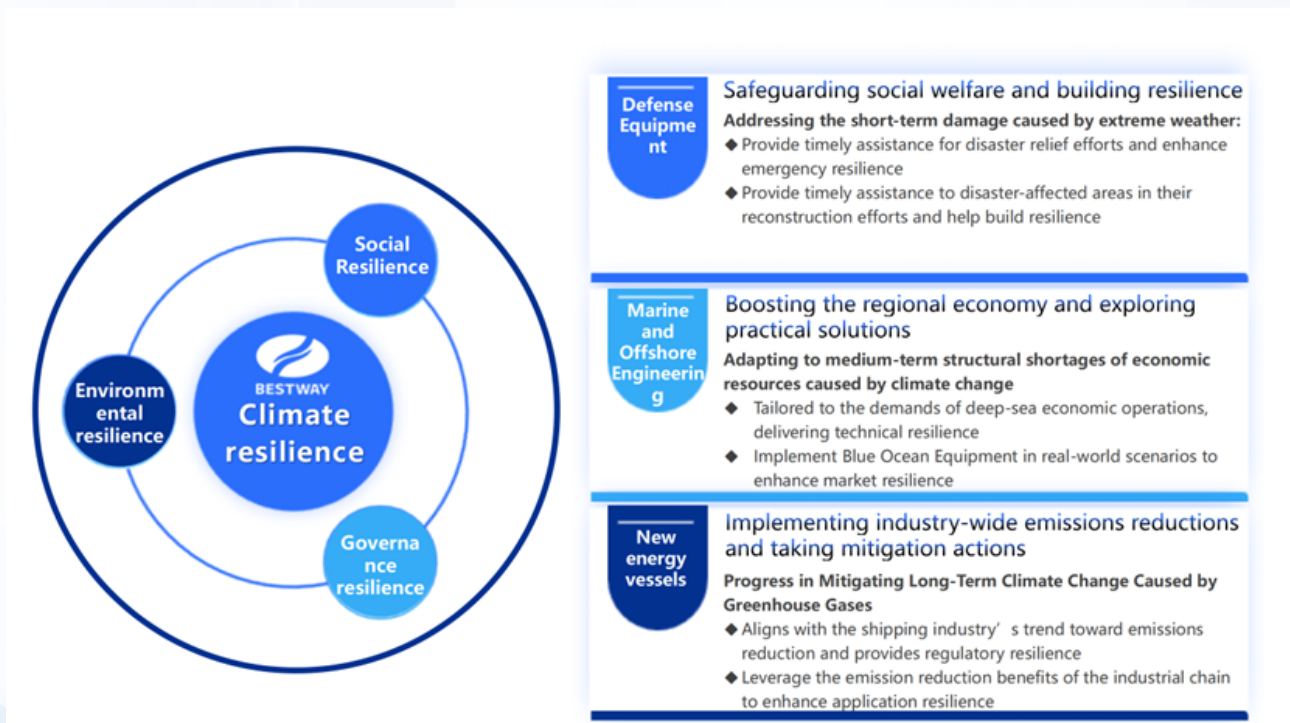


# Special Topic: Responding to the Sky and Expanding to the Sea, Contributing to Climate Resilience

Against the backdrop of increasingly severe global climate change challenges, climate resilience has become a core indicator for measuring the sustainable development capabilities of society, economy and enterprises. Climate resilience includes not only the "response" capability to extreme weather events, but also emphasizes the "adaptation" practices accompanying climate change, and encompasses "mitigation" actions to reduce greenhouse gas emissions to slow down the climate change process.

## Climate Resilience Strategy Across All Businesses

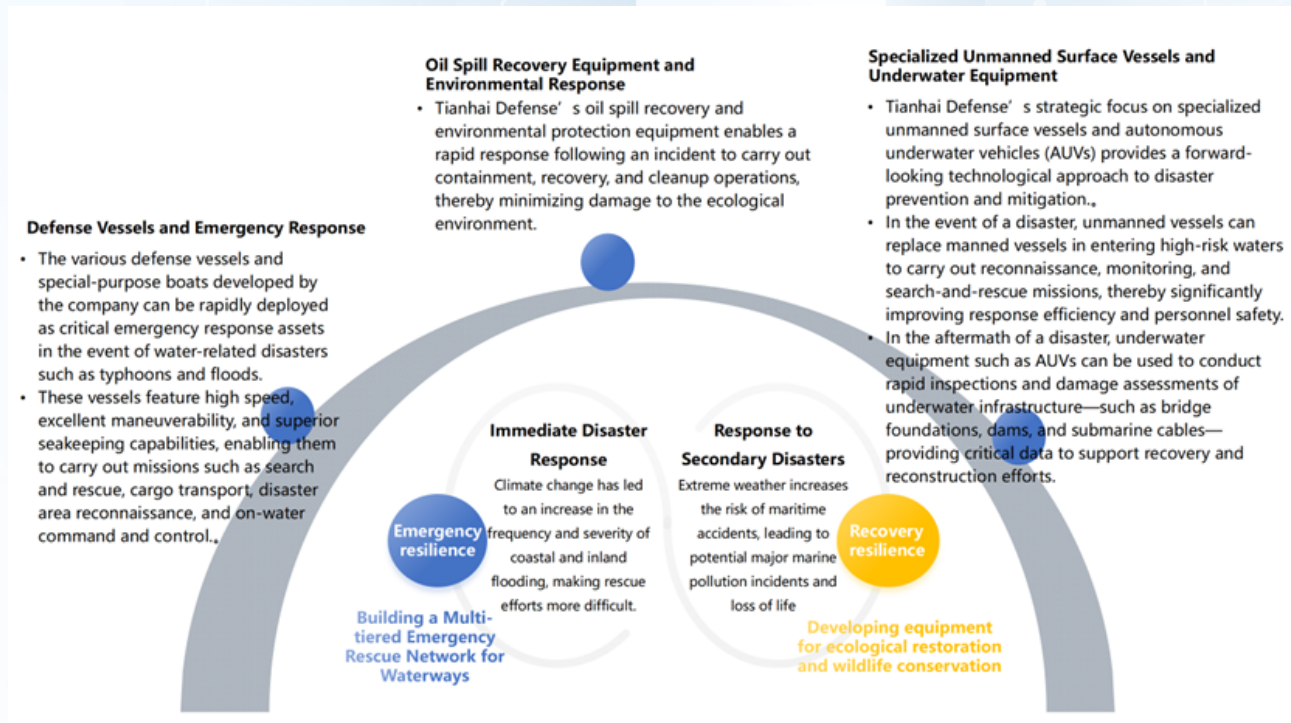
Based on its business layout, the BESTWAY fully integrates into the urgent global climate change situation. By strengthening the adaptive application of defense equipment in disaster response and rescue, it enhances society's ability to cope with extreme weather. At the same time, it deeply promotes the participation of marine engineering business in deep-sea exploration and development, providing suitable equipment for China's marine economy development, and helping China adapt to the land economic transformation brought about by climate change. At the industry level, it actively participates in green ship innovation, focusing on developing more practical new energy vessels, exploring application scenarios for new energy vessels, and promoting necessary actions by the industry to mitigate the climate process.



BESTWAY's Climate Resilience Contribution Strategy

## Developing Defense Equipment to Address Extreme Weather Challenges

Climate change has significantly increased the frequency and intensity of extreme weather events worldwide, posing serious threats to social infrastructure, economic activities, and people's lives and property. Through the development of defense equipment business, the BESTWAY implements military-civilian integration and carries out transformation in the field of civil disaster prevention and mitigation, providing suitable equipment for the improvement of society's disaster prevention and mitigation capabilities, enhancing community climate resilience, and addressing the short-term damage caused by extreme weather.



### BESTWAY's Path to Helping Communities Address Extreme Weather Challenges

#### Case: Assisting Heilongjiang Flood Rescue Operations

In August 2023, affected by the combined impact of Typhoons "Doksuri" and "Khanun", Heilongjiang Province experienced continuous heavy rainfall, with severe flooding disasters occurring in many places, making flood fighting and rescue operations extremely challenging. The BESTWAY responded quickly, and subsidiary Jinhaiyun urgently mobilized 10 assault boats, 7 rubber boats, and 5 outboard motors and other emergency rescue equipment worth RMB 445,000, which were delivered to Harbin within 40 hours of non-stop travel day and night, and dispatched professional technical personnel to provide operational guidance. This assistance provided urgently needed water rescue equipment to the disaster-stricken areas, effectively enhancing local flood fighting and rescue capabilities, and contributing significantly to flood prevention and emergency rescue operations.[]



### Case: Airdrop Lifeboat Technology Breakthrough

Facing the challenges of high timeliness requirements for water emergency rescue and limitations of traditional rescue methods by site and distance, the BESTWAY carried out key core technology breakthroughs for airdrop emergency rescue boats. This equipment can be airdropped by helicopters or fixed-wing aircraft, automatically inflates and rights itself upon water entry, and can be airdropped with self-contained power and fuel, suitable for water rescue. The Jiangsu Province Industrial and Information Technology Transformation and Upgrading Special Fund Project "Key Core Technology Breakthrough and Equipment Development for Airdrop Emergency Rescue Boats" in which the Company participated has completed acceptance, achieving technological breakthroughs. This equipment improves emergency rescue response speed and success rate in complex environments, providing a new technical means for water rescue.



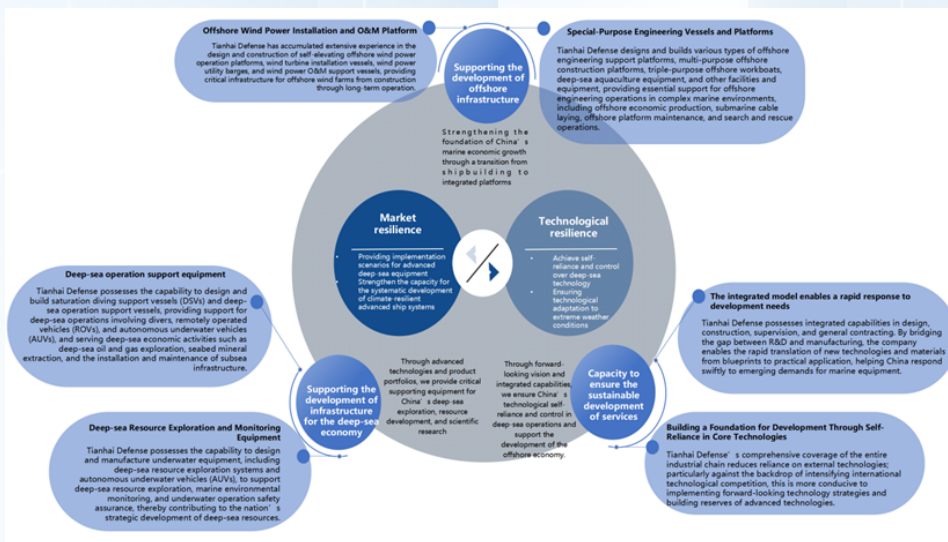
### Case: Development of Intelligent Unmanned Search and Rescue Platform

Addressing the challenges of high difficulty and risk in personnel search and rescue under severe sea conditions, the BESTWAY has developed a highly maneuverable unmanned autonomous intelligent search and rescue platform for severe sea conditions. This platform has functions such as autonomous navigation, intelligent obstacle avoidance, and target recognition, and can perform search and rescue missions under severe weather conditions, reducing the risk to rescue personnel. The key demonstration project of the military-civilian integration development special fund in which the Company participated has completed acceptance, and the intelligent search and rescue unmanned vessel product won the Science and Technology Award of Jiangsu Military Industry Society. The application of this platform improves the intelligence level and operational safety of maritime emergency rescue, providing advanced equipment support for building a modern maritime search and rescue system.



## Advancing marine and offshore engineering to harness climate transition opportunities.

Climate change is profoundly affecting the economic and social stability of coastal regions. Against this backdrop, expanding industries into the more stable and resource-abundant deep sea is not only an economic choice to pursue new growth drivers but also a forward-looking climate adaptation strategy. Through its marine and offshore engineering business, Tianhai Defense enhances China's maritime infrastructure capabilities, deep-sea support capabilities, and development assurance capabilities. By providing market resilience and technological resilience for deep-sea economic operations and the deployment scenarios of deep-sea equipment, the company helps China address the medium-term structural challenges of economic resource scarcity induced by climate change.



### Tianhai Defense's Engagement in National Economic Transition Pathways Driven by Climate Change

#### Case: Developing Deep-Sea Operational Equipment to Safeguard Deep-Sea Infrastructure

China's deep-sea oil and gas fields, submarine data centers, and other infrastructure are facing increasing threats from geological activities and extreme weather events induced by climate change. In response, Tianhai Defense has designed and constructed specialized vessels including the "Shenda Hao" new-generation deep-diving working mother ship and a 300-meter saturation diving support vessel. These are equipped with a dual-bell 24-person saturation diving system, a 3,000-meter-class ROV, and a 400-ton wave compensation crane. Featuring DP3 dynamic positioning capability, the vessels enable all-weather installation, inspection, maintenance, and emergency response, ensuring stable operations even in harsh sea conditions. This effectively safeguards national energy and information security while enhancing the resilience and risk resistance of deep-sea infrastructure.



### Case: Designing and Building Wind Power Platforms to Support Green Energy

As offshore wind power transitions to deeper waters, there is a growing need for platforms capable of accommodating large wind turbines of 15 MW or more, leading to increasingly stringent requirements for installation platforms. Tianhai Defense has developed a series of 1,600–2,500-ton self-elevating wind turbine installation platforms. By optimizing the leg design and integrating intelligent route planning and energy management systems, these platforms effectively facilitate the transition of wind farms from nearshore to offshore waters, enhancing installation efficiency and safety. They enable the efficient utilization of high-quality wind energy, support the achievement of the “dual carbon” goals, foster a diversified energy structure, and strengthen the resilience of the national energy system.



### Case: Building the “Zhanjiang Bay No. 1” to Pioneering Offshore Aquaculture

Traditional nearshore marine aquaculture faces increasing threats from marine disasters such as typhoons and red tides caused by climate change, as well as spatial constraints, creating an urgent need to expand into offshore waters. Tianhai Defense has developed the world’s first floating dynamic positioning net pen workboat, the “Zhanjiang Bay No. 1.” With a total length of 154 meters and a width of 44 meters, it holds 80,000 cubic meters of aquaculture water and produces 2,000 tons of premium fish annually. The vessel integrates dynamic positioning and autonomous navigation systems, enabling it to proactively avoid extreme weather conditions such as typhoons, shifting from passive risk mitigation to active risk avoidance; simultaneously, it is equipped with a three-dimensional communication network spanning air, land, sea, and space, along with a full-process intelligent management and control system, enabling precision aquaculture; furthermore, it utilizes complementary clean energy sources—photovoltaic and vertical-axis wind power—along with HPDE fully transparent netting, achieving low-carbon, circular operations. This platform effectively drives the transition of marine aquaculture from nearshore to deep-sea areas, enhancing the climate resilience and risk-resistance capabilities of national food security and the marine economy.



## Develop innovative low-carbon ships to mitigate climate change

The shipping industry is the lifeline of global trade, but it is also one of the major sources of greenhouse gas emissions. As a key player in the industry chain, Tianhai Defense actively collaborates with upstream and downstream enterprises and the shipping industry to pursue low-carbon and sustainable development. By designing and building low-carbon, environmentally friendly vessels, the company provides regulatory resilience to help the industry align with emission reduction trends and operational resilience to support coordinated emission reductions across the industry chain, thereby helping to mitigate the long-term effects of climate change caused by greenhouse gases.



