



Yangzijiang Shipbuilding (Holdings) Ltd.
扬子江船业(控股)有限公司

EMPOWERING GREEN LOGISTICS

SUSTAINABILITY REPORT 2024





CONTENTS

SECTION 1: OVERVIEW

- 2** About The Report
- 3** Board Statement On Sustainability Report
- 4** Chairman Statement
- 6** 2024 Sustainability Practices At A Glance

SECTION 2: ESG MANAGEMENT SYSTEM

- 7** ESG Management Structure
- 9** Materiality Assessment
- 15** Stakeholder Engagement

SECTION 3: ENVIRONMENTAL PERFORMANCE

- 18** Performance Overview
- 18** Background Statement
- 18** Investment in Green Technology
- 21** Building a Smart Shipyard
- 22** ESG Data Automation and Digitalisation
- 23** GHG Emission Management
- 27** Energy Management
- 27** Water Management
- 28** Toxic Emissions and Waste Management
- 30** Environmental Factbook

SECTION 4: SOCIAL PERFORMANCE

- 34** Performance Overview
- 34** Background Statement
- 34** Fair Employment and Equal Opportunities
- 35** Workforce Competency Enhancement
- 37** Human Capital Management
- 37** Health and Safety
- 38** Local Community Engagement
- 39** Economic Contribution
- 39** Social Factbook

SECTION 5: GOVERNANCE PERFORMANCE

- 43** Performance Overview
- 43** Background Statement
- 43** Board Competency and Diversity
- 44** Risk Management and Regulatory Compliance
- 45** Business Ethics Management
- 45** Supply Chain Management
- 46** Governance Factbook

SECTION 6: APPENDIX

- 47** GRI Content Index
- 50** SGX Sustainability Reporting Index
- 51** SGX List of Core ESG Metrics
- 54** SASB Standard Index





SECTION 1: OVERVIEW

ABOUT THE REPORT

The Sustainability Report provides a comprehensive overview of Yangzijiang Shipbuilding (Holdings) Ltd's ("**Yangzijiang**", or together with its subsidiaries, the "**Group**") sustainability practices. It outlines the Group's commitment, targets, management approaches, and latest performance, ensuring transparent, accurate, and timely disclosure to our stakeholders while highlighting our dedication to sustainable development.

Reporting Standards and Frameworks

This report is prepared in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("**SGX**") Listing Rule, including rules 711A and 711B on Sustainability Report and relevant SGX Practice Notes 7.6 on Sustainability Reporting Guide. In addition, it adheres to the Global Reporting Initiative ("**GRI**") Standards, which have been selected as our primary reporting framework for their global recognition and relevance for all our stakeholders.

To enhance our environmental, social, and governance ("**ESG**") disclosures, we have also aligned with key indicators from the Sustainability Accounting Standards Board ("**SASB**") framework. Moreover, the Group supports United Nations Sustainable Development Goals ("**UN SDGs**") and is committed to eight core principles. This report supplements our financial and operating reporting, showcasing our sustainability strategy and progress.

Scope of the Report

The scope of our Sustainability Report 2024 covers four operational shipyards in China, including Jiangsu New Yangzi Shipbuilding Co., Ltd. ("**New Yangzi Yard**"), Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. ("**Xinfu Yard**"), Jiangsu Yangzi-Mitsui Shipbuilding Co., Ltd. ("**YAMIC Yard**"), and Jiangsu Yangzijiang Shipbuilding Group Co., Ltd. ("**Yangzijiang Yard**").

The above four shipyards represent the most significant sustainability impact on our organisation and stakeholders. All reported information pertains to the financial year from 1 January 2024 to 31 December 2024 ("**FY2024**").

This report is prepared on an annual basis and is available on both the Group's website at <https://www.yzjship.com/en/> and SGXNET at <https://www.sgx.com/securities/annual-reports-related-documents>.

Assurance

This report has not adopted external assurance. However, all information disclosed has been **rigorously** reviewed by the Group and approved by the ESG Committee and the Board of Directors ("**Board**").

Feedback

We value your opinions and feedback on our sustainability practices and reporting. Please don't hesitate to share your questions and suggestions with us at esg@yzjship.com.



SECTION 1: OVERVIEW

BOARD STATEMENT ON SUSTAINABILITY REPORT

The Board of Directors of Yangzijiang is committed to embedding sustainability in the Group's long-term growth strategy. We recognise our responsibility as a corporate citizen to drive positive change, and we ensure that ESG considerations are integrated into our values, operations, and strategic planning. We continue to enhance our performance and transparency to create long-term value and identify future growth catalysts.

The Board provides strategic direction and oversees the Group's sustainability roadmap. All directors have undergone training on sustainability matters as prescribed by SGX, ensuring they remain at the forefront of evolving regulatory trends and industry standards.

To strengthen governance in this area, an ESG Committee was established in 2022 to oversee sustainability initiatives. It is chaired by Executive Chairman and Chief Executive Officer, Mr. Ren Letian, and supported by:

- Mr. Zhang Hongfei, Deputy General Manager, a key advocate of sustainability across our four operational shipyards in China.
- Ms. Liu Hua, Non-Independent and Non-Executive Director, who brings in-depth expertise in sustainable practices in Singapore, particularly within Singapore-listed companies.
- Ms. Kathy Zhang Chengshuang, External Advisor, who holds a Doctorate in Business Administration from Singapore Management University, with a dissertation thesis focused on ESG measurement.

All committee members have diverse knowledge and understanding of the Group's operations and sustainability guidelines. The ESG Committee is supported by an ESG Implementation team, comprising employees from all important departments to support execution and performance tracking. This leadership structure ensures a well-informed approach to driving our sustainability agenda.

The Group acknowledges the risks and opportunities associated with sustainability and remains proactive in adapting to evolving regulatory frameworks and industry standards. In line with this objective, the Board adopts a comprehensive approach to reviewing operations and formulating practical ESG strategies, ensuring they cover all aspects of the Group's operations and business.

We have identified 10 material topics in 2023, which were reviewed and approved by the Board and the ESG Committee. Following that, the ESG Implementation Team crafted a detailed materiality assessment survey and distributed it to a selected group of the Group's employees, suppliers, and customers. This survey will be reviewed, revised, and redistributed biennially to ensure ongoing relevance and alignment with stakeholder priorities.

Based on a weighted average ranking, the material topics, from most to least significant, include: 1) Research and development ("R&D") in clean technology; 2) Toxic emissions and waste management strategy; 3) Corporate governance; 4) Sustainable supply chain management; 5) Labour management policy; 6) Greenhouse gas ("GHG") emissions; 7) Digital transformation; 8) Occupational health and safety; 9) Business ethics; 10) Diversity, equality, and care. Following the identification of material topics, the Group has set out 2025 targets for each material issue and will track performance to ensure alignment and accountability.

In conclusion, this report complements our financial disclosures, providing transparent insights into our ESG commitments, targets, performance, and key initiatives. As we continuously refine our disclosures and ESG practices, we welcome stakeholder feedback and suggestions. Please write to us at esg@yzjship.com.

Board of Directors

Yangzijiang Shipbuilding (Holdings) Ltd
April 2025



SECTION 1: OVERVIEW

CHAIRMAN STATEMENT

Sustainability regulations gained momentum in 2024, with countries, industry associations, and companies advancing implementation plans to combat climate change.

One of our largest addressable markets, the European Union, established the Corporate Sustainability Due Diligence Directive (“**CSDDD**”), mandating companies to address environmental risks within their supply chains. Companies generating revenue above a certain threshold in the region must comply with the directive¹.

China also accelerated its green transition plan in 2024, reinforcing its commitment to climate action under the Paris Agreement. China reaffirmed its goal to reduce carbon intensity by over 65% from 2005 levels by 2030, in March 2023². Notably, China achieved its 2030 target of 1,200 gigawatts of installed solar and wind capacity six years ahead of schedule, in July 2024³.

More importantly, the International Maritime Organisation (“**IMO**”) continued developing mid-term measures aimed at cutting down GHG emissions to meet its ambitious targets set out in 2023. These new regulations build upon previously adopted short-term measures and are scheduled for adoption in late 2025.⁴

To establish a global baseline for sustainability-related financial disclosures, the International Sustainability Standards Board (“**ISSB**”) released a new reporting standard – International Financial Reporting Standards (“**IFRS**”) Sustainability Disclosure Standards – on 26 June 2023. As of 12 November 2024, 30 jurisdictions, representing over 40% of global market capitalisation, have decided to adopt or are taking steps to introduce this disclosure standards into their regulatory frameworks⁵, including the Singapore Exchange Regulation (“**SGX RegCo**”) ⁶.

These developments indicate a broader global trend towards sustainability, which also aligns with our commitment to transparency, accountability, and resilient long-term growth.

Notable Progress Towards 2030 Target

2024 was a pivotal first year following our commitment to reduce carbon intensity (Scope 1 and Scope 2) by 25% from the 2023 baseline by 2030. We are pleased to report a 12.8% reduction in carbon intensity during the year. The progress made this year serves as an early validation of the viability and credibility of our roadmap.

This encouraging performance was underpinned by our dual-engine sustainability strategy, Green Vessels and Green Shipyards, which continues to guide our R&D priorities and operational transformation.

In 2024, the Group significantly raised its R&D investment in clean technology, allocating 44% of total R&D expenditure, up from 18% in 2023. Our dedicated investments into R&D yielded strong results both operationally and financially. These investments have strengthened our competitive position and enabled us to secure a record USD14.6 billion in new orders. Notably, 82% of these orders were for clean-energy vessels, bringing our outstanding orderbook to USD24.4 billion as of 31 December 2024. Eco-friendly vessels now accounted for 74% of the total orderbook, up from 58% a year ago.

In addition, our continuous R&D efforts have strengthened our production capabilities. We enhanced production efficiency while minimising environmental impact. The strong operational performance translated to record-breaking top-line for the year, with 70.2% shipbuilding revenue generated from green vessels, compared to 44.4% in 2023.

Progress on green shipyards also made headway in 2024. New Yangzi Yard was recognised as a Provincial-Level Green Factory, while both New Yangzi Yard and Xinfu Yard received special government sponsorship for climate management. Aligning with China’s green transition plan, the Group expanded its solar panel capacity, achieving a 16.1% increase in power generation year-on-year.

¹ European Commission: Corporate sustainability due diligence

² UNDP: China’s Climate policy documents, 1+N and updated NDC

³ Financial Times: China’s accelerating green transition

⁴ IMO: Marine Environment Protection Committee (MEPC 82)

⁵ IFRS Foundation: Progress on Corporate Climate-related Disclosures, 2024 Report

⁶ SGX Group: SGX RegCo to start incorporating IFRS Sustainability Disclosure Standards into climate reporting rules



SECTION 1: OVERVIEW

Operating A Responsible Business

Building trust with our employees is an essential pillar of our social management strategy. This, combined with our corporate values, guides our behaviours and actions to realise the potential of our people while safeguarding their well-being and safety.

In 2024, the Group boosted training hours at all operational levels as compared to the preceding year, with focus on individual competency, workplace safety, and business ethics. Notably, we achieved 100% safety training coverage for both on-site employees and subcontractors. These dedicated efforts enabled us to achieve zero workplace fatalities for the second consecutive year.

Employee feedback is valuable to us. The Group has established an open communication channel where employees are encouraged to submit their concerns, feedback, and suggestions. By deeply understanding their perceptions, feelings, and desires, we are able to respond thoughtfully and build a more cohesive and engaged workforce.

Strengthening Corporate Governance

In April 2024, the Group welcomed Mr. Yee Chia Hsing as an Independent and Non-Executive Director. The Board remained majority-independent throughout the year. In line with SGX requirements, all Directors had completed sustainability training, ensuring alignment with evolving regulations and best practices.

Additionally, the Group has integrated ESG elements into the supplier selection process to support the development of a sustainable and reliable supply chain.

Road To The Next Phase of Sustainability Growth

Sustainability is not just a goal, it is a continuous journey of innovation, accountability, and progress. Our core dual-engine ESG strategies have delivered measurable results, both operationally and financially.

In the coming years, we will prioritise measurable advancements across each material ESG topic. By setting clear targets, adopting phased implementation strategies, and maintaining regular progress checkpoints, we aim to create long-term value while aligning with stakeholder expectations. To support this vision, we have introduced longer-term ESG targets and updated management approaches to drive meaningful action.

By enhancing the depth and transparency of our sustainability disclosures, we aim to foster stronger collaboration with our stakeholders. Together, we will continue to push boundaries, set new targets, and pave the way for a more responsible and prosperous future.

Mr. Ren Letian

Executive Chairman and Chief Executive Officer



SECTION 1: OVERVIEW

2024 SUSTAINABILITY PRACTICES AT A GLANCE

ENVIRONMENTAL HIGHLIGHTS

2030 VISION

Reduce **carbon intensity** (Scope 1 + Scope 2) by **25%** from baseline 2023.



Achieved a **12.8% reduction** in **carbon intensity**, on track to meet the 2030 target.



Expanded **investments into clean energy products**, standing at **44.4% of total R&D**, up from 17.5% in 2023.



70.2% of FY2024 revenue was generated from eco-friendly vessels.



Achieved a **16.1%** increase in power generation from solar panels.



SOCIAL HIGHLIGHTS

Boosted training hours at all operational levels, as compared to 2023.



100% safety training coverage for on-site workers and subcontractors.



