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德基科技

D&G TECHNOLOGY

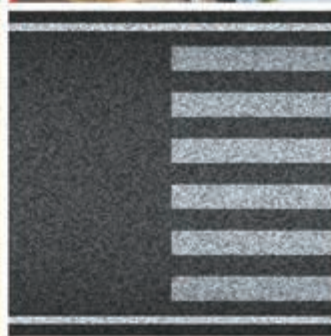
D&G TECHNOLOGY HOLDING COMPANY LIMITED

<INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY>

STOCK CODE 1301



# SUSTAINABILITY REPORT 2025



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# 1 Board's Statement

To all stakeholders,

I am pleased to present the Group's Environmental, Social and Governance (the "**ESG**") report on behalf of the board of directors (the "**Board**") of D&G Technology Holding Company Limited (the "**Company**") and its subsidiaries (henceforth collectively referred to as "**D&G**" or "**the Group**") (Stock Code: 1301). This report provides an extensive summary of our management policies, targets, initiatives, and performance.

The Group is dedicated to fostering harmonious development with society while generating long-term value for stakeholders and the community. During the period from 1st January 2025 to 31st December 2025 (the "**Reporting Year**"), the Group actively identified and addressed risks and opportunities related to sustainable development and consistently improved our ESG performances. We received various major awards for our efforts throughout the year, including the 2024-2025 Outstanding Recycling Equipment Manufacturing Enterprise, UNSDG Achievement Awards Hong Kong 2025 - Sustainable Organization Merit Award, BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024 - EcoChallenger, China Top 50 Specialized Construction Machinery Manufacturers 2025, and Hong Kong Green Awards 2025 - Corporate Green Governance Award. These honours demonstrate D&G's strong dedication to ESG initiatives and motivate us to strive for even greater accomplishments.

D&G has set low-carbon emission reduction targets, joined the Greater Bay Area Carbon Neutrality Association, and integrated sustainability into our business operations in response to the national goals for carbon peak and carbon neutrality, as well as increasing stakeholder concerns about climate change.

The Group has demonstrated strong business resilience, despite the dynamic and difficult business environment. The Board greatly appreciates the management and employees' continuous commitment and diligence to the Group's ESG accomplishments. The Group will continue to be dedicated to advancing a greener and more sustainable future for all our stakeholders as well as the broader community.

**Glendy Choi**

*Chairman*

27 March 2026

## 2 About this Report

### 2.1 Reporting Period and Scope

This marks the Group's eleventh annual sustainability report (the "**report**"), which represents our sustainability performance for the financial year from 1<sup>st</sup> January 2025 to 31<sup>st</sup> December 2025. The reporting scope primarily focuses on D&G's offices in Hong Kong, Beijing, Shanghai, Guangzhou, and Chengdu, along with the main manufacturing facility and adjacent employee dormitory in Langfang, Hebei. The impact of other local and international offices on the Group is deemed insignificant due to their limited operational activities.

### 2.2 Reporting Framework

The report has been prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Code ("the **ESG Reporting Code**") issued by The Stock Exchange of Hong Kong Limited (the "**HKEX**"), and the Global Reporting Initiative standards (the "**GRI Standards**") 2021. The Group adheres to the principles introduced by the ESG Code and the GRI Standards 2021 to report on the measures and performances in the Reporting Year. A content index is attached at the end of this report as a tool to navigate readers to the specific issues corresponding with the ESG Reporting Code and the GRI Standards. Information on corporate governance has been reported in detail in the Annual report in accordance with Appendix C1 Corporate Governance Code of the Main Board Listing Rules.

### 2.3 Reporting Principles

The Group adheres to the following reporting principles during the preparation of this report:

Reporting Principles	The Group's Reporting Practices
Materiality	Identify material environmental and social issues through stakeholder engagement and report to the Board. This report discloses the identified material topics and relevant information.
Quantitative	The Group records and discloses material performance indicators in a quantitative way where appropriate.
Balance	This report discloses information objectively to provide an unbiased overview of the Group's ESG performance.
Consistency	The Group adopts consistent calculation methodologies to ensure data is comparable year-on-year unless stated otherwise.

### 2.4 Contact Details

We welcome any comments and suggestions on the report and other matters related to the sustainable development of the Group. Please feel free to contact us at:

Email: [info@dgtechnology.com](mailto:info@dgtechnology.com)

### 3 Sustainability Goals and Highlights

The Group continues to improve its environmental strategy and performance, promoting a more sustainable and environmentally friendly society. Under the theme “Promoting Green Road Construction, Accelerating the Journey to Carbon Neutrality,” this report highlights the Group’s sustainability initiatives, from responsible corporate governance to environmentally conscious green operations, while reiterating its commitment to social responsibility and stakeholder engagement. Numerous organizations have acknowledged the Group’s continuous efforts, and we have received industry certifications that highlights our sustainability accomplishments.

To align with People’s Republic of China (“China”) carbon peak and neutrality goals and contribute to the national sustainability agenda, the Group has prioritized low-carbon development and environmental protection in its technology and product research and development (“R&D”). Building on its established low-carbon targets and initiatives for 2022–2025, the Group has devised a comprehensive low-carbon action plan for 2026, which focuses on:

Continuously advancing various technological innovation and business projects related to energy saving, emission reduction, and environmental protection to promote sustainable urban development

Strengthening low-carbon and environmental protection training to enhance the sustainability awareness of employees, suppliers, and customers, and fostering a corporate culture of low-carbon practices

Further enhancing the intelligence and digitalisation of factory equipment, replacing machinery and equipment with energy-efficient alternatives where appropriate to reduce greenhouse gas emissions

Driving the Company’s sustainable development through energy management and emission reduction measures across all operational aspects

Implementing green production models, strengthening on-site production management, improving operational efficiency while reducing energy consumption and pollutant emissions, and advancing the accreditation of “National Green Factory”

Enhancing and improving the collection and analysis of Scope 3 emissions data

Promoting the internal application of artificial intelligence and advancing smart product initiatives to integrate AI with equipment and improve energy efficiency

## 3 Sustainability Goals and Highlights

### 3.1 Sustainability Performance at a glance

The sustainability performance is highlighted as follows:

#### Safe Production



- ISO 45001:2018 Occupational Health and Safety Management System certification
- Zero work fatality rate for 11 consecutive years

#### Innovative and Green Manufacturing



- Installed energy-efficient gas valves on workshop heating pipelines to reduce energy consumption
- Replaced four welding machines, achieving a 15% reduction in electricity consumption
- Deployed laser rust removal equipment, improving operational efficiency and reducing energy consumption by 30% under specific operating conditions
- Added secondary activated carbon adsorption to environmental protection facilities in a designated paint shop to lower pollutant emission concentrations
- Leveraged IoT and big data to achieve precise emission reduction and energy-saving management
- Upgraded the functionalities of DG Leap Cloud Industrial Internet to promote the application of AI in asphalt mixing stations
- Implemented green production models, with application materials for the “National Green Factory” submitted to the Ministry of Industry and Information Technology for approval
- Purchased two new energy electric vehicles and installed four additional charging stations for new energy vehicles to reduce fuel consumption and create infrastructure conditions for expanding the use of new energy vehicles
- Reduced steel consumption by 2.5 tons per unit through design improvements
- Continued to advance various environmental protection and low-carbon business projects, including the warm-mix foamed asphalt spreader project, recycled drum retrofitting, foamed asphalt cold recycling project, and low-carbon recycling initiatives

#### Staff Training



- 152 training topics – 170 hours of occupational health and safety training, 226 hours of professional knowledge training, and 85 hours of management and operations training, including 33.5 hours of training on carbon peak, carbon neutrality goals, and environmental awareness knowledge.

