

JUTAL

巨濤海洋石油服務有限公司
Jutal Offshore Oil Services Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 03303

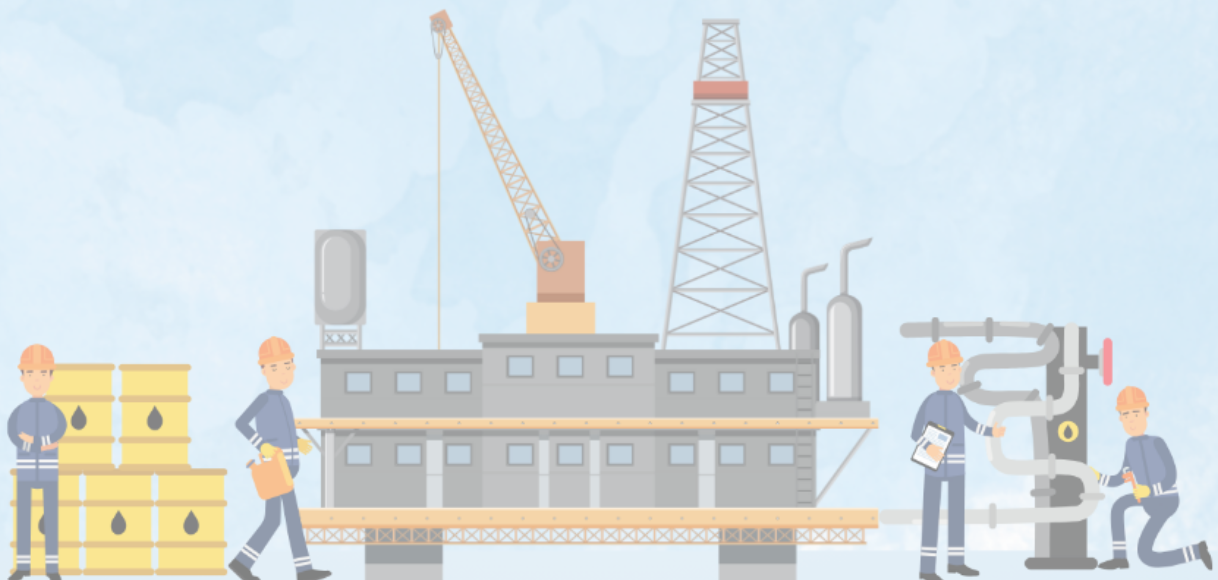
2023

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

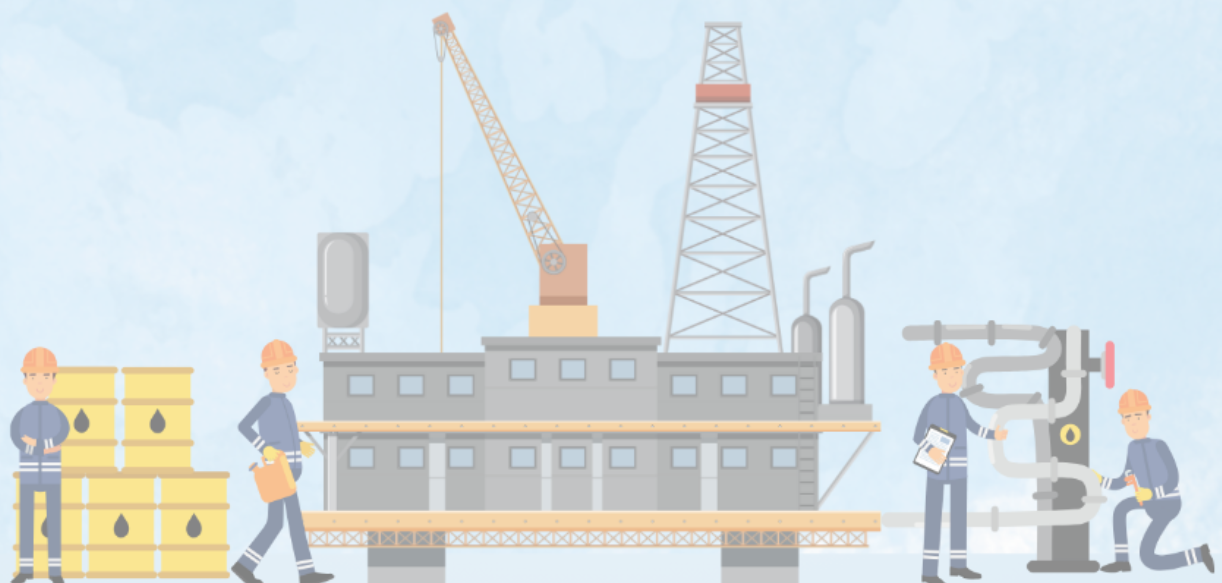


TABLE OF CONTENTS

<i>Scope and Reporting Period</i>	3
<i>Reporting Principles</i>	3
<i>Board Leadership and Integrated Governance</i>	4
<i>A Commitment to Responsible Practices</i>	5
<i>Three Pillars of Sustainable Development</i>	7
<i>ESG Risk Management</i>	7
<i>Awards and recognitions</i>	10
<i>Stakeholder Engagement and Materiality</i>	10
<i>Stakeholder Communication Channels</i>	13
<i>Stakeholders' Feedback</i>	13
A. Environmental Protection	14
Measures to Mitigate Emissions	14
1. Emissions Control	16
Air Emissions	16
A Cleaner Operation	16
Greenhouse Gas Emissions.....	17
Reduce Carbon Emissions	18
2. Waste Management	19
3. Wastewater Management	21



4. Use of Resources.....	22
Energy Consumption Management	22
Energy Use Efficiency Initiatives.....	23
Water Resource Management.....	23
Water Use Efficiency Initiatives	24
Use of Packaging Materials	24
Office Supplies	24
5. The Environment and Natural Resources	25
Significant Impacts of Activities on the Environment.....	25
6. Climate Change	26
Significant Climate-related Risk to Jutal	26
<i>B. Social.....</i>	28
1. Employment and labour practices.....	28
Employment	28
Employee Health and Safety	33
Development and Training	34
Labour Standards	36
2. Operating Practices.....	37
Supply Chain Management	37
Product Responsibility	38
Anti-corruption	40
Community Investment.....	42



Scope and Reporting Period

This is the Environmental, Social, and Governance (the “**ESG**”) report of Jutal Offshore Oil Services Limited (the “**Company**”, and together with its subsidiaries referred to as “**Jutal**” or the “**Group**”), highlighting its ESG performance, with disclosure references made to the ESG Reporting Guide as prescribed in Appendix C2 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

The core business operations of the Group are primarily manufacturing and engineering services in the energy and refining industries, mainly focusing on large-scale module construction, offshore engineering, and new energy equipment construction. It is important to note that subsidiaries located in Hong Kong and Singapore, and other business operations beyond the core businesses are excluded from the reporting boundary.

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social aspects of its major business operations in the People’s Republic of China (the “**PRC**”) from 1 January 2023 to 31 December 2023 (the “**Reporting Period**”), unless otherwise stated. This report covers operating sites including offices in Shenzhen, Tianjin, Penglai, Dalian, and Zhuhai, as well as construction and service sites in Tianjin, Penglai, Zhuhai, and Huizhou. These sites are collectively referred to as Shenzhen Jutal, Tianjin Jutal, Penglai Jutal, Dalian Jutal, and Zhuhai Jutal.

There were no major operational changes in the scope of this report compared with that for the period from 1 January 2022 to 31 December 2022 (the “**Last Reporting Period**”).

Reporting Principles

The preparation of the ESG report has applied the following principles:

Materiality

materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section “Stakeholder Engagement and Materiality” in the Report.

Quantitative

key performance indicators (“**KPI**”)s have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

Consistency

consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

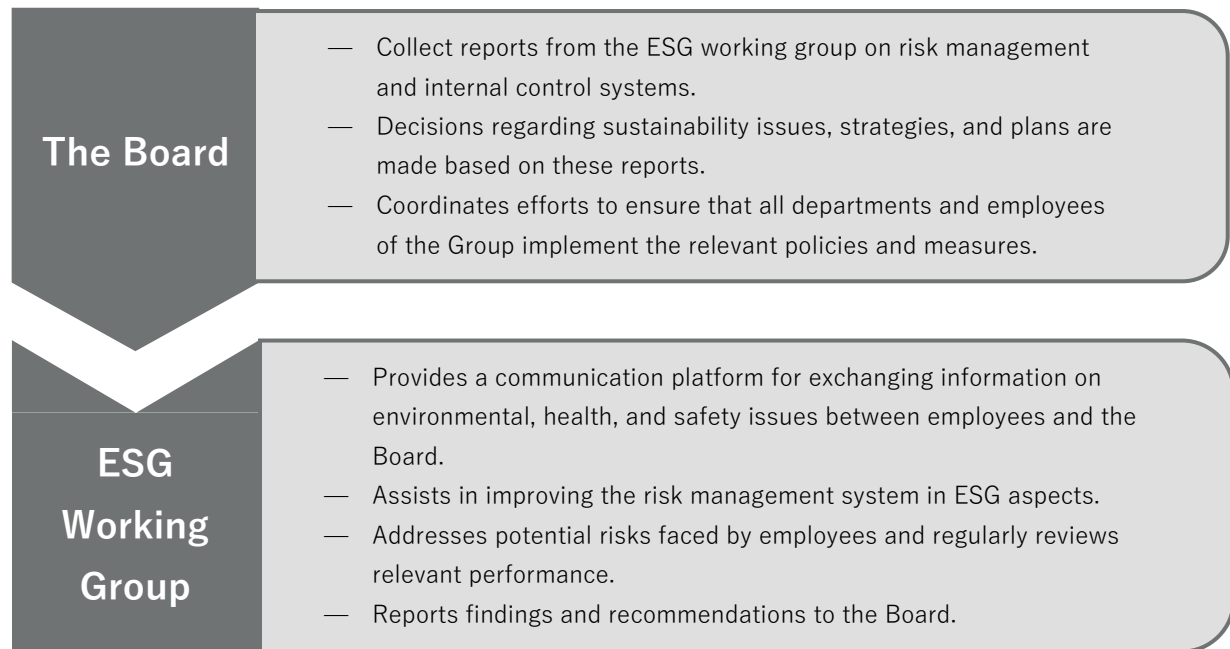
Balance

The Group’s performance during the Reporting Period has been presented impartially, avoiding choices, omissions, or presentation formats that may unduly influence readers’ decisions or judgements.

Board Leadership and Integrated Governance

The Board of Directors (“the **Board**”) has overall responsibility for the Group’s sustainability strategy and reporting. The Group has incorporated ESG considerations into daily operations, demonstrating the Group’s strong commitment to protecting the environment, caring for its people, and addressing the community’s needs. As a responsible corporate citizen, the Group prioritises local employment when recruiting contract workers to provide opportunities for local workers and support local communities.