Zero workplace fatalities across our operations.



GOVERNANCE HIGHLIGHTS

Board Independence

60%



Board Gender Diversity

20%



Business Ethics Training

100% coverage for both employees and subcontractors





SECTION 2: ESG MANAGEMENT SYSTEM

ESG MANAGEMENT STRUCTURE

The Board takes ESG principles into account when formulating the Group's business strategies, aiming to drive sustainable growth and long-term value creation.

Yangzijiang's ESG Management structure ensures that sustainability considerations are embedded at all levels of operations, fostering transparency, accountability, and continuous improvement.

The Board of Directors

The Board provides strategic direction and oversight for the Group's ESG initiatives, ensuring alignment with global sustainability standards and stakeholder expectations. The Board is responsible for: 1) approving ESG strategies, targets, and key policies; 2) overseeing ESG risk management and regulatory compliance; 3) monitoring implementation progress and providing timely guidance for necessary adjustments.

The Board meets at least four times a year. Sustainability is increasingly becoming an important agenda item in these meetings. All directors have undergone training on sustainability matters as prescribed by SGX and receive regular briefings on the latest development by the ESG Committee, ensuring that they are up to date with the latest regulatory trends and industry best practices.

The ESG Committee

To strengthen sustainability governance, the ESG Committee was established in October 2022 to provide focused leadership on these matters.

The ESG Committee is chaired by our Executive Chairman and CEO, Mr. Ren Letian, and its members include Mr. Zhang Hongfei, Deputy General Manager, Ms. Liu Hua, Non-Independent and Non-Executive Director, and Ms. Kathy Zhang Chengshuang, External Advisor, Co-founder of Financial PR and Adjunct Faculty of Singapore Management University. All committee members have an in-depth expertise of the maritime industry as well as sound knowledge in sustainability.

The primary aim of the ESG Committee is to integrate the sustainability framework into the Group's business strategies, focusing especially on corporate governance and operational optimisation. The ESG Committee meets at least twice a year. Meeting minutes are documented by the ESG Implementation Team and endorsed by the Committee Chair. The ESG Committee reports to the Board regarding progress made in sustainability and forthcoming plans for the next half-year.

The ESG Committee's key responsibilities include: 1) setting ESG-related objectives in accordance with internationally recognised frameworks; 2) overseeing execution and recommending corrective actions as needed; 3) keeping the Board informed of key ESG trends and updates; 4) overseeing and supporting stakeholder engagement activities on ESG matters; 5) ensuring the accuracy and adequacy of ESG-related disclosures; 6) conducting an annual review and assessment of the Group's ESG initiatives, proposing necessary adjustments to the implementation plan to the Board for approval.

The ESG Implementation Team

Under the ESG Committee, an ESG Implementation Team was formed to drive execution and track progress of the ESG strategies. The team consists of representatives from key departments, such as Human Resources ("HR"), Sales, Procurement, Finance, Compliance, and Investor Relations. This cross functional team is responsible for executing ESG initiatives, tracking progress, and providing regular updates to the ESG Committee.

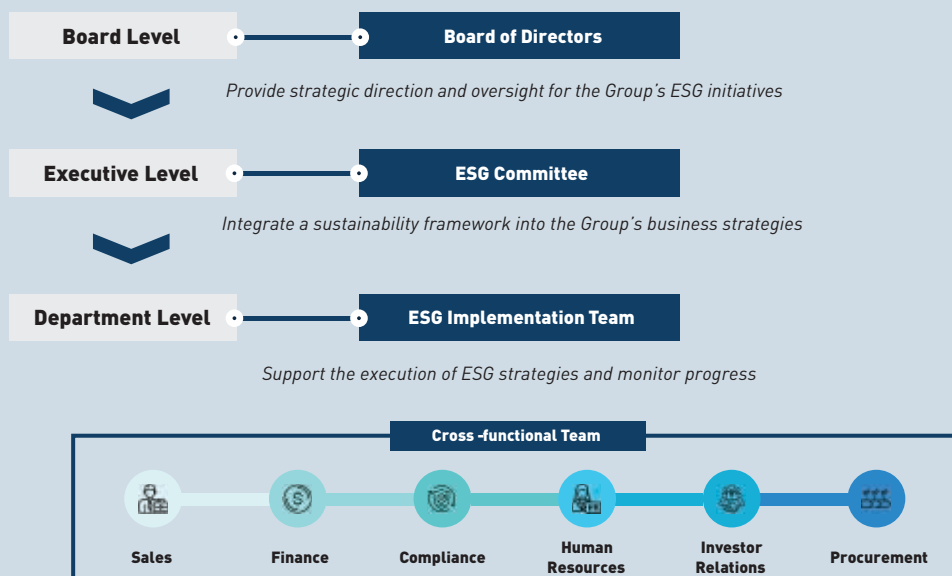
Key functions of the ESG Implementation Team include: 1) executing ESG strategies at the business unit level; 2) collecting and analysing ESG-related data for disclosures; 3) engaging stakeholders, such as employees, suppliers, customers, investors, and government agencies, to enhance ESG practices within the organisation and across value chain.

SECTION 2: ESG MANAGEMENT SYSTEM

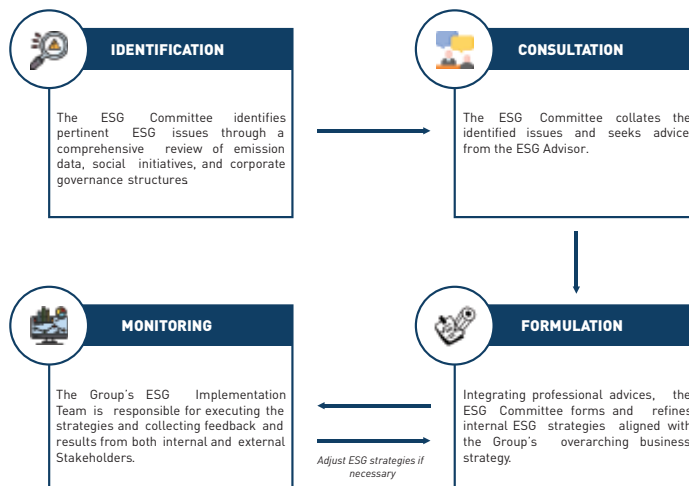
ESG Performance Tracking and Reporting

The Group employs a structured ESG Performance Tracking System to monitor progress and ensure accountability. This includes: 1) regular performance reviews by the ESG Committee; 2) annual sustainability reporting aligning with both SGX Listing Rules 711B and the SGX Practice Note 7.6 Sustainability Reporting Guide, as well as global sustainability standards, such as GRI, SASB, and UN SDGs; 3) ongoing assessment and improvement of ESG initiatives.

ESG MANAGEMENT STRUCTURE



ESG STRATEGY EXECUTION PROCESS



SECTION 2: ESG MANAGEMENT SYSTEM

MATERIALITY ASSESSMENT

Materiality assessment is an important process in our sustainability strategy, enabling us to identify, prioritise, and address ESG issues that are most relevant to our business operations and our stakeholders.

The Group conducts a materiality assessment once every two years. In our last assessment exercise in FY2023, the Group reviewed and restructured the material topics. The new set of topics, organised under ESG pillars, include: 1) R&D in clean technology; 2) toxic emissions and waste management strategy; 3) corporate governance; 4) sustainable supply chain management; 5) labour management policy; 6) GHG emissions; 7) digital transformation; 8) occupational health and safety; 9) business ethics; 10) diversity, equality, and care.

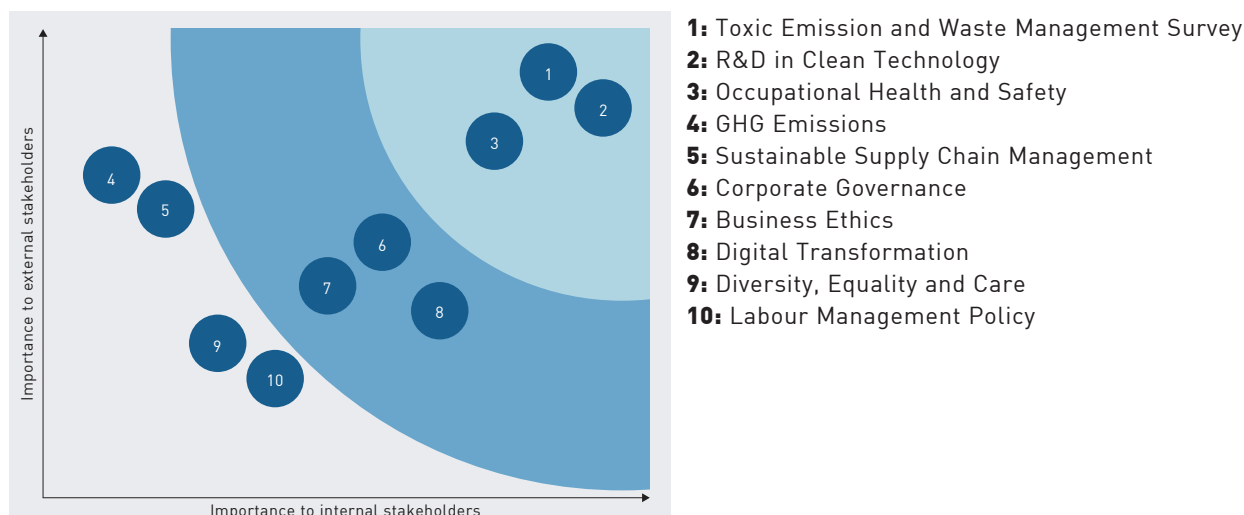
Following that, the ESG Implementation Team created a Materiality Assessment survey, which was distributed to a selected group of the Group's employees, suppliers, and customers. The survey results were collated and analysed by the ESG Implementation Team using a weighted scoring system and reviewed by both the Board and the ESG Committee.

In FY2024, these ten material topics were reviewed and endorsed by the ESG Committee. To advance our practices, the ESG Committee, in collaboration with senior management, introduced 2025 targets for each topic along with corresponding action plans to drive the Group's progress toward achieving them. Details will be provided in the following sections.

The 2023 material topic selection process and survey results could be found in our Sustainability Report 2023 Page 33 – 35 contained in FY2023 Annual Report.

Analysing the Internal and External Stakeholders

The Group analysed the priorities of internal and external stakeholders. The graph below illustrates this.





SECTION 2: ESG MANAGEMENT SYSTEM



Top 3 Material Issues by Stakeholder Group

Internal Stakeholders	External Stakeholders
1. R&D in Clean Technology	1. Toxic Emission and Waste Management Survey
2. Toxic Emission and Waste Management	2. R&D in Clean Technology
3. Occupational Health and Safety	3. Occupational Health and Safety

Material Issues and Yangzijiang's Approach

After careful consideration of the 2023 Materiality Assessment and our Group's ESG targets, we have identified ten material issues, of which we will prioritise R&D in Clean Technology, Toxic Emission and Waste Management, and Corporate Governance. The Group has introduced FY2025 targets for each material issue and set out corresponding strategies to address the risks and opportunities associated with them.

Moreover, the Group is dedicated to aligning its ESG practices with international sustainability agenda, emphasising both disclosure transparency and the integration of ESG principles into our daily operations. Notably, the Group has incorporated the UN SDGs into its sustainability reporting framework since 2023, employing them as one of the guidelines to address all material issues.

Rank	Material Issues	2025 Target	Yangzijiang's Responses
1	R&D in Clean Technology  	Continue the Group's strategy to invest in clean technology, with focuses on green vessels and advanced production techniques	Current Initiatives: <ul style="list-style-type: none"> Establishment of an in-house R&D centre Recruitment of technical experts to strengthen the company's innovative capabilities Introduction of high-efficiency production techniques Penetration into alternative fuel-capable vessel sectors Yangzijiang's Strategies: <ul style="list-style-type: none"> Capability enhancement for further penetration into clean energy vessel market Introduction of low-carbon production process Adjustment of product mix to secure orders for high-tech/high-value vessels Introduction of high-efficiency shipbuilding infrastructure to streamline operations and reduce costs



SECTION 2: ESG MANAGEMENT SYSTEM





Rank	Material Issues	2025 Target	Yangzijiang's Responses
2	Toxic Emission and Waste Management Strategy  	Continue the Group's strategy to enhance toxic emission and waste management through improved practices and alignment with industry standards	Current Initiatives: <ul style="list-style-type: none"> Integration of environmental management system, ISO14001, across all shipyards Engagement with a third-party agency for the quarterly evaluation of toxic emissions levels Yangzijiang's Strategies: <ul style="list-style-type: none"> Replace hazardous materials with safer, environmentally friendly alternatives Introduction of waste management guidelines including partnering with a specialised third-party for waste treatment Upgrade facilities to prevent waste leakage risks
3	Corporate Governance 	Maintain a strong level of Board competency, independence, and diversity	Current Initiatives: <ul style="list-style-type: none"> Transparent corporate disclosures to ensure accountability and foster trust among stakeholders Comprehensive corporate management principles to guide strategic decision-making Experienced Board of Directors and management team bring expertise and leadership to the company's operations Yangzijiang's Strategies: <ul style="list-style-type: none"> Commitment to transparency Capability improvement programs for the Board of Directors to enhance governance and strategic oversight Commitment to risk management and compliance
4	Sustainable Supply Chain Management 	Continue to support the integration of ESG elements into supply chain management system	Current Initiatives: <ul style="list-style-type: none"> Initiation of a pilot program for supplier sustainability assessment Yangzijiang's Strategies: <ul style="list-style-type: none"> Progressive engagement with suppliers to monitor ESG strategies and implementation progress