### Tianhai Defense's Pathway to Supporting Climate Mitigation Actions

#### Case: Launching New Energy Refueling Services for Vessels

As the International Maritime Organization (IMO) imposes increasingly stringent carbon emission regulations, the number of vessels using clean fuels such as LNG and methanol is growing rapidly. However, the lack of supporting refueling infrastructure has become a key bottleneck hindering the industry's low-carbon transition. The Maritime Services Division of Tianhai Defense focuses on LNG and methanol bunkering services for vessels, utilizing a tanker-to-ship bunkering model to ensure a supply of clean fuel for dual-fuel vessels. In September 2025, the team completed the bunkering of 886 tons of LNG for the "Phoenix," setting a new company record for the largest single-vessel LNG bunkering volume; In December of the same year, the team completed the methanol bunkering for Changsheng Group's first 5,900 TEU methanol-dual-fuel container ship, bunkering 1,200 tons in a single operation—setting a new domestic record for methanol bunkering from a tanker truck to a vessel in a single transaction, while ensuring the entire process was safe, efficient, and zero-emission. Furthermore, the team obtained ISO Triple Certification, established a standardized management system covering the entire refueling business chain, and signed strategic cooperation agreements with upstream and downstream enterprises to build an ecological platform for green energy refueling for ships. The launch of this business provides shipping companies with reliable clean fuel supply assurance, effectively addresses infrastructure bottlenecks in the application of alternative fuels, and helps the shipping industry comply with increasingly stringent environmental regulations.



### Case: Development of Methanol-Dual-Fuel Carriers

With the International Maritime Organization (IMO) tightening its carbon emissions regulations and the imminent implementation of a carbon tax in Europe, the shipping industry faces immense pressure to reduce emissions. Methanol, as a low-carbon alternative fuel, has garnered significant attention. Tianhai Defense is actively engaged in the research, development, and design of methanol-diesel hybrid and methanol-diesel-battery hybrid tankers and bulk carriers. The company's current portfolio includes design and construction contracts for methanol-fueled and methanol dual-fuel tankers. Methanol fuel enables significant emissions reductions, is relatively convenient to store and transport, and offers good economic viability. The development of this vessel type provides shipping companies with a solution that balances emissions reduction targets with operational costs, helping the industry meet increasingly stringent environmental regulations.



### Case: Promoting the Adoption of LNG-Powered Vessels

The green transition of the shipping industry is imminent. As a mature, clean alternative fuel with relatively well-developed technology, LNG is one of the most viable emission reduction solutions at this stage. Tianhai Defense leads the field in LNG-powered vessel technology, having designed the world's first LNG-powered harbor tug and Asia's first LNG-only harbor tug. Its affiliated shipyards have a track record of building nearly 70 LNG-powered vessels. The company's technological achievements in LNG-powered vessels have been applied to the R&D of new vessel types for offshore oilfield support vessels at companies such as CNOOC Services and Sinopec, helping to build the world's largest fleet of clean energy platform supply support vessels. LNG-powered vessels can reduce emissions of sulfur oxides, nitrogen oxides, and particulate matter, providing a mature and reliable technical pathway for the green transition of coastal and inland waterway shipping.



### Case: Design of a Sail-Battery Hybrid General Cargo Ship

Emissions control areas such as the North Sea and the Baltic Sea in Northern Europe are imposing increasingly stringent limits on nitrogen oxides, sulfur oxides, and carbon dioxide emissions from ships, placing traditional propulsion vessels under severe compliance pressure. Tianhai Defense has designed a 13,000-ton self-unloading general cargo ship that integrates a rotary sail auxiliary propulsion system with a 24,000 kWh battery pack, enabling hybrid propulsion using both fuel and battery power. In all-electric mode, the vessel achieves zero emissions of nitrogen oxides, sulfur oxides, and carbon dioxide; the rotary sail further reduces fuel consumption and carbon emissions by harnessing the favorable wind conditions in Northern European waters. Additionally, the main engine meets Tier III emission standards, and the vessel is equipped with a rudder ball energy-saving device and a shore power system. The construction of this vessel type provides a green solution that balances efficient operations with low-carbon emissions for routes in high-latitude emission control areas, helping the shipping industry address increasingly stringent environmental regulations.



### Case: Construction of a 1,064 TEU Open-Deck Container Ship

With increasingly stringent emission requirements in the Nordic Emission Control Area, traditional container ships must balance loading/unloading efficiency with environmental compliance. Tianhai Defense designed and built a 1,064 TEU open-deck container ship featuring a deckhouse-free open-deck design to enhance loading/unloading efficiency; equipped with a MAN methanol-pre-installed main engine, shaft-driven generator, controllably pitch propeller, and rudders with trim tabs to meet EEDI 3 and IMO Tier III emission standards; and fitted with a waste heat recovery system and shore power to achieve zero emissions in port. Upon future conversion to methanol fuel, it will help establish a “green transport corridor” in Northern Europe. This vessel provides an efficient and green solution for European feeder shipping, assisting shipowners in addressing the Carbon Intensity Indicator (CII) and the Fit for 55 policy.



### Case: Research and Technology Development for Hydrogen- and Ammonia-Powered Vessels

As the “dual carbon” goals advance, hydrogen and ammonia—as ultimate zero-carbon alternative energy sources—represent the inevitable choice for the shipping industry to achieve deep decarbonization, making the development of relevant technologies of critical importance. Tianhai Defense is actively conducting research on hydrogen- and ammonia-powered vessels, delving into the technical characteristics, configurations, and market status of ammonia-fueled engines and supply systems. This has led to the development of recommended configurations for ammonia-powered systems, providing a solid technical foundation for the company’s future design and development of ammonia-fueled vessel models. These forward-looking technological reserves lay the foundation for the company to secure a leading position in future green ship technology and contribute to the realization of the nation’s “dual carbon” strategic goals.

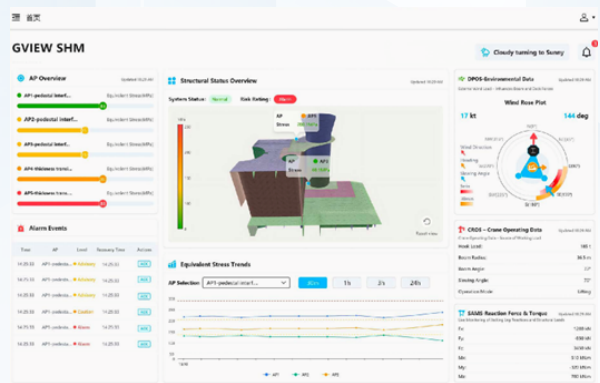
### Case: Development of a 300-TEU Smart Container Ship

The intelligent transformation of the shipping industry is a key pathway to improving operational efficiency and reducing energy consumption, and smart navigation technology represents the future direction of development. The “Zhifei,” a 300-TEU smart container ship developed and designed by Tianhai Defense, has successfully been converted into China’s first cargo ship serving as an unmanned maritime test platform, marking China’s position among the global leaders in the research, development, and application of smart navigation technology. Equipped with an advanced autonomous navigation system, an intelligent collision avoidance system, and an energy management system, the vessel enables route optimization, reduced fuel consumption, and enhanced safety performance. The application of smart ship technology not only improves shipping efficiency but also reduces energy consumption and emissions through optimized routes and operational strategies, setting a benchmark for the intelligent development of the shipping industry.



## Case: Developing Intelligent Ship Systems to Enhance Shipping Energy Efficiency

The intelligent transformation of the shipping industry is a key pathway to improving operational efficiency and reducing energy consumption. However, challenges such as the difficulty of integrating multi-source, heterogeneous ship data and the lack of real-time monitoring of equipment health have hindered the potential for energy efficiency optimization. Shanghai Jinhailong Intelligent Technology Co., Ltd., a subsidiary of Tianhai Defense, specializes in the R&D of intelligent ship technologies. The company has launched the INF Data Infrastructure Platform, which enables the unified collection and standardized integration of data from multiple systems—including navigation, engine room, and energy efficiency—while supporting real-time synchronization with shore-based systems and secure data storage. The company has also developed the MHM (Mechanical Health Monitoring) system and the SHM (Structural Health Monitoring) system to assess the condition of and provide early warning for faults in critical components such as main propulsion equipment, generator sets, pylons, and the hull, thereby assisting maintenance decision-making and reducing operational energy consumption. The company also provides intelligent integration platforms and intelligent navigation systems to optimize routes and enable autonomous collision avoidance, thereby reducing fuel consumption; its water cannon tracking and feedback system can accurately identify targets, enhancing operational efficiency. The application of this series of intelligent products optimizes vessel operational efficiency through data-driven approaches, helping the shipping industry achieve coordinated development toward digitalization and low-carbon operations.



## Case: Building a Green and Smart Demonstration Vessel for Inland Waterways

The transition toward green and smart inland waterway shipping requires demonstration projects to lead the way, driving the improvement of industry standards and large-scale adoption. Tianhai Defense has signed a contract with Changhang Freight for the design and construction of a 7,500-ton green and smart demonstration vessel. This LNG dual-fuel green and smart vessel is primarily intended for cargo transport on the Yangtze River mainstem. As a new energy demonstration project under the Ministry of Industry and Information Technology, it represents the most advanced direction for the development of Yangtze River shipping. The demonstration vessel integrates multiple advanced technologies, including LNG dual-fuel propulsion, intelligent navigation, and energy efficiency management, significantly reducing emissions while improving transport efficiency. The implementation of this project provides a model for the green and intelligent transformation of inland waterway vessels, driving the entire industry toward low-carbon and high-efficiency transformation and upgrading.



# 01

## Sustainable Development Governance

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Aligned with the United Nations Sustainable Development Goals

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### Key Issues

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- Sustainable Development Management
- Stakeholder communication

# Sustainable Development Strategy

The BESTWAY deeply recognizes that sustainable development is the core path for enterprises to achieve long-term value creation and social responsibility. Centered on the development tenet of "Technology Leadership, Integrated R&D and Manufacturing, Military-Civilian Integration, and Intelligent Green Development", the Company continues to develop its three major businesses of marine engineering, defense equipment, and new energy, with the goal of serving the national maritime power strategy in the new era, implementing deep-sea technology development, and developing new quality productive forces, building a forward-looking and systematic sustainable development strategy.

## Sustainable Development Potential

### Marine Engineering: Contributing to Maritime Power Construction

As the Company's traditional core business, marine engineering is oriented toward "Intelligent Green Development", focusing on the R&D of high-tech, high-value-added vessel types and EPC general contracting capability building. Through continuous technology R&D and product structure optimization, it promotes the development of green ships and intelligent ships, enhances China's independent innovation capability in marine equipment, and serves the national maritime power strategy.

### Defense Equipment: Deepening Military-Civilian Integration

Defense equipment, as a strategically important business, relies on flexible mechanisms and industrial chain synergy advantages, focusing on intelligent unmanned vessels, special defense equipment and other fields to create differentiated competitive advantages. Through the strategy of "Precise Positioning, Differentiation, Technology Focus, and Production Excellence", it promotes the deep integration of military technology with civilian industries, enhances the independent support capability of national defense equipment, and serves the national security strategy.

### New Energy: Layout of New Low-Carbon Transportation Track

New energy, as a strategically important business, practices the concept of "Design Leading Construction", focusing on the R&D of marine core equipment and system integration, laying out the application of new energy technology and intelligence in the shipbuilding field, creating a new category of cross-border integrated water cultural tourism products, and promoting low-carbon transformation in the transportation field. Through coordinated development with the marine engineering and defense equipment sectors, it gradually builds a comprehensive clean energy utilization and service platform, contributing to the achievement of "Dual Carbon" goals.

## Sustainable Development Path

### Integrated Development Path

With the "Three Major Sectors" as the core, the Company strengthens business synergy and resource sharing, promotes deep integration of marine engineering, defense equipment, and new energy in dimensions such as technology, market, and customers, builds an efficient and coordinated industrial ecosystem, and enhances overall risk resistance and comprehensive competitiveness.

### Low-Carbon Transformation Path

The Company implements green and low-carbon development concepts, continuously promotes the R&D and application of green ships, clean energy equipment, and energy-saving technologies, optimizes energy structure and operation models, promotes green upgrading of the entire industrial chain, and contributes to the low-carbon transformation of the transportation and marine equipment industries.

### Intelligent Upgrading Path

The Company empowers traditional industries with intelligence, focusing on key areas such as intelligent unmanned vessels, intelligent ships, and intelligent control systems, promoting digital and intelligent upgrading of the entire process of design, manufacturing, and operation, enhancing product added value and service efficiency, and strengthening the endogenous momentum for sustainable development.

# BESTWAY ESG Management

The BESTWAY deeply integrates ESG concepts into corporate strategy and daily operations, establishing a three-tier ESG working mechanism of "Decision-Making - Management - Execution" to ensure that ESG work is implemented at all levels and operates effectively.

## ESG Working Mechanism

Level	Specific Responsibilities
Decision-Making Level	Responsible for reviewing ESG strategies, supervising major ESG risks and opportunities, and regularly listening to management reports.
Management Level	Led by the Securities and Investment Center, with the participation of heads of various business sectors and centers (departments/offices), coordinating and promoting the advancement and implementation of ESG work.
Execution Level	Various centers (departments/offices) and business units are responsible for daily ESG data collection, measure implementation, and feedback on improvement suggestions.

# Stakeholder Communication

The BESTWAY attaches great importance to communication and cooperation with stakeholders, viewing it as an important foundation for promoting sustainable development. Based on the characteristics and concerns of various stakeholders, the Company has established diversified communication channels and feedback mechanisms. By proactively disclosing development dynamics and dynamically receiving opinions from all parties, it accurately identifies key demands, comprehensively understands related expectations, precisely responds to various concerns, and continuously enhances the transparency and effectiveness of communication.