The Group has integrated environmental and social-related issues into its corporate governance structure and established an ESG Working Group to monitor and promote environmental, social, and governance strategies. The ESG Working Group plays a crucial role in overseeing the Group’s ESG performance and reporting. Comprised of responsible executive directors and relevant management personnel, the ESG Working Group ensures that appropriate and effective risk management and internal control systems are in place to address material risks related to ESG.



When critical ESG issues have been identified, the ESG Working Group shall report directly to the Board for discussion. By doing so, the ESG Working Group helps to ensure that the Group’s ESG activities align with its overall business goals and objectives. The ESG Working Group has assigned responsibilities to the respective departments, as shown in the table below:

Department	Responsibility
Health, Safety and Environmental Protection Department	Emission control, use of resources, environmental management
Health, Safety and Environmental Protection Department & Human Resources and Enterprise Management Department	Employee health and safety
Human Resources and Enterprise Management Department	Development and training, labour standards
Procurement Department	Supply chain management
Production Department & Quality Inspection Department	Product responsibility
Human Resources and Enterprise Management Department & Internal Audit Team	Anti-corruption
Care Committee & Human Resources and Enterprise Management Department	Community investment

Furthermore, the board of directors has also authorized the Safety Production Committee at the Group's major sites to be responsible for implementing environmental protection, responsible production and ensuring health and safety. The committee is mainly chaired by the general manager of the subsidiary company, and its members include deputy general manager, department managers, labour union chairman and occupational health and safety employee representatives.

The Board employed an online survey to identify and prioritise the ESG material topics for the Group's ESG report with the assistance of a third-party consultant. The survey gathers insights from internal and external stakeholders. The results of this survey were used to conduct a materiality assessment, considering the significance of each identified ESG issue to the Group. By engaging stakeholders and considering their perspectives, the Board ensured that the ESG report focuses on the most relevant and significant ESG issues. This process demonstrates the Board's commitment to transparency, accountability, and effective ESG management.

A Commitment to Responsible Practices

The Group has established a comprehensive occupational health, safety, and environmental (HSE) policy, which serves as a fundamental aspect of the Group's operations and reflects its commitment to responsible practices. In addition to meeting regulatory requirements, the Group strives for continuous improvement in workplace safety, environmental protection, and operational practices to gain the trust of customers, shareholders, and the public.

The Group's commitment to HSE practices is demonstrated through the “Safety, Prevention, Environmental Protection, and Ongoing Enhancement” principles:

1. Safety and environmental risks are prioritised in all work activities.
2. Adherence to laws, regulations, and national standards on production safety and environmental protection in China is ensured.
3. HSE training is provided to equip employees with necessary safety skills and promote their active involvement in HSE management.
4. Potential safety hazards are identified and rectified, violations addressed, labour protection enhanced, and work accidents and occupational diseases prevented.
5. Resource utilisation is optimised, conservation promoted, waste minimised, and environmental pollution prevented.
6. Continuous improvement of working conditions and labour environment is pursued, aiming for win-win outcomes with employees, customers, shareholders, and society.

The Group regularly reviews the HSE policy and will update it as appropriate.



Three Pillars of Sustainable Development

The Group recognises the importance of addressing environmental impacts and the potential risks associated with the transition to a low-carbon economy. To ensure sustainable operation and long-term business growth, the Group has established ESG-related goals and targets. These targets include emission reduction and energy saving, which are crucial for minimizing the Group's carbon footprint.

To monitor the progress of implementing these ESG-related targets, the Group employs various means such as meetings, inspections, and regular monitoring of production facilities. Additionally, the ESG Working Group conducts annual reviews of the environmental targets and evaluates the Group's overall ESG performance. This comprehensive monitoring process ensures that the Group remains on track in achieving its sustainability objectives.

In addition to improving environmental performance, the Group places great emphasis on delivering high-quality products and services while safeguarding the occupational health and safety of its employees. The Group also closely monitors supply chain risks to ensure responsible business practices. By prioritising these aspects, the Group aims to conduct its operations in an environmentally and socially responsible manner.

To guide its sustainable development efforts, the Group has identified three pillars:

Employee Management and Wellbeing	Environment and Natural Resources	Business Operations and Product Responsibility
Health and Safety	Climate Change	Stakeholders Engagement
Employee Rights and Protection	Water Resources Usage and Management	Business Ethics and Compliance
Employment System	Greenhouse Gas Emissions and Management	Product Quality and Responsibility
	Waste Management	

These pillars serve as a framework for the Group to analyse and discuss how to manage risks, seize opportunities, set goals, and allocate resources.

ESG Risk Management

The Group has established “Risk and Opportunity Management Procedures” and set up an environmental management risk assessment team responsible for identifying and evaluating current and potential risks and opportunities in ESG aspects. Each business unit and department are responsible for identifying and monitoring current and potential risks and opportunities that the Group may face according to their responsibilities and authorities. During the Reporting Period, the Group identified six ESG risks from the three pillars of sustainable development, namely “The Environment and Natural Resources”, “Employee Management and Wellbeing” and “Business Operations and Product Responsibility”. Details are as follows:

Sustainable Development Pillars	Risk Categories	Risk Description	Responses
The Environment and Natural Resources	Air and Greenhouse Gas Emissions	Due to the tightening of national and regional environmental protection policies, the Group needs to invest more resources to cope with stricter regulations, which may lead to an increase in operating costs.	<ul style="list-style-type: none"> — Expand the use of renewable energy; — Develop low-carbon policies /measures; and — Develop emission reduction targets and action plans.
	Hazardous Waste	During the process of hazardous waste disposal, it is necessary to comply with safe storage standards. If a leakage accident occurs, it will increase the risk of non-compliance and reputation.	<ul style="list-style-type: none"> — Identify and formulate a hazardous waste management list; — Properly store related hazardous waste; — Hire qualified contractors to collect and dispose of hazardous waste; — Provide training and emergency drills for employees; and — Develop an emergency plan for hazardous waste leakage accidents.
	Impact on the Surrounding Environment	If the Group fails to identify and effectively control relevant environmental factors, it may increase the risk of non-compliance, including lawsuits, fines and orders to cease project operations, which will further affect the Group’s reputation.	<ul style="list-style-type: none"> — Regularly monitor the impact of business operations on the surrounding environment and community; — Carry out greening activities; and — Maintain communication with stakeholders in neighbouring communities.

Sustainable Development Pillars	Risk Categories	Risk Description	Responses
The Environment and Natural Resources	Climate Change	Extreme weather events are increasingly frequent, which will affect the operation of production equipment and the safety of workers, and impose a burden on business operations.	<ul style="list-style-type: none"> — Incorporate climate change into the enterprise risk framework; — Develop relevant policies to regulate business behavior; and — Enhance the Group's resilience to climate change.
Employee Management and Wellbeing	Health and Safety	Due to the special nature of the petroleum and natural gas equipment and services industry, there are inherent safety risks, such as major safety accidents that cause serious injury or death to employees, which will severely affect the Group, including damage to the Group's reputation, and may also lead to lawsuits and fines.	<ul style="list-style-type: none"> — Regularly update safety equipment for employees; — Strengthen on-site risk management and safety supervision; — Develop special work arrangements for adverse or hot weather conditions; and — Enhance health and safety training.
Business Operations and Product Responsibility	Business Ethics	Bribery, corruption, collusion, fraud, kickbacks and embezzlement of public funds are not only harmful to the interests of the Group itself but also serious commercial crimes, which pose significant legal risks to the Group's operations, including lawsuits, fines, or imprisonment of relevant personnel. In addition, even if the Group is suspected of violating relevant laws and regulations, it will seriously damage the Group's reputation.	<ul style="list-style-type: none"> — Develop mechanisms and procedures for business ethics; — Regularly assess the risks and impacts of business ethics; — Provide regular training for the Board and employees; — Make anti-corruption one of the KPIs of the Group; and — Regularly review complaint mechanisms and compliance investigation/ reporting procedures.

Related working group members will analyse and assess such risks in accordance with the "Risk and Opportunity Management Procedures" to reduce the unstable factors and impacts of sustainability risks on business operations, ensure smooth daily operations, provide response plans to management, and make early corrections to avoid any losses related to property, liability and personal safety, thereby improving the service quality of the Group.

In the future, the Group will identify more climate change risks that have a greater impact on business, assess climate related risks and opportunities under different climate scenarios, and actively address and manage such risks in operations according to their significance to strengthen the Group’s resilience and recovery ability in the face of climate change.

Awards and recognitions

As a result of the Group’s unwavering commitment to HSE and quality management excellence, the Group has obtained notable certifications and qualifications. These include the National first-level qualification for offshore oil engineering professional contracting and the national first-level enterprise qualification for steel structure. Additionally, the Group has obtained certifications from various management systems:

Scope	Certification
Environment	ISO 14001 Environmental Management System
Workplace Safety	ISO 45001 Occupational Health and Safety Management System
	CNAS laboratory accreditation
Quality Assurance	<ul style="list-style-type: none"> • ISO3834-2 welding system certification • ISO 9001 Quality Management System • ISO 10012 Measurement management system • ISO 17020 inspection agency accreditation qualification
	<ul style="list-style-type: none"> • EN1090-1FPC system certification • EN1090-2 steel structure welding certification
	Canadian steel structure welding certification