SECTION 2: ESG MANAGEMENT SYSTEM

Rank	Material Issues	2025 Target	Yangzijiang's Responses
5	Labour Management Policy <div>   </div>	Continue to uphold high standard of labour management system, prioritising employee well-being and welfare	Current Initiatives: <ul style="list-style-type: none"> • Share-based incentive scheme • Variable incentives for on-site workers, such as best team performance, leadership excellence, and outstanding cost-saving efforts • Provision for all employees includes the mandatory "Five Insurance and One Housing Fund" along with supplementary medical insurance • Comprehensive principles covering HR, labour management, employee training, employee attendance and vacation management, employee salary and welfare management, and subcontractor management • Direct communication channels for feedback and engagement between employees and the senior management team Yangzijiang's Strategies: <ul style="list-style-type: none"> • Commitment to upholding a high-standard employee management and incentive system • Regular reviews and updates of the employee management policies
6	GHG Emission <div>   </div>	Continue to advance the Group's dual-engine ESG strategy, aiming to achieve the Group's 2030 target	Current Initiatives: <ul style="list-style-type: none"> • Disclosure of scope 1 and scope 2 emission data for 2020-2024 Yangzijiang's Strategies: <ul style="list-style-type: none"> • In preparation for scope 3 emission measurement • Development of Yangzijiang's ESG management roadmap



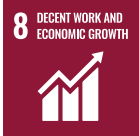


SECTION 2: ESG MANAGEMENT SYSTEM

Rank	Material Issues	2025 Target	Yangzijiang's Responses
7	Digital Transformation  	Continue to support digital transformation in core operations	Current Initiatives: <ul style="list-style-type: none"> Ongoing digital transformation for shipyard facilities Adoption of a comprehensive Enterprise Resources Planning system Advancements in smart shipyards Launch of bespoke vessel design software to minimise design time and costs Yangzijiang's Strategies: <ul style="list-style-type: none"> Further digital transformation of vessel design, modelling, and production management Adoption of a one-stop data storage and management system
8	Occupational Health and Safety  	Aim to achieve ZERO fatalities across all operational shipyards	Current Initiatives: <ul style="list-style-type: none"> Establishment of Workplace Safety Committee Establishment of a top-down workplace safety management system and a reward and penalty scheme for motivation Monthly Workplace Safety Committee meeting to evaluate safety performance and a system to monitor the implementation of the safety strategy Weekly safety training for all on-site workers Yangzijiang's Strategies: <ul style="list-style-type: none"> Ongoing review and optimisation in safety guidelines



SECTION 2: ESG MANAGEMENT SYSTEM

Rank	Material Issues	2025 Target	Yangzijiang's Responses
9	Business Ethics  	Continue to uphold high standard of business ethics and promote relevant training for both employees and subcontractors	Current Initiatives: <ul style="list-style-type: none"> Establishment of comprehensive codes of ethics Ethics training and education Introduction of ethical reporting system Yangzijiang's Strategies: <ul style="list-style-type: none"> Fostering a culture of integrity and ethical responsibility Regular review and updating of ethics and compliance protocols
10	Diversity, Equality, and Care 	Continue to promote diversity, equality, and care across all operational shipyards	Current Initiatives: <ul style="list-style-type: none"> Comprehensive training for all employees to foster understanding, respect, and appreciation for diverse backgrounds and perspectives Development of fair hiring principles to ensure fair treatment of all candidates Establishment of a clear career development framework for employee upskilling Comfortable accommodation provided for employees enhances their living conditions Employee Benefit Fund setup aids those in need, demonstrating company solidarity Yangzijiang's Strategies: <ul style="list-style-type: none"> Employee welfare enhancement ensures a supportive and nurturing work environment



SECTION 2: ESG MANAGEMENT SYSTEM

STAKEHOLDER ENGAGEMENT

To institutionalise stakeholder engagement as a core part of our ESG framework, the ESG Committee is developing a robust stakeholder engagement model. This model will enable us to comprehend and address stakeholder concerns effectively. Additionally, it will support customised engagement strategies aligned with the priorities of each stakeholder segment.

Yangzijiang strengthens its ESG performance and disclosures through consistent and transparent communication with various stakeholders. The Group has identified seven key stakeholder groups:

Stakeholder Group	Significance	Stakeholder Concerns	Engagement Channels	Our Response
Customers	Customers are cornerstones for business success. Their evolving requirements for products and services drive our product innovation and sustainability initiatives. Engaging customers on a regular basis helps us understand latest market trends and customers' expectations.	<ul style="list-style-type: none"> Capabilities in building higher value-added vessels, such as alternative fuelled vessels and dual-fuelled vessels Product performance enhancement, such as efficiency, cost-saving, safety Quality control and timely delivery Product and technology innovation Quality products and after-sales service Customer satisfaction 	<ul style="list-style-type: none"> Regular business dialogues Collection of informal and formal feedback from customers upon vessel delivery Frequent customer engagement during vessel construction process 	Read more about our initiatives to provide best-in-class ships and enhance customer satisfaction on page 18-22
Employees	Employees are the backbone of the Group. A cohesive and productive working environment enables the Group to achieve operational efficiency, drive innovation, and form an inclusive and collaborative corporate culture.	<ul style="list-style-type: none"> Safe working environment Protection from toxic emissions and waste Job satisfaction Fair workplace policies – performance evaluation, compensation and employee benefits Work progression and development opportunities Sense of belonging 	<ul style="list-style-type: none"> Labour union Regular training programs Performance-based compensation Regular teambuilding activities Annual performance evaluation Transparent and fair career advancement opportunities 	Read more about our employee engagement activities on page 34-38



SECTION 2: ESG MANAGEMENT SYSTEM

Stakeholder Group	Significance	Stakeholder Concerns	Engagement Channels	Our Response
Shareholders, Investors and Analysts	Shareholders, investors, and analysts play a vital role in assessing our financial and operational performance, corporate governance, and ESG strategies. Their trust, confidence, and support in our Group will have material impact on our visibility in the investment community, stock valuation, and corporate credibility.	<ul style="list-style-type: none"> Financial and operational performance Accretion of shareholders' value Disclosure transparency Risk management Board composition 	<ul style="list-style-type: none"> Regular engagement with investors and analysts via Annual General Meeting, investor briefings, corporate roadshows, and one-on-one meetings, yard tours Transparent and timely communication – financial results announcements and corporate announcements Proactive investor relations 	Read more about our investment community engagement activities on page 53-55 of the Annual Report 2024
Suppliers & Other Vendors	A strong supplier chain ensures operational continuity and supply chain resilience. Engaging suppliers on a regular basis foster responsible procurement.	<ul style="list-style-type: none"> Responsible business practices Long-term partnership 	<ul style="list-style-type: none"> Regular visits to suppliers Regular review sessions Technical training for the workers in the shipyards 	Read more about our supply chain management on page 45-46
Authorities (Including Chinese government and SGX)	Regulatory compliance is fundamental to our business operations. We actively communicate with local authorities on issues of concern to them, latest regulatory policies, and corporate social responsibility initiatives. This enables the Group to formulate necessary action plans to capitalising on potential growth opportunities or mitigate potential impact on our operations.	<ul style="list-style-type: none"> Technology innovation Economic contributions Safety and labour issues Fair competition Contributions to the regional supply chain Law and regulation compliance 	<ul style="list-style-type: none"> Regular dialogue with government agencies and regulator Yard inspection visits by authorities Worker training opportunities conducted by the government Management sharing sessions at government-led events 	Read more about our engagement with authority on page 39 and 44



SECTION 2: ESG MANAGEMENT SYSTEM

Stakeholder Group	Significance	Stakeholder Concerns	Engagement Channels	Our Response
Media	Media influences public perception, corporate reputation and visibility, and company positioning. Positive media engagement enhances transparency, credibility, and stakeholder trusts.	<ul style="list-style-type: none"> Financial and operational performance Key business breakthroughs Crisis management Updates on business strategies 	<ul style="list-style-type: none"> Press releases C-suite interviews Communication channels – corporate website, WeChat official account, and LinkedIn Corporate networking events 	Read more about our media engagement activities via: 1) our press releases published on SGXNET; 2) our official LinkedIn Account – Yangzijiang Shipbuilding Holdings; 3) our official WeChat Account – 扬子江船业
Local Community	A harmonious local community fosters a stable and supportive business environment for the Group. Addressing community concerns and contributing to local well-being strengthens our corporate reputation and social responsibility.	<ul style="list-style-type: none"> Care and contributions to the local community Social volunteer activities Support for local employment 	<ul style="list-style-type: none"> Company CSR initiatives Philanthropic donations 	Read more about our local community engagement activities on page 38

SECTION 3: ENVIRONMENTAL PERFORMANCE

PERFORMANCE OVERVIEW



2024 Performance Highlights

- Achieved a 12.8% reduction in carbon intensity (Scope 1 + Scope 2 emissions), on track to meet the Group's 2030 target of a 25% reduction from the 2023 baseline.
- Allocated 44.4% of 2024 R&D expenditure to clean technology, up from 17.5% in 2023.
- 70.2% of FY2024 revenue was generated from eco-friendly vessels.
- Solar panel power generation rose by 16.1%.
- Reduced water intensity by 6.1%.
- Assessed and disclosed climate-related risks and opportunities.
- Implemented the *Hi ESG* platform for measuring and reporting GHG emissions.



2025 Targets

- Continue progress towards 2030 carbon intensity reduction target.
- Sustain investment in green technology and innovation.
- Further expand solar panel capacity.
- Enhance resource efficiency through water conservation and waste reduction.
- Advance smart factory transformation across shipyard operations.



Longer-term Targets

- Achieve 25% reduction in Scope 1 and 2 emissions intensity by 2030 from the 2023 baseline.

BACKGROUND STATEMENT

As one of the world's leading shipbuilding companies, we recognise our responsibility to drive maritime decarbonisation. We are committed to maintaining compliance with China's regulatory policies and SGX's sustainability reporting requirements. This ensures that our environmental practices align with industry standards.

To reinforce our commitment to responsible operations, we have set a 2030 target to reduce carbon intensity by 25% from the 2023 baseline.

Our dual-engine environmental strategy, which was initially introduced in 2022, has been refined to facilitate the Group to achieve its 2030 target. This strategy is built on two core pillars – Green Vessel Strategy and Green Shipyard Strategy.

From a business growth perspective, the Group is committed to constructing greener and more efficient vessels for our customers, helping our customers enabling safer, more cost-effective, and environmentally friendly fleet operations.

On the operational side, the Group is transforming into a smart shipyard by integrating automation solutions, digital tools, and green energy initiatives such as solar panels and renewable electricity sourcing. These efforts aim to improve efficiency and mitigate the potential environmental impact from our shipbuilding activities.

In addition, we have implemented a series of environmental management approaches to complement our core pillars, addressing critical challenges affecting our operations. By aligning with industry standards and maintaining regulatory compliance, we ensure sustainable growth while supporting the broader transition to a greener maritime sector.

INVESTMENT IN GREEN TECHNOLOGY

Significance





Investment in green technology is critical for long-term success as the global maritime industry moves towards decarbonisation and regulatory compliance with environmental standards. Advancements in shipbuilding technology, including alternative fuel propulsion and energy-efficient designs, not only enhance operational efficiency but also help reduce emissions.

By integrating sustainable technologies into ship construction, the company strengthens its market position while aligning with industry-wide efforts to achieve net-zero emissions. Green technology investments also enable cost savings over the vessel lifecycle and contribute to a more sustainable supply chain.

SECTION 3: ENVIRONMENTAL PERFORMANCE

Management Approach

At Yangzijiang, our R&D initiatives focus on three key areas:

 R&D Initiatives	 Production Techniques	 Vessel Operational Efficiency	 New Energies
Rationale	To optimise manufacturing processes to reduce emissions and waste produced from the production activities	To drive innovations that optimise vessel performance and reduce operational costs for our customers	To explore sustainable energy solutions for our customers to support the industry's transition to decarbonisation
Development Areas	<ul style="list-style-type: none">➤ Emission reduction of volatile organic compounds ("VOC")➤ Raw material utilisation optimisation➤ Reduction in pollutant emissions, hazardous waste, and harmful environmental impact in the shipbuilding activities	<ul style="list-style-type: none">➤ Vessel fuel efficiency improvement➤ Vessel loading capacity optimisation➤ Reduction in vessel weight using better ship designs➤ Reduction in propulsion power by installing energy-saving equipment➤ Technology upgrade in coating	<ul style="list-style-type: none">➤ Liquefied Natural Gas ("LNG") fuelled ships➤ Methanol fuelled ships➤ Ammonia ready or ammonia fuelled ships➤ Wind-assisted propulsion system➤ Carbon capture and storage technology

The Group's in-house R&D centre plays a key role in driving development across the three areas.

These three pillars ensure that the Group maintains its market leadership and continues to strengthen its production efficiency, achieving cost-effectiveness, optimising production capacity, and enhancing profitability.

2024 Performance

Yangzijiang remains committed to advancing sustainable maritime solutions by expanding its portfolio of clean-energy vessels. As of 31 December 2024, 74% of the Group's total outstanding orderbook was classified as clean-energy vessels, reflecting a significant increase from 58% as of 31 December 2023. This growth underscores our continued focus on meeting the industry's demand for greener shipping and aligning with global decarbonisation advocacy.