## Communication Channels for Stakeholders in Maritime and Air Defense

Stakeholder	Expectations and Demands	Response and Communication Methods
Shareholders/Investors	<ul style="list-style-type: none"> <li>Sustained growth in operating performance</li> <li>Open and transparent corporate information</li> <li>Protection of shareholder rights and interests</li> <li>Standardized corporate governance</li> <li>Risk prevention</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' meetings</li> <li>Company announcements and periodic reports</li> <li>Performance briefings</li> <li>Visits/telephone/written communication</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>Tax payment in accordance with law</li> <li>Employment creation</li> <li>Compliant operation</li> <li>Promoting economic development</li> <li>Assuming social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Daily communication and reporting</li> <li>Cooperation with regulatory inspections</li> <li>Participation in government research activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Maintaining long-term good cooperation</li> <li>Providing quality products and services</li> <li>Honest transactions</li> <li>Protecting customers' legitimate rights and interests</li> <li>Product quality and service management</li> </ul>	<ul style="list-style-type: none"> <li>Customer consultation and complaints</li> <li>Customer satisfaction surveys</li> <li>Industry exhibitions</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Protection of employee rights and benefits</li> <li>Sound career development channels</li> <li>Smooth communication channels</li> <li>occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Employee meetings</li> <li>Employee activities</li> <li>Employee training</li> </ul>

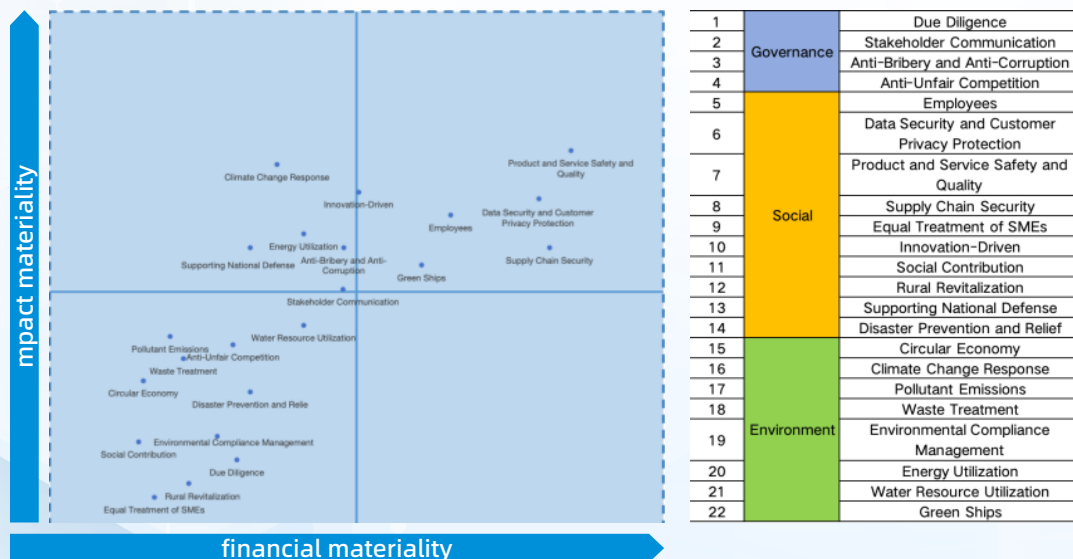
Stakeholder	Expectations and Demands	Response and Communication Methods
Suppliers	<ul style="list-style-type: none"> <li>Maintaining long-term good cooperation</li> <li>Fair and transparent procurement</li> <li>Clean procurement</li> <li>Compliance with business ethics</li> </ul>	<ul style="list-style-type: none"> <li>On-site research</li> <li>Supplier audits</li> </ul>
Industry Partners	<ul style="list-style-type: none"> <li>Mutual benefit and win-win</li> <li>Smooth communication channels</li> <li>Promoting industry development</li> </ul>	<ul style="list-style-type: none"> <li>Actively engaging in association activities</li> <li>Participating in industry exhibitions</li> </ul>
Community	<ul style="list-style-type: none"> <li>Caring about and supporting community development</li> </ul>	<ul style="list-style-type: none"> <li>Charitable donations</li> <li>Participation in volunteer public welfare services</li> </ul>

## Materiality Issue Management

The BESTWAY systematically carries out annual materiality issue identification work by combining disclosure standards, market concerns, and the characteristics of its industry and business operations. In 2025, the Company implemented impact and financial materiality analysis of issues in accordance with the "Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 17 - Sustainable Development Report (Trial)".

### Key Performance:

- Identified 22 materiality issues.
- Identified 5 issues with high double materiality.



Double Materiality Issue Matrix

# 02

## Governance

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Aligned with the United Nations Sustainable Development Goals

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### Key Issues:

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Due Diligence  
Stakeholder communication  
Anti-Bribery and Anti-Corruption  
Anti-Unfair Competition  
Equal Treatment of SMEs

# G

# Corporate Governance

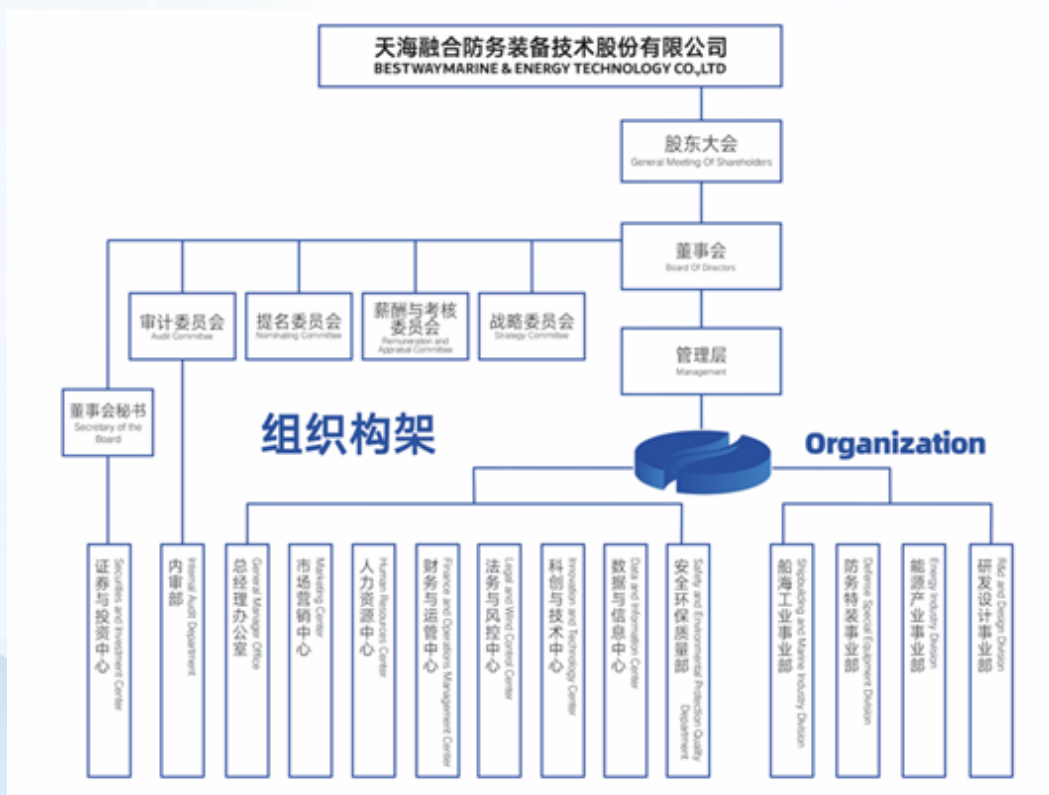
The BESTWAY adheres to the development philosophy of standardization, transparency and stability, and regards improving the corporate governance system as an important guarantee for achieving high-quality development. The Company continuously optimizes the governance structure, clarifies the boundaries of decision-making, execution and supervision responsibilities, strengthens institutional construction and operating mechanisms, improves governance efficiency and risk prevention and control capabilities, and provides support for the Company's stable operation and long-term value creation.

## Corporate Governance Structure

The BESTWAY always regards standardized governance as the fundamental guarantee for high-quality development and sustainable operation. Strictly in accordance with the requirements of the "Company Law", "Securities Law", "Corporate Governance Code for Listed Companies" and relevant rules of the Growth Enterprise Market of Shenzhen Stock Exchange, the Company continuously improves its corporate governance structure and builds a governance system with clear responsibilities, standardized operations, and mutual checks and balances. The Company has formed a governance structure consisting of the shareholders' meeting, the board of directors, and the management, continuously improving governance transparency and operational efficiency by clarifying authority boundaries and decision-making processes, providing institutional guarantees for the Company's stable operation and long-term value creation.

### Maritime Defense Governance Mechanism

Shareholders' Meeting	Exercise decision-making power over major company matters in accordance with law.
Board of Directors	As the core strategic decision-making body of the Company, it makes decisions on the Company's overall development direction and major business matters.
Management	Responsible for implementing board resolutions, implementing business management objectives, and ensuring effective implementation of strategies.



## Operation of the Two Meetings

### Shareholders' Meeting

The Company attaches importance to the protection of shareholders' legitimate rights and interests, adheres to the principles of openness, fairness and justice, and ensures that the decision-making process for major matters is transparent, standardized and traceable. We have formulated and implemented the "Rules of Procedure for Shareholders' Meetings" and "Related Party Transaction Decision-making System" and other systems, clarifying the decision-making authority of shareholders' meetings in matters such as election of directors, profit distribution, major asset transactions, guarantees and financial assistance, changes in raised funds, and equity incentives, distinguishing the voting standards for ordinary resolutions and special resolutions, and ensuring that major matters go through corresponding review procedures in accordance with law.

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#### Key Performance:

- During the Reporting Period, the BESTWAY held 3 shareholders' meetings, with a 100% attendance rate of directors at shareholders' meetings, and all relevant resolution matters fulfilled information disclosure obligations in accordance with regulations.
- 

### Board of Directors

The Company's Board of Directors, as the core body for business decision-making and supervision, operates in a standardized manner under the framework of the "Rules of Procedure for Board of Directors". The Board has established an Audit Committee, a Strategy Committee, a Nomination Committee, and a Remuneration and Assessment Committee. Each specialized committee conducts preliminary research and professional deliberation in accordance with corresponding implementation rules to support board decision-making. We have established a Board Secretary and formulated and implemented the "Board Secretary Work Rules" as the daily affairs officer of the Board and the designated contact person between the Company and regulators, responsible for meeting preparation, meeting minutes, information disclosure coordination, and regulatory communication, ensuring that board decision-making procedures are compliant and orderly.

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#### Key Performance:

- During the Reporting Period, the BESTWAY held 9 board meetings with 43 resolution matters, and no violations of board decision-making procedures occurred.
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### Board Construction

The Company continuously optimizes the board structure and performance guarantee mechanism, strengthens professionalism and independence, and enhances the overall governance capability of the Board. We have formulated and implemented the "Independent Director System", "Implementation Rules for Cumulative Voting in Director Election", "Director and Senior Management Departure Management System" and other systems, covering key governance links such as director appointment, independence management, structure optimization, and departure standardization, forming a relatively complete board construction system.

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#### Board Performance Mechanism:

- Implement cumulative voting system in director elections to protect the participation rights of minority shareholders in director nomination and election;
  - Establish independent director independence review and annual assessment mechanisms, clarify special powers of independent directors, and ensure their independent judgment in related party transactions and major matters;
  - The Nomination Committee reviews the qualifications of director candidates to ensure compliance with relevant laws, regulations and appointment conditions;
  - Establish a director and senior management departure management mechanism, standardize resignation, dismissal and departure handover procedures, clarify fiduciary duties, confidentiality obligations and share lock-up obligations, and ensure governance continuity.
- 

#### Key Performance:

- During the Reporting Period, the BESTWAY Board had 9 members, including 2 female directors, accounting for 22.22%, and 3 independent directors, accounting for 33.33%
-

## Director and Senior Management Performance Assessment

The Company has established a director and senior management performance evaluation and incentive and restraint mechanism, formulated and implemented the "Performance Assessment Measures for Senior Management Team of the Company", established an assessment system combining performance orientation, management effectiveness and capability evaluation, and linked compensation arrangements with business results and responsibility fulfillment. We implement a two-dimensional assessment of organizational performance and comprehensive capabilities for the senior management team, and use the assessment results as an important basis for performance compensation distribution, position adjustment, and appointment and removal.

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### Performance Assessment Mechanism:

- Year-end performance bonuses are linked to the excess completion of annual net profit, implementing a step-by-step accrual mechanism to strengthen long-term performance orientation;
  - A penalty mechanism is set up when minimum targets are not met to strengthen business responsibility constraints;
  - Performance results are linked to position appointment and removal, compensation structure adjustment, and training and development arrangements.
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# Protection of Investor Rights and Interests

## Investor Relations Management

The BESTWAY attaches importance to continuous communication and information exchange with investors, incorporating investor relations management into the daily business management system. The Company has formulated and implemented the "Investor Relations Management System", with the Board Secretary coordinating investor relations management, and the Securities and Investment Center serving as the dedicated department for specific implementation. We adhere to the principles of compliance, equality, proactivity, and honesty and trustworthiness, strengthening two-way communication with investors on the basis of fulfilling information disclosure obligations in accordance with law, and promoting the formation of a long-term stable interactive relationship between the Company and investors.

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### Investor Communication Mechanism:

- Conduct communication through multiple channels including the Company's official website, Shenzhen Stock Exchange Interactive Easy platform, telephone, email, investor briefings, roadshows, and on-site reception;
  - Establish an investor briefing mechanism to promptly hold briefings in response to investor concerns when performance is disclosed, major matters occur, or market attention is high;
  - Strengthen Interactive Easy platform management, promptly reply to investor questions about disclosed information, and organize and publicly release important questions;
  - Categorize and preserve activity records, Q&A content and related materials to ensure traceability of communication activities.
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### Key Performance:

- During the Reporting Period, the BESTWAY organized 3 performance briefings, received 3 on-site investor research visits, received 21 investors for on-site research, answered 110 investor questions, with an investor question response rate of 96.49%.
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## Information Disclosure Management

The Company strictly complies with relevant laws and regulations, and has established and implemented a series of systems including the "Information Disclosure Management System", "Information Disclosure Deferral and Exemption Management Measures", and "External Information Reporting Management System", comprehensively covering information generation, review, disclosure, deferral and exemption, external reporting, and accountability, ensuring that information disclosure is true, accurate, complete, timely, and fair. We clearly designate the Board Secretary as the person responsible for information disclosure work, coordinating information disclosure affairs and regulatory communication, forming a disclosure management mechanism with clear responsibilities and standardized processes.

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### Key Performance:

- In 2025, the BESTWAY disclosed 4 periodic reports and 91 interim reports externally, with no administrative penalties for information disclosure violations.
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## Compliance Management

The BESTWAY adheres to lawful and compliant operation, continuously improving a compliance management system covering the entire process of decision-making, execution and supervision. By improving internal control mechanisms, building risk control matrices, strengthening supervision, inspection and rectification closed-loops, and combining with special training to enhance the performance capabilities of key personnel, the Company enhances risk identification, prevention and response capabilities, promotes the integration of system implementation and compliance awareness, and consolidates the foundation for the Company's standardized operation and sustainable and healthy development.

## Internal Control System Construction

The BESTWAY continuously improves its internal control system, establishing and implementing the "Internal Control System", forming an internal control operating mechanism coordinated by the Board of Directors, supervised by the Audit Committee, and executed by the internal audit department. The Company's internal control covers the entire operation and management process of the Company and its controlled subsidiaries, ensuring the stable operation of the internal control system through division of responsibilities, supervision and inspection, and continuous improvement mechanisms.

### Internal control mechanisms

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Board of Directors	Bears ultimate responsibility for the establishment and effective implementation of the internal control system, reviews the annual internal control self-assessment report, urges management to implement rectification measures, and supervises significant internal control deficiencies and improvement situations, ensuring that major company decision-making complies with laws, regulations and internal authorization management requirements.
Audit Committee	Supervises and inspects the operation of internal control, reviews financial reports and internal control related matters, listens to work reports from the internal audit department, provides opinions on internal control self-assessment results, and reports relevant situations to the Board of Directors, playing a professional supervision role.
Internal Audit Department	Carries out internal audits and special inspection work according to the annual audit plan, supervises and evaluates key areas such as financial management, fund use, and project execution, and reports audit results to the Audit Committee; proposes rectification suggestions for identified issues and tracks implementation, promoting the formation of a rectification closed-loop.

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Key Performance:

- During the Reporting Period, the BESTWAY held 7 Audit Committee meetings.

## Risk Control Management

The BESTWAY has established and operates a risk control matrix management mechanism, embedding risk identification, risk assessment and control measures into the entire business management process, forming a risk control system covering the headquarters and various business divisions. The Company's risk control matrix systematically organizes key risk points, control objectives, control measures and responsible departments around key areas such as strategic decision-making, investment management, guarantee business, related party transactions, contract management, information systems, securities affairs, and internal supervision, achieving risk identifiability, controllability and traceability. At the same time, we dynamically update the risk control matrix in response to changes in business structure and regulatory requirements, and link it with internal audit supervision and rectification tracking mechanisms, promoting risk management from "post-event correction" to "pre-event prevention and process control".

Key Performance:

- During the Reporting Period, the BESTWAY completed 37 risk control matrices for the headquarters, Marine Industry Division, Defense Special Equipment Division, and Energy Industry Division.