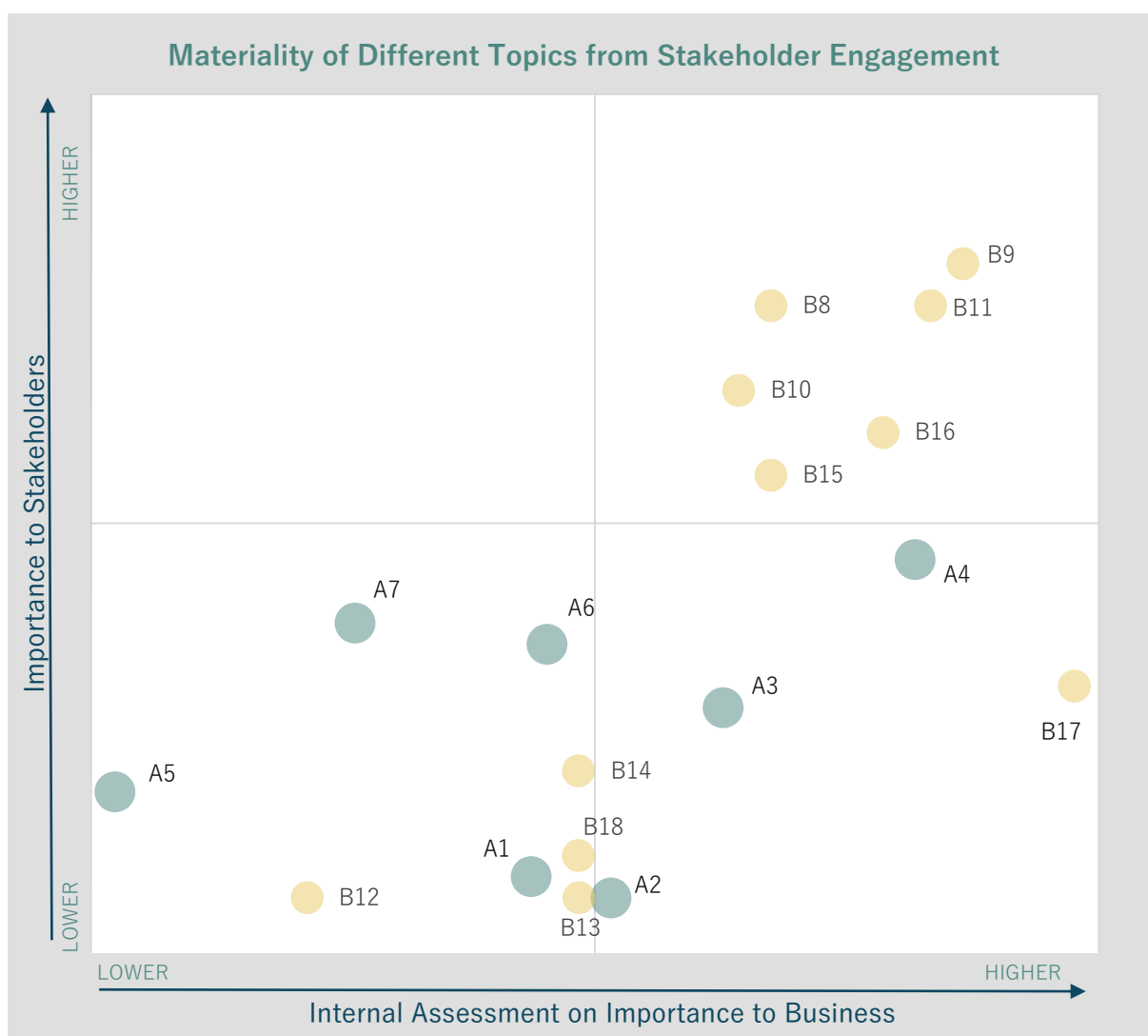


Stakeholder Engagement and Materiality

The Group maintains ongoing dialogue with key stakeholders via various communication channels including monthly meetings, emails, and regular customer surveys. To identify significant ESG topics, the Group specifically engaged both internal and external stakeholders, namely the Board of Directors, senior management, shareholders, frontline staff, suppliers and customers, to gain insights into ESG material topics and challenges to the Group’s operation during the Reporting Period. In the materiality assessment, stakeholders were asked to rate a list of 18 topics, which renewed this Reporting Period, in terms of their relevance and importance to the Group’s business development and sustainability, as well as to the wider community.

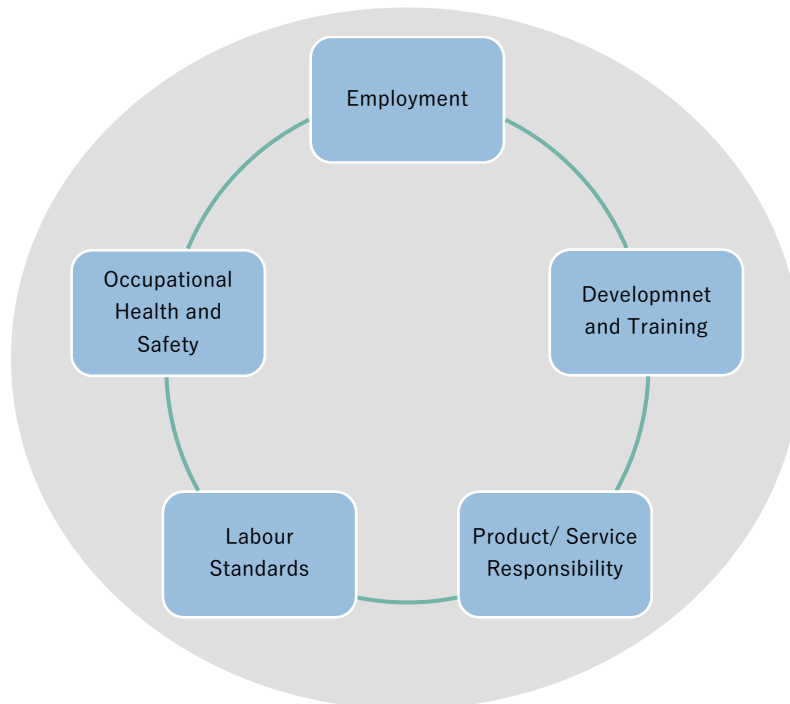
Results of the materiality assessment and the consolidated list of material aspects are presented in the following matrix and table respectively.

Materiality Matrix



A. Environmental Issues		B. Social Issues	
1	Energy	8	Employment
2	Water	9	Occupational Health and Safety
3	Emissions	10	Development and Training
4	Effluent and Waste	11	Labour Standards
5	Other Raw Materials Consumption	12	Supply Chain Management
6	Environmental Protection Policies	13	Intellectual Property Rights
7	Climate Change	14	Customer Data Protection
		15	Customer Service
		16	Product/Service Quality
		17	Anti-corruption
		18	Community Investment

Among the environmental and social aspects, the following topics are identified as the most material issues for the stakeholders:



From the perspectives of stakeholders, a majority of the material ESG issues of this Reporting Period fall under social issues. The above aspects were strictly managed through the Group’s policies and guidelines. Management of the aspects has been described in separate sections below. The Group will continue to maintain close communication with stakeholders to understand their expectations and perspectives on the Group’s ESG approach.

Stakeholder Communication Channels

The Group engages with key stakeholders such as shareholders, employees, suppliers, and clients to understand their needs and concerns. Besides the annual stakeholder survey, the Group communicates with stakeholders via various communication channels such as written memos, regular meetings, and interviews.

Key Stakeholders Groups	Communication Channels
The Board, management, and employees	<ul style="list-style-type: none"> • Regular board meetings • Performance reviews and appraisals • Regular meeting and management communication (e.g email and phone call)
Shareholders	<ul style="list-style-type: none"> • Annual general meeting • Financial reports • Company website • Announcements, notices of meetings, circulars
Clients	<ul style="list-style-type: none"> • Company website • Email and phone call
Government	<ul style="list-style-type: none"> • On-site inspections • Work reports preparation and submission for approval • Financial reports
Suppliers and contractor	<ul style="list-style-type: none"> • Procurement processes • Audits and assessments • Annual review
Community	<ul style="list-style-type: none"> • Participation in the events held by Care Committee

Stakeholders' Feedback

The Group welcomes stakeholders' feedback on its ESG approach and performance. Please give your suggestions or share your views with us via email at xy@jutral.com or telephone at +86-755-26694111.

A. Environmental Protection

The Group understands that as a responsible corporate, it plays an important role in environmental protection. The Group has obtained an ISO 14001 Environmental Management System certification and developed various systems and policies, including the Environmental Protection Management Procedure, Waste Management System, and Environmental Management System for construction sites, for the mitigation of potential environmental impacts. The Group strictly adheres to national and local laws and regulations concerning environmental protection and pollution control, including but not limited to the followings:

Environmental laws and regulations complied with in the PRC

- Environmental Protection Law of the PRC
- Law of the PRC on the Prevention and Control of Atmospheric Pollution
- Water Pollution Prevention and Control Law of the PRC
- Emission Standards for Odor Pollutants of the PRC
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste
- Specifications for Continuous Emissions Monitoring of SO₂, NO_x, and Particular Matter in Flue Gas Emitted from Stationary Sources of the PRC
- Emission Standard for Industrial Enterprise Noise at Boundary of the PRC
- Energy Conservation Regulations of Guangdong Province
- Shandong Province local standards on Regional and Integrated Emission Standard of Air Pollutants (2019 Edition)
- Shandong Province Local Standards on Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry
- Shandong Province Local Standards Regional and Integrated Emission Standard of Air Pollutants
- Discharge Standard for Municipal Wastewater

During the Reporting Period, no non-compliance case with relevant laws and regulations, that have a significant impact to the Group, relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste was identified.

Measures to Mitigate Emissions

By implementing the ISO 14001 Environmental Management System in the Group's operations, the Group can effectively manage risks regarding climate change, energy, and carbon management of its day-to-day operations.

The Group is fully committed to mitigating emissions and reducing environmental impact across its operations. To ensure effective emissions control, the Group has implemented several key policies and measures. These include the establishment of the "Policy for Healthy and Safe Environment," which outlines the Group's commitment to maintaining a clean and sustainable environment. Additionally, the Group has developed the "Environmental Operation Control Procedures" and "Waste Collection, Identification, Storage, and Treatment Procedures" to provide clear guidelines for managing emissions and waste.

Specifically, at Penglai Jutal, the Group has set up HSE Target Index.

Emission Categories	HSE Target Index	2023 Performance	2022 Performance
Hazardous waste	— 100% hazardous waste is collected, sorted, and handed over to an approved recycling company for recycling	✓	✓
Wastewater disposal	— Concentration of precipitable solids does not exceed 10 mg/L	✓	✓
	— Concentration of suspended matter discharged does not exceed 150 mg/L	✓	✓
	— Concentration of animal and vegetable oils discharged does not exceed 100 mg/L	✓	✓
Exhaust gas and dust emission	— Concentration of benzene discharged does not exceed 0.5 mg/m ³ , while the discharge rate does not exceed 0.3kg/h	✓	✓
	— Concentration of toluene discharged does not exceed 5 mg/m ³ , while the discharge rate does not exceed 0.6 kg/h	✓	✓
	— Concentration of dimethyl benzene discharged does not exceed 15 mg/m ³ , while the discharge rate does not exceed 0.8 kg/h	✓	✓
	— Concentration of VOCs discharged does not exceed 70 mg/m ³ , while the discharge rate does not exceed 2.4 kg/h	✓	✓
	— Concentration of particles discharged does not exceed 10 mg/m ³	✓	✓
Noise emission	— Noise level of factories must be maintained at 60 dB or below during daytime, and 50 dB or below during the nighttime	✓	✓

The Group has actively implemented various pollution controls to mitigate emissions arising from the Group's operations, including regular monitoring activities and proper maintenance of production facilities.

In the future, the Group will continue to monitor the progress of the emission reduction target and thrive to expand the use of electric pumps in fracturing operations. The Group also pays attention to the development of the latest clean and energy-saving technologies in the field of construction services and is always ready to apply the latest clean and energy-saving technologies to the company's operations.

1. Emissions Control

Air Emissions

The Group is responsible for the generation of several key air pollutants, namely nitrogen oxides, sulfur oxides, respiratory suspended particulates, and volatile organic compounds (VOCs). These pollutants predominantly stem from the operation of production equipment, kitchen equipment, vehicles powered by fossil fuels, as well as sandblasting and painting activities.

The table below presents the breakdown of the air emissions data, during the Reporting Period.

Air Emissions ¹	2023
Nitrogen oxides (kg)	1,541.33
Sulphur oxides (kg)	26.15
Respiratory suspended particles (kg)	125.67
Volatile organic compounds (VOCs) (kg) ²	50.00

A Cleaner Operation

The Group has established environmental treatment systems at each construction site, following the "Serious Pollution Weather Emergency Plan" and "Comprehensive VOCs Treatment Plan". These systems include the installation of various equipment such as sedimentation dust collectors, paint mist filters, explosion-proof centrifugal fans, paint solvent adsorption catalytic devices, and activated carbon devices.