#### Patents and Copyrights



- 270 registered patents — 19 invention patents, 8 design patents and 243 utility model patents
- 33 software patents

#### Environmental Performance



- In 2025, energy intensity decreased by 18.33% compared to 2024.
- Water consumption per capita was 45.75 cubic meters.
- Greenhouse gas emission intensity decreased by 9.81% compared to 2024.
- Natural gas consumption decreased by 20.35% compared to 2024.

### 3 Sustainability Goals and Highlights



#### Recognition and Awards

Month	Award	Organiser/Organisation
2025/2	Yongqing County Government Quality Award	Yongqing County People's Government
2025/4	2024-2025 Outstanding Recycling Equipment Manufacturing Enterprise	APMC (Green City Construction: Asphalt Pavement Maintenance Technology Forum Organizing Committee)
2025/4	Third Prize of Hebei Provincial Science and Technology Progress Award	People's Government of Hebei Province
2025/5	China Top 50 Specialized Construction Machinery Manufacturer 2025	T50 Summit of World Construction Machinery Industry
2025/8	BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024 - EcoChallenger	Bank of China (Hong Kong), Federation of Hong Kong Industries
2025/8	BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024 - 10 Years+ EcoPioneer	Bank of China (Hong Kong), Federation of Hong Kong Industries
2025/8	BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024 - Low-carbon Commitment	Bank of China (Hong Kong), Federation of Hong Kong Industries
2025/8	AAA-level Corporate Credit Rating Certification	Beijing Unicredit Consultant Company Limited
2025/9	UNSDG Achievement Awards Hong Kong 2025 - Sustainable Organization Merit Award	Green Council
2025/9	UNSDG Achievement Awards Hong Kong 2025 - SDG Leaders	Green Council
2025/9	Hebei Province Science and Technology Achievement Certificate - High-Content RAP Intelligent Mixing Equipment	Hebei Provincial Department of Science and Technology
2025/11	Hebei Province Specialized and Sophisticated SME	Hebei Provincial Department of Industry and Information Technology
2025/11	Hong Kong Green Awards 2025 - Corporate Green Governance Award (Corporate Vision)	Green Council
2025/11	Hong Kong Green Awards 2025 - Sustainable Performance (10 Years+)	Green Council
2025/12	2024-2025 Outstanding Construction Machinery Equipment Production and Supply Enterprise	Guangdong Asphalt Concrete Supply Chain Association

### 3 Sustainability Goals and Highlights



#### Other Industrial/Green Technology Achievements:

Month	Achievement	Relevant Organisation
2025/8	The co-drafted national standard - "Asphalt Mixture Plant Heating Equipment (GB/T 25641-2025)" was officially released	State Administration for Market Regulation, National Standardization Administration
2025/10	The co-drafted industry standard - "Technical Specification for Construction of Mechanically Foamed Asphalt Mixture (T/CHCA 015-2025)" was officially released	China Highway Construction Industry Association
2025/11	The accreditation of the "Hebei Provincial Industrial Design Center" was approved	Hebei Provincial Department of Industry and Information Technology
2025/12	The self-developed Counterflow Asphalt Mixing Plant was approved as a "Hebei Provincial Industrial Design Achievement Transformation Project" and received a subsidy of 1 million yuan	Hebei Provincial Department of Industry and Information Technology

#### 3.2 Environmental Targets

D&G has set carbon reduction targets and is committed to achieving carbon neutrality by 2050. In line with this commitment, the Company has established 2025 and 2030 as key milestone targets and continues to promote energy conservation and carbon reduction, energy mix optimisation and waste management in support of its sustainable development objectives. The Company has successfully achieved its 2025 energy-saving and emissions-reduction targets as planned. Looking ahead, D&G will continue to advance the implementation of its 2030 interim goals.

Index	Base Year Emissions	Target (by 2030 or before)
Energy Intensity (MWh/RMB'M revenue)	24.41 (Year 2018)	15.87 (Decrease by 35% or more)
Water Intensity (m3/number of employees)	69.3 (Year 2018)	48.51 (Decrease by 30% or more)
Air Emission Intensity (tonnes/RMB'M revenue)	0.0053 (Year 2018)	0.0034 (Decrease by 35% or more)
Carbon Intensity (tonnes of CO <sub>2</sub> e/RMB'M revenue)	15.09 (Year 2018)	9.81 (Decrease by 35% or more)
Hazardous Waste Intensity (tonnes/RMB'M revenue)	0.243 (Year 2020) <sup>Note 1</sup>	0.158 (Decrease by 35% or more)

Note 1: The original plan was to purchase 5 additional sets of catalytic combustion equipment for spray booths in 2023. It is estimated that an additional 45 tonnes of hazardous waste will be generated per year, and the projected peak is expected to occur in 2023. The expected peak value is 0.291. By exploring new spray equipment and coatings in 2023, there is no need to purchase additional catalytic combustion equipment. Therefore, the peak value of hazardous waste emission intensity is taken as the highest value in the past five years, which is 0.243 in 2020.

## 3 Sustainability Goals and Highlights

### 3.3 United Nations Sustainable Development Goals (“SDGs”)

Sustainable development is a global priority, and the United Nations has established 17 Sustainable Development Goals (SDGs) to address social challenges, environmental protection, and economic growth. These goals include “No Poverty”, “Zero Hunger”, “Reduced Inequalities”, and “Climate Action”. D&G is committed to integrating sustainable development into its business strategy, actively supporting and contributing to the SDGs. The Group has initially identified seven SDGs aligned with its core business activities and plans to develop focused strategies and actions to enhance detailed disclosures in the future. In 2025, the Group was awarded the UNSDG Achievement Awards Hong Kong – Sustainable Organization Merit Award and SDG Leaders from Green Council.