## Compliance Culture Construction

The BESTWAY integrates compliance concepts into the entire governance operation process, continuously strengthening the compliance awareness and responsibility awareness of directors, supervisors and senior management through special training, case warnings and performance standard publicity. During the Reporting Period, the Company organized special training and exchanges on topics such as standardized operation of listed companies, information disclosure management, related party transaction review, insider information management, and responsibilities of directors, supervisors and senior management, combined with typical regulatory cases to carry out risk warning education, promoting "case-driven reform and case-driven governance", continuously improving the ability of key minorities to perform their duties in accordance with law and risk prevention capabilities.

### Case: Training on "Standardized Operations of Listed Companies and Performance Standards for Directors, Supervisors, and Senior Management"

Tianhai Defense organized a specialized training session on "Standardized Operations of Listed Companies and Corporate Governance." Focusing on regulatory rules such as the "Stock Listing Rules," the "Guidelines for Corporate Governance of Listed Companies," and the self-regulatory guidelines for the Growth Enterprise Market (GEM), the session systematically reviewed criteria for identifying related-party transactions, principles for cumulative calculation, requirements for recusal from voting, and standards for deliberation and disclosure. The training also included explanations based on regulatory penalty cases to enhance employees' understanding and ability to apply the "substance over form" principle.



Training on "Regulations on the Standardized Operations of Listed Companies and the Performance of Duties by Directors, Supervisors, and Senior Management"

### Case: Training on “Best Practices in the Standardized Operations and Corporate Governance of Listed Companies”

Tianhai Defense conducted specialized training centered on the five principles of information disclosure—truthfulness, accuracy, completeness, timeliness, and fairness. By incorporating real-world regulatory cases involving false statements, material omissions, misleading statements, and insider trading, the company provided risk warnings to enhance the senior management team’s understanding of their compliance responsibilities and the legal consequences of non-compliance. This initiative aims to foster a governance culture characterized by “law-based decision-making, compliant performance of duties, and prudent disclosure.”



Training: Standardized Operations and Corporate Governance for Listed Companies

## Business Ethics

The BESTWAY adheres to honest operation and standardized operation, integrating business ethics requirements into the entire process of business management and business cooperation, continuously strengthening anti-bribery, anti-corruption and fair competition management mechanisms, and maintaining an open, transparent, standardized and orderly market environment. At the same time, the Company insists on treating all types of partners equally, protecting the legitimate rights and interests of SMEs in business cooperation, and continuously enhancing corporate business reputation and market trust.

## Anti-Bribery and Anti-Corruption

The BESTWAY strictly complies with relevant laws and regulations, continuously strengthening anti-bribery and anti-corruption management requirements, and embedding the principles of clean practice and honest operation into the entire process of corporate governance and business operations. The Company clearly prohibits any form of commercial bribery, interest transfer and improper interest exchange in various institutional documents such as the "Articles of Association", "General Manager Work Rules", "Internal Audit System", "Employee Handbook", "Contract Management Measures" and "Bidding Management Measures", and establishes accountability mechanisms for violations. At the same time, we have established a risk management matrix, incorporating anti-bribery risks into the scope of key risk control, conducting risk identification and control measure review for key links such as procurement, bidding, contract signing, and fund payment, strengthening system implementation through internal audit supervision and rectification tracking mechanisms, and continuously improving anti-fraud and anti-bribery risk prevention and control capabilities.

### Case: Tianhai Defense Organizes Employee Participation in Internal Control and Anti-Fraud Forum

Tianhai Defense organized its employees to participate in the "7th Industry Forum on Corporate Internal Control and Anti-Fraud." The event featured specialized training and discussions on topics such as corporate internal control development and the prevention and control of bribery and fraud risks. Participants gained a systematic understanding of fraud investigation practices and reviewed typical case studies, thereby further enhancing their ability to identify commercial bribery risks and improve compliance management standards.



Tianhai Defense organizes employees to participate in an internal control and anti-fraud forum

#### Key Performance:

- In 2025, the BESTWAY's anti-corruption training totaled 3 hours, covering 150 people.
- In 2025, no commercial bribery or corruption incidents occurred, and no serious violations occurred.

## Anti-Unfair Competition

The BESTWAY strictly complies with the "Anti-Unfair Competition Law of the People's Republic of China" and other relevant laws and regulations, conducting business activities in a standardized manner and firmly opposing any form of unfair competition. The Company has formulated and implemented the "Bidding Management Measures" and "Information Disclosure Deferral and Exemption Management Measures", clarifying the identification standards and protection mechanisms for commercial secrets, adopting prudent disclosure and confidentiality management measures for core technical information, business information, and customer and supplier related information, preventing unfair competition risks caused by improper information disclosure. At the same time, we have established internal information approval processes and insider management mechanisms, strengthened insider information and commercial secret protection, standardized external information release behavior, and maintained a fair and orderly market competition environment.

#### Key Performance:

- During the Reporting Period, the BESTWAY had no litigation or major administrative penalties caused by unfair competition behavior.

## Equal Treatment of SMEs

In the process of business cooperation, the BESTWAY adheres to the principles of fair competition and honesty and trustworthiness, conducts procurement, bidding and project cooperation in accordance with laws and regulations, and ensures that various market entities, including SMEs, have equal opportunities to participate and compete fairly. We follow the principles of voluntariness, equality and equivalent compensation in contract signing, performance and settlement, do not set unreasonable transaction conditions, do not abuse market position, do not engage in unfair competition behavior, and effectively protect the legitimate rights and interests of partners.

# 03

## Environment

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Aligned with the United Nations Sustainable Development Goals

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### Key Issues

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- Addressing Climate Change
- Pollutant Emissions
- Waste Management
- Environmental Compliance
- Energy Use
- Water Use
- Green Ships
- Circular Economy

# E

# Addressing Climate Change

The BESTWAY actively responds to the national "Dual Carbon" strategy, embedding sustainable development into the core of the Company's transformation. Leveraging its advantages in R&D, design and construction in the shipbuilding and marine engineering fields, the Company prospectively lays out low-carbon technology R&D, committing to promoting the green transformation of the shipping industry through the new energy vessel business, and building a green and resilient industrial ecosystem. The Company systematically manages climate risks and opportunities, and works together with industrial chain partners to promote the Company's sustainable development through an integrated, low-carbon, and intelligent path.

The Company focuses on green ship technology R&D and energy efficiency design optimization, implementing greenhouse gas emission reduction actions. By developing clean fuel-powered vessels such as methanol and natural gas to replace traditional fuel, it reduces carbon emissions from ship operations at the source. At the same time, we vigorously promote energy efficiency improvement in ship design, strictly applying standards such as the Energy Efficiency Design Index (EEDI) for optimization, and through prospective layout of intelligent auxiliary systems and an integrated "Ship-Port-Route" energy efficiency management platform, reduce the energy consumption and carbon footprint of the overall shipping system.

Indicator	Unit	2025
Scope 1	tCO <sub>2</sub> e	3,664.82
Scope 2	tCO <sub>2</sub> e	28,867.71
Total GHG Emissions	Scope 1 + Scope 2	32,532.53
GHG Emission Intensity	tCO <sub>2</sub> e/Million Revenue	7.20

# Environmental Compliance Management

The BESTWAY strictly complies with the "Environmental Protection Law of the People's Republic of China" and relevant laws and regulations, continuously improving the environmental management system and incorporating environmental compliance management into the core scope of corporate governance. The Company conducts comprehensive environmental control from governance structure, institutional norms, management processes, emergency response and capacity building, committed to achieving coordinated development of production and operation and environmental protection. During the Reporting Period, our environmental management effectiveness was recognized. The Company and its subsidiaries Shanghai Jiahou Ship and Ocean Engineering Research and Design Co., Ltd. and Jiangsu Dajin Heavy Industry Co., Ltd. have obtained and maintained ISO 14001 environmental management system certification, and Jiangsu Dajin Heavy Industry Co., Ltd. has obtained a compliance certificate of no environmental administrative penalties in the past three years.

Key Performance:

- In 2025, the Company's total environmental protection investment was RMB 6.556 million.



ISO 14001 Environmental Management System Certification

## Environmental Management System Construction

The BESTWAY incorporates environmental compliance management into the core scope of corporate governance and has established a systematic and complete environmental management system. Based on the GB/T 24001-2016 (ISO 14001:2015) standard and combined with the actual production and service processes of the Company and its subsidiaries, the Company has established an integrated management system (QHSE) with the "Quality, Occupational Health and Safety, Environmental Management Manual" as the core program. This system clarifies the policies, objectives, organizational structure, responsibilities and operational control requirements of environmental management, aiming to ensure that the Company's environmental management activities comply with laws and regulations and achieve continuous improvement.

**Environmental Management Policy:** Implement green strategy and prevent environmental pollution.

Environmental Management Objectives:

- 100% emission compliance rate
- 100% hazardous waste recycling rate

### Tianhai Defense Environmental Management Framework

Decision-Making Level	<ul style="list-style-type: none"> <li>• Formulate and issue the Company's environmental management policy and annual objectives</li> <li>• Bear ultimate responsibility for the effectiveness of the Company's environmental management system</li> <li>• Ensure that management system requirements are integrated into the Company's business processes</li> <li>• Promote the construction and continuous improvement of environmental management culture</li> </ul>
Management Level	<ul style="list-style-type: none"> <li>• Organize the identification and evaluation of environmental factors in the Company's activities</li> <li>• be responsible for collecting environmental laws and regulations applicable to the Company and Organizing compliance evaluation</li> <li>• Organize the formulation and management of environmental-related procedure documents and Emergency plans</li> <li>• Supervise the implementation of environmental objectives and measures by subsidiaries and departments.</li> </ul>
Execution Level	<ul style="list-style-type: none"> <li>• Implement identified important environmental factor control measures within their respective business scope</li> <li>• Be responsible for daily operation and maintenance of environmental protection facilities (such as sewage Receiving cabinets, industrial vacuum cleaners)</li> <li>• Classify, label, store and contact for disposal of waste according to regulations</li> <li>• Promptly report environmental abnormal information and participate in emergency drills and response.</li> </ul>

### Tianhai Defense Environmental Management Process

Identification and Assessment of Environmental Factors	<ul style="list-style-type: none"> <li>• Develop an "Environmental Factors Management Procedure" to regularly identify and evaluate environmental factors associated with the company's activities, products, and services; determine significant environmental factors and establish control measures</li> </ul>
Goal Setting and Management Plan	<ul style="list-style-type: none"> <li>• Develop annual environmental management objectives based on management policies, significant environmental factors, and compliance obligations, and plan specific implementation measures, resource requirements, and completion deadlines.</li> <li>• Develop the "Environmental Operations Control Procedure," and ensure that each subsidiary implements daily monitoring and control of significant environmental factors</li> <li>• Establish the "Emergency Preparedness and Response Procedure" and specific contingency plans, and organize regular drills and reviews.</li> </ul>
Operations Control and Emergency Preparedness	<ul style="list-style-type: none"> <li>• Develop the "Environmental Operations Control Procedure" to ensure that each subsidiary implements daily monitoring and control of key environmental factors;</li> <li>• Establish the "Emergency Preparedness and Response Procedure" and specific contingency plans, and conduct regular drills and reviews.</li> </ul>
Monitoring, Inspection, and Improvement	<ul style="list-style-type: none"> <li>• Monitor key environmental characteristics and assess the effectiveness of the system through internal audits and management reviews;</li> <li>• Implement corrective and preventive actions for nonconformities to drive continuous improvement in environmental performance.</li> </ul>

## Environmental Emergency Management

The BESTWAY attaches great importance to the prevention and response of sudden environmental incidents, strictly following laws and regulations such as the "Emergency Response Law of the People's Republic of China", and integrating environmental risk management into daily operations and strategic decision-making. During the Reporting Period, the Company had no incidents of penalties by regulatory authorities for violations of environmental management-related laws and regulations.

### Environmental Emergency Management System

- **Improve institutional system and consolidate management foundation**

The Company has established the "Emergency Preparedness and Response Procedure", organizing the preparation of emergency plans for potential emergencies and accidents. At the same time, we have formulated special plans such as the "Special Emergency Plan for Hazardous Chemicals (Paint) Leakage Accidents", clarifying the complete process of information reporting, response classification, and on-site disposal, and establishing the disposal principle of "control first, then treatment, save people first, reduce losses".

- **Dynamic identification of environmental factors to achieve source control**

The Safety, Environmental Protection and Quality Department organizes the establishment of the "Environmental Factors Management Procedure", regularly identifying and evaluating environmental factors in the Company's activities, products and services, with special consideration for abnormal situations and reasonably foreseeable emergencies. For important environmental factors, control planning is carried out from aspects such as target indicators, management plans, and operational control, and emergency preparedness and response measures are simultaneously planned for possible accidents or emergencies.

- **Strengthen plan construction and drills to enhance emergency response capabilities**

The Company organizes subsidiaries and relevant departments to regularly conduct emergency plan drills, strengthen safety production and civilized production management, and enhance employees' awareness and ability to respond to emergency situations. We regularly review the effectiveness of the "Emergency Preparedness and Response Procedure", especially revising and improving it promptly after emergencies or accidents occur to ensure continued applicability.

## Resource Management and Circular Economy

The BESTWAY systematically promotes resource management and circular economy, focusing on three major areas: efficient energy utilization, water conservation, and waste recycling, building a whole-process control system. Through measures such as clean energy substitution, water conservation management, and source reduction, the Company continuously reduces resource consumption intensity and promotes green and low-carbon transformation.

### Energy Utilization

The BESTWAY continuously promotes the efficiency and low-carbonization of energy use, continuously improving energy utilization efficiency and contributing to green manufacturing and sustainable development through systematic measures such as improving management systems, optimizing operation models, and promoting technological innovation. The energy used in the Company's production and operations mainly includes two categories: direct energy and indirect energy, with specific usage scenarios as follows:

#### Major Energy Types and Applications

Category	Energy Type	Main Usage Scenarios
Direct Energy	Natural Gas	Production, equipment operation, etc.
	Diesel	Production, equipment operation, etc.
Indirect Energy	Electricity	Production, office lighting, equipment operation, living electricity, etc.