To maintain the effectiveness of these systems, the Group conducts monthly maintenance and upkeep, including regular replacement of filter cotton and activated carbon. Additionally, the Group engages testing companies to conduct air pollution monitoring and installs online monitoring systems for real-time analysis of air emissions. These measures ensure that the Group's air emissions are in line with its standards and local laws and regulations.

¹ Usage of LPG, petrol, natural gas and diesel were accounted for the air emissions, with the emission factors refer to HKEx's "How to Prepare Environmental, Social and Governance Report — Appendix 2: Guidelines for Reporting Environmental Key Performance Indicators".

² Emission statistics of VOCs were monitored and provided by the third-party at Penglai Jutal, while other offices and construction sites did not involve VOCs emissions.

Greenhouse Gas Emissions

During the Reporting Period, the Group's operation contributed to an emission of 15,645 tons of carbon dioxide equivalent ("tCO₂eq."), mainly carbon dioxide, methane, and nitrous oxide. The Group's business operates on a project basis, upon which its diesel and electricity consumption are highly dependent on.

The overall intensity of the GHG emissions for the Group were 4.01 tCO₂e per workforce and 7.12 tCO₂e with reference to the RMB million revenue of the Group as of 31 December 2023, during the Reporting Period. The overall GHG emissions was reduced by 18% due to the significant reduction in electricity consumption at Zhuhai Jutal. The GHG emissions reported included the following activities and scopes:

- Direct (scope 1) GHG emissions from the stationary combustion of diesel and petrol consumption for group-owned vehicles;
- Energy indirect (scope 2) GHG emissions from purchased electricity; and
- Other indirect (scope 3) GHG emissions from business travel.

Scope of Greenhouse gas emissions ¹	Emission sources		2023 (in tCO ₂ e)	2022 ³ (in tCO ₂ e)	Change in %
Scope 1 Direct emissions	Combustion of fuels in stationary sources ²	Diesel Natural gas LPG	819	540	+52%
	Combustion of fuels in mobiles sources	Diesel Petrol	3,708	2,074	+78%
Scope 2 Indirect emissions	Purchased electricity ³		12,148	19,709	-38%
Scope 3 Other indirect emissions ⁴	Air business travel by employees		246	136	+81%
Total			18,456	22,606	-18%
Intensity (tCO₂e/ workforce)			4.01	4.36	-8%
Intensity (tCO₂e/ RMB\$1,000,000 revenue)			7.12	15.07	-53%

Note 1: Emission factors were made by reference to Appendix C2 of the Main Board Listing Rules and their referred documentation as set out by the Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

Note 2: Emission factor for diesel oil, natural gas, LPG, and biogas for stationary source was made reference to GHG Emissions from Stationary Combustion, provided by the Greenhouse Gas Protocol.

Note 3: Emission factor of 0.5703 kg CO₂/kWh regarding The Ministry of Ecology and Environment of People's Republic of China (2022) was used for purchased electricity.

Note 4: Scope 3 GHG emissions included air business travel, while the statistics of paper waste disposed at landfills were not available.

³ The statistics of 2022 were restated due to the adoption of a more consolidate data collection method.

Reduce Carbon Emissions

The Group is committed to continuously improving and developing more targeted energy-saving systems to reduce greenhouse gas emissions. The Group regularly evaluates, record, and analyse greenhouse gas emissions and other environmental data records for each unit, review the effectiveness of current measures, and improve the relevant greenhouse gas emission policies. Following are some energy-saving measures that have been taken to further reduce and monitor greenhouse gas emissions in daily operations:

- Establish rules to conserve electricity at offices and construction sites;
- Preferentially consider energy-saving products when purchasing electrical equipment;
- Energy-saving lights are preferred for lighting, and natural light should be used as much as possible during the day;
- Conduct electricity-saving inspections and analyse electricity consumption regularly;
- Provide employees with training on energy conservation and emission reduction regularly to increase their awareness of environmental protection; and
- Replace old gasoline car of the company by electromobile to reduce emission



2. Waste Management

Non-hazardous and Hazardous waste only includes Tianjin Jutal, Zhuhai Jutal, Penglai Jutal and Huizhou Jutal, while other offices or construction sites did not produce any hazardous waste. The total amount and intensity of hazardous and non-hazardous waste generated by the Group during the Reporting Period is as follows:

	2023
Total hazardous waste generated (tonne)	2,659.88
Hazardous waste intensity (tonne/ RMB\$1,000,000 revenue)	1.03
Total non-hazardous waste generated (tonne)	7,727.84
Non-hazardous waste intensity (tonne/ RMB\$1,000,000 revenue)	2.98

Waste Handling and Reduction Initiatives

The Group has taken proactive steps to minimise waste generation and disposal at all of its operating sites and projects. Various waste management and reduction measures have been implemented to achieve this goal.

To ensure effective waste management, the Group has established comprehensive procedures and guidelines, such as the "Waste Collection, Identification, Storage and Treatment Procedures," "Wastewater Quality Standards for Discharge to Municipal Sewers," "Waste Disposal Working Instruction," and "Hazardous Waste Management Plan". These protocols govern the recycling, storage, and disposal of both hazardous and non-hazardous wastes.

The Group is committed to conserving, recycling, and reusing resources across its operating sites, and it actively encourages employees to reduce resource consumption. At each operating site, waste is classified and prevented based on its type, physical properties, hazardous characteristics, and other relevant factors. Qualified hazardous waste contractors are engaged to collect and dispose of hazardous wastes in accordance with the established procedures.

Furthermore, the Group emphasises the importance of adopting advanced technologies, utilizing clean energy, and improving pollution prevention and control measures to reduce the amount of hazardous waste produced. These measures are outlined in the "Hazardous Waste Management Plan" and serve as guiding principles for employees.

The Four Principles Listed in the “Hazardous Waste Management Plan”

Adopting advanced technology	Improve painting and rust removal processes, use more advanced equipment, improve paint utilisation, reduce usage and try to avoid waste.
Using clean energy	Purchase higher-quality paints to reduce paint usage and avoid generating more hazardous waste.
Improving management	Reduce producing hazardous wastes as much as possible by adopting a hierarchical management system and separate control for the relevant processes involving the generation of hazardous wastes.
Providing pollution prevention and control	Establish a sound collection, storage, and transportation management system to classify, collect and centralise hazardous wastes. Then, store them in the waste station, and transfer the hazardous wastes to the relevant processing unit that signed the contract according to regular and quantitative principles.

Non-hazardous waste generated by the Group is sorted according to its types and recycled by accredited recycling companies. All waste is disposed of in strict accordance with legal requirements.

The Group continues to implement initiatives to reduce waste at source. For example, the Group encourages double-sided printing, promotes the use of electronic documentation, and keeps track of paper consumption to promote a paperless office. Waste recycling bins are installed in the offices to encourage paper recycling. The Group will pay attention to the update and revision of national environmental protection regulations and standards, and revise the Group’s management policy in a timely manner.

3. Wastewater Management

To effectively manage wastewater discharges and ensure compliance with discharge standards, the Group has implemented various measures across its operating sites and offices.

At each operating site, the Group has installed drainage ditches and sedimentation tanks, equipped with steel nets, to prevent the discharge of sludge, sewage, and other harmful solids into the general drainage ditch and municipal sewage pipe network. This proactive approach helps to safeguard the quality of wastewater before it is released.

Furthermore, the Group has taken steps to ensure that domestic sewage from employee dormitories and operating sites meets water quality standards. To achieve this, toilets, kitchens, and canteens have been equipped with septic tanks and trenches. This infrastructure allows for the proper treatment of domestic sewage before it is discharged into the urban sewers and subsequently sent to the sewage treatment plant for further processing.

To ensure that the Group's wastewater treatment consistently meets discharge standards, the Group engages environmental monitoring agencies to conduct regular assessments. Specifically, from March to April each year, these agencies monitor both production wastewater and domestic sewage. This monitoring process provides valuable insights into the effectiveness of the Group's wastewater management practices and helps identify areas for improvement.



4. Use of Resources

The Group is committed to continuously optimizing energy, water, and other resource efficiency in order to reduce usage and minimize waste in our business operations. To achieve this, the Group have implemented various measures and systems, such as the "Energy Conservation and Consumption Reduction Management System" and the "Environmental Operation Control Procedures".

Energy Consumption Management

The Group's energy consumption is mainly from power facilities, production machinery and vehicles of its offices and sites, as well as its consumption of natural gas and liquefied petroleum gas for cooking purposes. During the Year, the total energy consumption of the Group's operating sites was 49,843 MWh equivalent, a decrease of approximately 24% over the previous year.

Energy ¹	2023 (in MWh)
Direct Energy	
Gasoline	6,154.44
Diesel ²	9,876.79
Liquefied petroleum gas ³	12.54
Liquefied natural gas	329.96
Acetylene	0.45
Propane	34.53
Indirect Energy	
Purchased electricity	21,300.93
Purchased heat ⁴	200.00
Total Energy Consumption	37,908.71
Total energy intensity (MWh/RMB\$1,000,000 revenue)	12.84

Note 1: Conversion factors were made reference to IEA Energy Statistics Manual and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Note 2: Petrol consumption in 2022 was 28,720 litre.

Note 3: Diesel consumption in 2022 and 2021 were 5,139,015 litre and 632,712 litre, respectively.

Note 4: The specific heat capacity of water under normal room temperature and pressure 4.1868 kJ/(kg*° C) is used as the fixed value to calculate the energy that 40° C hot water can provide.

Energy Use Efficiency Initiatives

The Group has implemented the "Energy-saving and Consumption Reduction Management System" in compliance with national energy-saving standards. This system aims to decrease energy consumption and promote energy-saving activities within the company. It involves tracking product production and energy usage, setting energy consumption indicators, and reducing the unit energy consumption of company products. Additionally, the Group practices energy management to monitor resource consumption and minimize energy waste during production.

Internally, the Group has announced and follow straightly to the "Office Behavior Standards". It emphasizes promoting energy-saving awareness and encouraging employees to actively participate in resource conservation efforts. The construction sites have also taken measures such as replacing the canteen's central air conditioning unit and implementing controls to reduce idle running of large equipment and lowering the water temperature of the central air conditioning system. Regular training sessions are conducted to educate employees on energy-saving practices.

Penglai Jutal aims to keep annual power consumption output not exceeds the theoretical power consumption by 1%. The annual power consumption exceeded the theoretical power consumption by 4.5% this reporting year, primarily due to the peak construction period occurring in the winter season. This necessitates 24-hour construction activities, leading to increased electricity usage for on-site production, such as lighting and paint drying. The site strives to reduce energy consumption by installing switch recorders on production equipment to monitor operating time and off-peak electricity usage. The power supply under idle period is minimized or disconnected. They also regulate the operating time and temperature settings of central air conditioning to avoid equipment running without load and promote energy-saving awareness. Monthly electricity consumption data is collected and analysed in each workshop, optimizing electricity usage plans for different areas. Lighting fixtures in public areas have been optimized, closing over 200 sets of lamps to eliminate continuously lit lights, daylight lamps, and unattended lights. The Group remains committed to energy conservation and maximizing the use of local power supply during operations.