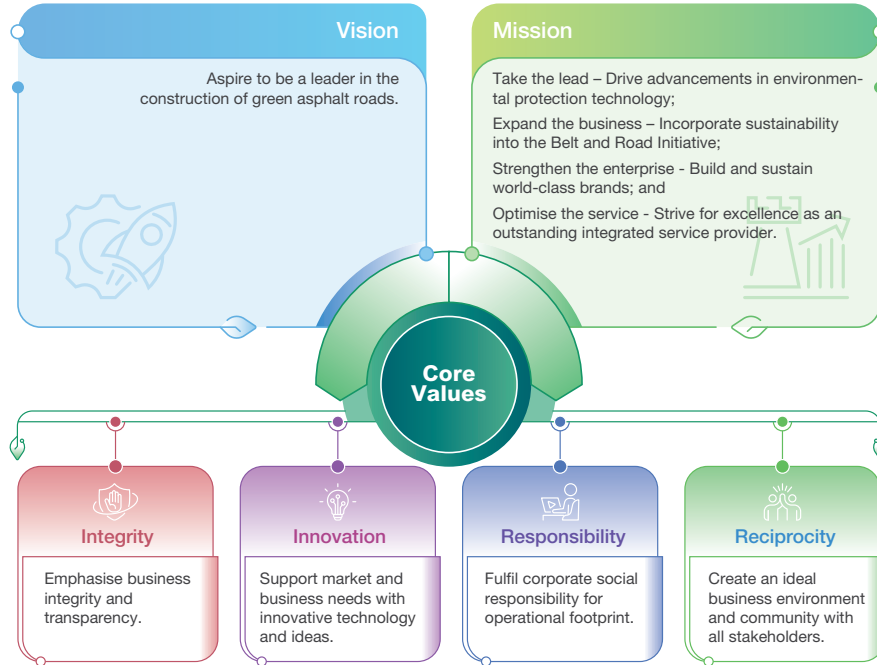


<p><b>SDG 3 Good Health and Well-being</b></p> 	<ul style="list-style-type: none"> <li>• Establish an internal safety leadership team to ensure the health and safety of employees.</li> <li>• Set safety production goals, such as zero major incidents of fire, explosions, or chemical leaks, and zero occupational diseases.</li> <li>• Implement the ISO 45001 Occupational Health and Safety Management System.</li> <li>• Provide resources and facilities that promote the physical and mental well-being of employees and regularly organize activities to encourage a healthy lifestyle.</li> </ul>
<p><b>SDG 4 Quality Education</b></p> 	<ul style="list-style-type: none"> <li>• Provide education and training to enhance employees’ skills.</li> <li>• Offer incentives to support employees in pursuing lifelong learning.</li> <li>• Establish a university scholarship fund to reward teachers and students with outstanding academic and moral performance, and provide off-campus training bases to jointly build demonstration centers for industry-education-research collaboration.</li> </ul>
<p><b>SDG 7 Affordable and Clean Energy</b></p> 	<ul style="list-style-type: none"> <li>• Set targets and gradually improve systems such as lighting to enhance energy efficiency in operations.</li> <li>• Gradually adopt renewable energy sources to improve energy efficiency.</li> </ul>
<p><b>SDG 9 Industry, Innovation and Infrastructure</b></p> 	<ul style="list-style-type: none"> <li>• Provide efficient, reliable, safe and environmental-friendly recycled asphalt mixing and supporting equipment for domestic infrastructure</li> <li>• With low-carbon environmental protection as the core direction of technology and product R&amp;D, strengthen product innovation R&amp;D, improve environmental performance</li> <li>• Promote green economy through green financing and strengthening value chain and market</li> </ul>
<p><b>SDG 11 Sustainable Cities and Communities</b></p> 	<ul style="list-style-type: none"> <li>• Reduce the harmful effects of urban development on the environment, especially air quality and waste management, through the development of environmental-friendly recycled asphalt mixing and supporting equipment</li> <li>• Develop and launch technological innovations or improvement projects that reduce GHG emissions and save energy to promote sustainable urban development</li> </ul>
<p><b>SDG 12 Responsible Consumption and Production</b></p> 	<ul style="list-style-type: none"> <li>• Integrate the concept of circular economy into business operation, strengthen resource utilisation, recycling and reuse to reduce waste</li> <li>• Manage wastes properly in an environmentally friendly way, and greatly reduce their flow into the air, water and land</li> <li>• Promote sustainable procurement and realise sustainable development in the supply chain</li> </ul>
<p><b>SDG 13 Climate Action</b></p> 	<ul style="list-style-type: none"> <li>• Strengthen energy consumption management, continuously replace production equipment with more energy-efficient equipment, and reduce GHG emissions</li> <li>• Incorporate national directives and policies to set emission reduction targets for operations and set a timeframe for achieving carbon neutrality targets</li> </ul>

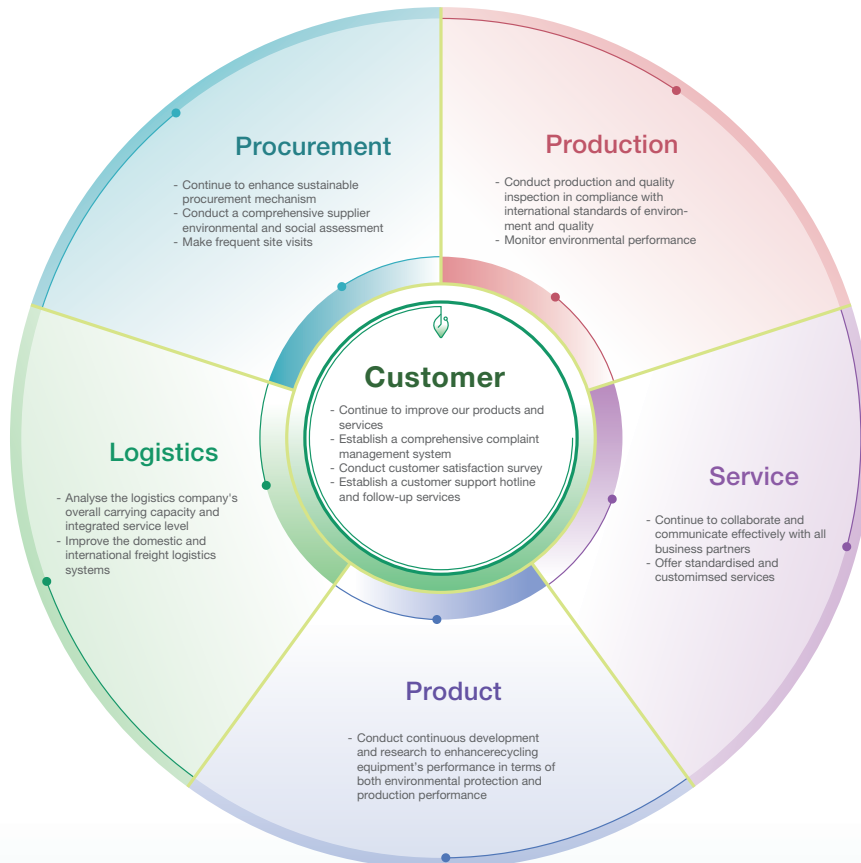
# 4 About the Group

## 4.1 Vision, Mission and Core Values

D&G has established a clear vision, mission, and core values (“VMC”) to guide its long-term commitment to sustainable development and continuous growth. These principles serve as a foundation for the Company’s strategic direction, reinforcing its dedication to innovation and environmental responsibility.



To support the above VMC, the Group has successfully integrated the concept of the circular economy into its business model. This strategic move has enhanced resource efficiency and sustainability:



## 4 About the Group

Continuing its steady growth, D&G has successfully expanded its market presence on a global scale. Since its establishment, the Group has extended its operations to over 40 countries, as depicted in the map below. The Group employs a total of 349 employees, with all subsidiaries operating as wholly owned entities. A key milestone in its journey was the successful listing on the HKEX in 2015, further strengthening its market position and industry influence.

Market coverage (regions):



For the financial performance of the Group during the reporting year, please refer to the Group's 2025 Annual Report.

### 4.2 Business Overview

D&G is a key player in the manufacturing and service provision of medium and large-scale asphalt mixing plants in China and abroad, driving innovation in the asphalt mixing technology. To meet changing market demands, the Company prioritizes environmentally responsible production and ongoing technological advancements. Based in Hong Kong, D&G stays committed to incorporating sustainability into its operations while providing efficient and reliable asphalt mixing solutions.





The Company specialises in both conventional hot-mix asphalt mixing plants ("conventional plants") and recycling hot-mix asphalt mixing plants ("recycling plants"), has recently increased its offerings. The development of recycled asphalt pavement ("RAP") crushing and screening equipment, as well as sand making machines, has expanded the Company's product portfolio. By leveraging innovative asphalt mixture technology, D&G offers customers with comprehensive solutions tailored to modern infrastructure demands.

In addition to its product developments, D&G also offers a variety of customer services. The Group supplies spare parts, key components, and equipment modification services for asphalt mixing plants, RAP processing equipment, and sand manufacturing machines, to ensure long-term reliability and performance.