### Energy Consumption Data for 2025

Type	Unit	2025
Purchased Electricity	kW·h	54,405,793
Natural Gas	m <sup>3</sup>	1,401,323
Diesel Consumption	L	327,380
Total Energy Consumption	tce	8774.49

The Company continues to promote energy-saving and consumption-reduction projects across the entire company in areas such as clean energy substitution, equipment energy-saving optimization, process transformation, and management improvement. The main progress and achievements in 2025 are as follows:

### Progress on Key Energy-Saving Projects in 2025

Key Area	Project Measures	Implementation Progress and Quantified Results
Clean Energy Substitution and Green Transformation	Methanol-electric hybrid vessel technology R&D and integration	<ul style="list-style-type: none"> <li>Launched the 15,000-ton methanol-electric hybrid multi-purpose vessel project, focusing on core technology R&amp;D such as methanol fuel supply systems and intelligent energy management, forming a one-stop service capability of "design-integration-management".</li> </ul>
	Maritime bunkering technology certification and services	<ul style="list-style-type: none"> <li>Obtained CCS methanol bunkering and LNG bunkering design scheme approval certificates</li> <li>Completed 2,300 tons of LNG bunkering, 1,200 tons of methanol bunkering, and 800 tons of liquid nitrogen bunkering throughout the year.</li> </ul>
	Green Electricity	<ul style="list-style-type: none"> <li>Pay attention to the application of wind power and photovoltaic power in the offshore engineering equipment field, participating in marine new energy projects through self-owned offshore engineering equipment.</li> </ul>
Equipment and System Energy-Saving Optimization	Production process digitalization and intelligence	<ul style="list-style-type: none"> <li>Empower production through digital and intelligent technology applications to improve energy utilization efficiency</li> <li>Completed 6 new energy vessel-related technical design and consulting services throughout the year, and submitted 2 patent applications.</li> </ul>
	Offshore equipment upgrading and operation optimization	<ul style="list-style-type: none"> <li>The "Exploration 212" vessel achieved continuous operation throughout the year after comprehensive upgrading, significantly improving asset operation efficiency</li> <li>Integrated semi-submersible barge leasing, towing and launching operations, building a full-chain service system and effectively shortening operation cycles.</li> </ul>
Operation Management Improvement	New Energy Transportation	<ul style="list-style-type: none"> <li>The Company's natural gas refueling business operates through water and land natural gas refueling stations, providing refueling services for various CNG/LNG fuel vehicles and vessels, and providing CNG refueling guarantee for gas taxis in the Shanghai area.</li> </ul>
Green Office	Office (Living) Area Energy Saving	<ul style="list-style-type: none"> <li>Equipped with energy-saving lamps, air conditioning has temperature setting requirements, eliminating long-light phenomena in office and living areas.</li> </ul>
		<ul style="list-style-type: none"> <li>Reduce standby energy consumption of office equipment, promptly turn off power to computers, printers, copiers, water dispensers and other equipment not used for long periods.</li> <li>The Company promotes the new energy transformation of vehicles, with 4 new energy vehicles (2 newly purchased, 2 fuel-replaced).</li> </ul>

## Water Resource Utilization

The BESTWAY attaches great importance to water resource management, regarding it as an important environmental management matter in the operation process. The Company strictly follows the "Water Law of the People's Republic of China", "Water Conservation Regulations" and local water resource management-related regulatory requirements, incorporating water resource management into daily operation monitoring. In the production and operation process, the Company's water source is mainly municipal water supply, mainly used for production and manufacturing scenarios. After assessment, the water resource supply in the area where the Company operates is stable, and there is no risk of water shortage in production and operation.

### Key Water-Saving Measures at Tianhai Defense

Category	Water Conservation Measures
Rainwater	Build rainwater collection ponds to collect initial rainwater for treatment (oil separation, sedimentation, air flotation, biochemical treatment), configure rainwater treatment control integrated machines, no discharge of rainwater in the first 15 minutes, and reuse of later rainwater to achieve efficient, intelligent, energy-saving and emission-reduction purposes.

### Water Consumption Data for 2025

Indicator	Unit	2025
Water Resource Consumption	ton	84,567
Water Resource Reuse	ton	178
Total Water Consumption	ton	84389

## Circular Economy

The BESTWAY adheres to the concept of efficient resource utilization and circular development, promoting resource recycling and waste reduction from the perspective of the entire product life cycle. In the design phase of ships and offshore equipment, priority is given to environmentally friendly materials, production processes are optimized, and waste generation is reduced; in the operation phase, recyclable materials such as packaging materials are promoted for classified recycling and reuse; in supply chain management, environmentally friendly products are prioritized for procurement, promoting green supply chain construction.

# Emission Management

The BESTWAY attaches great importance to emission management, implementing whole-process control over wastewater, exhaust gas and various wastes based on the environmental management system. Through institutional construction and standardized operation, it ensures continuous compliance with requirements and minimizes the impact of operations on the environment.

## Pollution Emission

The BESTWAY complies with laws and regulations such as the "Solid Waste Pollution Prevention and Control Law of the People's Republic of China", "Air Pollution Prevention and Control Law of the People's Republic of China", and "Water Pollution Prevention and Control Law of the People's Republic of China", strictly implementing emission standards such as the "Integrated Wastewater Discharge Standard" (GB 8978-1996) and "Integrated Air Pollutant Discharge Standard" (DB31/933-2015). During the Reporting Period, the Company effectively controlled pollutant generation and emissions through the environmental management system.

### Key Measures for Pollutant Emission Management in Coastal and Maritime Defense

Category	Pollutant Emission Management Measures
Wastewater	Domestic sewage is directly discharged into the municipal sewage pipe network.
Exhaust Gas	Dust generated during sandblasting is treated by cartridge dust collectors and discharged through 15-meter high exhaust stacks; painting production exhaust gas is treated by zeolite rotor + catalytic combustion devices and discharged through 15-meter high exhaust stacks; smoke (dust) generated from on-site welding and grinding is emitted in an unorganized manner, with regular testing.

#### Key Performance:

- 100% wastewater discharge compliance in 2025.
- 100% exhaust gas emission compliance in 2025.

## Waste Treatment

The harmless waste generated in the production and operation of the BESTWAY includes office and domestic waste and general industrial solid waste, while hazardous waste includes fluorescent tubes, energy-saving tubes, toner cartridges, waste paint buckets, waste activated carbon, and waste paint slag. The Company complies with laws and regulations such as the "Solid Waste Pollution Prevention and Control Law of the People's Republic of China" and has formulated and implemented the "Waste Control Procedure", clarifying waste classification, storage, and disposal requirements.

#### Key Performance:

- In 2025, the Company achieved 100% compliant disposal of solid waste and 100% recycling rate of hazardous waste.

### Key Initiatives for Waste Management at Tianhai Defense

Category	Waste Management Measures
General Solid Waste Management	<ul style="list-style-type: none"> <li>Centralized storage at designated locations, unified treatment.</li> </ul>
Recyclable Management	<ul style="list-style-type: none"> <li>Collected, labeled, and classified by various departments, unified recycling and reuse or sent to recycling stations for treatment.</li> </ul>
Hazardous Waste Management	<ul style="list-style-type: none"> <li>Stored in dedicated areas, placed safely and securely, away from heat sources</li> <li>Uniformly entrusted to qualified institutions for treatment.</li> </ul>

### Solid Waste Generation in 2025

Indicator	Unit	2025
Harmless Waste Generation	ton	3765.41
Hazardous Waste Generation	ton	176
Waste Recycling	ton	2,165.41

# 04

## Social

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Aligned with the United Nations Sustainable Development Goals

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### Key Issues

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- Product and Service Safety and Quality
- Supply Chain Security
- Data Security and Customer Privacy Protection
- Employees
- Innovation-Driven Development
- Social Contribution
- Supporting National Defense
- Disaster Prevention and Relief



# Product and Service Safety and Quality

The BESTWAY regards quality as the core guarantee of the enterprise, advancing quality work from both management system and culture cultivation dimensions. In management, it implements whole-life-cycle control based on the QHSE system, strengthens risk identification and closed-loop improvement, and ensures quality objectives are achieved; in culture, it integrates quality awareness into employee norms and promotes internalization and externalization through systematic training. During the Reporting Period, the system operated effectively, quality objectives were achieved, training was carried out in an orderly manner, and product and service safety and reliability were strongly supported.

## Quality Management

The BESTWAY always regards product quality and safety as an important cornerstone of the enterprise's stable operation. The Company has established and continuously operates an integrated quality, occupational health and safety, and environment (QHSE) management system, formulating the "Quality, Occupational Health and Safety, Environmental Management Manual", implementing standardized management for the entire life cycle of product design, procurement control, production and manufacturing, project implementation, inspection and delivery, and after-sales service.

Focusing on quality risk control and continuous improvement, the Company has established systems such as the "Risk and Opportunity Control Procedure", "Non-conformance Control Procedure", and "Corrective and Preventive Action Procedure", identifying, evaluating and responding to potential quality risks in the product realization process, and through process monitoring, data analysis and internal coordination, promptly correcting deviations and optimizing processes, forming closed-loop management to ensure the stability and reliability of products and services

### Status of Quality Objective Management

Quality Objective	Achievement Status
100% qualification rate of main product performance indicators	100%
100% product delivery success rate	100%

Key Performance:

- During the Reporting Period, the Company's ISO 9001 quality management system certification certificate was valid.



ISO 9001 Quality Management System Certification

## Quality Culture Cultivation

The BESTWAY attaches great importance to the cultivation of quality culture, integrating quality awareness into employee professional behavior norms. The Company takes new employee onboarding training as the starting point, systematically carrying out publicity and education on QHSE systems, product and service quality standards, position quality responsibilities, and risk prevention and control. Training adopts a combination of system explanation, case analysis, and practical exercises to ensure that employees understand and consciously comply with quality management requirements.

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Key Performance:

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- In 2025, the Company carried out 61 quality control and product safety-related training sessions, covering 943 person-times, with a training duration of approximately 75 hours, effectively supporting the in-depth implementation and continuous optimization of the quality management system.
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## Customer Service and Management

The Company adheres to the philosophy of "Pursuing Perfect Service, Continuous Technological Innovation", relying on the "Service Management Manual" as the institutional foundation, building a customer management framework covering the entire service process, coordinated by the Marketing Center and supported by multiple departments, forming an operating mechanism with clear responsibilities and efficient response. At the same time, we have built a multi-level communication system, actively listening to customer feedback, continuously improving service response and problem-solving efficiency, and simultaneously promoting service capability construction in global business expansion, committed to establishing long-term, stable, and mutually trusting cooperative relationships with customers and continuously creating value.

### Customer Service Management

The Company takes the "Service Management Manual" as the general institutional program, continuously improving the customer service management system in combination with annual business objectives and business development needs. Focusing on key business processes such as customer demand acceptance, contract and order execution, service resource coordination, service process management, and customer satisfaction tracking, we systematically organize and dynamically optimize, clarifying the division of responsibilities, work interfaces, and coordination mechanisms in various customer service links, continuously consolidating the institutional foundation of customer service work and improving the standardization and executability of service management.

#### Customer Service Management System

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Pre-sales Stage	<ul style="list-style-type: none"><li>• Conduct demand communication and technical docking around customer application scenarios and project needs, standardizing customer information collection, demand assessment and solution formulation processes.</li></ul>
During-sales Stage	<ul style="list-style-type: none"><li>• Strengthen overall management of customer needs, contract execution and delivery processes, dynamically tracking order execution, progress milestones and delivery status</li><li>• Establish customer problem classification acceptance and closed-loop management mechanisms.</li></ul>
After-sales Stage	<ul style="list-style-type: none"><li>• Improve the after-sales service network and professional service support system, covering technical support, maintenance guarantee and service response</li><li>• Strengthen spare parts guarantee management and optimize service resource allocation.</li></ul>

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### Customer Communication and Satisfaction Management

The Company attaches great importance to continuous communication and feedback management with customers, regarding customer satisfaction as an important basis for evaluating the effectiveness of product and service quality management. Focusing on the operation of the quality and service management system, the Company has established and implemented a customer satisfaction measurement and improvement mechanism, systematically evaluating customer satisfaction with the Company's products and services through institutionalized and process-based management, and promoting continuous improvement.

### Customer Satisfaction Measurement and Improvement Mechanism

System Construction	<ul style="list-style-type: none"> <li>The Company has formulated the "Customer Satisfaction Information Measurement Procedure", standardizing customer satisfaction surveys, covering major customers at least once a year.</li> </ul>
Survey Implementation	<ul style="list-style-type: none"> <li>Uniformly compile the "Customer Satisfaction Information Survey Form", distribute and collect according to prescribed scope and cycle, and conduct supplementary verification of results through telephone sampling surveys and other methods.</li> </ul>
Statistical Analysis	<ul style="list-style-type: none"> <li>Calculate customer satisfaction coefficient and satisfaction rate, form the "Customer Satisfaction Survey Analysis Report", systematically identifying improvement directions.</li> </ul>
Continuous Improvement	<ul style="list-style-type: none"> <li>Connect with non-conformance control and corrective prevention processes, continuously tracking the implementation of improvement measures and rectification effects.</li> </ul>

#### Key Performance:

- In 2025, the Company's customer satisfaction target was >95.5%, and the comprehensive customer satisfaction rate was 100%, successfully achieving the target. At the same time, no customer complaints were received during the Reporting Period.

## Innovation-Driven

The BESTWAY always regards innovation as the core driving force of enterprise development, committed to continuously improving core competitiveness and promoting industry technological progress and sustainable development through systematic R&D management, diversified incentive mechanisms, fruitful innovation results, and a strong innovation culture.

### R&D Innovation Management

The Company has established an R&D innovation organizational system with clear responsibilities and efficient coordination, forming a three-tier management model of "Decision-Making Level - Management Level - Execution Level". The Technology Center, as the centralized management department for the Company's scientific research work, coordinates the Company's technological innovation resources, while subsidiaries and business departments establish R&D teams that operate independently under a unified framework, jointly promoting the systematic and standardized development of R&D innovation work.

#### R&D and Innovation Management Structure

Decision-Making Level	<ul style="list-style-type: none"> <li>Approve the Company's medium and long-term technological innovation development plan and annual R&amp;D plan</li> <li>review and approve major scientific research project initiation and external scientific research project applications</li> <li>decide on scientific research funding budget and resource allocation plans</li> <li>review and approve scientific research project result rewards and outstanding contribution recognition.</li> </ul>
Management Level	<ul style="list-style-type: none"> <li>Organize the compilation of medium and long-term technological innovation development plans and annual R&amp;D plans</li> <li>Supervise and guide the scientific research management work of subsidiaries to ensure compliance with the Company's overall strategy</li> <li>Review subsidiary technical standards, technical system updates and adjustment plans</li> <li>Organize external scientific research project applications, process supervision and acceptance coordination.</li> </ul>

Execution Level	<ul style="list-style-type: none"> <li>Formulate and organize the implementation of annual R&amp;D plans for their respective units based on the Company's overall R&amp;D plan</li> <li>Undertake the execution of specific scientific research projects, implementing the project leader system</li> <li>Submit project mid-term reports, completion reports and related result materials on time</li> <li>Accept inspection, assessment and guidance from the Technology Center and Scientific Research Management Department.</li> </ul>
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## (1) Internal R&D Project Management

The Company implements whole-process management of internal scientific research projects in accordance with the "Scientific Research Work Management Measures", including project application, project approval, daily management, mid-term inspection, cost accounting, completion acceptance and result management.

### Key Control Processes for Research Projects

Project Initiation	<ul style="list-style-type: none"> <li>Complete project application in the first quarter of each year</li> <li>Departments submit the "Project Application" and "Project Plan", which are reviewed by experts and approved by the General Manager's Office Meeting before issuing the project approval notice.</li> </ul>
Process Control	<ul style="list-style-type: none"> <li>Implement the project leader system</li> <li>Changes in research content and progress must fill out the "Project Change Form" for approval</li> <li>The Scientific Research Management Department organizes mid-term inspections, and the project team submits the "Mid-term Report".</li> </ul>
Result Acceptance	<ul style="list-style-type: none"> <li>After project completion, submit the "Project Work Report", research report and result materials</li> <li>The Scientific Research Management Department organizes expert acceptance, and after passing, completes result registration and material archiving.</li> </ul>

## (2) External Research Project Management

For externally funded research projects, including government-funded or horizontally collaborated ones, the company has formulated the "External Research Management Measures" to regulate the entire process from project application and initiation, through implementation and progress management, to final acceptance and closure.

### External Research Project Management Process

Project Proposal Submission	<ul style="list-style-type: none"> <li>The Research Administration Department centrally coordinates project applications and issues project guidelines.</li> </ul>
Launch and implementation	<ul style="list-style-type: none"> <li>Once the project is approved, an "External Research Assignment Letter" will be issued, and an implementation plan and budget will be prepared; the project will proceed following review and approval.</li> </ul>
Process Management	<ul style="list-style-type: none"> <li>Implement a project leader system;</li> <li>Submit an annual summary and the plan for the following year;</li> <li>Project changes must undergo the approval process;</li> <li>The Research Management Department will conduct regular progress reviews and ensure proper process oversight.</li> </ul>
Final Project Review	<ul style="list-style-type: none"> <li>Submit a final report and documentation of project outcomes upon completion;</li> <li>The Research Management Department will organize an internal preliminary acceptance review and coordinate with external audits and project evaluation.</li> </ul>

## Innovation Incentive Management

To stimulate employees' innovation vitality, the Company has established a multi-level incentive system, including intellectual property rewards, project result rewards, technical allowances, and outstanding contribution recognition.