SECTION 3: ENVIRONMENTAL PERFORMANCE

Order Delivery Highlights



CASE STUDY 1

1,260 Twenty-Foot Equivalent Unit ("TEU") Methanol Dual-Fuel Containerships

- Capable of carrying four different container sizes, enhancing operational flexibility.
- 50% lower fuel consumption per ton-nautical mile compared to conventional fuel-powered vessels.
- Significantly reduces carbon emissions and pollutants, supporting sustainable shipping.
- In compliance with IMO Energy Efficiency Design Index ("EEDI") Tier III emission standards and EEDI Phase 3.



CASE STUDY 2

16,000 TEU LNG Dual-Fuel Containership

- Equipped with a shaft generator, air lubrication system, rudder bulb, and twisted rudder fins for enhanced energy efficiency.
- Dual-fuel main engine adopts Eco Exhaust Gas Recirculation ("EcoEGR") optimisation.
- In compliance with IMO EEDI Tier III emission standards.



CASE STUDY 3

36,000 Cubic Meter ("CBM") Dual-Fuel Liquefied Ethylene Carrier ("LEG")

- Compact and flexible design with high port adaptability.
- Three large spherical C-type tanks, increasing cargo capacity by 12%.
- Dual-fuel main engine, controllable pitch propeller, and twisted rudder for superior propulsion efficiency.
- Low emissions and high environmental performance with optimised fuel efficiency.

SECTION 3: ENVIRONMENTAL PERFORMANCE



ORDER WIN HIGHLIGHTS

Secured a total of six (6) 13,000 TEU Methanol Dual-Fuel Containerships from Ocean Network Express ("ONE") in January 2024

BUILDING A SMART SHIPYARD




Significance

As the second pillar of our environmental management strategy, the Group continues to invest in technologies that integrate digitalisation, automation, and intelligent resource management tools into our operations. These efforts aim to enhance efficiency and support cost-effectiveness.


With the continuous regulatory push for maritime decarbonisation, adopting smart technologies ensures that our shipbuilding processes remain competitive and compliant with industry standards.

Moreover, a smart shipyard enhances workforce safety and productivity. Automation in hazardous tasks reduces workplace risks while improving precision and accelerating the pre-fabrication process.

Management Approach

Smart Shipyard Initiatives	Development Areas
 Digital Transformation	<ul style="list-style-type: none">➤ Ship Design: Adoption of digital design modelling software and 3D visualisation tools➤ Project Management: Deployment of data-driven dashboards to improve schedule and resource planning➤ Production Planning: Implementation of smart scheduling and workload optimisation systems➤ Industrial Automation: Automation of prefabrication and welding processes for greater precision and efficiency
 Resource Planning and Management	<ul style="list-style-type: none">➤ Inventory Management: Real-time digital tracking of inventory flows using Enterprise Resource Planning ("ERP") integrated systems➤ Material Deployment Management: Use of GPS-based material tracking to streamline on-site logistics
 Quality and Safety Management	<ul style="list-style-type: none">➤ Product Quality Management: Unified platform for quality control across production stages➤ Production Data Management: Digital capture and analysis of production data➤ Safety Management: Centralised safety system covering incident tracking, workforce monitoring, and patrol logging

SECTION 3: ENVIRONMENTAL PERFORMANCE

Smart Shipyard Initiatives	Development Areas
 Energy Management and Renewable Energy Adoption	<ul style="list-style-type: none">➤ Energy Consumption Management: Software-enabled real-time tracking of electricity and gas consumption➤ Construction of Renewable Energy Facilities: Expansion of solar power generation➤ Adoption of Electric Vehicles in the Construction Areas: Replacement of fuel-powered forklifts with electric alternatives

2024 Performance

Yangzijiang has accelerated its digital transformation to enhance efficiency, streamline workflows, and strengthen decision-making across its operations.

The company has integrated 3D ship design with advanced digital tools such as TRIBON Initial Design M3, Additive Manufacturing (“**AM**”), and Product Data Management (“**PDM**”), ensuring seamless coordination from design to production. To further modernise its operations, Yangzijiang has implemented the YSS Production Management System, replacing traditional manual processes with real-time, data-driven tracking. This system enhances visibility across project timelines and workforce allocation, ensuring more precise planning and execution.

Beyond production, Yangzijiang has strengthened its enterprise-wide digital infrastructure. The eCIMS Integrated Platform integrates bill of materials (“**BOM**”) data, contract approvals, procurement, warehousing, and quality control, ensuring smoother operations and a more connected supply chain. In addition, the company has introduced a comprehensive digital platform for HR functions, which covers staff performance tracking and record management. This initiative enhances transparency and strengthens organisational efficiency.

Looking ahead, Yangzijiang is committed to enhancing its digital capabilities, advancing intelligent manufacturing, and harnessing AI-driven analytics to create a seamlessly connected, data-driven ecosystem. By building an integrated intelligent management platform, the company aims to further strengthen its digital competitiveness and operational excellence.

ESG DATA AUTOMATION AND DIGITALISATION

Significance

As sustainability reporting becomes more critical for regulatory compliance, stakeholder trust, digitalisation and automation of ESG data management plays a vital role in streamlining data collection processes and improving accuracy.


As for Yangzijiang, digital platforms help integrate data sources from our four shipyards, providing a timely and comprehensive view of carbon emissions, energy consumption, and waste management. This serves as a foundation for tracking our carbon footprint, allowing us to refine our ESG strategies whenever necessary and ensure alignment with our 2030 target.



SECTION 3: ENVIRONMENTAL PERFORMANCE




Management Approach

The Group implemented *Hi ESG* system in 2024, a comprehensive solution for measuring carbon emissions through its Intelligent Carbon Emission Calculation Application. This adoption of this system enhances the Group's ability to track and measure its carbon footprint in accordance with the latest regulatory requirements.



Intelligent Carbon Emission Calculation Application

Enables precise measurement and tracking of emissions

- 
Integration of Global Standard
 The data collection follows globally recognised GHG emission calculation standards, including ISO 14064-1, GHG Protocol, and GB/T 32150.
- 
Structured Data Collection and Calculation
 The underlying emission factors and calculation are generated automatically, ensuring accuracy and consistency.
- 
Targeted Data Analysis and Management
 Multidimensional analysis helps identify abnormal data, improving data quality and reliability.

GHG EMISSION MANAGEMENT

Significance

Managing GHG emissions is integral to responsible shipbuilding operations. Emissions from ship construction and auxiliary activities contribute to the industry's overall carbon footprint. Implementing measures to monitor, report, and reduce emissions not only mitigates environmental impact but also ensures compliance with evolving international regulations including the IMO's decarbonisation targets.

The Group's structured management approach enhances operational efficiency, reduces energy costs, and strengthens our reputation as a leader in sustainable shipbuilding.

Management Approach

Following the establishment of a series of management approaches for material ESG factors (as elaborated in the environmental, social, and governance performance sections), the Group's GHG emission management system primarily focuses on performance tracking, internal assessment, and transparent disclosures. These measures enable us to monitor progress toward our 2030 target, identify areas for improvement, and develop actionable plans to stay on track.

SECTION 3: ENVIRONMENTAL PERFORMANCE



Climate Risks and Opportunities











Climate change presents risks and opportunities that may materially impact the Group's operations and growth. Since 2023, we have actively participated in climate management disclosure through the Carbon Disclosure Project ("CDP") platform, enhancing transparency in reporting our climate performance. As part of the 2024 CDP project, we have identified and assessed climate-related risks and opportunities, reinforcing our commitment to sustainable business practices.

The climate-related risks are categorised into transition risks and physical risks. The transition risks arise from Market Risks from changing customer behaviour, Technology Risks associated with transition to low-emission technology, Regulatory Risks related to regulatory non-compliance, and Reputation Risks link to reputation risk from investors. Physical risks, on the other hand, arise from climate-related events and long-term environmental changes. Acute Physical Risks of extreme weather events were identified within this category.







The identified sustainability opportunities include Products & Services Opportunity from new product development such as green vessels, Resource Efficiency Opportunity from improved energy efficiency, and Supply Chain & Market Opportunity from supply chain emissions reduction.

Detailed explanations of each risk and opportunity are presented in the two charts below.

Looking ahead to 2025, we will continue monitoring climate risks and opportunities, implementing strategic measures to mitigate risks and leverage growth opportunities.

RISK	CAUSE	IMPACT	COMPANY RESPONSE
 Changing Customer Behaviour	Increasing demand for low-emission vessels due to regulatory pressure (IMO)	Potential revenue loss from conventional vessels	Investing in advanced green vessel technologies 
 Transition To Lower-Emission Technology	Need for new production methods & R&D	Increased production costs	Increased R&D on clean technology 
 Regulatory Non-Compliance	Environmental regulations on waste & emissions	Fines & penalties	Compliance investments 
 Reputation Risk From Investors	Shareholder divestment due to sustainability concerns	Lower investor confidence, reduced market value	Increased R&D in clean technology 
 Extreme Weather Events	Climate-related disruptions at shipyards	Increased operational costs & downtime	Emergency response & resilience planning 

SECTION 3: ENVIRONMENTAL PERFORMANCE

OPPORTUNITY	CAUSE	IMPACT	COMPANY RESPONSE
 New Product Development (Green Vessels)	Customer preference for eco-friendly ships	Higher revenue from clean-energy vessels	82% of FY2024 new order-wins were for green vessels 
 Improved Energy Efficiency	Regulatory & cost pressures	Reduced energy costs & emissions	3.7% reduction in energy consumption per unit CGT in 2024 
 Supply Chain Emissions Reduction	Scope 3 GHG disclosure requirements	Enhanced sustainability profile	Commenced supplier engagement for carbon footprint analysis in 2023 and continued in 2024 



Proactive Performance Tracking and Internal Assessment

As highlighted above, our newly adopted *Hi ESG* system allows the Group to consolidate GHG emission data across all our production sites and conduct regular performance tracking to ensure progress toward its 2030 target. Moreover, this digital tool allows us to quickly identify areas of non-compliance, enabling our ESG Committee and ESG Implementation Team to develop and implement necessary corrective strategies.

In addition to performance tracking, the ESG Implementation Team conducts annual comprehensive analysis of publicly recognised ESG Rating reports, such as MSCI. The analysis typically covers: 1) understanding of rating principles, 2) evaluating the Group's latest ESG performance, 3) comparing performance year-on-year, as well as 4) benchmarking against industry best practices.

Findings are then presented to the ESG Committee, with selected improvements reflected in the next sustainability report.

This analytical approach provides valuable third-party insights, helping us refine our ESG strategies, improve our ESG disclosures, and enhance overall performance.



Monitoring Regulatory Policies and Industry Best Practices

Proactively monitoring sustainability regulations is one of the key responsibilities of our ESG Implementation Team, particularly regulations that may materially impact our operations or disclosures. Our monitoring scope includes regulatory policies set by Chinese authorities, updated sustainability reporting requirements from SGX, industry-wide policies including the latest developments from IMO, and sustainability regulations in our key addressable markets such as Europe.

By staying ahead of regulatory developments, we ensure timely compliance, reduce risk exposure, and align our ESG practices with global practices.

Furthermore, the ESG Implementation Team performs peer benchmarking on an annual basis. This practice involves analysing industry peers' latest sustainability efforts and identifying best practices. The assessment serves as a valuable reference for the Group to formulate and adjust its ESG strategies to align with industry standards.

By leveraging data-driven insights, this process is expected to enhance our decision-making and strategic planning relative to sustainability.

SECTION 3: ENVIRONMENTAL PERFORMANCE



Transparent Disclosures

The Group remains committed to clear, timely, and standards-aligned sustainability disclosures in accordance with SGX requirements. Our annual Sustainability Report, published together with our Annual Report every April, serves as a key platform to communicate our progress, priorities, and performance across ESG areas. Our Sustainability Reports are prepared with reference to GRI principles, SGX Sustainability Reporting Guide, SASB standards, and UN SDGs.



Ongoing Communications with Stakeholders




The Group encourages ongoing feedback from stakeholders as part of our commitment to continuous improvement. Such insights help us to refine our approach, enhance ESG performance, and remain aligned with evolving expectations.

Over the years, the Group has actively engaged with institutional investors on its ESG initiatives. Through open communication, the ESG Implementation Team shares detailed information on our 2030 goals and implementation roadmap, while addressing stakeholder feedback and queries. Valuable insights gathered from these meetings are presented to the ESG Committee for consideration, with relevant recommendations reflected in this report.