## 4 About the Group

D&G has several categories of products for customers to choose from:

### Conventional Plants



Category	Description	Properties
<b>Standard Series</b> (DGX/PM/LAP) 	Traditional and robust asphalt mixing plant	<ul style="list-style-type: none"> <li>• 100-400 tonnes/hour</li> <li>• Easy to operate</li> <li>• Reliable</li> <li>• Easy to maintain</li> </ul>
<b>Compact Series</b> (DGC) 	Customers can save transportation costs with the Compact Series, which are designed with precise selection of individual elements and professional configuration on the exterior hull of shipping containers	<ul style="list-style-type: none"> <li>• 100-240 tonnes/hour</li> <li>• Lower shipping costs</li> <li>• Suitable for long-distance transportation</li> <li>• No production capacity compromised</li> </ul>
<b>Mobile Series</b> (DGM) 	Customers with mobile needs can use the Mobile Series asphalt mixing plant for quick and efficient work	<ul style="list-style-type: none"> <li>• 100-120 tonnes/hour</li> <li>• Fast transit</li> <li>• Easy installation</li> <li>• Suitable for maintenance</li> </ul>
<b>Warm Mix</b> (WT) 	The warm mix can be used at 50-60° lower than the hot mix bitumen, which results in cost savings and reduced emissions of pollutants	<ul style="list-style-type: none"> <li>• 30-120 m<sup>3</sup>/hour</li> <li>• Lower Temperature Operation</li> <li>• Good Mixture Performance</li> </ul>

### Recycling Plants

Category	Description	Properties
<b>Recycling Series</b> (DGXRE/LAPRE)  	As one of the first manufacturers in China to develop recycling plants and export the products to advanced countries such as Australia, D&G takes pride in its recycling series in promoting a more environmentally friendly approach to asphalt production	<ul style="list-style-type: none"> <li>• 100-400 tonnes/hour</li> <li>• 10-50% reclaimed asphalt pavement</li> <li>• Cost reduction</li> <li>• Environmentally friendly</li> <li>• Efficient production</li> </ul> Environmental benefits: <ul style="list-style-type: none"> <li>• 10-35% fuel reduction</li> <li>• Less emissions (compared with conventional plants)               <ul style="list-style-type: none"> <li>◆ Carbon dioxide - 60%</li> <li>◆ Sulphur dioxide - 70%</li> <li>◆ Volatile organic compounds ("VOC") - 50%</li> <li>◆ Carbon monoxide - 10-30%</li> <li>◆ Nitrogen oxides - 60-70%</li> <li>◆ Particulate matter - 20-25%</li> </ul> </li> </ul>

## 4 About the Group

### Other Road Equipment

Category	Description	Properties
<p><b>Sand Manufacturing Machine (MS Series)</b></p> 	<p>It is an eco-friendly type aggregate shaping and sand making plant with the vertical shaft impact sand making, vibrating screen, dust collection module, transmission module and other components</p>	<ul style="list-style-type: none"> <li>• 30-260 tonnes/hour</li> <li>• Clean, stable production, and multi-functional output</li> </ul>
<p><b>RAP Asphalt Crusher &amp; Screener (RCS Series)</b></p> 	<p>In regards the road recycling material crushing and screening equipment needs to be used with the asphalt mixing station, which requires relocation, the RAP Asphalt Crusher &amp; Screener adopts fixed and modular design, flexible matching, convenient installation and quick relocation, which is suitable for the working conditions of asphalt mixing plant</p>	<ul style="list-style-type: none"> <li>• 150 tonnes/hour</li> <li>• Retains the characteristics of Tooth Roller Asphalt Crushing</li> <li>• Adopts the differentiated arrangement of Crushing Tooth Rollers and the low-speed flexible crushing mode</li> </ul>

In an increasingly complicated global landscape, D&G acknowledges the importance of climate resilience and sustainability in overcoming challenges such as geopolitical tensions and the climate crisis. Proactive approaches to sustainable development are critical for long-term success. The Group has adopted circular economy principles to reduce our environmental impact, focusing on improving the efficiency and environmental performance of its recycling facilities. These facilities create recycled asphalt pavement from construction waste, including broken and old asphalt mixtures. Recycling facilities encourage resource-efficient and environmentally friendly production while considerably lowering air pollution emissions when compared to conventional plants. The Group anticipates that demand for such solutions will continue to rise due to stricter environmental regulations and increased global awareness of sustainability.









In response to changing industry demands, D&G is actively developing environmentally friendly asphalt plants. One notable example is its newly developed sand manufacturing machine, which incorporates green, intelligent, and clean production methods, demonstrating the Group's commitment to sustainable manufacturing.

D&G has expanded to offer equipment modification services in addition to product development. These services include installing recycling-enabled components, integrating remote control systems, and providing customized upgrades for conventional plants. These solutions improve customer convenience and bolster the Group's competitive position by being in line with market trends and industry innovations. Innovation is a key driver of D&G's long-term vision. With an emphasis on technological advancement, the Group has led innovative research projects, knowledge exchange, and fostered talent development since opening its R&D facility in December 2017. These initiatives accelerate the adoption of new technologies, enhance product sustainability, and promote circular economy principles while driving business transformation.

## 5 Stakeholder Engagement

To acquire a deeper understanding of stakeholder expectations and needs, D&G has built multiple communication channels to gather valuable feedback. These channels are critical in supporting the Group's business planning and decision-making processes. During the Reporting Year, D&G actively engaged with stakeholders through various platforms, including the official WeChat account, the company website, and other online communication tools.

### 5.1 Communication Channels

持份团体	Participants	Topics	Engagement Methods	Engagement Time
Employees 	<ul style="list-style-type: none"> <li>Management</li> <li>Employees</li> <li>New employees</li> </ul>	<ul style="list-style-type: none"> <li>Quality management</li> <li>Environmental management</li> <li>Occupational health and safety management</li> <li>Energy management</li> <li>Intellectual property compliance system management</li> <li>Sustainability training</li> <li>Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Quality/environmental/occupational health and safety/energy management/intellectual property compliance system training</li> <li>Quality/environmental/occupational health and safety / energy management/ intellectual property compliance system audit</li> <li>Employee meeting/satisfaction questionnaire</li> <li>On-the-job training and physical examination</li> <li>Environmental protection/sustainable development training and courses</li> <li>Corporate cultural activities, network platform group messages</li> </ul>	<ul style="list-style-type: none"> <li>Five-system training: Whole year</li> <li>Five-system audit: September</li> <li>Staff meeting: February, April, August, October</li> <li>Employee satisfaction questionnaire: January, April, July, October</li> <li>On-the-job training and physical examination: Whole year</li> </ul>
Customers 	<ul style="list-style-type: none"> <li>Road construction companies</li> <li>Road construction machinery distributors</li> </ul>	<ul style="list-style-type: none"> <li>Discussing cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction questionnaire</li> <li>Factory inspection</li> <li>Site visit</li> <li>Customer events/seminars</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction questionnaire: January, July</li> <li>Site visit: Several times</li> <li>Exchange seminars: March, April, May, August</li> <li>Customer training session: February</li> <li>Customer appreciation events: March, August</li> <li>Exhibition activities: August, September, December</li> </ul>
Suppliers 	<ul style="list-style-type: none"> <li>Material suppliers</li> <li>Subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>Trainings and technical exchange</li> <li>Assessment and capability survey</li> </ul>	<ul style="list-style-type: none"> <li>Study visit</li> <li>Product technical standards exchange forum</li> <li>Supplier capability survey: add new suppliers</li> <li>Supplier assessment</li> </ul>	<ul style="list-style-type: none"> <li>Study visit: July</li> <li>Exchange forum: Several times</li> <li>Supplier capability survey: Several times</li> <li>Supplier assessment: June</li> </ul>
Shareholders and investors 	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Institutional investors</li> <li>Potential investors</li> </ul>	<ul style="list-style-type: none"> <li>Performance report</li> <li>Gazette documents</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Interim performance report, annual report</li> <li>Announcements, circulars</li> <li>Press releases</li> <li>Sustainability Report</li> <li>Company presentation PowerPoint</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting: May</li> <li>Performance report: April, September</li> <li>Sustainability Report: April</li> <li>Announcements/Circulars/Press Releases: Several times</li> </ul>
Educational and research partners 	<ul style="list-style-type: none"> <li>Construction machinery association road machine chapter</li> <li>China Highway and Transportation Society</li> <li>Institute of Tsinghua University, Hebei</li> <li>Research Institute of Highway Ministry of Transport</li> </ul>	<ul style="list-style-type: none"> <li>Technical exchange</li> </ul>	<ul style="list-style-type: none"> <li>Daily communication exchange (Associations/research centres)</li> <li>China Asphalt Mixing Plant Industry Summit</li> <li>Teaching and technical sharing and exchange forum</li> <li>Annual Meeting and Development Forum of the Road Construction and Maintenance Machinery Branch</li> </ul>	<ul style="list-style-type: none"> <li>Communication exchange: Several times</li> <li>Industry summit: May</li> <li>Technical sharing and exchange forum: April, May, August</li> <li>Industry association annual meeting and development forum: April</li> </ul>
Government and other public bodies 	<ul style="list-style-type: none"> <li>Provincial and municipal local governments</li> <li>County Party Committee and County Government</li> </ul>	<ul style="list-style-type: none"> <li>Inspection</li> </ul>	<ul style="list-style-type: none"> <li>Inspection</li> <li>Factory visits and interviews</li> </ul>	<ul style="list-style-type: none"> <li>Provincial: March, July, August</li> <li>Municipal: May, September</li> <li>County: Several times</li> </ul>
Business partners 	<ul style="list-style-type: none"> <li>Distributors</li> <li>Exclusive dealers</li> <li>Joint venture partners</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of product performance</li> <li>Product knowledge training and discussion</li> </ul>	<ul style="list-style-type: none"> <li>Seminars</li> <li>Training sessions</li> <li>Meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>March, July, August</li> </ul>
Media 	<ul style="list-style-type: none"> <li>Industry magazine</li> <li>Industry network platform</li> <li>Television Network</li> </ul>	<ul style="list-style-type: none"> <li>Information promotion</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration and cooperation</li> <li>Advertising and promotion</li> <li>Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Several times</li> </ul>