### Innovation Incentive Mechanisms

Intellectual Property Incentive	<ul style="list-style-type: none"> <li>Patent rewards: RMB 4,000 per invention patent, RMB 1,500 per utility model, design and software copyright</li> <li>Transformation rewards: Appropriate rewards are given to those who make outstanding contributions to transformation implementation or licensing transfer.</li> </ul>
R&D Project Result Incentive	<ul style="list-style-type: none"> <li>After project acceptance, rewards are given at no more than 10% of the actual government support funds received.</li> </ul>
Outstanding Contribution Award	<ul style="list-style-type: none"> <li>Gold Award: RMB 90,000 per person</li> <li>Silver Award: RMB 30,000 per person</li> <li>Bronze Award: RMB 10,000 per person.</li> </ul>

## R&D Innovation Achievements

Driven by technological innovation, the Company accurately grasps the global shipping green and intelligent transformation trends with a forward-looking vision, continuously leading the product innovation direction in the shipbuilding market. In 2025, our R&D innovation achieved remarkable results, with fruitful achievements in vessel type development, key technology breakthroughs, and industry collaboration.

### Research and Development Achievements

New Products and Vessel Type R&D	<ul style="list-style-type: none"> <li>Developed "World's Largest 600MW Power Generation Vessel" and "500-meter Saturation Diving Support Vessel - Shenda"</li> <li>Developed series vessel types of "40,000-ton", "80,000-ton", "17,400-ton", "45,000-ton" multi-purpose vessels</li> <li>Developed new vessel types such as the world's highest pile frame "156-meter Piling Vessel" and "17,000-ton Deep-sea Cable Laying Vessel"</li> <li>Developed series vessel types of large fishing farming factory vessels.</li> </ul>
Industry Collaboration	<ul style="list-style-type: none"> <li>Participated in the compilation of ISO international standard "Double Cross Bollards"</li> <li>Hosted industry association standardization meetings; cooperated with industry partners to carry out AI-enabled innovative R&amp;D cooperation</li> <li>Established the Ship and Marine Equipment Design and Selection VR Encyclopedia Promotion Association</li> <li>The Company participates in multiple industry associations and is a member at the council level or above.</li> </ul>

# Intellectual Property Protection

## Intellectual Property Management

To stimulate employees' innovation vitality and continuously enhance the enterprise's core competitiveness, the BESTWAY has established and improved the intellectual property management system in accordance with relevant laws and regulations such as the "Patent Law of the People's Republic of China", "Implementation Rules of the Patent Law of the People's Republic of China", and "Requirements for Enterprise Intellectual Property Compliance Management System" (GB/T 29490-2023). The Company has formulated and implemented institutional documents such as the "Intellectual Property Manual", "Intellectual Property Management Work Manual", and "Intellectual Property Reward and Punishment System", clarifying the ownership of intellectual labor results formed by employees in the performance of their work duties, as well as corresponding incentive and restraint mechanisms, systematically promoting intellectual property protection and management work, and continuously cultivating the driving force for enterprise innovation and development.

### Key Performance:

- In 2025, the Company passed the GB/T 29490-2023 Intellectual Property Compliance Management System certification.



Intellectual Property Compliance Management System Certification

## Intellectual Property Statistics

Type	Unit	Quantity
Total Intellectual Properties	piece	592
Total Valid Patents	piece	453
New Invention Patents	piece	10
New Software Copyrights	piece	37

## Intellectual Property Risk Management

Tianhai Defense has formulated the “Intellectual Property Risk Management and Control Procedures” to address key aspects of R&D innovation and the commercialization of technological achievements. The company has established a comprehensive mechanism for the prevention, identification, and control of intellectual property risks, and has systematically integrated these control requirements into its business management processes.

### Intellectual Property Risk Management Mechanism

Preventive measures	<ul style="list-style-type: none"> <li>Conduct intellectual property risk identification and assessment for activities such as R&amp;D project initiation, technology introduction, external collaboration, and technology commercialization;</li> <li>Focus on risk areas such as unclear ownership, potential infringement, and compliance deficiencies, and propose risk control measures tailored to the specific characteristics of each project.</li> </ul>
Ongoing supervision	<ul style="list-style-type: none"> <li>Continuously monitor the use, protection, and application of intellectual property, and dynamically track patents, technological achievements, and contract performance;</li> <li>Promptly identify new or changing risk factors, and initiate risk response procedures upon detecting potential infringement or disputes.</li> </ul>
Post-Incident Response and Improvement	<ul style="list-style-type: none"> <li>Establish mechanisms for holding parties accountable for infringement and conducting risk reviews, and analyze and summarize intellectual property risk incidents that have occurred or been resolved;</li> <li>Continuously improve management processes and control measures, regularly assess the effectiveness of risk management, optimize the risk management system, and enhance overall risk prevention and control capabilities.</li> </ul>

## Intellectual Property Training and Exchange

Tianhai Defense regularly conducts intellectual property training and awareness campaigns, providing all business departments with foundational knowledge on patents, compliance requirements, and risk prevention. Through specialized training sessions and internal presentations, the company enhances employees' compliance capabilities in research and development as well as collaborative projects. At the same time, the company actively monitors industry trends and participates in external exchanges and seminars related to intellectual property. By learning from advanced experiences and best practices, the company continuously improves its intellectual property management and protection standards, thereby effectively safeguarding the legitimate rights and interests of its intangible assets and innovative achievements.

### Case: Training Session on Judicial Protection of Intellectual Property Rights: “Supporting the Innovative Development of Private Enterprises”

On April 14, 2025, the company participated in a special briefing on judicial protection of intellectual property rights organized jointly by the Songjiang District Intellectual Property Office and the Songjiang District Court. The session provided a systematic interpretation of the judicial safeguards for intellectual property rights in the context of private enterprises' innovative development, helping employees deepen their understanding of pathways for protecting intellectual property rights and mitigating legal risks, and enhancing their ability to protect innovative achievements in accordance with the law.

### Case: Professional Training on “Practical Aspects of Litigation in Patent Ownership Disputes”

On April 15, 2025, the company invited a professional patent agency to conduct training on the practical aspects of litigation in patent ownership disputes. Drawing on typical case studies, the session provided an in-depth explanation of patent ownership determination, the causes of disputes, and response strategies, thereby strengthening employees' awareness of identifying and mitigating patent ownership risks during R&D and technology commercialization.

### Case: Intellectual Property Seminar on “IP Protection and Risks of the Deepseek Open-Source AI System”

On April 17, 2025, the company organized a special seminar focusing on intellectual property issues related to the application of open-source artificial intelligence technology. The seminar provided a systematic overview of open-source licensing models and associated compliance risks, with the aim of enhancing employees’ understanding of intellectual property compliance and risk management in new technology application scenarios.



Intellectual Property Seminar: “IP Protection and Risks of the Deepseek Open-Source AI System”

## Data Security and Customer Privacy Protection

Tianhai Defense places a high priority on data security and the protection of customer information. It has established a multi-tiered information security framework encompassing organizational management, technical safeguards, and emergency response to ensure the security, integrity, and availability of the company’s core data, business systems, and customer information.

### Internal Governance Structure

Tianhai Defense has established a management system in which the Information Center centrally oversees information security efforts, system administrators assume tiered responsibilities, and operations and maintenance administrators carry out implementation. This has formed an information security management mechanism that integrates “regulatory standards–technical controls–process documentation–accountability tracing.” The company has formulated and implemented regulations such as the “Information System Software Operation and Maintenance Management Measures,” “Information System Organization and User Coding Management Measures,” “Internet Usage Management Measures,” “Information Security Emergency Response Plan Management Measures,” and the “Information Network Incident Emergency Response Plan.” These regulations provide systematic and standardized management for the classification and grading of information security incidents, emergency activation, response procedures, and accountability, ensuring the secure and stable operation of the company’s core business systems and data assets.

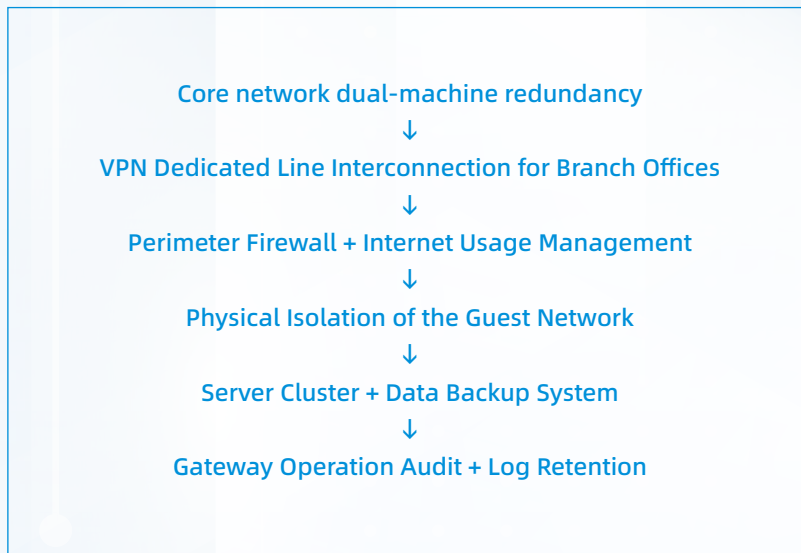
### Tianhai Defense Information Security Management System

Management Levels	Primary Responsibilities	Control Measures
Information Center	Oversee information security, policy development, and strategy approval	Policy Issuance, Authorization Approval, and Oversight and Inspection
System Administrator	Account Creation, Permission Assignment, Workflow Configuration	CM Platform Approval Workflow Management
Operations Administrator	Network and server operations, maintenance, monitoring, and troubleshooting	Logging, checklists, and upgrade mechanisms

## Network Security Framework

The company employs a technical architecture based on “core redundancy + perimeter isolation + behavioral auditing” to establish a multi-layered protection system spanning the network, system, and data layers. Through dual-core redundancy deployment, physical isolation between the guest network and the internal network, and a mechanism for auditing and logging internet usage, the company enhances network stability and access security while improving overall data security capabilities and traceability.

### Network and System Security Flowchart



## Customer Information Management

The company has deeply integrated customer information protection into its system access management and business process management frameworks. During the business design phase, data classification, role-based authorization, and process approval requirements are considered simultaneously. Through mechanisms such as defining the boundaries of employee information access, managing account lifecycles, implementing tiered access controls, restricting access to sensitive data, and logging critical operations, we reinforce the security boundaries of customer and business data, ensuring that information usage is standardized and controllable, responsibilities are clearly defined, and operations are verifiable, thereby effectively preventing data breaches and unauthorized access risks.

### Customer Information Management System

The company has established clear guidelines for the use of employee information:

- Employees are prohibited from using personal email accounts to handle confidential or business-related materials.
- Employees are prohibited from uploading company data to external cloud storage services.
- Employees are prohibited from setting up unauthorized internet connections.
- Internet usage is subject to tiered management, and visitor networks are isolated.

Key Performance Indicators:

- During the reporting period, Tianhai Defense did not experience any incidents involving the leakage of customer privacy, nor did it encounter any major incidents with negative impacts on information security; furthermore, the company was not subject to any penalties related to information security issues.

## Emergency Response Mechanism

The company has established a tiered response mechanism for information security incidents and an annual drill program, clearly defining the identification criteria, reporting procedures, and handling requirements for security incidents of different severity levels to ensure that emergency response plans can be rapidly activated and risks effectively controlled in the event of an incident. At the same time, we regularly organize specialized drills such as system disaster recovery, power outage simulations, and data recovery exercises to continuously test the feasibility of our plans and our recovery capabilities. We continuously refine our technical configurations and management processes to establish a closed-loop management system comprising “prevention–response–recovery–assessment–improvement,” thereby enhancing overall information security resilience and emergency response capabilities.

### Tianhai Defense Information Security Emergency Response Process

Phase	Response Measures
Detection Phase	operations staff must report within 20 minutes
Initiation Phase	The emergency response team activates the contingency plan
Handling Phase	Activate backup equipment or backup links
Recovery Phase	Restore business systems
Debriefing Phase	Submit an emergency response report

## Digital Highlights

As the company advances the upgrade of its CM and EPC systems, it has embedded data security principles into the top-level design and system architecture planning phases of its digital transformation. While restructuring functions, optimizing processes, and integrating data, the company is simultaneously refining its access control hierarchy, role-based authorization matrix, and approval audit trail mechanisms to ensure seamless coordination between business process design and data access controls.

### Case: CM System Customization—Building a Supply Chain Collaboration Management Platform

Tianhai Defense undertook a customization project for the CM system to develop a supplier management platform. This initiative consolidated key processes—including tendering and procurement, supplier onboarding, supplier information management, contract management, and invoice management—onto a unified platform, enabling end-to-end online management of the entire supplier lifecycle. Additionally, the platform enables data interconnection and sharing across the entire supply chain, allowing for real-time monitoring of purchase orders and logistics delivery status. This enhances warehouse receiving efficiency and data consistency, effectively reduces the workload associated with duplicate verification and lowers labor costs, thereby driving the upgrade of supply chain management toward greater collaboration and digitalization.

### Case: EPC Group Edition Upgrade—Advancing Digital Collaboration in Design-Build Integration

In 2025, Tianhai Defense initiated an upgrade of the EPC Group Edition system, focusing on strengthening the digital integration of design drawing management, supply chain management, and production planning. By integrating and optimizing production preparation plans, drawing schedules, and procurement plans, the company achieved centralized data management and collaborative sharing throughout the entire production and construction process, thereby improving the efficiency of coordination between design changes and production execution.

## Supply Chain Security

Tianhai Defense continues to refine its supply chain management system. By synergistically advancing institutional standards, process controls, and IT infrastructure development, the company has established a comprehensive management mechanism covering supplier onboarding, procurement execution, contract management, and performance evaluation. This approach strengthens risk identification and dynamic monitoring capabilities, thereby enhancing the stability, compliance, and security of supply chain operations.

## Supplier Management

The company has established and implemented the “Supplier Management Procedure,” which defines mechanisms for supplier qualification, evaluation, and ongoing management to ensure that procured products and outsourced processes meet quality and compliance requirements.

## Supplier Management System

### Supplier Onboarding Management

- Specify that suppliers must provide basic qualification documents such as business licenses, permits, and system certification certificates;
- Conduct verification of business registration information and review of the Unified Social Credit Code;
- Conduct legal compliance reviews, including checks for individuals subject to enforcement actions for dishonesty, litigation risks, and bribery records;
- Conduct specialized qualification reviews for products requiring special permits, such as hazardous chemicals, the transportation industry, and special equipment;
- Upon approval, include the supplier in the “List of Qualified Suppliers/Outsourcing Partners,” subject to approval by the relevant supervisor or the head of the subsidiary.

### Supplier Performance Evaluation System

- Conduct an annual re-evaluation;
- Evaluation criteria include:
  - a. Product/service quality (70% weighting)
  - b. Timeliness of delivery (20% weighting)
  - c. Issue response capability (10% weighting)
- Suppliers scoring below 65 points will have their qualification revoked;
- Compile the “Supplier/Contractor Re-evaluation Form” and maintain a dynamically updated list.

### Key Performance Indicators:

- During the reporting period, Tianhai Defense had a total of 5,502 partner suppliers, with 688 new suppliers added during the year; 5,453 suppliers were audited during the year, and 877 suppliers were terminated.