Future Plans

The Group is steadily enhancing its GHG emission management system to drive sustainability and regulatory compliance. Moving forward, we will focus on three key areas:

Future Plans for GHG Emission Management	Details
 Decarbonisation Roadmap	<p>Existing Practice:</p> <ul style="list-style-type: none"> ➤ Established a mid-term target – to reduce carbon intensity by 25% by 2030, compared to 2023 baseline <p>Next Step:</p> <ul style="list-style-type: none"> ➤ Decarbonisation roadmap – to propose decarbonisation roadmap, periodical checkpoints, implementation plans, and performance tracking indicators
 Scope 3 Measurement	<p>Existing Practice:</p> <ul style="list-style-type: none"> ➤ In preparation for Scope 3 disclosure <p>Next Step:</p> <ul style="list-style-type: none"> ➤ Redefine the boundaries for scope 3 emission reporting ➤ Partner with supply chain stakeholders for efficient data collection
 Transparent Disclosures (Ongoing)	<p>Existing Practice:</p> <ul style="list-style-type: none"> ➤ Annual Sustainability Reports, which are accessible on SGXNET or the Group's website ➤ Annual disclosures on the CDP platform <p>Next Step:</p> <ul style="list-style-type: none"> ➤ To ensure timely fulfilment of the above initiatives



SECTION 3: ENVIRONMENTAL PERFORMANCE

ENERGY MANAGEMENT

Significance

Energy consumption in shipbuilding directly affects both operational costs and environmental performance. Given the energy-intensive nature of shipyard operations, adopting smart energy monitoring systems and upgrading equipment to more energy-efficient technologies can ensure cost efficiency while reducing emissions.

The Group strives to optimise energy performance, including efficiency improvements, renewable energy adoption, and process optimisation. These initiatives are essential for maintaining a competitive edge while reducing carbon intensity. A well-structured energy strategy not only supports sustainable growth but also aligns with industry expectations for lower carbon footprints.

In 2024, our New Yangzi Yard was recognised as a Provincial-Level Green Factory, underscoring our efforts to build a smart shipyard.

Management Approach



Solar Panel Capacity Expansion

Since 2020, the Group has continued its efforts to install solar panel facilities on the rooftops of our factories, as part of our strategy to increase the use of renewable energy and transition to a smart factory.

Electricity generated from our solar panel facilities more than doubled over the past five years, rising from 18,984.9 megawatt-hour ("MWh") in 2020 to 47,524.7 MWh in 2024. Notably, the electricity generation jumped by 73.9% over the past two years, following the completion and operation of new solar facilities.

Looking ahead, our Phase 4 solar panel expansion project, comprising a 1.2 megawatt alternating current ("MWac") high-voltage distributed system, is scheduled for completion in May 2025. Once operational, this facility is expected to generate approximately 950 MWh annually.



Energy Storage Facilities

The Group has constructed energy storage facilities for its three major shipyards, New Yangzi Yard, Xinfu Yard, and YAMIC Yard, aiming to enhance energy management efficiency while lowering electricity costs.

These facilities have a total storage capacity of 47.4 MWh, comprising:

- New Yangzi Yard: 24.0 MWh energy storage facility
- Xinfu Yard: 10.0 MWh energy storage facility
- YAMIC Yard: 13.4 MWh energy storage facility

These facilities operate under a "two charges, two discharges" model, charging during off-peak hours and discharging during peak hours, effectively balancing energy demand and optimising efficiency.



Established Energy Management Targets

In order to ramp up the Group's efforts for energy efficiency, the Group has set out energy consumption targets at both corporate and operational levels. This approach enables the Group to closely monitor the energy usage trends across the organisation and make timely adjustments to enhance overall energy management efficiency and effectiveness.

WATER MANAGEMENT

Significance




Water is a vital resource in shipbuilding. Efficient water management ensures responsible consumption, minimises waste, and reduces environmental impact. Sustainable water practices not only reduce costs but also reflect our responsibility to protect local water systems and meet regulatory expectations.

SECTION 3: ENVIRONMENTAL PERFORMANCE

Management Approach

The Group conducts regular assessments to measure current water use across all operations, identifying key areas of consumption and waste. By monitoring water usage, upgrading equipment, and implementing conservation measures, the Group not only ensures regulatory compliance but also enhances operational resilience. Based on these findings, we developed a water management system structured around three key pillars:

Notably, all municipal water released by the Group in FY2024 was properly treated and met local government requirements.

Water Management Approach	Details
 Production Process Optimisation	<ul style="list-style-type: none">➤ Close Monitoring: Implementing metering for water usage and reinforcing compliance with regulations set out by the municipal water conservation authorities➤ Enhanced Water Management: Closely managing the direct water drainage in the production process➤ Regular Employee Training: Conducting training programs to raise awareness among employees about water conservation practices and involve them in identifying opportunities for water savings➤ Incentive Program: Providing incentives and awards for those who showcase outstanding conservation efforts
 Equipment Upgrades	<ul style="list-style-type: none">➤ Adoption of Water-saving Equipment: Using high-quality water-saving equipment for appliances and installing water-saving valves in tanks for sanitation equipment
 Leakage Detection and Maintenance	<ul style="list-style-type: none">➤ Regular Inspections: Conducting quarterly inspections in adherence to regulations and guidelines➤ Punishment Scheme: Taking punitive action against those who fail to follow regulations on water conservation and proper water waste disposal

TOXIC EMISSIONS AND WASTE MANAGEMENT

Significance

Proper management of toxic emissions and hazardous waste is crucial for protecting worker health and minimising environmental impact. The shipbuilding process generates various hazardous byproducts, including paint sludge, waste oils, and chemical residues.

By systematically identifying, classifying, and mitigating these emissions, the Group reduces health risks, improves compliance with environmental regulations, and enhances resource efficiency. A robust waste management framework not only ensure compliance but also strengthens our reputation as a responsible industry player.

SECTION 3: ENVIRONMENTAL PERFORMANCE

Management Approach

The Group's toxic emissions and waste management system comprises identifying all toxic emissions sources and hazardous waste types produced, classifying them according to government standards, quantifying their volumes, and developing mitigation plans. This system is reviewed annually to ensure alignment with updated standards and operational best practices.

Management Approach	Details
 Substitution of Materials	<ul style="list-style-type: none">➤ Exploring Safer Alternatives: Replacing hazardous materials with safer, environmentally friendly alternatives
 Production Process Optimisation	<ul style="list-style-type: none">➤ Production Optimisation: Modifying and optimising production processes to reduce the generation of toxic emissions and waste➤ Exploring Suitable Business Partners: Partnering with qualified third-party agency to treat the waste
 Equipment Upgrades	<ul style="list-style-type: none">➤ Adoption of Eco-friendly Equipment: Adopting advanced technology that reduces emissions and waste
 Leakage Detection and Maintenance	<ul style="list-style-type: none">➤ Preventive Measures: Implementing rain protection, sun protection, and leakage prevention for hazardous waste warehouse➤ Equipment Upgrades: Adopting anti-leakage equipment and packaging materials to prevent potential leaks
 Enhancing Waste Management Process	<ul style="list-style-type: none">➤ Stringent Supervision of Waste Management Progress:<ul style="list-style-type: none">o Selecting qualified third-party companies to handle general solid waste managemento Conducting on-site inspections of licensed hazardous waste disposal providerso Implementing full-process control over the transfer and disposal of hazardous wasteo Establishing a transfer manifest system for traceability and compliance



SECTION 3: ENVIRONMENTAL PERFORMANCE

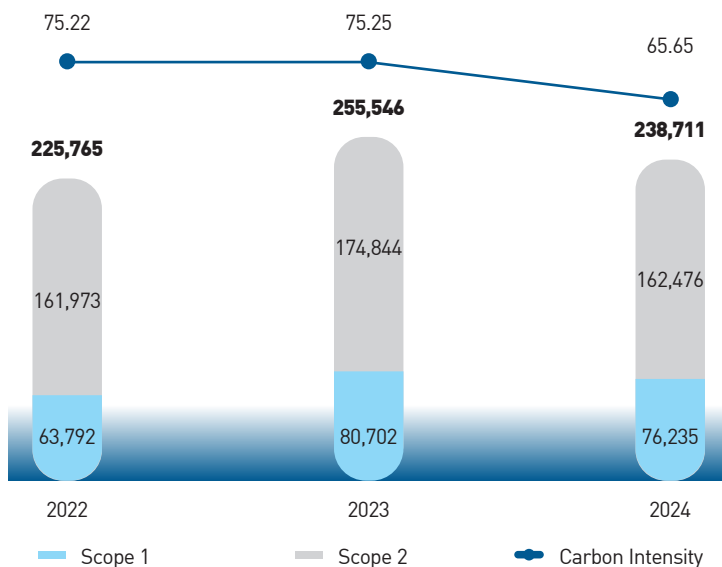
ENVIRONMENTAL FACTBOOK

GHG Emission (2022 – 2024)

Unit: tCO ₂ e			
GHG Emission	2022	2023	2024
Scope 1	63,791.51	80,702.19	76,235.04
Scope 2	161,972.79	174,843.81	162,475.98
Total (Scope 1 + Scope 2)	225,764.30	255,546.00	238,711.02

*Note: GHG emissions for 2022 and 2023 are 25.8% higher and 0.4% lower compared to the previously reported figures respectively, due to the GHG emission reassessment conducted after the deployment of Hi ESG system.

2022 - 2024 GHG Emission Trend (tCO₂e)



Scope 1 Emission Breakdown by Category (2022 – 2024)

Unit: metric tCO ₂ e			
GHG Emission	2022	2023	2024
CO ₂	—*	80,092.45	75,906.36
CH ₄	—	52.88	42.34
N ₂ O	—	109.79	94.00
HFCs	—	443.18	189.54

*Note: The Company did not record direct GHG emissions by gas type in 2022, as the Hi ESG system was only deployed in 2024. 2023 was the first year that the Group started to compile the data.



SECTION 3: ENVIRONMENTAL PERFORMANCE

Carbon Intensity (2022 – 2024)

Unit: tCO ₂ e/capita			
	2022	2023	2024
GHG Emission Per Capita	30.17	32.05	26.60

Unit: tCO ₂ e/USD'mln sales			
	2022	2023	2024
Carbon Intensity	75.22	75.25	65.65

*Note 1: The differences between the 2022 and 2023 sustainability report data and the above figures are due to the GHG emission reassessment conducted after deployment of the Hi ESG system;

*Note 2: The Group's reporting currency is Renminbi. The CNY/USD used for 2022, 2023 and 2024 was 6.90, 7.10, and 7.30 respectively. These exchange rates, sourced from Bloomberg, were as of 31 December each year.

Toxic Emissions and Waste (2022 – 2024)

Unit: kg			
Category	2022	2023	2024
Particles	8,180.93	6,904.20	5,850.95
Hazardous waste	1,115,423.30	3,228,900.00*	3,908,690.00
Total	1,123,604.23	3,235,804.20	3,914,540.95
Toxic Emission and Waste Intensity (kg/USD'mln sales)	374.37	952.80	1,076.65

*Note 1: Hazardous waste volume increased by 189% in 2023, largely due to the reclassification and standardisation of the waste categories to align with the most recent local government regulations

*Note 2: Hazardous waste volume increased by 21% in 2024, mainly attributable to a one-off hazardous waste disposal related to the upgrade of emission treatment facilities for coating processes, heightened shipbuilding activities, and additional waste from LNG membrane tank construction.

Revenue from Clean Energy Vessels (2022– 2024)

Unit: RMB'mln			
	2022	2023	2024
% Revenue from Clean Energy Vessels	53.91%	44.37%	70.20%

R&D Expenditure (2022– 2024)

Unit: RMB'mln			
	2022	2023	2024
R&D Expenditure	673.01	949.83	1,073.67
R&D over Revenue (%)	3.25%	3.94%	4.05%



SECTION 3: ENVIRONMENTAL PERFORMANCE

R&D Expenditure in Clean Technology (2022 – 2024)

Unit: RMB'mln	2022	2023	2024
R&D Expenditure in Clean Technology	87.59	166.22	476.17
Percentage of R&D Expenditure in Clean Technology (%)	13.01%	17.50%	44.35%

Water Consumption (2022 – 2024)

Unit: Tonne			
Category	2022	2023	2024
Produced water	2,326,562	3,649,769*	3,705,456
Municipal water	115,520	434,159	463,516
Total water consumption	2,442,082	4,083,928	4,168,972
Water intensity (tonne/USD'mln sales)	814	1,203	1,130

*Note: Produced water consumption increased by 57% in 2023, primarily attributable to the increased usage for the renovation of worker dormitory in the New Yangzi Yard

Energy Consumption (2022 – 2024)

Energy Consumption	2022	2023	2024
Natural gas (Gigajoules)	236,788.84	260,368.71	256,492.30
Solar power (Gigajoules)	97,313.49	146,645.74	170,213.09
Electricity (Gigajoules)	966,604.53	920,574.63	971,409.57
Total (Gigajoules)	1,300,706.86	1,327,589.08	1,398,114.96
Energy Intensity (Gigajoules/USD' mln sales)	433.38	390.92	384.50

*Note: The discrepancy between FY2023 and FY2022 reporting was mainly due to the recalculation of the energy consumption data using a more structured approach

Waste Disposal (2022 – 2024)

Unit: Tonne			
Category	2022	2023	2024
Recycled waste	15,211.05	23,633.38*	16,299.11
Externally incinerated waste	7,282.94	7,921.54	9,309.77
Total waste treatment	22,493.99	31,554.92	25,608.88

*Note: The recycled waste increased by 55%, mainly due to the standardisation of the waste disposal procedures to align with the most recent local government regulations



SECTION 3: ENVIRONMENTAL PERFORMANCE

Environmental Awareness Training (2022 – 2024)

Category	Type of employee	2022	2023	2024
Total training hours	Employee	39,988	54,028	61,019
	Subcontractors	110,100	142,800	144,433
Number of participants	Employee	7,483	7,973	8,975
	Subcontractors	20,526	21,832	21,950
Average training hours per person	Employee	5.34	6.78	6.80
	Subcontractors	5.36	6.54	6.58

Environmental Certification Coverage (2022 – 2024)

Unit: %			
Environmental Certification Coverage	2022	2023	2024
ISO 14001 (Environmental Management System Certificate)	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard
ISO 50001 (Certificate of Management System for Energy)	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard
GB/T29490 (Enterprise intellectual property compliance management system)	New Yangzi Yard Xinfu Yard	New Yangzi Yard Xinfu Yard	New Yangzi Yard Xinfu Yard
GB/T23001 & T/AIITRE 10003 (Integration of Informationization and Industrialisation Management System Certificate)	New Yangzi Yard Xinfu Yard YAMIC Yard	New Yangzi Yard Xinfu Yard YAMIC Yard	New Yangzi Yard Xinfu Yard YAMIC Yard

SECTION 4: SOCIAL PERFORMANCE

PERFORMANCE OVERVIEW



2024 Performance Highlights

- Increased training hours across all operational levels compared to 2023.
- Achieved 100% safety training coverage for on-site workers and subcontractors.
- Expanded safety training for both employees and subcontractors compared to 2023.
- Maintained ZERO workplace fatalities for the second consecutive year.
- Provided comprehensive training tailored to different employee functions and seniority levels.
- Maintained open channels for staff to share concerns and suggestions.
- Enhanced employee welfare, including festive care packages during key holidays.