# 5 Stakeholder Engagement

## 5.2 Materiality Assessment

D&G carried out a stakeholder survey involving both external and internal groups. External stakeholders, including customers, distributors, and suppliers, as well as internal stakeholders – employees, were invited to share their views on various environmental, social, economic, and sustainable development topics relevant to the long-term business development of the Group. The results of the survey are outlined below:

Aspect	Topics <small>Note 2</small>
Environment	1. Energy consumption management and related reduction measures
	2. Water consumption and effluents discharge management and related reduction measures
	3. Greenhouse gas emissions and air emission management and related reduction measures
	4. Hazardous/non-hazardous waste management and related reduction measures
Economic, Governance and Social	5. Economic Performance
	6. Tax
	7. Anti-corruption
	8. Anti-competitive Behaviour
	9. Employment
	10. Labour/Management Relations
	11. Occupational Health and Safety Management
	12. Training and Education
	13. Diversity, Equal Opportunity, and Non-discrimination
	14. Prevention of Forced and Child Labour
	15. Security Practices
	16. Supplier Assessment
	17. Customer Health and Safety
	18. Marketing and Labelling
	19. Customer Privacy
	20. Customer Satisfaction
Sustainability Governance	21. Reinforce Sustainability Committee’s execution on managing relevant tasks and risks
	22. Sustainable development framework
	23. Sustainability targets
	24. On-going communication channels with all stakeholders
	25. Identifying material climate-related risks and opportunities
Climate Related Risk and Opportunity	26. Developing a transition plan to guide the transition towards a low-carbon economy
	27. Climate-related risks and opportunities that may affect the financial position and cash flow over the short, medium and long term
	28. Supply and cost of raw materials
	29. Shifting consumer preference
	30. Sustainable finance
	31. Low-carbon technology and innovation
	32. Increased adoption of renewable energy

Note 2: Denotes that the issue is deemed as a high materiality level in the respective aspects.



## 6 Sustainability Corporate Management and Robust Governance

Sustainable corporate governance is the cornerstone of D&G's business operations. By using top-down management strategy, the Group has established a comprehensive policy and oversight framework, ensuring clear organisational structure and well-defined roles across all departments. The Group's dedication to sustainability is ingrained within its governance framework, guiding strategic decision-making and risk management practices.

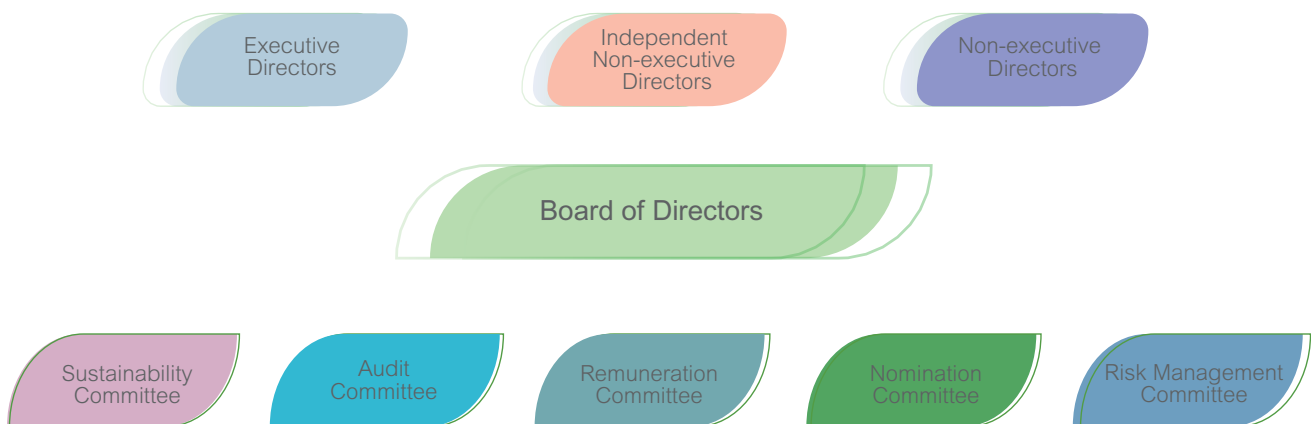
### 6.1 Corporate Governance Structure

D&G's senior management team, which includes the Board and the Chief Financial Officer, is in charge of strategic business goals and overseeing daily operations across multiple departments, including sales, marketing, production, finance, engineering, and customer service, in order to ensure effective risk management and internal control. Five independent non-executive directors (the "INED") and non-executive directors (the "NED") made up the team's ten senior members. They provide crucial governance oversight, particularly in areas such as corporate strategic development, performance, accountability, major appointments, and transactions.

To ensure sustainable growth, D&G has established a dedicated Sustainability Committee, led by the CEO. This Committee's primary responsibilities include overseeing environmental and social issues, improving decision-making processes, and ensuring that sustainability measures are implemented in accordance with business objectives, all while reporting directly to the Board. The Committee is made up of the Executive Director and Chief Executive Officer, Vice President and General Manager of the Operation System, Assistant to President, Deputy General Manager of the Operation System, Director of Finance Department, Director of Intelligent Information Department, Director of General Management Department, Deputy Chief Engineer, Assistant to Chief Executive Officer, and Director of President Office.

Meetings are held at least twice a year to keep the Board and the Committee up to date on ESG-related risks and developments, either in person, over the phone, or through video conferencing. Additional meetings are scheduled as needed to meet operational requirements. An inter-departmental sustainable development working group is assisting the Committee efforts in moving forward with particular sustainability policies and initiatives.

For more information on the Group's corporate governance, please refer to the Annual Report 2025.