## Procurement Management

The company has strengthened risk control throughout the entire procurement and contract process. By refining mechanisms for supplier qualification reviews, contract evaluations, performance monitoring, and approval documentation, the company has clarified the division of responsibilities and approval authorities at each stage. It has also enhanced collaborative management with the legal and risk control departments to ensure that procurement activities are conducted in a standardized and transparent manner, with risks under control and responsibilities clearly defined.

### Control of Approved Supplier Scope

- Procurement activities shall be conducted within the scope of the “List of Qualified Suppliers/Contractors” ;
- If procurement from suppliers not on the list is required, approval must be sought through the supplier onboarding system in the CM system.

### Contract Review and Risk Coordination

- Conduct 100% contract reviews for all project contracts;
- The Marketing Center collaborates with the Legal and Risk Management Center to identify contract risks;
- Strengthen contract data reporting and risk management through the CM system

### Key Performance Indicators:

- During the reporting period, Tianhai Defense achieved 100% coverage in the review of procurement contracts.

## Digital Supply Chain Management

The company continues to advance the digital transformation of its supply chain. Leveraging the CM system and the procurement platform, it has established online mechanisms for supplier onboarding, approval, and change management. This enables the centralized collection of supplier information, automatic logging of process milestones, and traceability of approval histories, thereby enhancing the transparency, collaborative efficiency, and risk management capabilities of supply chain management.

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CM Supplier Onboarding System	<ul style="list-style-type: none"><li>• Implement online processes for supplier registration, changes, and approvals;</li><li>• Automatically generate supplier codes and archive approval comments;</li><li>• Cover modules for business registration information, payment terms, performance capability, and legal compliance reviews;</li><li>• Closed-loop management of multi-departmental approval workflows</li></ul>
System Integration and Data Interoperability	<ul style="list-style-type: none"><li>• The procurement platform now includes features for supplier onboarding and notifications of changes;</li><li>• The CM system has been integrated with an external supply chain platform to enable automatic creation of supplier accounts;</li><li>• Visualized querying of contract report data has been implemented.</li></ul>

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## Employees

The BESTWAY always adheres to the people-oriented development concept, regarding employees as the core driving force for the sustainable development of the enterprise, continuously improving the human resources management system, safeguarding employees' legitimate rights and interests, optimizing compensation incentives and career development mechanisms, strengthening education and training and capacity building, creating a safe, healthy and inclusive working environment, promoting the collaborative growth of employees and the enterprise, and achieving a virtuous cycle of organizational development and employee value creation.

### Employee Rights and Benefits

The BESTWAY strictly follows national labor laws and regulations, establishing a human resources management system based on systems such as the "Director and Senior Management Compensation Management System", "Measures for the Management of Compensation and Assessment of Senior Management Team of the Company", "Implementation Rules for Performance Assessment of Senior Management Team of the Company", "Employee Compensation Management System", "Employee Performance Management System", "Employee Handbook", and "Position Management Measures of the Company", systematically standardizing recruitment and employment, compensation distribution, performance management, position promotion and employee appeals, ensuring that employment management is legal, compliant, transparent and clear in rights and responsibilities.

## (1)Employee Recruitment

The BESTWAY adheres to the principle of "open recruitment and merit-based employment", building a standardized and transparent selection process. The Company gives priority to internal transfers and internal competitions, broadening employees' career development channels; if there are no suitable candidates internally, it then conducts open recruitment to the society. Both internal and external candidates are evaluated according to unified standards to ensure consistent evaluation criteria and fairness and justice. At the same time, we strictly verify identity information and medical examination materials during the onboarding stage to ensure that employees meet the statutory employment age and position requirements.

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### Key Performance:

- During the Reporting Period, the BESTWAY had 1,708 employees, including 352 new employees, with no use of child labor or forced labor.
- 

## (2)Employee Compensation and Benefits

The Company implements a compensation management mechanism oriented toward position value and performance contribution, with employee compensation linked to individual performance, position responsibilities and the Company's overall operating performance, reflecting the distribution principle of "priority to value and efficiency". Senior management compensation emphasizes strategic orientation and risk compliance, implementing deferred payment and clawback mechanisms in accordance with the requirements of the "Corporate Governance Code for Listed Companies", with assessments covering organizational performance, personal performance reports and core backbone cultivation; middle management compensation is based on value contribution and performance orientation, with assessments consisting of organizational performance and personal performance reports; employee compensation is based on performance orientation and market benchmarking, with assessments ensuring alignment with organizational goals through key performance indicators and key work tasks.

In terms of benefits, the Company pays social insurance and housing provident fund for employees in accordance with law, and purchases employer liability insurance and traffic accident insurance for all employees. At the same time, it provides supplementary welfare guarantees such as staff canteens, staff dormitories, commuter shuttle buses, holiday gifts and love funds, building a welfare system covering statutory and supplementary protections.

## (3)Employee Diversity and Anti-Discrimination

The Company advocates an equal and inclusive corporate culture, maintaining an equal attitude toward employees or applicants' nationality, ethnicity, region, gender, religion, age or family status. We adopt a "zero tolerance" attitude toward any form of discrimination, harassment or abuse, continuously maintaining a fair and orderly working atmosphere.

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### Key Performance:

- During the Reporting Period, the BESTWAY had no related discrimination or harassment incidents.
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## (4)Employee Rights Protection

The Company has established a standardized performance management and appeal mechanism. If employees have objections to assessment results, they may submit written appeals in accordance with regulations, and the Human Resources Center will organize review and investigation to ensure that the assessment process is open and transparent and the results are fair and reasonable. We clearly link performance to compensation adjustment, promotion and career development, forming a "evaluation-incentive-development" linkage mechanism to strengthen the value creation orientation. At the same time, we attach importance to labor relationship management, insist on handling various disputes in accordance with laws and regulations, and properly protect the legitimate rights and interests of both the enterprise and employees through a combination of internal communication and coordination and statutory procedures, continuously improving the standardization and compliance of employment management.

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### Key Performance:

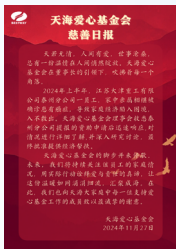
- In 2025, the BESTWAY's formal employee contract signing rate and social insurance coverage rate were 100%, with no labor disputes occurring.
-

## (5)Employee Care

The Company continuously improves its humanistic care mechanism. In 2024, the "BESTWAY Love Fund" was established to help employees and their families through difficulties when encountering serious illnesses or emergencies. At the same time, the Company's labor union regularly carries out holiday condolences, birthday care and cultural and sports activities, and organizes themed team building and employee children activities to enhance employees' sense of belonging and organizational cohesion.

### Key Performance:

- During the Reporting Period, the Company's total investment in helping employees in difficulty was RMB 58,900, covering 25 person-times.



Tianhai Charity  
Foundation Daily  
Report



The labor union organizes  
a hands-on workshop for  
making traditional mother-of-  
pearl brooches to celebrate  
International Women's Day



The Youth League Branch  
organized young employees to  
participate in the "Sailing the  
Waves: Youth and Mission Hand  
in Hand" May Fourth Youth Day  
themed event



Farewell Ceremony for Retiring  
Employees

## Employee Training and Development

The BESTWAY has established a systematic talent development management system covering training planning, organization and implementation, assessment and evaluation, and promotion selection in accordance with institutional documents such as the "Implementation Measures for Employee Education and Training Management", "Employee Performance Management System" and "Position Management Measures of the Company", clarifying that the Human Resources Center coordinates training and development work, with various departments cooperating in implementation, forming a talent cultivation mechanism with standardized systems, clear processes and linked results.

### (1)Employee Training

The Company implements an annual training plan management mechanism, with various departments formulating annual training plans based on business development and employee capability improvement needs. We stipulate employees' annual training hours and implement training registration and file management systems, incorporating training records into important reference content for position appointment and annual assessment.

### Employee Training Mechanism:

- Training Content: New employee onboarding training, position skills training, professional technical improvement training and management capability training, etc.
- Training Forms: Diversified methods such as internal technical sharing, special lectures, external training and online learning platforms.
- Continuous Training Optimization: After training, conduct summary and evaluation through record forms, sign-in management and effect feedback mechanisms, continuously optimizing training content and course design.

#### Employee Training Mechanism:

- During the Reporting Period, the BESTWAY carried out 566 employee training sessions, with an employee coverage rate of 87.41%.

## (2)Employee Development

The company has established three major career tracks—administrative management, business management, and professional technical—and implemented a tiered job grading system to create clear career development pathways. The promotion and selection process adheres to the principles of openness and fairness, incorporating annual performance results, job competency assessments, and departmental development needs into a comprehensive evaluation. Performance results are linked to salary grade adjustments and promotions, forming a standardized process of “performance evaluation—qualification assessment—position appointment—salary grade adjustment.” This encourages employees to specialize in their respective professional fields and pursue continuous growth. The company has implemented multiple incentive and support measures: it offers special allowances for patents and academic papers, rewarding key contributors who obtain patent authorizations or publish journal articles; it also implements a talent development incentive program, providing special allowances to mentors who undertake training responsibilities. In addition, the company provides support for talent relocation and residency registration, as well as assistance with professional title applications. It also gives priority to recommending high-performing employees for industry awards and for selection as leading or outstanding talents at both the municipal and district levels. At the same time, the company has established a tiered and categorized training system based on operational needs and employees’ professional and managerial requirements. Through diverse approaches such as specialized training, thematic learning, and new employee onboarding programs, the company comprehensively enhances employees’ professional skills and overall competence, fostering an organizational environment of continuous learning and shared growth.

## Occupational Health and Safety

Tianhai Defense adheres to the principle of “safety first, prevention-oriented, and comprehensive management.” The company has formulated and implemented the \*Quality, Occupational Health and Safety, and Environmental Management Manual\* to establish an integrated management system for quality, occupational health and safety, and the environment, embedding occupational health and safety requirements throughout the entire operational process. Led by the Safety, Environmental Protection, and Quality Department, the company organizes and implements occupational health and safety management. It clearly defines safety responsibilities at all levels and continuously improves employee health protection and safety risk prevention capabilities through measures such as institutional development, awareness campaigns and training, hazard identification, and emergency management.

### (1)Occupational Health

The company integrates occupational health into its management system for unified planning and implementation, clearly defining requirements for health risk identification, job-related risk notification, and employee health protection, while strengthening daily management and preventive control mechanisms. The company consistently prioritizes the health and safety of its employees and is committed to creating a safe, comfortable, and healthy work environment. Office spaces maintain appropriate temperature, humidity, and lighting conditions; work areas are laid out rationally with unobstructed pathways; and comprehensive fire safety facilities and emergency evacuation signage are provided to ensure employee safety. Additionally, we have obtained ISO 45001 Occupational Health and Safety Management System certification, established a comprehensive risk prevention and control mechanism, strengthened preventive management and continuous improvement, and promoted the steady enhancement of occupational health management standards.

#### Employee Occupational Health Management System

- Establish a pre-employment physical examination system and position-specific health management requirements to ensure that employees’ physical condition meets the safety standards for their roles;
- For high-risk positions, implement specialized training and pre-task risk notification mechanisms to mitigate occupational hazards;
- Conduct occupational health risk identification and control management, incorporating office area safety, equipment room safety, information system security, and electrical safety into routine inspections to establish a standardized management mechanism



ISO 45001:2018  
Occupational Health and  
Safety Management System  
Certification

## Case: QHSE and Workplace Safety Training for New Employees

In 2025, Tianhai Defense systematically incorporated QHSE management system and workplace safety training into its new employee onboarding program. The training covered topics such as workplace safety policies, employees' safety rights and responsibilities, identification of workplace hazards, and emergency response procedures. Interactive learning sessions based on typical risk scenarios were also conducted to strengthen new employees' safety awareness and risk prevention capabilities.



### Key Performance Indicators:

- During the reporting period, Tianhai Defense did not experience any major workplace accidents.

## (2)Workplace Safety

Building on its occupational health and safety management system, Tianhai Defense has established a safety management mechanism led by the Department of Safety, Environment, and Quality. The company has clearly defined the division of safety responsibilities among its various centers (departments and offices), business divisions, and subsidiaries, and has specified job responsibilities in detail. By issuing safety requirements through special meetings and information platforms, the company ensures that safety production responsibilities are implemented at every level and continuously strengthens its risk prevention and control capabilities.

### (1)Closed-Loop Process for Hazard Identification and Rectification

The company has established a routine safety inspection and special inspection mechanism. In accordance with requirements for risk classification and control as well as the identification and rectification of hidden hazards, we have defined inspection standards, responsible parties, and rectification procedures, thereby forming a closed-loop management system comprising "identification-rectification-verification-closure." For key locations such as the headquarters office area, equipment rooms, and manufacturing subsidiaries, we regularly organize specialized safety inspections and implement focused oversight of high-risk operational areas. We continuously refine the "High-Risk Operations Prohibited List" and specialized emergency response plans for typhoon and flood prevention, thereby strengthening our capabilities in risk prevention and source control.

#### Key Performance Highlights:

- During the reporting period, Tianhai Defense conducted a special inspection of key areas such as the headquarters office space and equipment rooms, identifying a total of 15 safety hazards. Responsibility for rectifying these issues was assigned, and they were incorporated into the maintenance plan for ongoing monitoring; all rectifications have been completed and closed out.

### (2)Safety Culture Development and Knowledge Contest

The company disseminates safety knowledge and cautionary case studies through platforms such as digital displays, the corporate WeChat account "Weitianhai," and the CM Safety Column, fostering a strong safety culture. During Work Safety Month, it organizes a "Safety Knowledge Competition," featuring on-site contests focused on safety regulations, emergency response, and hazard identification, to help instill safety principles deeply in employees' minds.

#### Case: Workplace Safety Knowledge Competition

In June 2025, Tianhai Defense held a "Workplace Safety Knowledge Competition." The event featured competition segments focused on workplace safety regulations, emergency response skills, and hazard identification and mitigation, using a team quiz format to reinforce employees' safety awareness. The event attracted participation from multiple teams, fostering a positive learning environment for safety and effectively promoting the integration of safety principles into daily work practices.



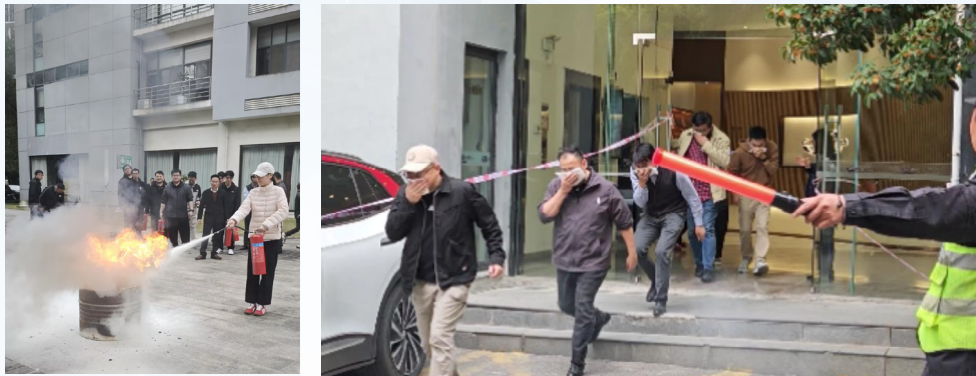
Workplace Safety Knowledge Contest

### (3)Emergency Drill Management

The company has implemented a tiered management system for emergency response plans and a routine drill mechanism, clearly defining organizational responsibilities, response procedures, and requirements for post-incident review and improvement. It organizes specialized drills and hands-on training focused on typical risk scenarios such as fire evacuations and electrical accidents, thereby advancing emergency management from institutional development to the enhancement of practical capabilities.