Water Resource Management

Although the Group's business operation does not consume a significant amount of water or therefore generate large volumes of wastewater, the Group has endeavored its best efforts to conserve water during daily operation. Water consumption mainly comes from domestic use and freshwater is sourced from municipal water supply systems. During the Reporting Period, there were no issues with sourcing water. The table below presents the water consumption and the intensity:

	2023	2022	Change in %
Water consumption (m³)	190,126.4	272,703	-30%
Intensity (m³ per workforce)	41.35	45.10	-8%
Intensity (m³ per RMB\$1,000,000 revenue)	73.35	155.83	-53%

Water Use Efficiency Initiatives

Penglai Jutal had an average water consumption of 4.7 cubic meters per ton of output, which exceeded the water usage target of not exceeding 3.0 cubic meters per ton of output. To address this, the Group will conduct annual data statistics and reviews to assess progress towards achieving the target.

To promote water conservation, the company has implemented several measures. This includes the installation of smart water meters to replace traditional ones, enabling better monitoring and digital management of water usage in different areas. Restroom facilities have been adjusted according to personnel distribution, and timers have been added to regulate intermittent water supply. Water-saving posters have been prominently displayed throughout the premises, and regular inspections are carried out by staff to identify and address instances of water wastage.

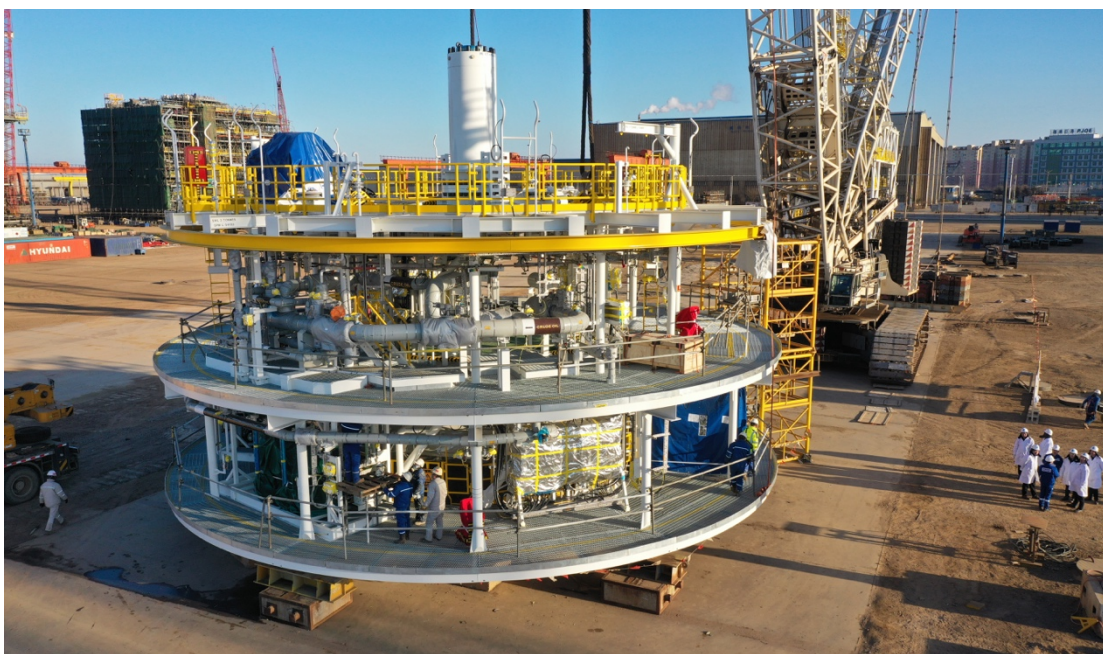
Use of Packaging Materials

During the year, the Group utilized a total of 41 tones packaging materials for daily office operations and construction project packaging. Mainly wooden paper packaging materials, other materials included stretch film, plastic paper, cardboard boxes, bubble film, and tape.

The Group is committed to enhancing its environmental awareness and sustainability by promoting the procurement of environmentally certified paper and packaging materials. Additionally, efforts are being made to encourage a paperless office environment by advocating the use of electronic modes for document sharing and archiving among employees, thereby reducing paper consumption. Furthermore, each department within the Group is required to implement annual budget and quota management to strengthen internal control and improve material usage efficiency.

Office Supplies

Penglai Jutal established an office supplies target to regulate consumption. The objective is to maintain monthly office supplies consumption at or below 8 RMB per person. In 2023, the monthly consumption of office supplier is 4.29 RMB per person. Demonstrates that the target indicator has been successfully met.



5. The Environment and Natural Resources

Significant Impacts of Activities on the Environment

The Group is dedicated to minimizing the environmental impact of its business operations and preserving natural resources. To achieve this, the Group has implemented corporate environmental management systems to regulate environmental protection efforts among employees and management. In addition to complying with environmental protection laws and regulations, the Group promotes clean production, a circular economy, and reducing pollutants at the source. Key details of the environmental protection measures include:

- Establishing and improving environmental protection policies and systems and implementing the company's environmental protection plan.
- Conducting regular inspections of environmental protection facilities and maintaining necessary records.
- Supervising the Group's wastewater, emissions, and solid waste discharge to ensure compliance with standards.
- Providing reports on pollutant emissions, operation of pollution prevention and control facilities, and pollution reduction to relevant authorities as required.
- Assisting in promoting clean production, energy and water conservation, and pollution prevention and control.
- Participating in the preparation of emergency response plans for environmental incidents, promptly reporting any pollution incidents to the environmental protection department, and actively participating in the treatment process.
- Organizing environmental protection training for employees to enhance their knowledge in this area.

Furthermore, the Group's main site regularly updates the "HSE Target Indicator Management Plan" and implements various plans to prevent, control, reduce, and eliminate potential environmental impacts and risks associated with wastewater, emissions, waste, noise, and other hazardous factors generated during daily operations and construction activities. This proactive approach aims to minimize environmental impacts. The Safety Production Committee of the main site is responsible for environmental protection management and technical supervision, working alongside the general manager to create long-term environmental protection plans, conduct internal environmental monitoring, reduce pollutant emissions, improve the quality of the operational area's environment and natural resources, and promote sustainable development.

Looking ahead, the Group will step up efforts to further lessen its impact on the natural environment by creating a healthy environment for its employees. During the Reporting Period, the Group did not receive any complaints from the surrounding community concerning air pollution, odor, noise, or other environmental pollution incidents.

6. Climate Change

Significant Climate-related Risk to Jutal

The Group recognises the growing importance of managing sustainability risks as part of enterprise risk management. In addition to the "Risk and Opportunity Management Procedures", the Group has also developed a "Climate Change Policy" and established four guidelines: "Mitigation," "Adaptation," "Resilience," and "Disclosure." These guidelines aim to enhance the identification of climate change-related risks and opportunities, build climate change resilience, reduce the financial and non-financial impacts on operations, and meet the increasing requirements from regulatory bodies to disclose sustainability risk management measures.

To further refine strategic planning, the Group has implemented a "Risk and Opportunity Identification and Assessment Management System." This system requires the Quality Inspection Department and the Health, Safety, and Environmental Protection Department to identify and assess risks and opportunities associated with quality, environment, operations, market, finance, and occupational health and safety management within their respective work processes.

Moving forward, the Group plans to integrate climate change considerations into the overall enterprise risk framework. This will involve identifying and managing the impact of climate change on business operations, reviewing relevant policies and measures to regulate business behavior, enhancing the resilience of existing operating facilities to climate change, and incorporating climate change resilience designs into future facility planning. By taking these proactive steps, the Group aims to effectively address climate change risks and opportunities while ensuring the long-term sustainability and resilience of its operations.

In such a case, the Group has evaluated the climate-related risks and their implication on business operations with reference to the Recommendations of Task Force on Climate-related Financial Risks Disclosure ("TCFD"). The risks have been divided into two major categories: physical and transition risks. To measure its materiality and potential impacts on the Group's business operation, the Group determines the risk level of the climate risks by evaluating the likelihood and severity of the risk.

Climate risk type	Time horizon	Implication on business	Risk level
Physical risk (acute)	Short term	Increased severity and frequency of extreme weather affects daily operations and may cause damage to equipment. It reduces revenue and increases maintenance costs.	Medium
Physical risk (chronic)	Long term	Rising temperature increase energy use and equipment maintenance cost	Medium
Transition risk (legal and policy)	Long term	Increased operation cost from increased GHG emission pricing	Medium
Transition risk (technology)	Long term	Increased operation costs from the substitution of existing equipment and services. Reduced demand for services from the shift of customer and market preference.	Medium
Transition risk (market)	Long term	Switch from the oil and gas market to renewable/clean energy lower the demand for oilfield services	Medium
Transition risk (reputation)	Long term	Reduced revenue from decreased demand for services	Medium

In general, the Group is more susceptible to transition risks, especially market risk and technology risk. Transition risks refer to the associated risks caused by the shift to a low-carbon economy. To address the risks and opportunities associated with climate change, the Group has made a strategic decision to incorporate climate change into its overall enterprise risk framework.

Opportunities

By recognising the potential impact of climate change on business operations, the Group can proactively identify and manage risks while seizing opportunities in the evolving market. This includes conducting research and development of construction technologies for new energy products, such as wind turbine support structures and suction anchors.

By aligning with the increasing demand for renewable energy solutions, the Group can not only mitigate the risks posed by climate change but also capitalise on the expanding market for sustainable construction, contributing to a greener future and long-term business resilience.

B. Social

1. Employment and labour practices

Jutal recognises the growing importance of social-related issues to stakeholders and places a strong emphasis on prioritizing the health and safety of its employees. The Group is also committed to upholding high ethical business standards in managing group affairs. The Group is committed to creating a working environment that safeguards the rights and interests of its employees. To achieve this, Jutal has developed and implemented a comprehensive set of safety management and employment systems.