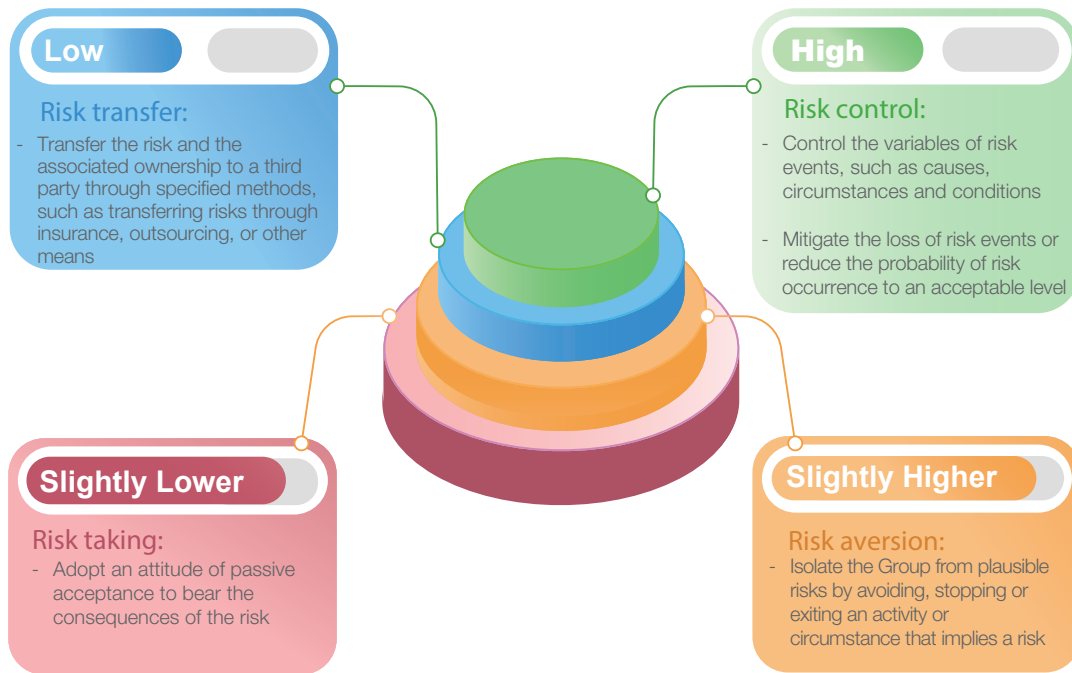
### 6.2 Risk Management

In its operations, D&G places a high priority on effective risk management. The Group defines risks as any uncertainties that could potentially interfere with or hinder the achievement of its business goals. In order to handle these issues, D&G has developed comprehensive internal risk management policies and measures to identify, manage, and mitigate significant risks such as sustainability of resource supply, overseas markets management, financial credit reliability, and ensuring environmental compliance.

The Group integrates operational, environmental, and social considerations into its decision-making processes to reduce operational risks and promote long-term sustainability. D&G uses its internal risk management system to conduct thorough risk assessments in response to various types of risks. Based on the results of analysis, risks of project are ranked in the risk database based on their severity (from high to low), ensuring that they are taken into account as both risks and opportunities when making business decision.

In the case where a project is assessed as high-risk, the Quality Management Department (the "QM Department") is responsible for implementing and overseeing the risk management procedures for the duration of the project. This process follows the initial assessment results with the assistance of the relevant departments. Overall, D&G has implemented the following measures to reduce potential risks, considering the likelihood of their occurrence.

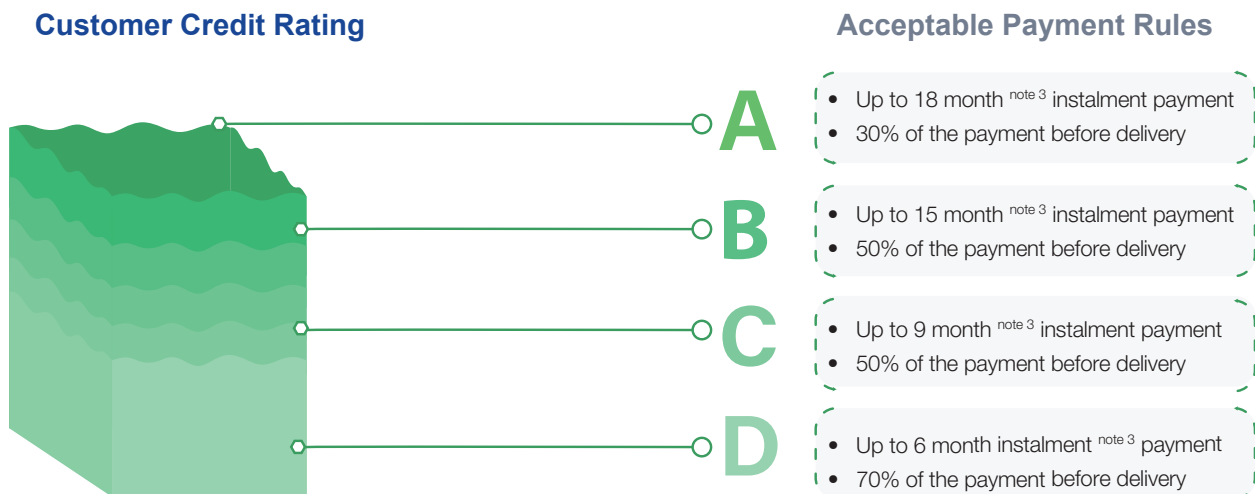
# 6 Sustainability Corporate Management and Robust Governance



## 6.3 Ethics and Integrity

Integrity and ethical practices are the foundation of D&G's core values. Through a fair system of incentives and penalties, supported by clear management guidelines, the Group encourages employees to uphold high standards of self-discipline. To reaffirm the significance of occupational ethics, regular training sessions are conducted for all employees. Working closely with the Legal and Compliance Department (the "L&C Department"), the Group has developed robust policies to ensure compliance with relevant laws and regulations while preventing monopolistic and anti-competitive behaviour.

By actively engaging with external partners such as suppliers and customers, the Group further extends its dedication to ethical conduct beyond internal operations. Integrity in business partnership is a priority, and D&G prioritizes transparent and ethical interaction with its customers. The Group has strengthened internal controls to ensure greater efficacy in addressing longstanding arrears by reviewing its existing customer credit policies and collection procedures. As depicted in the figure below, the Group classifies customer credit ratings into four categories, allowing for a more organized approach to managing credit risks.



Note 3: From the date of contract signing.

## 6 Sustainability Corporate Management and Robust Governance

### 6.4 Anti-corruption

D&G maintains a strict policy against bribery and corruption, making sure that all of its business transactions are conducted with integrity, fairness, and transparency. The “Anti-corruption Policy” provides clear instructions for all directors, officers, and employees for handling conflicts of interest and the acceptance of advantages. Employees, including subordinates are prohibited from requesting or accepting any personal benefit from individuals or organizations engaging with the Group. Additionally, employees are prohibited from engaging in excessive entertainment or the use of misleading information, regardless of personal gain. Employees are also expected to avoid circumstances that could lead to a conflict of interest and to report any such problems directly to the CEO. The Group also extends its anti-corruption commitment to its business partners, such as suppliers, contractors, and clients.

D&G regularly holds training sessions to keep employees well-informed about the Group’s anti-corruption measures and to raise awareness of potential corruption risks. These sessions cover essential topics such as Business Ethics, Corruption Prevention, System Integrity Guidelines, and the Code of Conduct. During the Reporting Year, the Group provided 5 hours of anti-corruption training, to ensure that employees comply with all relevant laws, regulations, and ethical standards in their roles.

#### Number of Employees that Participated in Anti-corruption Training

Year	2025	
	5	12
<b>Month</b>		
<b>By Gender</b>		
Male	7	7
Female	11	10
<b>By Employment Category</b>		
Senior management	0	0
Managers	5	5
Frontline and general staff	13	12

The Group has introduced a “Whistleblowing Policy” that enables employees to report any suspected misconduct, either anonymously or publicly. Various reporting channels are available, including a mailbox, mailing address, phone, and email. The L&C Department handles the investigation once a report is submitted, maintaining the confidentiality of the whistle-blower throughout the process.

After completing the investigation, the L&C Department notifies the complainant of the investigation’s findings and assesses the severity of the issue. The department then decides whether internal disciplinary action is necessary or whether the matter needs to be referred to relevant authorities. Individuals who are dissatisfied with the outcome can request a review and provide additional supporting information in the interest of justice. If necessary, the L&C Department will consult senior management for further guidance. Should the case be substantiated, senior management may elect to compensate the whistle-blower through financial compensation or other administrative measures.

Due to the Group’s strong commitment to business ethics, there were no corruption cases reported during the Reporting Year.