2025 Targets

- Continue to promote employee upskilling programs.
- Continue to enhance employee health and safety training programs.
- Aim to maintain ZERO workplace fatalities.
- Continue to encourage employee feedback and engagement.
- Continue to enhance employee welfare and employee care programs.



Longer-term Targets

- Establish a cohesive, capable, and collaborative workforce.
- Prioritise employee upskilling and safety training to strengthen workforce capability.

BACKGROUND STATEMENT

Yangzijiang is committed to fostering a safe, inclusive, and supportive working environment while contributing positively to the local communities where we operate. Our social strategy is built on six key areas, including 1) fair employment and equal opportunities, 2) workforce competency enhancement, 3) human capital management, 4) health and safety, 5) local community engagement, and 6) economic contribution.

We recognise that our employees are the foundation of our business. We prioritise their safety and growth by offering training, development opportunities, and a safe work environment. Notably, we have maintained zero fatalities among our employees and subcontractors for the second consecutive year, even as our shipyards operate at full capacity. This demonstrates the effectiveness of our occupational health and safety training and practices.

In addition, the Group continues to promote equal opportunities and a fair, non-discriminatory workplace, cultivating a corporate culture where our people feel valued and respected.

Beyond our operations, we strive to make a positive impact in the wider community. We support local communities through philanthropy, volunteering, and employee-led corporate social responsibility activities aimed at mutual upliftment.

FAIR EMPLOYMENT AND EQUAL OPPORTUNITIES

Significance

Diversity, equity, and inclusion are core to our organisational culture. The Group strongly upholds these principles in our workplace and is committed to creating an inclusive and equitable working environment. Upholding fair employment practices helps attract and retain talent, enhances innovation, and strengthens our brand as an employer of choice.



SECTION 4: SOCIAL PERFORMANCE

Management Approach



Recruitment Program

The Group is committed to fair employment practices, providing equal opportunities regardless of gender, race, religion, age, and disability. Our recruitment selection principles are centred on competency, innovative thinking, sense of responsibility, and growth potential, aligning with our core values and corporate culture.

Each year, our senior management team and the HR department work together to assess job vacancies, formulate recruitment requirements, and establish hiring process, channels, timelines, and onboarding training programs. This comprehensive planning ensures that our HR team is well-prepared for recruitment fairs and talks, while also aligning selection criteria across the organisation for a streamlined hiring process.



Hiring Channels

The Group adopts a variety of hiring channels to promote its recruitment opportunities, aiming to extend the outreach and get access to a wider pool of talent. These channels include campus career fairs, industry and society career fairs, and advertising on the Group's website, the Group's official WeChat account and major recruitment platforms.

Our HR representatives are always present at physical career fairs, providing first-hand guidance to job seekers. They explain job responsibilities, introduce our corporate culture and employee benefits, and assist candidates in finding positions that align with their interests and skill sets.



Onboard Training Programs

The Group aims to provide comprehensive training for its new hires, ensuring a smooth transition into the new workplace and a clear understanding of their job responsibilities. Our onboarding training program consists of two key phases – ice-breaking phase and official training phase.

Teambuilding and veteran experience sharing are the main elements in the ice-breaking phase. All fresh graduates are encouraged to participate in the ice-breaking camp, which offers a series of teambuilding activities designed to help them connect, foster collaboration, and strengthen team cohesion. In addition to this, the Group invites experienced employees from each department to share their career journeys, industry insights, and practical advice. This initiative provides new hires with valuable guidance, helping them gain a deeper understanding of the company culture and career development opportunities.

Following the ice-breaking phase, the Group provides all new hires with a full suite of official onboard training, which covers fundamental health and safety training, corporate culture and values, technical upskilling, and internal system familiarity.

Specifically, new employees are required to complete over 72 hours of health and safety training, which includes both theoretical and practical courses. This training is designed to align with industry standards, ensuring that employees are well-equipped with essential safety knowledge and hands-on experience to maintain a secure and compliant work environment. Moreover, technical upskilling training is conducted one to two times per month throughout the probationary period, ensuring that new employees develop the necessary competencies to meet the Group's standards.

WORKFORCE COMPETENCY ENHANCEMENT

Significance

Our employees are our greatest assets. Training programs, upskilling, and knowledge-sharing ensure employees adapt to evolving technologies and sustainability requirements. Continuous learning and improvements drive productivity, quality, and safety. As the industry evolves, workforce development ensures adaptability, increases productivity, and minimises errors.

Management Approach

Our comprehensive training program is designed to equip employees with the necessary skills, knowledge, and industry expertise to excel in their roles and grow together with the company. In addition, the Group also introduces regular talent training programs tailored to employees at different levels.

SECTION 4: SOCIAL PERFORMANCE

ESSENTIAL COMPONENTS OF OUR EMPLOYEE TRAINING AND DEVELOPMENT PROGRAMME



Employee Onboarding Training



Technical Skills Enhancement



Soft Skill Development



Compliance and Safety Training



Leadership and Managerial Skills Development

WORKFORCE COMPETENCY TRAINING PROGRAMME (1/2)

MANDATORY ANNUAL TRAINING HOURS


			
New Hires	Management Team	High-Risk Operations Specialists	Special Operations Specialists
<ul style="list-style-type: none">1-5 months Pre-Employment Technique Training≥ 72 hours (~9 days) safety training	<ul style="list-style-type: none">≥ 16 hours safety training	<ul style="list-style-type: none">≥ 16 hours safety trainingAnnual Technique Reassessment for Qualification Renewal	<ul style="list-style-type: none">≥ 20 hours special operations training

REGULAR TRAINING PROGRAMS


<div><div>Existing Employees</div></div> <ul style="list-style-type: none">Quarterly training on new products and complianceMandatory safety training (once per month)Mandatory emergency response training (1-2 times per year)Continuous On-Site and Online Training Programs	<div><div>Management Team</div></div> <ul style="list-style-type: none">Newly Hired or Promoted Managers: Monthly physical training (May-October, 1-2 days per session)Team Lead Training: Monthly physical training (May-July, 2 days per session)
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WORKFORCE COMPETENCY TRAINING PROGRAMME (2/2)


ADDITIONAL SUPPORT FOR EMPLOYEE UPSKILLING




Employee Education Assistance Program



Incentives for Employees Attaining Intermediate and Advanced Titles



External Vocational Skills Competition



Internal Vocational Skills Competition



SECTION 4: SOCIAL PERFORMANCE

HUMAN CAPITAL MANAGEMENT

Significance

The Group develops structured employee management strategies to drive performance, engagement, and long-term organisational resilience.

Given the labour-intensive nature of shipbuilding, strategic workforce planning ensures stability and resilience. Effective human capital management supports employee retention, productivity, and business continuity. We pride ourselves on competitive compensation, career growth opportunities, and a strong workplace culture that enhances job satisfaction and operational efficiency.

Management Approach

At Yangzijiang, we are committed to supporting both the physical and mental well-being of our employees. In addition to individual capability development, we prioritise employee welfare and fair labour practices, while providing competitive benefits to recognise commitment.

Our human capital management strategy strictly complies with China's labour laws. We are committed to preventing forced labour, child labour, unfair wages, and excessive overtime, ensuring a fair and ethical workplace for all employees.



Competitive Employee Benefits

All our employees are covered under China's "5+1" social insurance, providing a fundamental safety net for their well-being. To support their daily life, we offer subsidies for accommodation and lunch. Moreover, our HR team assists newly retired employees with the necessary retirement procedures, ensuring they receive their retirement pension from government authorities smoothly.

During major festivals such as Chinese New Year, the Dragon Boat Festival, and the Mid-Autumn Festival, the Group prepares and distributes festive gifts to employees in advance, ensuring they enjoy a meaningful and relaxing break.



Supportive Incentives For Employees In Need

To further support employees in need, the Group has developed a more comprehensive employee assistance program, including mutual aid initiatives, assistance funds, and house purchase subsidies. These incentives are designed to help employees overcome financial difficulties, providing them with the necessary financial support and stability when needed.



Open Employee Feedback Channels

The Group values open communication and employee feedback as essential components of a positive and inclusive workplace. Employees are encouraged to share their feedback, comments, and concerns through our internal office automation ("OA") system. In addition, the Group has established a whistleblowing system, allowing employees to confidentially report concerns to the Group's Audit and Risk Committee, who will review the issues and take necessary actions to provide support and ensure compliance.



Equity Incentives For Core Employees

Employees at the core operational team and above (representing approximately 40% of the total workforce) are eligible to participate in the Group's share-based incentive program. Annually, those who opt into the program are entitled to share appreciation rights and dividend equivalent rights as part of their remuneration package subject to a performance review.

HEALTH AND SAFETY

Significance

Given the inherently high-risk environment of the shipbuilding industry, ensuring the safety of the workforce is of utmost priority. A robust safety framework reduces accidents, enhances regulatory compliance, and safeguards employee well-being. The Group prioritises a strong safety culture to protect employees, minimise disruptions, and uphold its responsibility as a leader in the maritime sector.

Yangzijiang has established a safety policy that is fully aligned with applicable laws and global industry best practices, reaffirming our commitment to operational safety across all yards.

SECTION 4: SOCIAL PERFORMANCE

Management Approach

The Group is dedicated to maintaining stringent occupational health and safety standards, adherence to International Organisation for Standardisation ("ISO") 45001 – Occupational health and safety management systems. We have fostered a strong safety culture, ensuring that health and safety awareness is deeply embedded in every Yangzijiang employee.



Safety Training For All Employees And Subcontractors

Our safety training programs cover all levels of the company, from management teams to on-site workers and subcontractors. Training intensity and frequency are tailored based on risk levels, ensuring that each group receives sufficient safety education.

As highlighted above, new hires are required to participate in 1 to 5 months of Pre-Employment Technique Training, including a minimum of 72 hours (~9 days) of safety training, to equip them with essential safety knowledge before assuming their roles. Management team members are required to complete at least 16 hours of safety training annually to reinforce leadership in workplace safety practices.

For employees in specialised roles, High-Risk Operations Specialists must undergo a minimum of 16 hours of safety training annually and participate in annual technique reassessments to maintain their qualifications. Meanwhile, Special Operations Specialists receive at least 20 hours of specialised training annually, ensuring they remain proficient in handling complex and hazardous operations.

Specifically for on-site workers, which include both our employees and subcontractors, health and safety training is conducted before and after each shift to ensure continuous awareness. In addition, the Group provides quarterly occupational safety education to reinforce a safety-first mindset across all operations.



Medical Check-Ups For All Employees And Subcontractors

As part of our commitment to employee health and well-being, the Group provides annual medical check-ups for all employees and subcontractors, fully covering the associated costs. We aim to ensure our people can perform at their best, showcasing their skills and contributions while maintaining good health.

LOCAL COMMUNITY ENGAGEMENT

Significance

Building strong relationships with local communities enhances business sustainability and strengthens stakeholder trust. The Group contributes through job creation, sponsorships, and volunteering activities. By actively engaging with communities, the company ensures that its business operations drive long-term positive impact beyond financial success.

2024 Performance



Sponsorship for Various Sporting Events

The Group reinforced its commitment to community development through continuous support for local sports and public welfare initiatives. In 2024, the Group sponsored various sporting events – including marathons and football matches – with contributions totalling RMB283,690, promoting health, well-being, and community engagement.



SECTION 4: SOCIAL PERFORMANCE

ECONOMIC CONTRIBUTION

2024 Performance Snapshot

Yangzijiang delivered another record performance in FY2024, with net profit attributable to equity holders surging 61.7% year-on-year to RMB6.6 billion. Revenue grew 10.1% to RMB26.5 billion, driven by strong shipbuilding and shipping segments.

In FY2024, the Group exceeded its vessel delivery target, delivering 64 vessels, including three for its own fleet. The total outstanding orderbook as of 31 December 2024 reached an all-time high of US\$24.4 billion for 245 vessels, with eco-friendly vessels comprising 74% of total value.

To reward shareholders, the Board proposed a final dividend of 12 Singapore cents per share, an 84.6% increase, translating to a dividend payout ratio of 38.6%. This underscores our commitment to delivering sustainable growth and long-term value.