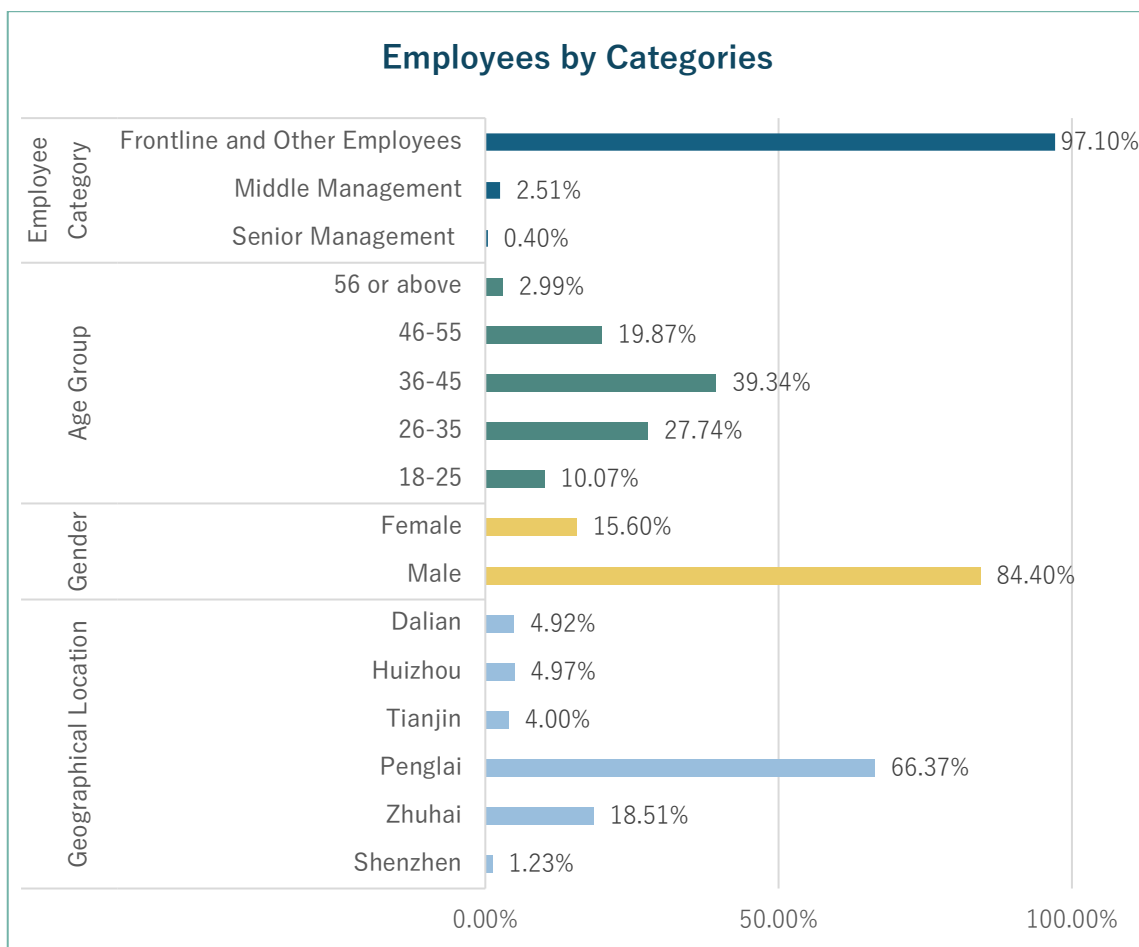
By prioritising employee well-being, Jutal aims to attract and retain talented individuals who contribute to the success of the Group. Additionally, the implementation of these systems helps foster harmonious labour relations within the organisation. By maintaining a positive and supportive work environment, Jutal motivates its employees to continue creating shared values for the Group, the environment, and the community at large.

Employment

The Group strictly abides by the Labour Law of the People's Republic of China, the Law of the People's Republic of China on Employment Contracts, and other applicable laws and regulations in the area where the Group operates as well as the requirement of international practices. The Group also adheres to the Law of the People's Republic of China on the Protection of Rights and Interests of Woman and the Special Rules on the Labour Protection of Female Employees, aiming to protect the legal rights and interests of female employees and support their physical and mental health.

The Group endeavors to provide a fair and transparent workplace that offers rewarding remuneration and equitable human resource (the "HR") management policies. The Group strictly complies with national and local laws and regulations regarding employment and labour practices.

As of 31 December 2023, operating sites under the reporting scope employed 2,275 employees and 2,323 outsource workers from PRC, combining to be a total of 4,598 workforce. The Group reviewed and improved existing policies and measures during the Reporting Period and did not violate any laws or regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.



The employment contract lays down the details of the appointment, such as position, commencement date, remuneration and promotion, compensation and dismissal policy, probationary period, leave entitlement, reward and penalty system, and other terms and conditions of employment enforced by relevant laws and regulations. The Group’s policies, standards, and expectations of its employees are well documented and communicated through the Employee Behavior Codes and respective policies in the Employee Handbook.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare were identified during the Reporting Period.

Competitive Compensation and Benefits Package

The Group consistently optimizes compensation and welfare policies, ensuring employees receive relevant benefits and rights in accordance with the law. To attract talent, competitive salaries, subsidies, annual health checks, social insurance, and housing provident funds are offered. An effective performance evaluation mechanism is in place, where employees' performance is regularly assessed, and exceptional performers are rewarded with annual bonuses or opportunities for promotion. This mechanism encourages active participation, performance enhancement, and fosters a sense of belonging among employees, ultimately contributing to talent attraction and retention.

Termination of Contract

The Group has a recruitment policy that outlines the company's methods and procedures for managing employee recruitment and termination. During the recruitment and selection process, relevant departments and employees follow fair and unbiased principles, selecting candidates based on objective assessment criteria such as personal abilities, experience, and performance. This approach ensures equal opportunities for all individuals and contributes to the Group's success.

In terms of termination, employees have the freedom to end their contracts at any time by following the resignation procedures. However, if an employee engages in improper behavior that conflicts with their duty of loyalty or company policies, the Group will terminate their employment. In such cases, the employee's salaries will be settled in accordance with legal requirements, ensuring compliance with all applicable laws and regulations.

On the other hand, the length of the contract of outsourced workers from subcontractor is based on the unit of project. Subcontract work progress payment and settlement should be carried out in accordance with company procedure and subcontract provisions.

Appraisal and Promotion

The Group undertakes promotion exercises on an annual basis. Performance appraisal is conducted to evaluate the competencies of the employees via an end-of-year examination and performance appraisal. Managers of respective departments also assess the extent to which the employees have achieved their performance targets. Employees are eligible for career advancement within the Group based on their competencies and suitability for higher-ranking positions.

Working Hours & Rest Periods

The Group has a strong commitment to prohibiting forced labour and upholding employee rights. Department heads ensure appropriate working hours for employees in line with the "Employee Attendance Management Regulations." If overtime work is required, employees must obtain prior approval from their supervisors following the "Personnel Management Working Procedures." The Group not only observes national statutory holidays but also provides various types of leave, such as annual leave, marriage leave, maternity leave, and caregiver leave, to accommodate employees' diverse needs.

Equal opportunity

The Group is committed to fostering a harmonious and inclusive work environment that values equal opportunity, diversity, and anti-discrimination. To ensure fairness, no employee or job applicant is treated unfairly based on factors such as age, gender, race, religion, marital status, or disability. The Group has implemented policies that incorporate these principles and has established a complaint mechanism through the "Complaints and Reporting Management System." Employees can report any form of intimidation, insult, or harassment that violates their personal rights to the human resources department. Trade unions have been established to protect employees' rights. Detailed investigations are conducted by the appropriate departments to ensure equal treatment for all employees.

Employee relations

The Group believes that employees are the most valuable asset to the Group. To enhance employees' sense of belonging, the Group organizes various recreational and cultural activities including staff forums, lunch gatherings, team bonding activities, and sports events for employees to foster a better understanding of each other.



Football Race



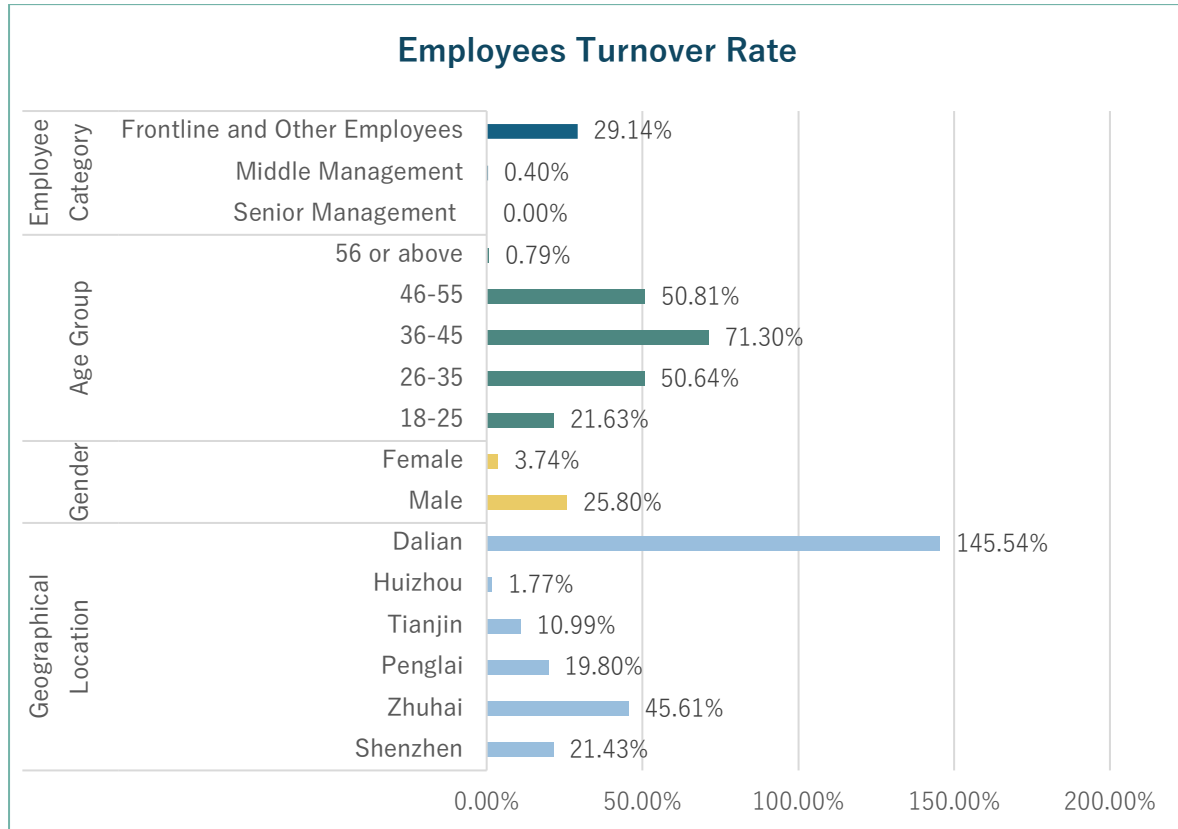
Lunch Gathering



Family Day

Employee turnover

A total of 672 employees left the Group during the Reporting Period, representing a turnover rate of 30%. The employee rate by employment category, age group, gender, and geographical location are as follows:



Employee Health and Safety

The health and safety of employees are of utmost concern to the Group. In line with the Group's HSE commitment, the Group has obtained the ISO 45001 Occupational Health. The Group strictly complies with relevant laws and regulations concerning occupational health and safety, including but not limited to the following laws and regulations.