## 7 Sustainable Value Chain

A sustainable value chain plays a crucial role in ensuring the stability of D&G's business operations. To support this, D&G prioritizes several key aspects that strengthen its value chain, including setting clear objectives, mitigating operational risks, fostering integrity and transparency in business practices, and adopting effective procurement and quality assurance measures. Additionally, the Group remains attentive to industry and market trends while placing a strong emphasis on long-term collaboration with clients and business partners to drive sustainable business success.

### 7.1 Operational Compliance

The Group integrates innovation with strict regulatory compliance in its operations as part of its commitment to responsible corporate practices. Under the supervision of the L&C Department, D&G ensures adherence to economic, social, and environmental regulations through a structured management framework involving dedicated departments, policies, and procedures. The Safety and Environmental Protection Department (the "S&E Department") plays a crucial role in monitoring environmental and workplace safety performance, ensuring compliance with evolving regulations, and addressing relevant government directives. The S&E Department actively engages in sustainability training programs conducted by the government to stay informed on regulatory changes.

The Group prioritizes product safety and ensures that its usage aligns with the descriptions provided during sales. D&G offers comprehensive and accurate product-related information, including technical data, drawings, and safety operation manuals to help customers understand and use the product safely. These materials provide detailed installation instructions and technical specifications to enhance customer convenience during equipment installation. Throughout the Reporting Year, the Group fully complied with regulations concerning health and safety, product information, labelling, and marketing. No violations of laws or regulations in environmental, social, or economic areas leading to significant fines or sanctions were recorded. During the Reporting Year, D&G recorded no cases that needed to be resolved by the dispute mechanism.

### 7.2 Sustainable Procurement

Innovation continues to drive the Group's technological advancements and product development. The R&D Centre is crucial in refining quality control processes, setting technical benchmarks for materials procurement, and providing crucial technical data for outsourced projects. The Centre also serves as a hub for education, offering public insights into the asphalt mixing plant industry. Interactive virtual reality tools offer visitors an immersive experience of the production process.

To support local economies and reduce environmental impacts from material transportation, D&G places high priority on sourcing from domestic and local suppliers. Environmental, occupational health, and safety ("EHS") factors account for 10% of the supplier management assessment. Mandatory EHS clauses in standard supplier contracts, requiring suppliers to comply with both national and D&G-specific EHS standards, protect the environment, mitigate pollution, and prevent safety incidents. For instance, suppliers are instructed to use paint barrel liners to minimize staining and reduce hazardous waste. To ensure alignment with its sustainability goals, D&G conducts regular supplier interviews to evaluate their adherence to its expectations.

In terms of logistics, the Group is focused on growing its customer base while enhancing domestic and international freight logistics systems. D&G periodically assesses the performance of its logistics partners, focusing on their loading capabilities and overall service quality. During the Reporting Year, the Group has already added 13 suppliers. Among a total of 139 suppliers, only 3 were overseas suppliers.



Note 4: Overseas suppliers refer to suppliers located outside of China.

Note 5: Local suppliers refer to suppliers located in China.

## 7 Sustainable Value Chain

In order to ensure the materials' quality and supply chain stability, the Group implements sustainable supply chain management through stringent control systems and policies. The Group has also allocated different departments to undergo risk and performance assessments:

<b>Material Supplies Department</b>	<ul style="list-style-type: none"> <li>• Execute works related to tender, bid evaluation and procurement</li> <li>• Organise supplier inspections and survey evaluations</li> <li>• Acquire market information such as quality and price of procurement</li> </ul>
<b>Planning and Coordination Department</b>	<ul style="list-style-type: none"> <li>• Send procurement request to the Procurement Department in accordance with the production plan and inventory status</li> </ul>
<b>Production Department</b>	
<b>L&amp;C Department</b>	<ul style="list-style-type: none"> <li>• Review the price of procurement</li> <li>• Monitor the procurement contract, tender document, and procurement process to ensure its compliance and legality</li> </ul>
<b>Administration Department</b>	<ul style="list-style-type: none"> <li>• Review procurement applications</li> <li>• Conduct inquiry and price comparison, and report them to the Procurement Department</li> </ul>
<b>Quality Management ("QM") Department</b>	<ul style="list-style-type: none"> <li>• Conduct quality check on procurement materials</li> <li>• Engage in assessment of suppliers</li> </ul>

Since 2019, D&G has implemented a sustainable procurement charter that encourages suppliers to include environmental, social, and ethical factors in their operations. The Material Supplies Department is responsible for choosing qualified suppliers by evaluating procurement standards, production requirements, and factors such as material quality, price, delivery timelines, packaging, after-sales service, and technical support. In addition to these basic criteria, D&G also assesses suppliers based on their Environmental, Health, and Safety ("EHS") performance and financial stability. The Group has reinforced its EHS requirements to mitigate on-site pollution and hazards, and requires suppliers to provide documentation such as qualifications and test reports to demonstrate the presence of a comprehensive EHS management system.

Suppliers with higher performance ratings are classified as major suppliers and receive priority contracts, whereas those with lower scores are classified as alternative or secondary suppliers. To maintain a dynamic and high-performing supply chain, D&G conducts an annual supplier review. Secondary suppliers are given opportunities to improve, while those who fail to meet standards must submit corrective action plans within two working days. If no significant progress is observed, they are placed in acquiesced status. However, those that demonstrate improvement will be reassessed, and unqualified suppliers are still eligible for future reviews.

In addition to the Material Supplies Department, the QM Department is in charge of quality control for procured materials. If severe quality issues are identified during inspection, measurement, or process verification, the QM Department issues a "Non-conformity Report" and forwards the issue to the Material Supplies Department for product return. If the same issue occurs again without improvements, the Material Supplies Department conducts an emergency assessment, handles the situation with the supplier, and records the outcomes. D&G terminates relationships with suppliers whose qualifications have been revoked for at least two years.

## 7 Sustainable Value Chain

### 7.3 Industrial Partnership

D&G has been committed to building solid industry partnerships and collaborating with various professional scientific research institutions. The Group also actively participates in various professional associations and institutions. Through these initiatives, D&G is able to promote its sustainable business operation model, stay aligned with industry trends, and contribute to the promotion of green development within the sector. D&G strives to advance its commitment to sustainability while influencing the broader industry towards greener business practices.

Founding member of the Greater Bay Area Carbon Neutrality Association

Bronze member of the Green Council

Founding member of the Sustainable Procurement Charter

Founding member of Green Tech Alliance

Permanent member of The Hong Kong Metals Manufacturers Association Limited

Corporate member of the Federation of Hong Kong Industries

Vice president of China Construction Machinery Association Road Machine Chapter

Council member of the SME Service Committee of China Construction Machinery Association (CCMA)

Member of Industrial Internet Branch of China Construction Machinery Industry Association

Vice Chairman of the Construction Machinery Association of Hebei Province

Corporate member of Langfang Publicly Listed Company Association

Corporate member of Guangdong Province Asphalt Concrete Supply Chain Association

President of Sichuan Provincial Chamber of Construction Asphalt Pavement Chapter

Unit member of China Association of Small & Medium Commercial Enterprises

Council member of China Aggregate Association

Corporate member of Equipment Manufacturing Industry Association of Hebei Province

Member of the Zhongguancun Zhongke Highway Maintenance Industry Technology Innovation Alliance

## 7 Sustainable Value Chain

Institute of Tsinghua University, Hebei

- Burning system design
- Energy consumption and optimisation
- Energy-saving, emission reduction, environmental protection and resources recycling

Hebei Provincial  
Technology Innovation Centre

- Burning system design
- Energy consumption and optimisation
- Energy-saving, emission reduction, environmental protection and resources recycling
- “Asphalt Pavement Recycling Technology and Demonstration”
- Research on warm mixing process and development of equipment

The Research Institute of Highway,  
the Ministry of Transport

- “Asphalt Pavement Recycling Technology and Demonstration”
- Monoblock recycling asphalt mixing plant
- Research on warm mixing process and development of equipment