SOCIAL FACTBOOK

Economic Contribution (2022 – 2024)

RMB' million	2022	2023	2024
Economic Value Generated			
Revenue (from continuing operations)	20,705.1	24,112.3	26,541.7
Economic Value Distributed			
Operating cost (from continuing operations)	17,996.6	19,333.4	19,754.2
Employee wages and benefits	310.7	380.9	426.1
Of which: employer's contribution to defined contribution plans	70.4	65.0	73.4
Payments to Providers of Capital			
Dividend paid	970.0	1,024.4	1,345.8
Interest on bank borrowings	106.7	96.1	118.8
Payments to Government			
China and Singapore (Tax)	723.5	731.2	1,155.7

Gender Diversity (2022 – 2024)

Gender Diversity	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Board of Directors	3	1	4	1	4	1
Senior management	8	0	9	0	8	0
Middle management	375	22	386	23	391	24
Professionals	706	236	935	312	1,030	343
All other employees	5,002	1,130	5,088	1,215	5,788	1,386
Total number of employees	6,094	1,389	6,422	1,551	7,221	1,754

*Note: Employee numbers by designation are different from SR2023, due to the reclassification of employee groups.



SECTION 4: SOCIAL PERFORMANCE

Age Diversity (2022 – 2024)

Age Diversity	2022			2023			2024		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
Board of Directors	0	3	1	0	3	2	0	3	2
Senior management	0	5	3	0	6	3	0	5	3
Middle management	0	323	74	0	330	79	0	332	83
Professionals	356	549	37	429	775	43	482	831	60
All other employees	1,240	4,314	578	1,297	4,371	635	1,581	4,665	928
Total number of employees	1,596	5,194	693	1,726	5,485	762	2,063	5,836	1,076

*Note: Employee numbers by designation are different from SR2023, due to the reclassification of employee groups.

Talent Acquisition and Training (2022 – 2024)

Training Hours by Gender	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Total no. of training hours	195,008	44,448	256,880	62,040	346,608	84,192
Total number of employees	6,094	1,389	6,422	1,551	7,221	1,754
Average training hours	32	32	40	40	48	48

Training Hours by Employee Category	2022				2023				2024			
	Total Training Hours	Head Count	Average Training Hours	Average Training Days	Total Training Hours	Head Count	Average Training Hours	Average Training Days	Total Training Hours	Head Count	Average Training Hours	Average Training Days
Board of directors	800	4	200	25	1,040	5	208	26	1,120	5	224	28
Senior management	1,600	8	200	25	1,872	9	208	26	1,792	8	224	28
Middle management	78,864	1,643	48	6	109,928	1,963	56	7	26,560	415	64	8
Professionals	30,144	942	32	4	49,880	1,247	40	5	65,904	1,373	48	6
All other employees	117,264	4,886	24	3	151,968	4,749	32	4	286,960	7,174	40	5
All employees	228,672	7,483	31	4	314,688	7,973	39	5	382,336	8,975	43	6
Subcontractors	656,832	20,526	32	4	1,047,936	21,832	48	6	1,229,200	21,950	56	7



SECTION 4: SOCIAL PERFORMANCE

New Hires and Turnover	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
New employee hires	1,499	353	1,225	214	2,045	256
Resignations	817	183	966	180	1,159	194
Total turnover	2,316	536	2,191	394	3,204	450

New Hires and Turnover	2022			2023			2024		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
New employee hires	752	1,059	41	658	767	14	1,065	1,219	17
Resignations	389	563	48	452	622	72	498	738	117
Total turnover	1,141	1,622	89	1,110	1,389	86	1,563	1,957	134

Workplace Safety (2022 – 2024)

Safety Training Hours for On-site Workers (by gender)		2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Employees	Total no. of safety training hours	79,742	21,918	80,892	21,392	108,315	26,310
	Total number of employees	6,134	1,686	5,778	1,528	7,221	1,754
	Average safety training hours	13	13	14	14	15	15
Subcontractors	Total no. of safety training hours	213,906	73,458	244,395	83,085	265,568	85,632
	Total number of on-site subcontractors	15,279	5,247	16,293	5,539	16,598	5,352
	Average safety training hours	14	14	15	15	16	16



SECTION 4: SOCIAL PERFORMANCE

Occupational Health and Safety		2022	2023	2024
Employees	Total number of employees	7,483	7,973	8,975
	Number of injured	44	63	47
	Injury rate	0.59%	0.79%	0.52%
	Fatality	0	0	0
	Fatality rate	0.00%	0.00%	0.00%
	Lost time injury frequency rate	2.81	4.31	2.56
Subcontractors	Total number of Subcontractors	20,526	21,832	21,950
	Number of injured	113	76	86
	Injury rate	0.55%	0.35%	0.39%
	Fatality	5	0	0
	Fatality rate	0.02%	0.00%	0.00%
	Lost time injury frequency rate	2.75	1.74	1.96

*Note: Lost time injury frequency rate = (number of lost time injuries x 1,000,000)/total hours worked. Average working hours are 8 hours and working days per year is 250 days/year.

Contribution to Community (2022 – 2024)

Category	2022	2023	2024
Total hours of volunteering activities (Unit: hour)	4,800	5,600	2,016
Total amount of donations (Unit: RMB)	2,253,766	5,011,798	430,000

Quality Control (2022 – 2024)

Quality Control Certification Coverage (unit: %)	2022	2023	2024
ISO 9001 (Quality Management System)	100%	100%	100%

Information Security (2022-2024)

Information Security Certification Coverage (unit: %)	2022	2023	2024
ISO 27001 (Information security, cybersecurity and privacy protection)	100%	100%	100%
ISO 27701 (Privacy Information Management)	100%	100%	100%

Occupational Health and Safety (2022 – 2024)

Quality Control Certification Coverage (unit: %)	2022	2023	2024
ISO 45001 (Occupational Health and Safety Management System)	100%	100%	100%



SECTION 5: GOVERNANCE PERFORMANCE

PERFORMANCE OVERVIEW



2024 Performance Highlights

- Appointed a new Independent and Non-Executive Director, reinforcing Board independence and external oversight.
- 60% of Board member are Independent Directors.
- All Directors underwent sustainability training in accordance with the SGX requirements.
- Achieved 100% participation in ethics training across all employees and subcontractors.



2025 Targets

- Maintain a well-balanced, skilled, and independent Board structure.
- Sustain ethics training coverage and reinforce relevance across all functional levels.
- Ensure Directors continue to receive up-to-date sustainability training under SGX requirements.



Longer-term Targets

- Strengthen ESG oversight structures and reporting accountability.

BACKGROUND STATEMENT

Upholding strong corporate governance is key to achieving sustainable business growth, regulatory compliance, and stakeholder trust for the Group. Our governance framework is designed to promote transparency, accountability, and ethical business practices across all levels of the Group. By maintaining high standards, we ensure responsible decision-making, risk management, and long-term value creation for our stakeholders.

Our Board of Directors plays a crucial role in overseeing corporate governance and ensuring regulatory compliance. The Board is supported by various committees that provide oversight on audit and risk management, remuneration, and nomination. We conduct regular reviews of governance policies and internal controls to align with evolving regulations and stakeholder expectations.

Integrity and ethical business conduct are central to our corporate governance framework. We provide comprehensive business ethics training for both our employees and subcontractors. Key topics include anti-bribery and anti-corruption, management of conflicts of interest, data privacy and protection, and fair competition. The Group's Whistleblowing Policy is disclosed in the FY2024 Annual Report under the Corporate Governance section.

By continuously strengthening our governance practices, we aim to enhance corporate resilience, protect stakeholder interests, and drive sustainable business development.

BOARD COMPETENCY AND DIVERSITY

Significance

Central to our sustainability commitment is the formation of a capable and diversified leadership team led by our Board of Directors, whose collective expertise spans core strategic, operational, and functional areas relevant to the Group's business.

Under the guidance of the Board, the Group integrates sustainability practices into its operations and seizes growth prospects. To maintain a well-balanced Board composition, the Group conducts annual reviews of its structure and re-election processes. The Nominating Committee plays a pivotal role in recommending re-elections and appointments, as well as assessing the independence of Directors. It also ensures ongoing board renewal by periodically reviewing board composition and initiating new appointments as needed.

Management Approach

The Board is made up of directors with diverse backgrounds, experience, and perspectives, including diversity in educational background, professional expertise, and gender. These members bring relevant expertise, industry knowledge, and an in-depth understanding of the business and markets in which the Group operates.

Notably, 60% of the Board members are independent directors, maintaining strong independence.

To further strengthen governance, all directors have undergone sustainability training in accordance with SGX requirements. In addition, the ESG Committee reports to the Board on a half-yearly basis, ensuring directors stay informed on the Group's sustainability initiatives, stakeholder expectations, and evolving ESG regulatory shifts.

SECTION 5: GOVERNANCE PERFORMANCE

RISK MANAGEMENT AND REGULATORY COMPLIANCE

Significance

In its pursuit of sustainable business practices and risk mitigation, the Group has instituted a comprehensive risk management framework that addresses various facets of its operations.

Recognising the importance of maintaining and safeguarding its diversified customer base, which includes contributions from markets such as Greater China, Italy, Japan, Canada, Bulgaria, Singapore and various European countries, the Group has identified several key operational risks that require attention and proactive management.

Management Approach



Business Risk

The Group aims to secure fair contracts and ensure reliable execution throughout the construction period. During contract negotiations, the Group carefully reviews and negotiates shipbuilding terms and conditions to mitigate the risk of unwarranted cancellations.

The Group actively engages with shipowners to gain deeper insights into the charter demand trends, anticipate customer needs, and work out innovative solutions. This includes defining all specifications of the vessel to the finest detail during negotiation stage. Combined, these initiatives contribute to mitigate the risk of contract termination.

The company remains prepared to support customers facing challenges in securing bank financing or guarantees for contracts, where feasible. During exceptionally difficult market conditions, the Group is also open to renegotiating delivery schedules or modifying vessel specifications, provided such adjustments remain within the yard's operational capacity.



Foreign Exchange Risk

The Group also utilises financial instruments to reduce its risk exposure with respect to foreign exchange ("FX") rate risks. It implements a comprehensive hedging strategy, incorporating natural hedging, forward contracts, and spot exchange transactions to manage FX risks effectively, particularly since a substantial portion of its contract awards are denominated in US dollar.



Raw Material

Recognising the impact of raw material price fluctuations, supply availability, and quality on our operations, the Group prioritises effective raw material risk management as a key component of our sustainability strategy. To achieve this, the Group utilises a structured supplier qualification system to manage a roster of approved suppliers and maintain contingency plans.

Additionally, the Group conducts routine reviews and provides feedback to suppliers regarding their products and services. The Group also continuously evaluates the supplier system to ensure optimal cost-effectiveness and adherence to high-quality standards.



Operational Risks

To minimise potential delays in vessel construction, the Group has implemented a digitally integrated workflow. This approach enhances the integrity of each module or section, reducing the need for rework and improving overall efficiency.

Furthermore, the Group prioritises regular, systematic training throughout the year to bolster the skills of its workforce, further reducing the likelihood of delays due to errors or inefficiencies.

Additionally, the Group keeps customers informed and engaged throughout the construction process and provides timely updates in the event of unexpected delays.



Cost Overruns

To combat cost overruns, the Group emphasises accountability under the production unit head and encourages employees to propose cost-saving ideas without compromising quality, fostering mutual benefits for the Group and its customers.



SECTION 5: GOVERNANCE PERFORMANCE

BUSINESS ETHICS MANAGEMENT

Significance

The Group strives to earn trust and respect by cultivating strong relationships with key stakeholders, including customers, suppliers, shareholders, employees, and local communities.

We strive to be a reliable business partner for customers and suppliers, a valuable investment for shareholders, an employer of choice for our workforce, and a responsible corporate citizen committed to upholding legal, regulatory, and ethical standards in every jurisdiction we operate. By embedding ethical conduct in our culture, we support operational integrity, sustainable growth, and long-term stakeholder value.

Management Approach



Business Ethics Training

The Group considers business ethics as a core pillar of our corporate culture, aiming to become a trusted and respected business partner in the maritime supply chain. To maintain a high level of awareness, we provide regular training for both employees and subcontractors. These sessions cover key ethical issues they may encounter in their daily work:

Topic	Content
Anti-Corruption and Anti-Bribery	Prohibits offering or accepting bribes, gifts, hospitality, or favours that may compromise objectivity
Conflict of Interest Management	Requires employees to disclose any personal interests that may conflict with company interests
Data Privacy and Confidentiality	Enforces customer data encoding, and prohibits the disclosure of trade secrets
Fair Competition	Prohibits market manipulation, false advertising, and defamatory practices against competitors
Whistleblowing and Accountability	Provides anonymous reporting channels, whistleblower protection policies, and clear penalties for violations

SUPPLY CHAIN MANAGEMENT

Significance

Sustainable supply chain management plays an important role in driving our sustainability targets. This ensures responsible sourcing, ethical labour practices, and reduced environmental impact across the industrial chain. A well-managed supply chain enhances resilience, minimises risks, and supports long-term business success.

The Group has integrated ESG elements into supplier selection, reinforcing our commitment to sustainability.

Management Approach

The Group prioritises product quality, timely delivery, reliable service, and competitive pricing when selecting suppliers.