Occupational health and safety laws and regulations complied with in the PRC

- Law of the PRC on the Prevention and Control of Occupational Diseases
- Production Safety Law of the PRC
- Road Traffic Safety Law of the PRC
- Regulation on Work-Related Injury Insurance
- Regulations of Guangdong Province on Production Safety
- Law of the PRC on Prevention and Treatment of Occupational Diseases
- Work Safety Law of the PRC (2021 version)
- Fire Protection Law of the PRC
- People's Republic of China Labour Law
- Workplace occupational health management regulations
- Labour Contract Law of the PRC

Active Inspection and Enhancement

In order to prioritise the well-being and safety of its employees, the Group takes proactive measures to address major risks. Regular on-site safety inspections are conducted to evaluate potential hazards in business operations and to develop response policies and measures aimed at enhancing overall safety management efficiency.

Annually, the organisation coordinates with a third-party testing company to perform evaluations on occupational disease risk factors in the workplace. Any areas that do not meet the monitoring criteria are actively improved to ensure the occupational health of employees.

The Group adheres to the OHSAS 18001:2007 certified health and safety management system for routine monitoring and measurement. Additionally, comprehensive handbooks, including the "Employees Safety Handbook," "Health, Safety, and Environmental Protection Handbook," "Occupational Health, Safety and Environment Management Handbook," and "Caring Guidelines," have been created to guide employees on preventing hazards during production processes.

Seamless Communication

To establish an effective safety management system and mitigate risks, the Group formulates measures based on health and safety performance evaluations and employee feedback. Regular safety inspections are conducted, and improvement suggestions are implemented to reduce both existing and potential safety risks.

The Group places great emphasis on promoting employee knowledge and awareness of safety. Regular safety training sessions and health and safety seminars are provided to various employee groups. This helps to enhance understanding of safe operating procedures and minimize the occurrence of safety accidents.

Personal protective equipment (the “PPE”) is also provided based on individual employee needs. In the event of serious accidents with significant risks, such as fires, explosions, mechanical injuries, or hazardous substance leaks, the Group will promptly notify the emergency rescue command center and follows established emergency response plans.

Achieving Zero-Accident Work Environment

In addition to providing medical insurance benefits and annual physical examinations, the Group offers amenities such as employee rest areas, psychological counseling centers, indoor basketball courts, and fitness equipment at construction sites. These facilities contribute to the physical and mental well-being of employees, enhancing their overall health, work vitality, and efficiency. The Group is committed to promoting a culture of care and support for employees, striving to create a conducive environment that prioritises their holistic well-being.

Administration and safety training is provided to the subcontractors before onboarding, to ensure that they are equipped with the necessary knowledge and skills to carry out their work in a safe and efficient manner.

No material non-compliance with relevant laws and regulations which may have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards had been identified during the Reporting Period.

Moreover, during the last three years, including the Reporting Period, no fatalities of the Group’s employees have been recorded. There was one work-related injury case during the Reporting Period. Corrective actions were implemented to prevent recurrences.

Occupational Health and Safety Statistics in FY 2023	
Work-related fatality	0
Lost days due to work injury	30 days

Development and Training

In order to stay abreast of industry trends and enhance the Group's competitiveness and market leadership, Jutal is committed to strengthening employee training and investing in their development. The aim is to provide comprehensive and professional talent development and training plans that enable employees to reach their full potential with the support of the Group.

Every year, the Group gathers and collects the annual training plans from each department. These plans analyse the training needs of employees, including internal and external courses for improving job knowledge and skills, as well as specific plans for obtaining and renewing certifications for specialized positions. Retraining for skills or certifications in specialized positions is conducted before the expiration of the certification and is reflected in the annual training plan for that year.

Aligned with the Group's business strategy and future development needs, specific training policies and guidelines have been formulated. These include measures such as the "Internal Training Management Measures," "Lecturer Management Method," "Employees Education Training Control Procedures," "Human Resources Education Training Implementation Procedures," and "Employees Career Management System." These policies ensure that employees have access to suitable training courses that align with their development aspirations. By enhancing their management, technical, and skill-based abilities, employees and workers can effectively contribute to the Group's growth and success. Additionally, these training initiatives help build a reliable talent pool within the Group.

During the Reporting Period, 99.9 % of the Group's employees received training, the total training hours and the average training hours per employee were 57,643 hours and 25.3 hours respectively.

A detailed breakdown of training provided to employees

By employee category

Senior Management	Percentage of employees trained	88.9%
	Average training hours completed per employee	5
Middle management	Percentage of employees trained	89.5%
	Average training hours completed per employee	17
Frontline and other staff	Percentage of employees trained	87.6%
	Average training hours completed per employee	22

By gender

Male	Percentage of employees trained	88.2%
	Average training hours completed per employee	27
Female	Percentage of employees trained	83.0%
	Average training hours completed per employee	18

Labour Standards

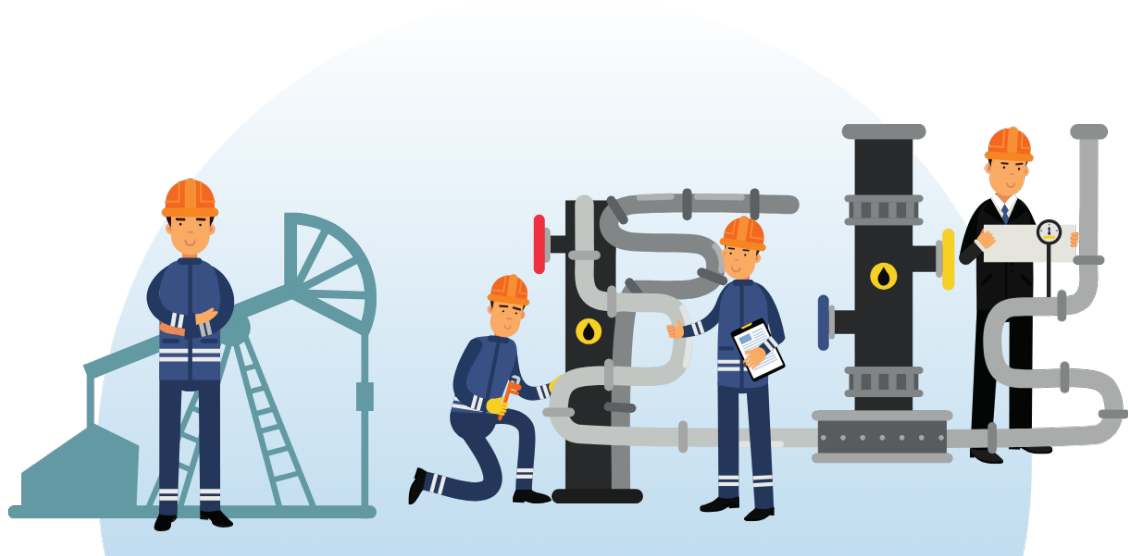
The Group strictly complies with the Labour Law of the PRC, the Provisions on the Prohibition of Using Child Labour, and internal recruitment guidelines which prohibit the employment of workers under the age of 16 in its operation.

Jutal has adopted a strong stance against child and forced labour, maintaining strict compliance with local and national laws and regulations. The Group has implemented various policies and measures to safeguard the legitimate rights and interests of its employees and prevent the hiring of child or forced labour. These measures include the implementation of the "Child Labour Rescue and Minor Labour Management Control System," "Personnel Management Working Procedures," and "Employee Attendance Management Regulations."

If a violation is discovered, the Group will promptly terminate the employment of the concerned persons and take necessary disciplinary action against anyone who violates any applicable laws and regulations. The Group may report any violations to legal entities of the operating regions, such as the Labour and Social Security Bureau of the PRC.

In cases where extended working hours are necessary due to special circumstances, employees must apply for overtime through supervisors and be compensated accordingly, following the guidelines set forth in the "Personnel Management Work Procedures." Department heads must also flexibly arrange work hours while ensuring compliance with legal regulations and requirements.

During the Reporting Period, the Group did not employ any child labour or forced labour and did not note any cases of non-compliance with relevant laws and regulations in relation to labour standards.



2. Operating Practices

Supply Chain Management

Jutal has a strong commitment to fairness, impartiality, and openness in selecting suppliers that align with its philosophy. The screening process for suppliers follows the "Supplier Management Procedures," considering their background and the importance of their products and services. This ensures effective planning, supervision, and control of the entire supply chain management system. Jutal aims to identify and engage with environmentally and socially responsible suppliers to establish sustainable cooperative relationships.

The Group integrates sustainability concepts into supply chain management to identify environmental and social risks associated with the supply chain. The procurement department collaborates with other departments responsible for quality management assessment to monitor the quality and progress of suppliers' supplies according to the "Procurement Department HSE Management Procedures." This ensures that suppliers meet the requirements in areas such as materials, equipment, logistics, health and safety, and environmental management.

Supplier performance is also incorporated into the Group's occupational health and safety management system. Regular communication and comprehensive evaluations are conducted by the audit team to assess suppliers' environmental, social, and governance performances, with a focus on reducing greenhouse gas emissions within the supply chain. Priority is given to local suppliers and those with environmental certifications.

The Group mandates that all suppliers undertake environmental and social responsibilities and encourages them to adopt and implement sustainability policies and practices. This collaborative approach promotes ethical and sustainable procurement practices, establishing a sustainable value chain. If any conduct violates the Group's sustainability principles, inspections and follow-up actions are taken according to existing mechanisms, including considering terminating cooperation, to protect the best interests of the Group and its customers.

During the Reporting Period, the Group had a total of 810 suppliers providing raw materials and services. The majority of suppliers were from Mainland China, accounting for 89.5% of the total number, while others were from various countries, including Singapore, the United Kingdom, Germany, Austria, Korea, and more.

Region	Number of suppliers	Types of suppliers
Mainland China	725	Raw materials, equipment, and services
Others	85	Raw materials, equipment, and services

Product Responsibility

The Group strictly adheres to the Product Quality Law of the PRC, Contract Law of the PRC, Law of the PRC on the Protection of Consumer Rights and Interests, Arbitration Law of the PRC, and relevant laws and regulations relating to health and safety, advertising, labelling, and privacy matters relating to products and services. The Group regularly reviews and adopts relevant regulatory changes to corporate policies and procedures in order to fulfil new regulatory requirements.

Quality Assurance

The Group places great emphasis on the quality management of its products and services. To maintain a consistent and reliable production process, the Group has implemented the ISO 19001 Quality Management System. To ensure the standardization process of product quality control, a strict system management system has been implemented. This system covers the management, labeling, processing, storage, and inspection processes of raw materials. The Group has established a series of quality management inspection processes, including the "Operation Rules for Self-purchasing Materials," "Project Material Labeling and Tracking Procedures," "Installation Management Procedures," and "Warehousing Management Procedures and Secondary Warehouse Management Procedures." These processes are designed to ensure that products meet the relevant quality standards.

Furthermore, the Group has implemented the "Product Process Inspection Control Procedures." Regular sampling and inspections of the quality of project raw materials are conducted by the quality control department. These inspections include assessing product sizes, seam welding appearance, sandblasting and coating processes, heat treatment, and pressure testing. The goal is to ensure that the raw materials used in projects meet the construction requirements.

It is worth noting that no products were found to require recall for safety or health reasons during the Reporting Period. This demonstrates the Group's commitment to maintaining high product quality and adhering to safety standards.