#### Case: Emergency Evacuation and Fire Extinguisher Drill

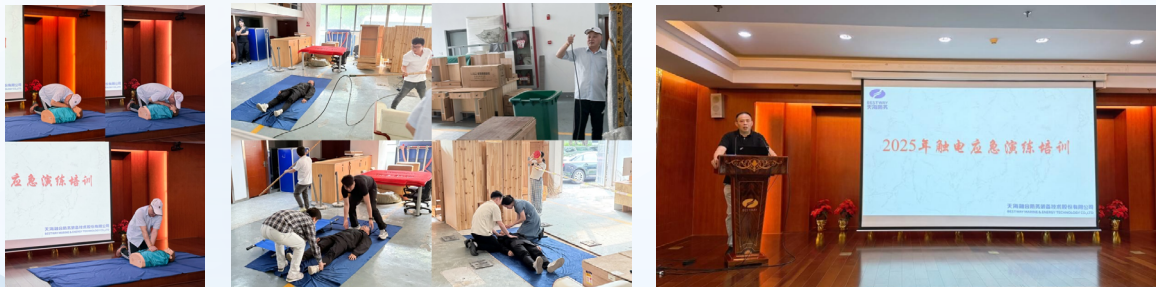
In 2025, Tianhai Defense organized an emergency drill themed “Emergency Evacuation and Fire Extinguisher Drill,” which included fire evacuation procedure drills and hands-on fire extinguisher training. The exercise comprehensively tested the scientific validity and practicality of the company’s emergency response plan. Under professional guidance, employees mastered the key steps of fire extinguisher operation— “lift, pull, grip, and squeeze” –and enhanced their ability to respond to early-stage fires through on-site practice. This effectively improved employees’ capacity to handle sudden fire incidents and their self-rescue and mutual aid skills.



Emergency Evacuation and Fire Extinguisher Drill

#### Case: Electrical Shock Emergency Drill–Safeguarding Lives

In 2025, Tianhai Defense organized a practical electrical shock emergency drill centered on three key components: theoretical training, hands-on CPR practice, and simulated accident response. Participating employees systematically studied the use of insulated tools, power disconnection procedures, and first aid protocols, and mastered CPR skills under the guidance of professionals. The simulation realistically recreated an electric shock incident, covering the entire process from incident detection and on-site response to emergency dispatch and medical transport, effectively testing the feasibility of the emergency response plan. Following the drill, the company conducted a review to address issues such as coordination between procedures, continuously optimizing the emergency response system to tangibly enhance employees’ risk identification capabilities and practical response skills.



Electrical Safety Drill to Protect Lives

# Social Contribution

Tianhai Defense actively fulfills its corporate social responsibilities by establishing and implementing the “Regulations on External Donations” to standardize donation practices and ensure that charitable activities are conducted in a lawful, compliant, and orderly manner.

## Key Performance Highlights:

- During the reporting period, Tianhai Defense and its subsidiary Dajin Heavy Industry made charitable donations totaling 410,000 yuan. Tianhai Defense made donations for disaster prevention and relief totaling 880,000 yuan.
- Blood Donation Campaigns: We are actively engaged in social welfare initiatives and regularly organize employee groups to donate blood at the Shanghai Blood Center. Through these concrete actions, we demonstrate our compassion, give back to society, and showcase our corporate social responsibility.
- Support for National Defense: We have deepened the standardized development of grassroots armed forces departments, organizing multiple groups of employees to participate in militia training throughout the year. Additionally, we organized senior executives and members of the Party Committee to visit Xibaipo for revolutionary education activities. We actively responded to the call of the local People’s Armed Forces Department by participating in militia inspections in Songjiang District, Shanghai. Through national defense education and exchange programs, we have strengthened employees’ awareness of national defense, contributing to the consolidation of national defense and the maintenance of social stability.
- Disaster Relief Donations: We fully leverage our product and technological advantages in the field of emergency rescue equipment to provide practical support to the front lines of flood control and rescue operations, demonstrating our corporate responsibility and patriotic spirit.

## Case: Supporting the Development of Education in Songjiang District

To actively contribute to the development of education in Songjiang District and strengthen ties with the district’s education system and the Xinqiao Town Government, the company responded to the Xinqiao Town Government’s initiative by providing financial support for education in Songjiang District, donating 250,000 yuan to the Shanghai Songjiang District Education Foundation. This initiative demonstrates the company’s commitment to social responsibility. The donated funds will be allocated by the Songjiang District Education Foundation and used to improve educational facilities within the district, fund further education and training for outstanding teachers, and support the development of educational projects, thereby contributing to the advancement of education in the region.

### Case: Blood Donation Drive

In December 2025, the company's labor union organized a blood donation drive. Colleagues responded enthusiastically, spreading kindness and contributing to a good cause.



Blood Donation Drive

## Rural Revitalization

Tianhai Defense actively responds to the national rural revitalization strategy. By leveraging its business expertise and resource advantages, the company is exploring diverse pathways for corporate participation in rural revitalization. While adhering to laws and regulations and maintaining sound business operations, the company focuses on areas such as improving public services in rural regions, promoting coordinated industrial development, and providing charitable assistance. Through these efforts, the company shares the fruits of its development with society, contributing to the realization of regional coordinated development and the goal of common prosperity. In terms of educational support, we have long provided financial assistance to students in impoverished areas of Guizhou. We continuously monitor their academic progress and personal growth, offering both financial support and emotional care. Through these concrete actions, we convey warmth and help students complete their education, fostering a positive outlook on life and a sense of social responsibility.

### Case: Subsidiary Dajin Heavy Industry Supports Rural Revitalization and Fulfills Corporate Responsibility

In 2025, Dajin Heavy Industry, a subsidiary of Tianhai Defense, actively engaged in rural revitalization efforts, focusing its efforts on rural education and public welfare. On September 16, the company donated 30,000 yuan each to Xilaiqiao School and Xilaiqiao Kindergarten, earmarked specifically for improving the educational facilities of rural schools and providing financial assistance to students from underprivileged families, thereby laying a solid foundation for rural talent revitalization through educational support; On December 23, the company donated 100,000 yuan to the Yangzhong City Charity Federation, earmarked for public welfare projects such as rural infrastructure development and assistance for vulnerable groups. With a total annual investment of 160,000 yuan in rural revitalization, the company has injected momentum into local rural development through concrete actions, demonstrating its commitment to corporate social responsibility.

# Report Appendix

## Key Performance Indicators

### 1.Governance Performance

Indicator	Unit	2025
Operating Revenue	RMB	4,518,501,819.11
Number of Board Meetings	times	9
Number of Board Resolutions Passed	items	43
Number of Board Members	persons	9
Number of Female Directors	persons	2
Proportion of Female Directors	%	22.22%
Number of Independent	persons	3
Proportion of Independent Directors	%	33.33%
Proportion of Non-Independent Directors	%	66.67%
Number of Senior Management	persons	5
Number of Male Senior Management	persons	3
Number of Female Senior Management	persons	2
Proportion of Female Senior Management	%	40%
Number of Shareholders' Meetings	times	3
Board Attendance Rate at Shareholders' Meetings	%	100
Number of On-site Investor Research Visits	times	3
Cumulative Number of Investors Received	persons	21
Number of Investor Questions Answered	times	110
Investor Question Response Rate	%	96.49
Number of Periodic Reports Disclosed to Exchange	pieces	4
Number of Interim Announcements Released by Exchange	pieces	91
Number of Penalties for Information Disclosure Violations	times	0
Total Duration of Anti-Corruption Training	hours	3
Total Person-times of Anti-Corruption Training	personstimes	150

## 2.Environmental Performance

	Indicator	Unit	2025
	Environmental Protection Investment	RMB 10,000	655.6
	Purchased Electricity	kw·h	54,405,793
	Natural Gas	m <sup>3</sup>	1,401,323
	Diesel Consumption	L	327,380
	Total Energy Consumption	tce	8,774.49
	Energy Intensity (Total Energy Consumption per Million Revenue)	tce/million revenue	1.94
	Scope 1	tCO <sub>2</sub> e	3,664.82
	Scope 2	tCO <sub>2</sub> e	28,867.71
	Total Emissions (Scope 1 + Scope 2)	tCO <sub>2</sub> e	32,532.53
	Emission Intensity	tCO <sub>2</sub> e/million revenue	7.20
Wastewater	COD Emissions	ton	3.78
	Wastewater Suspended Solids (SS)	ton	2.43
	Ammonia Nitrogen Emissions	ton	0.80
	Total Wastewater Discharge	ton	2,860
	Volatile Organic Compound Emissions	ton	2.64
	Particulate Matter Emissions	ton	3.22
	Total Exhaust Gas Emissions	10,000 m <sup>3</sup>	39,602.88
Waste	Total Hazardous Waste Generation	ton	176
	Total Harmless Waste Generation	ton	3765.41
	Total Waste Discharge	ton	3,941.41
	Total Domestic Waste	ton	1,600
	General Industrial Solid Waste Generation	ton	2,165.41
	General Industrial Solid Waste Generation	ton	2,165.41
	General Solid Waste Emission Density	ton/RMB million	12.73
Water Resource Utilization	Total Water Consumption	ton	84,389
	Total Water Consumption per Million Revenue	ton	18.76
	Fresh Water Consumption	ton	84,567
	Total Water Recycling and Reuse	ton	178

### 3.Social Performance

	Indicator	Unit	2025
Employee Employment	Total Employees	persons	1708
	Number of Disabled Employees	persons	5
	Number of Ethnic Minority Employees	persons	19
	Employee Gender Breakdown		
	Number of Male Employees	persons	1293
	Number of Female Employees	persons	415
	Age Distribution of Employees		
	30 Years Old and Below	persons	363
	30-50 Years Old	persons	917
	50 Years Old and Above	persons	428
	Employee Grade Structure		
	Senior Management	persons	7
	Middle Management	persons	98
	Grassroots Employees	persons	1603
	Employee turnover		
Number of Employee Turnover	persons	160	
Employee Turnover Rate	%	9.57	
Employee Satisfaction Survey	Employee Satisfaction	%	100
Employee Development and Training	Total Number of Employees Trained	persons	1493
	Employee Training Coverage Rate	%	87.41
	Annual Training Expenditure	RMB	768,611.53
	Number of Employee Training Sessions	times	566
	Work-related Accidents	cases	3
	Number of Work-related Injuries	persons	3
	Number of Work-related Deaths	persons	0
	Lost Time Injury Rate per Million Hours LTIR	%	5.23
	Total Number of Employee Safety Training Sessions	times	152
	Employee Safety Production Training Coverage Rate	%	100
	Safety Emergency Drill Times	times	5
	Total Safety Production Investment	RMB 10,000	435.3829
	Total Safety Production Investment	RMB 10,000	435.3829

	Indicator	Unit	2025
Employee Care	Person-times of Assistance to Employees in Difficulty	person-times	25
	Investment in Assisting Employees in Difficulty	RMB	58900
Product Safety and Quality	Percentage of Products Recalled Due to Health and Safety Reasons	%	0
Customer Service and Rights	Number of Customer Complaints	times	10
	Number of Customer Complaints Resolved	pieces	10
Technological Innovation	Number of R&D Personnel	persons	321
	Proportion of R&D Personnel	%	18.79%
	Total R&D Investment	RMB 10,000	5,059.66
	R&D Investment as Proportion of Main Business Revenue	%	1.12%
	Total Intellectual Properties	pieces	592
	Total Valid Patents	pieces	453
	New Invention Patents	pieces	10
	New Software Copyrights	pieces	37
	Invention Patents	pieces	4
	Specialized, Refined, Characteristic and Innovative Enterprises	pieces	4
	National High-tech Enterprises	pieces	6
	National Specialized, Refined, Characteristic and Innovative "Little Giant" Enterprises	pieces	1
Supply Chain Management	Number of Suppliers	companies	5502
	Number of Suppliers Reviewed	companies	5453
	Number of Suppliers Whose Cooperation Was Suspended Due to Non-compliance	companies	877
	Proportion of Suppliers with Integrity Clauses in Contracts	%	约 80
Supply Chain Management	Number of Major Supply Chain Risk and Impact Events	pieces	0
Community Service Activities	Person-times of Volunteer Activity Participation	person-times	97
	Total Volunteer Service Hours	hours	145.5
	Total Public Welfare and Charitable Donations/Total External Donations	RMB 10,000	129

## Indicator Index Table

Index Location	GRI Standard	SZSE Guidelines	
Report Opening	(一) About This Report	GRI2-2、2-3、2-4	/
	(二) Chairman's Message	/	/
	(三) About the BESTWAY	2-1	/
	(四) 2025 BESTWAY Milestones	/	/
	(五) Annual Honors	/	/
Special Topic	Responding to the Sky and Expanding to the Sea, Contributing to Climate Resilience	/	Climate Change Response Innovation-Driven
一、Sustainable Development Management	(一) Sustainable Development Potential		
	(二) Sustainable Development Path	GRI2-22	/
	(三) BESTWAY ESG Management		
	(四) Stakeholder Communication	GRI2-26、2-29	Stakeholder Communication
	(五) Materiality Issue	GRI3	Sustainable Development Information Disclosure Framework
二、Governance	(一) Corporate Governance	GRI2-24	Due Diligence
	(二) Protection of Investor Rights and Interests	GRI2-26、2-29	Stakeholder Communication
	(三) Compliance Management	GRI2-27	Due Diligence
	(四) Business Ethics	GRI205	Anti-Bribery and Anti-Corruption Anti-Unfair Competition Equal Treatment of SMEs
	(五) Party Building Leadership	/	/
四、Environment	(一) Addressing Climate Change	GRI305	Climate Change Response
	(二) Environmental Compliance Management	GRI2-24、404	Environmental Compliance Management
	(三) Resource Management and Circular Economy	GRI302、GRI303	Energy Utilization Water Resource Utilization Circular Economy
	(四) Emission Management	GRI303、305、306	Pollutant Emissions Waste Treatment Circular Economy
五、Social	(一) Product and Service Safety and Quality	GRI416	Product and Service Safety and Quality
	Customer Service and Management	GRI2-25、416、417	Product and Service Safety and Quality
	(三) Innovation-Driven	GRI2-24、305、306、404	Innovation-Driven
	(四) Intellectual Property Protection	/	Innovation-Driven
	(五) Data Security and Customer Privacy Protection	GRI418	Data Security and Customer Privacy Protection
	(六) Supply Chain Security	GRI204-1、308-1、308-2、414-1	Supply Chain Security
	(七) Employees	GRI401-1、401-3、403-1、403-2、403-3、403-5、403-6、403-7、403-9、403-10、404-1、404-2、405-1、406-1、407-1、408-1、409-1、	Employees
	(八) Social Contribution	GRI413-1	Social Contribution
	(九) Rural Revitalization	GRI413-1	Rural Revitalization
Report Appendix	/	/	

## Reader Feedback Form

Dear Reader:

Hello!

Thank you very much for reading the "Bestway Marine & Energy Technology Co.,Ltd 2025 Environmental, Social and Governance Report". We sincerely hope that you can evaluate this report and provide your valuable opinions, and choose the following methods to provide feedback to us.

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Your information

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Name

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Work Unit

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Contact Phone

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Email

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Feedback

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1. Your overall evaluation of the Company's ESG report is

Good     Fairly Good     Average

2. Do you think this report can reflect the significant impact of the Company's ESG issues

Yes     Average     Not Sure

3. How do you evaluate the clarity, accuracy and completeness of the information, data and indicators disclosed in this report

High     Fairly High     Average     Fairly Low     Low

4. Which aspect of this report are you most satisfied with?

5. What issues are you concerned about?

6. What information would you like to learn more about?

7. What other suggestions do you have for the Company's ESG work and this report?