SECTION 5: GOVERNANCE PERFORMANCE

In 2023, the Group optimised its supplier selection procedure by integrating key sustainability metrics. Under the revised procedure, suppliers are required to sign the following additional agreements: 1) Shipbuilding Safety Production and Environmental Protection Management Agreement, 2) Environmental, Occupational Health & Safety, and Energy Management Requirements for Relevant Parties, and 3) Safety and Environmental Protection Notice. These measures reinforce our commitment to sustainability, safety, and responsible supply chain management.

Our supplier selection process comprises written application, factory due diligence checks by relevant departments, submission of required documents, and interviews. The Group conducts supplier qualification reassessment twice a year, aiming to ensure ongoing compliance with our standards.

GOVERNANCE FACTBOOK

Board of Directors (As of 31 December 2024)

Name of Directors	Board Membership	Appointment Date
Ren Letian	Executive Chairman and Chief Executive Officer	30-Apr-2020
Yee Kee Shian, Leon	Independent and Non-Executive Director	01-May-2022
Liu Hua	Non-Independent and Non-Executive Director	04-Aug-2022
Poh Boon Hu Raymond	Independent and Non-Executive Director	02-Feb-2023
Yee Chia Hsing	Independent and Non-Executive Director	25-Apr-2024

Committees under the Board (As of 31 December 2024)

Position/Committee	Audit and Risk Committee	Remuneration Committee	Nominating Committee	ESG Committee
Chairman	Yee Chia Hsing	Poh Boon Hu Raymond	Yee Kee Shian, Leon	Ren Letian
Member	Yee Kee Shian, Leon	Yee Kee Shian, Leon	Liu Hua	Zhang Hongfei
	Liu Hua	Liu Hua	Poh Boon Hu Raymond	Liu Hua
	Poh Boon Hu Raymond	Yee Chia Hsing	Yee Chia Hsing	Kathy Zhang Chengshuang

Ethical Training* (2022 – 2024)

Unit: hour			
Category	2022	2023	2024
Total training hours	52,381	63,784	71,800
Total number of employees	7,483	7,973	8,975
Average training hours per employee	7	8	8

*Note: Ethical training covers training for bribery and anti-corruption



SECTION 6: APPENDIX

GRI CONTENT INDEX

Page 39	Topic	GRI Disclosures	GRI Content	Page Reference
GRI 2: General Disclosures 2021	The organisation and its reporting practices	2-1	Organisational details	Annual Report Page 3
		2-2	Entities included in the organisation's sustainability reporting	Page 2
		2-3	Reporting period, frequency, and contact point	Page 2
	Activities and workers	2-6	Activities, value chain, and other business relationships	Page 38, 45-46
		2-7	Employees	Page 34-38
	Governance	2-9	Governance Structure	Page 3, 7-8
		2-10	Nomination	Page 43
		2-11	Chair of the highest governance body	Page 3
		2-12	Roles of the highest governance body	Page 3, 7
		2-14	Role of the highest governance body in sustainability reporting	Page 3, 7
		2-16	Communication of critical concerns	Page 9-17
		2-17	Collective knowledge of the highest governance body	Page 3, 43
		2-18	Evaluation of the performance of the highest governance body	Page 43
	Strategy, policies, and practices	2-22	Statement on sustainable development strategy	Page 4-5
		2-23	Policy commitments	Page 3-5
		2-24	Embedding policy commitments	Page 3-5
		2-25	Process to remediate negative impacts	Page 10-14
		2-26	Mechanisms for seeking advice and raising concerns	Page 8-14
		2-27	Compliance with laws and regulations	Page 2
	Stakeholder engagement	2-29	Approach to stakeholder engagement	Page 15-17
GRI 3: Material Topics 2021	Disclosures on material topics	3-1	Process to determine material topics	Page 9
		3-2	List of material topics	Page 9
		3-3	Management of material topics	Page 10-14



SECTION 6: APPENDIX

Page 39	Topic	GRI Disclosures	GRI Content	Page Reference
GRI 201: Economic Performance 2016	Economic performance	201-1	Direct economic value generated and distributed	Page 39
		201-3	Defined benefit plan obligations	Page 39
		201-4	Financial assistance received from government	Page 39
GRI 203: Indirect Economic Impacts 2016	Indirect economic impacts	203-1	Infrastructure Investments	Page 28-29
		203-2	Significant indirect economic impacts	Page 42
GRI 205: Anti-corruption 2016	Anti-corruption	205-1	Operations assessed for risks related to corruption	Page 44-45
		205-2	Communication and training about anti-corruption	Page 45-46
GRI 301: Materials 2016	Materials	301-3	Packaging materials	Page 19
GRI 302: Energy 2016	Energy	302-1	Energy consumption within the organisation	Page 32
		301-3	Energy intensity	Page 32
		302-4	Reduction of energy consumption	Page 32
GRI 303: Water and Effluents 2018	Water	303-1	Interactions with water as a shared resource	Page 32
		303-2	Management of water discharge-related impacts	Page 27-28
		303-3	Water withdrawal	Page 32
		303-4	Water discharge	Page 32
		303-5	Water consumption	Page 32
GRI 305: Emissions 2016	Emissions	305-1	Direct (Scope 1) GHG emissions	Page 30
		305-2	Energy indirect (Scope 2) GHG emissions	Page 30
		305-4	Reduction of GHG emissions	Page 18, 30
GRI 306: Waste 2020	Waste	306-1	Waste generation and significant waste-related impacts	Page 28-29
		306-2	Management of significant waste-related impacts	Page 28-29
		306-3	Waste generated	Page 31
		306-4	Waste diverted from disposal	Page 31
		306-5	Waste directed to disposal	Page 31



SECTION 6: APPENDIX

Page 39	Topic	GRI Disclosures	GRI Content	Page Reference
GRI 401: Employment 2016	Employment	401-1	New employee hires and employee turnover	Page 41
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 37
GRI 404: Training and Education 2016	Training and Education	404-1	Average hours of training per year per employee	Page 40
		404-2	Programs for upgrading employee skills and transition assistance programs	Page 34-36
GRI 405: Diversity and Equal Opportunity 2016	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Page 34-35, 43
GRI 406: Non-discrimination 2016	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Zero
GRI 408: Child Labour 2016	Child labour	408-1	Operations at significant risk for incidents of child labour	Page 37
GRI 409: Forced or Compulsory Labour 2016	Forced or Compulsory Labour	409-1	Operations at significant risk for incidents of forced or compulsory labour	Page 37
GRI 410: Security Practices 2016	Security practices	410-1	Security personnel trained in human rights policies or procedures	Page 37
GRI 413: Local Communities 2016	Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	Page 38
GRI 415: Public Policy 2016	Public policy	415-1	Political contributions	Page 39



SECTION 6: APPENDIX

SGX SUSTAINABILITY REPORTING INDEX

No	Component	Page Reference
1	Material ESG Factors	Page 9
2	Climate-Related Disclosures Consistent With The TCFD Recommendations	NA
3	Policies, Practices, and Performance	Page 10-14
3.1	<i>Research And Development In Clean Technology</i>	Page 10, 18-21
3.2	<i>Toxic Emissions And Waste Management Strategy</i>	Page 11, 28-29
3.3	<i>Corporate Governance</i>	Page 11, 43-44
3.4	<i>Sustainable Supply Chain Management</i>	Page 11, 45-46
3.5	<i>Labour Management Policy</i>	Page 12, 37
3.6	<i>GHG Emissions</i>	Page 12, 23-26
3.7	<i>Digital Transformation</i>	Page 13, 21
3.8	<i>Occupational Health And Safety</i>	Page 13, 37-38
3.9	<i>Business Ethics</i>	Page 14, 45
3.10	<i>Diversity, Equality, And Care</i>	Page 14, 34-35
4	Targets	Page 10-14
5	Sustainability Reporting Framework	Page 2
6	Board Statement And Associated Governance Structure For Sustainability Practices	Page 3, 8



SECTION 6: APPENDIX

SGX LIST OF CORE ESG METRICS

Category	Topic	Metric	Unit	Framework Alignment	Description
ENVIRONMENT	Greenhouse Gas Emissions	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO ₂ e	GRI 305-1, GRI 305-2, GRI 305-3, TCFD, SASB 110, WEF core metrics	238,711.02
		Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO ₂ e/USD'mln sales	GRI 305-4, TCFD, SASB 110	65.65
	Energy Consumption	Total energy consumption	GJ	GRI 302-1, TCFD, SASB 130	1,398,114.96
		Energy consumption intensity	GJ/USD'mln sales	GRI 302-3, TCFD	384.50
	Water Consumption	Total water consumption	m ³	GRI 303-5, SASB 140, TCFD, WEF core metrics	4,168,972.00
		Water consumption intensity	m ³ /USD'mln sales	TCFD, SASB IF-RE-140a.1	1,130
	Waste Generation	Total waste generated	tonne	GRI 306-3, SASB 150, TCFD, WEF expanded metrics	3,708,735.00
SOCIAL	Gender Diversity	Current employees by gender	Percentage (%)	GRI 405-1, SASB 330, WEF core metrics	Male: 80.5% Female: 19.5%
		New hires and turnover by gender	Percentage (%)	GRI 401-1, WEF core metrics	New hires Male: 88.9% Female: 11.1%
					Turnover Male: 85.7% Female: 14.3%
	Age-Based Diversity	Current employees by age groups	Percentage (%)	GRI 405-1, WEF core metrics	Below 30 years: 23.0%
					30-50 years old: 65.0%
					Above 50 years old: 12.0%



SECTION 6: APPENDIX

Category	Topic	Metric	Unit	Framework Alignment	Description
		New hires and turnover by age groups	Percentage (%)	GRI 401-1, WEF core metrics	<i>New hires</i> <u>Below 30 years:</u> 46.3% <u>30-50 years old:</u> 53.0% <u>Above 50 years old:</u> 0.7% <i>Turnover</i> <u>Below 30 years:</u> 42.8% <u>30-50 years old:</u> 53.6% <u>Above 50 years old:</u> 3.7%
	Employment	Total turnover	Number and Percentage (%)	GRI 401-1, SASB 310, WEF core metrics	Number: 1,470 Percentage: 16.4%
		Total number of employees	Number	GRI 2-7	8,975
	Development & Training	Average training hours per employee	Hours/No. of employees	GRI 404-1, WEF core metrics	48/8,975
		Average training hours per employee by gender	Hours/No. of employees	GRI 404-1, WEF core metrics	<u>Male</u> 48/7,221 <u>Female</u> 48/1,754
			Occupational Health & Safety	Fatalities	Number of cases
		High-consequence injuries	Number of cases	GRI 403-9, WEF core metrics, MOM (Singapore)	0
		Recordable injuries	Number of cases	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320	0
		Recordable work-related ill health cases	Number of cases	GRI 403-10, WEF expanded metrics, MOM (Singapore)	47



SECTION 6: APPENDIX

Category	Topic	Metric	Unit	Framework Alignment	Description
GOVERNANCE	Board Composition	Board independence	Percentage (%)	GRI 2-9, WEF core metrics	60.0%
		Women on the board	Percentage (%)	GRI 2-9, GRI 405-1, WEF core metrics	20.0%
	Management Diversity	Women in the management team	Percentage (%)	GRI 2-9, GRI 405-1, WEF core metrics, SASB 330	0%
	Ethical Behaviour	Anti-corruption disclosures	Discussion and number of standards	GRI 205-1, GRI 205-2 and GRI 205-3	Page 45-46
		Anti-corruption training for employees	Percentage (%)	GRI205-2, WEF core metrics	100%
	Certifications	List of relevant certifications	List	Commonly reported metric by SGX issuers	ISO 9001
					ISO 14001
					ISO 45001
					ISO 50001
					GB/T23331
					GB/T29490
					GB/T23001
					T/AITRE 10003
	Alignment with Frameworks	Alignment with frameworks and disclosure practices	GRI/TCFD/SASB/SDGs/others	SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	GRI SASB UN SDGs SGX Sustainability Reporting Guide
	Assurance	Assurance of sustainability report	Internal/External/None	GRI 2-5, SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	The report was reviewed and approved by the Board and ESG Committee and will undergo internal audits following its publication.

SECTION 6: APPENDIX

SASB STANDARD INDEX

Sustainability Disclosure Topics & Metrics

Topic	Code	Metric	Category	Unit of Measure	Company Responses for FY2024
Energy Management	RT-IG-130a.1	Total energy consumed	Quantitative	Gigajoules (GJ)	1,398,114.96
		Percentage grid electricity	Quantitative	Percentage (%)	69.48%
		Percentage renewable	Quantitative	Percentage (%)	12.17%
Employee Health & Safety	RT-IG-320a.1	Total recordable incident rate (TRIR)	Quantitative	Rate	2.56
	RT-IG-320a.1	Fatality rate	Quantitative	Rate	0
	RT-IG-320a.1	Near miss frequency rate (NMFR)	Quantitative	Rate	Not applicable
Fuel Economy & Emissions in Use phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Litres per 100 tonne-kilometres	Not applicable
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Litres per hour	Not applicable
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Quantitative	Kilojoules per litre	Not applicable
	RT-IG-410a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines	Quantitative	Grammes per kilojoule	Not applicable
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	N/A	Page 29
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quantitative	Presentation currency (RMB)	Not applicable
Activity Metrics	RT-IG-000.A	Number of units produced by product category	Quantitative	Number	Not applicable
	RT-IG-000.B	Number of employees	Quantitative	Number	8,975



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