Product Labelling, Health and Safety, and Advertising

Due to the Group's business nature, most of the products are manufactured according to the specifications per customers' requests, no labels were printed during the Reporting Period. The advertising and labelling of products and services are regulated by the applicable laws and regulations, including the Trademark Law of the PRC and the Anti-Unfair Competition Law of the PRC.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labeling, and privacy matters relating to products and services provided had been identified during the Reporting Period.

During the Reporting Period, the Group implemented a robust news approval system. The responsible department has the authority to release information about the project through platforms such as WeChat's public account. However, it is important to note that any content related to the project must undergo approval and supervision by the management before being made public. The Group is committed to ensuring that all information and content produced aligns with local laws and regulations. This includes making sure that the information is accurate, true, and complies with applicable laws and regulations.

Product Recall

The Group's strong commitment to quality management of its products and services is evident in its efforts to continually improve the standardization process of product quality control. A strict system management system has been implemented to oversee various aspects, including the management, labeling, processing, storage, and inspection of raw materials. Additionally, a series of quality management inspection processes have been put in place, such as the "Operation Rules for Self-purchasing Materials," "Project Material Labeling and Tracking Procedures," "Installation Management Procedures," and "Warehousing Management Procedures and Secondary Warehouse Management Procedures." These processes are designed to ensure that products meet the relevant quality standards.

To further support quality control, the Group has established the "Product Process Inspection Control Procedures." The quality control department is responsible for conducting regular sampling and inspections of the project's raw materials. This includes evaluating factors such as product sizes, seam welding appearance, sandblasting, coating, heat treatment, and pressure testing. The purpose of these inspections is to ensure that the raw materials used in projects meet the specific construction requirements.

No product was recalled due to safety and health reasons and no material non-compliance with laws and regulations that have a significant impact on the Group in relation to product health and safety and customer services identified during the Reporting Period.

Customer Service

Consequently, the Group is dedicated to providing professional and customized services to meet the diverse needs of different customer groups. To achieve this, a robust after-sales service system has been developed.

The after-sales service system aims to monitor the use of products by customers and assist them in resolving any operational problems they may encounter. The Group provides support and assistance as needed, including dispatching technical personnel to customers' sites for maintenance and to address any technical issues they may face.

Furthermore, the Group has implemented a customer feedback and complaint mechanism to ensure effective communication with customers. This mechanism enables customers to provide suggestions and raise complaints regarding the Group's services. The feedback and complaints are collected and analysed by the Group's project department, which conducts a comprehensive evaluation of customers' concerns. Improvement plans are then devised to address the issues and prevent similar incidents from recurring in the future.

During the Reporting Period, the Group did not receive any complaints.

Data Protection and Confidentiality Measures

In ensuring the protection of personal privacy and business-sensitive information, the Group has implemented stringent measures. Employees are required to adhere to the "Employee Confidentiality Management System" and relevant laws, preventing the disclosure of customer information for personal gain. To safeguard against data breaches and unauthorized access, the Group has migrated its mailbox to a secure third-party cloud platform. Firewalls, encryption systems, and improved network security measures have been implemented.

Additionally, the complexity of administrator passwords has been enhanced, and application server security has been strengthened. These measures underscore the Group's dedication to maintaining data security and confidentiality, safeguarding customer trust and sensitive information.

There was no loss of customer data and privacy identified or non-compliance with laws and regulations that have a significant impact on the Group in relation to customer data protection and privacy was recorded during the Reporting Period.

Protection of Intellectual Property

When formulating supplier contracts, the Group incorporates confidentiality agreement terms and other provisions to safeguard the interests of both the Group and its suppliers. These contracts explicitly address the protection of confidential and sensitive data, including intellectual property. Business partners are required to refrain from disclosing, leaking, or utilizing any company confidential information or intellectual property without the consent of both parties. This stringent approach aims to prevent infringements, theft, or any unauthorized use of intellectual property. In the event of contract violations or the unauthorized disclosure of confidential information or intellectual property, the Group is prepared to take legal action to protect its intellectual property rights. The responsible parties will be held liable for their actions. By including these provisions, the Group emphasizes its commitment to preserving the integrity and value of its intellectual property assets and upholding the rights of all parties involved.

As of 31 December 2023, the information on the patent application is as follows:

Type	Patent approved during the Reporting Period	Patent approved before the Reporting Period
Innovation patents	18	106
Utility model patents	1	14
Total	19	124

The achievements and results accomplished by the research and development teams are owned by the Group, which can make full use of these inventions, creations, computer software, and other trade secrets within its business scope to reproduce, operate or transfer to a third party.

Anti-corruption

Adhering to a high standard of corporate ethics is of paramount importance to the Group's operation. The Group's anti-corruption policies, ethical standards, and requirements are clearly set out in the Employee Handbook, which requires all business activities to be operated with a high level of integrity.

The Group has implemented robust anti-corruption policies and management systems to prevent employees from engaging in corrupt or unethical behaviours. These measures include:

1. *Policies and Compliance:*

- Establishment of anti-corruption policies and management systems.
- Strict compliance with the "Anti-commercial Bribery Management System" and "Code of Conduct for Trade."
- Prohibition of soliciting bribery or engaging in improper behaviours.

2. *Prevention Measures:*

- Prohibition of corrupt or embezzlement behaviours towards company property.
- Discouragement of accepting unnecessary hospitality and gifts.
- Encouragement of employees to report corruption or conflicts of interest through designated reporting guidelines and channels.

3. *Investigation and Consequences:*

- Handling of reports or complaints through the relevant complaint mechanism.
- Transfer of violators of the law-to-law enforcement agencies for prosecution.

4. *Risk Assessment and Training:*

- Regular identification and evaluation of corruption-related risks.
- Provision of integrity, ethics, and anti-corruption training for directors and employees to enhance their understanding of anti-corruption laws and regulations.

The Group is committed to protecting its reputation and fostering a culture of integrity. Through the implementation of these policies and measures, the Group aims to prevent corruption, promote ethical behaviour, and ensure compliance with anti-corruption laws and regulations. Regardless of seniority and employment nature, all employees are required to fully comply with the following anti-bribery and anti-corruption legislation.

Anti-corruption laws and regulations complied with in the PRC

- The Anti-Unfair Competition Law of the PRC
- The Criminal Law of the PRC

Anti-corruption training

To reinforce the Group's commitment to anti-corruption practices, Jutal Group conducted extensive training programs during the Reporting Period. A total of 1,851 employees actively participated in these training sessions, collectively dedicating 3,821 hours to enhance their understanding of anti-corruption laws, regulations, and ethical standards. On average, each employee spent approximately 2.06 hours in these training sessions, highlighting the Group's emphasis on promoting a culture of integrity and compliance.

Whistleblowing System

The Group has in place the Whistleblowing Policy for its employees to report concerns related to ethical business or suspected misconduct. Whistleblowers can make confidential reports the impartiality and integrity supervision group or to the human resources management department and relevant evidence should be provided. If necessary, the report can be made to the general manager. All reports and the identities of whistleblowers would be treated in the strictest confidentiality. In the event an employee is found to have committed any act of misconduct, the Group reserves the right to take disciplinary action including termination of employment.

The Group has not aided, abetted, assisted, or colluded with an individual who has committed or conspired to commit any unlawful activities. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud, and money laundering had been identified during the Reporting Period. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

Community Investment

Last year, the Group faced challenges due to the pandemic, which resulted in the inability to make planned community investments. However, this year, the Group has redoubled its efforts to fulfil its commitment to the community. With a people-oriented approach, the Group strives to create a nurturing environment for employees and share the benefits of its development with them. Additionally, the Group places great importance on corporate social responsibility and actively contributes to the social development of the local community.

The Group engages in a variety of long-term charitable activities, including donations, voluntary blood drives, community performances, and sports competitions that involve both employees and the surrounding community.

Moreover, the Group actively participates in initiatives to support employees in need, provide social assistance, engage in environmental volunteer activities, and promote road safety by affixing reflective strips to vehicles. These activities exemplify the Group's unwavering commitment to supporting its employees, making a positive impact on the community, preserving the environment, and prioritising safety. Despite the challenges faced, the Group has resolutely resumed its community investment efforts, reflecting its dedication to social responsibility and community development.

1. Street cleaning activity



2. Affixing reflective strips to vehicles



General Disclosures and KPIs	Description	Section (page index) in the Report
Environmental		
Aspect A1: Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A Measures to Mitigate Emissions, p.14
KPI A1.1	The types of emissions and respective emissions data.	A1 Emissions Control, p.16
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	A1 Emissions Control, p.17
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	A2 Waste Management, p.19
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	A2 Waste Management, p.19
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	A Measures to Mitigate Emissions, A1 Emissions Control, p.16-18
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	A2 Waste Management, p.19-20
Aspect A2: Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A4 The Environment and Natural Resources, p.22-24
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	A4 The Environment and Natural Resources, p.23
KPI A2.2	Water consumption in total and intensity.	A4 The Environment and Natural Resources, p.24
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A4 The Environment and Natural Resources, p.22-23
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A4 The Environment and Natural Resources, p.24
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	A4 The Environment and Natural Resources, p.24
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	A5 The Environment and Natural Resources, p.25
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A5 The Environment and Natural Resources, p.25
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A6 Climate Change, p.26
KPI A4.1	Description of the significant impacts of climate-related issues which have impacted, and those which may impact, the issuer, and actions taken to manage them.	A6 Climate Change, p.26
Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working	B1 Employment, p.28

	hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	B1 Employment, p.29
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1 Employment, p.32
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B1 Employee Health and Safety, p.33
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B1 Employee Health and Safety, p.34
KPI B2.2	Lost days due to work injury.	B1 Employee Health and Safety, p.34
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	B1 Employee Health and Safety, p.33-34
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B1 Development and Training, p.35
KPI B3.1	The percentage of employees trained by gender and employee category.	B1 Development and Training, p.35
KPI B3.2	The average training hours completed per employee by gender and employee category.	B1 Development and Training, p.35
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	B1 Labour Standards, p.36
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B1 Labour Standards, p.36
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B1 Labour Standards, p.36
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B2 Supply Chain Management, p.37
KPI B5.1	Number of suppliers by geographical region.	B2 Supply Chain Management, p.37
KPI B5.2	Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored.	B2 Supply Chain Management, p.37
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B2 Supply Chain Management, p.37
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. .	B2 Supply Chain Management, p.37
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B2 Product Responsibility, p.38
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B2 Product Responsibility, p.39
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	B2 Product Responsibility, p.39

KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B2 Product Responsibility, p.38
KPI B6.4	Description of quality assurance process and recall procedures.	B2 Product Responsibility, p.38-39
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	B2 Product Responsibility, p.39-40
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B2 Anti-corruption, p.41-42
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	B2 Anti-corruption p.42
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	B2 Anti-corruption p.41-42
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B2 Anti-corruption p.42
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B2 Community Investment, p.43
KPI B8.1	Focus areas of contribution.	B2 Community Investment, p.43
KPI B8.2	Resources contributed to the focus area.	B2 Community Investment, p.43