Tsinghua University

- Combustor development

Changan University

- Industry-university-research agreement
- Five-year “D&G Machinery Scholarship”



**Partner  
Organisations**

**Partnership  
Projects**



## 7 Sustainable Value Chain

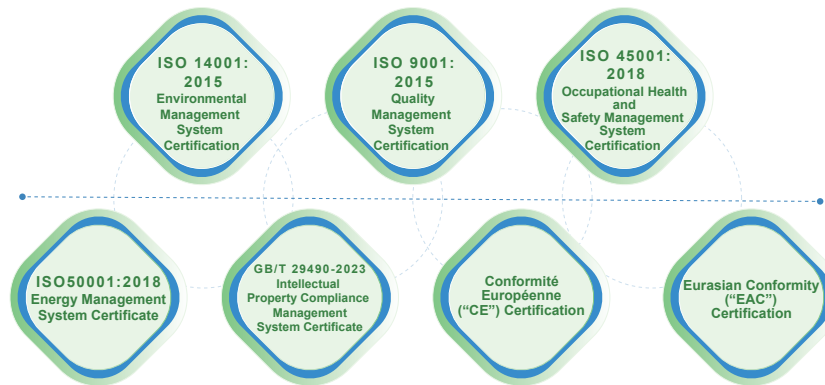
D&G aims to establish a stable and sustainable supply chain while fostering sustainable practices and raising awareness among its suppliers. Acknowledging the increasing demand for stringent product and service requirements from business partners and customers, D&G is committed to maintaining strong partnerships with suppliers. To ensure their capabilities align with the latest standards and requirements, the Group implements the following measures:

Strategy of 2025	Objective of 2025	Target of 2025	Progress of 2025	Strategy of 2026	Objective of 2026	Target of 2026
<ul style="list-style-type: none"> <li>Incorporate sustainability considerations into raw material design and procurement</li> <li>Optimize production processes by utilizing scrap materials to reduce steel consumption</li> </ul>	<ul style="list-style-type: none"> <li>Optimize raw material usage</li> <li>Reduce overall energy consumption of electricity and natural gas</li> </ul>	<ul style="list-style-type: none"> <li>Optimize design to reduce steel usage by <math>\geq 8</math> tonnes per unit for the new series of small-scale mixing equipment</li> <li>Utilize <math>\geq 3</math> tonnes of scrap materials throughout 2025</li> <li>Reduce energy intensity by <math>\geq 3\%</math> compared to 2024</li> </ul>	<ul style="list-style-type: none"> <li>Through design improvements, steel consumption for platform railing mixing equipment was reduced by 2.5 tons.</li> <li>A total of 10.08 tons of scrap materials were utilized throughout 2025.</li> <li>Energy intensity in 2025 decreased by 18.33% compared to 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability considerations are incorporated into the design and procurement of raw materials for products.</li> <li>Steel consumption is reduced during production through the utilization of offcuts and scrap materials.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce raw material consumption.</li> <li>Maximize the utilization of offcuts and scrap materials.</li> <li>Lower the overall energy consumption of electricity and natural gas.</li> </ul>	<ul style="list-style-type: none"> <li>Through design optimization, the integrated 1500 and 2000 mixing equipment reduces steel usage by <math>\geq 5</math> tonnes per unit.</li> <li>Establish a real-time SOP at the cutting stage in 2026 to improve material utilization by 5%.</li> <li>Achieve a year-on-year reduction in energy intensity of <math>\geq 3\%</math> compared to 2025.</li> </ul>
<ul style="list-style-type: none"> <li>Prioritize energy efficiency, environmental protection, and green development in procurement and manufacturing processes</li> </ul>	<ul style="list-style-type: none"> <li>Strive to obtain national-level green factory certification</li> </ul>	<ul style="list-style-type: none"> <li>Obtain national level green factory certification</li> </ul>	<ul style="list-style-type: none"> <li>National Green Factory application is under review by the Ministry of Industry and Information Technology (MIIT)</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize energy efficiency, environmental protection, and green development in procurement and manufacturing processes.</li> </ul>	<ul style="list-style-type: none"> <li>Strive to obtain certification as a National Green Factory.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve certification as a National Green Factory.</li> </ul>
<ul style="list-style-type: none"> <li>Procure and utilize more energy-efficient products and services that support sustainable development</li> <li>Reduce water consumption within the factory</li> </ul>	<ul style="list-style-type: none"> <li>Reduce vehicle exhaust emissions from fuel powered cars</li> <li>Continue efforts toward sustainability by reducing water consumption</li> </ul>	<ul style="list-style-type: none"> <li>Procure at least one new energy electric vehicle for company use</li> <li>Reduce per capita water consumption to <math>\leq 60\text{m}^3</math></li> </ul>	<ul style="list-style-type: none"> <li>Purchased two new energy electric vehicles Water consumption per capita in 2025 was 45.75 cubic meters</li> </ul>	<ul style="list-style-type: none"> <li>Procure and utilize more energy-efficient products and services that support sustainable development.</li> <li>Prioritize the selection of high-efficiency electrical components for factory equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Use environmentally friendly pallets made primarily from plant fibres through molded processing and procure reusable strapping materials.</li> <li>Select high energy-efficiency motors for equipment (e.g., China Grade 1 energy efficiency or international IE5/IE4 motors).</li> </ul>	<ul style="list-style-type: none"> <li>Procure environmentally friendly molded pallets for warehousing and use reusable strapping materials.</li> <li>Upgrade six production equipment motors, replacing IE2 motors with higher-efficiency IE5/IE4 motors.</li> </ul>
<ul style="list-style-type: none"> <li>Enhance on-site paint spraying management to identify opportunities for reducing hazardous waste generation, minimizing both waste production and disposal</li> </ul>	<ul style="list-style-type: none"> <li>Reduce VOC emissions</li> </ul>	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions/energy intensity by <math>\geq 3\%</math> year-on-year</li> <li>Reduce air pollutants/hazardous waste emission intensity by <math>\geq 5\%</math> year-on-year</li> </ul>	<ul style="list-style-type: none"> <li>Greenhouse gas emission intensity decreased by 9.81% compared to 2024</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen on-site spray coating management to identify opportunities for reducing hazardous waste generation, thereby minimizing both the volume of hazardous waste generated and disposed.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce VOC emissions.</li> <li>Promote energy conservation and consumption reduction.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve a year-on-year reduction of <math>\geq 5\%</math> in hazardous waste emission intensity compared to 2025.</li> <li>Achieve a year-on-year reduction of <math>\geq 3\%</math> in greenhouse gas emission intensity compared to 2025.</li> <li>Achieve a year-on-year reduction of <math>\geq 3\%</math> in air pollutant emission intensity compared to 2025.</li> </ul>
<ul style="list-style-type: none"> <li>Develop a local supplier support program, prioritizing the procurement of goods and services produced within a 200 km radius</li> </ul>	<ul style="list-style-type: none"> <li>Increase the proportion of local procurement to 40% to reduce the environmental impact of supply chain transportation</li> </ul>	<ul style="list-style-type: none"> <li>By 2025, local supplier expenditure will account for <math>\geq 40\%</math> of total procurement spending.</li> </ul>	<ul style="list-style-type: none"> <li>By 2025, the proportion of expenditure on local suppliers will reach 64% of total procurement expenditure</li> </ul>	<ul style="list-style-type: none"> <li>Build on localized procurement by assessing and establishing a regional emergency supply network.</li> <li>Prioritize support for local suppliers in undertaking green technology upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance supply chain resilience to respond to unexpected disruptions while maintaining a strong level of localization.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the proportion of spending on local suppliers at <math>\geq 40\%</math>, and on this basis, establish backup supply sources for at least five key materials within a 200 km radius.</li> </ul>
<ul style="list-style-type: none"> <li>Apply risk management tools in procurement processes</li> </ul>	<ul style="list-style-type: none"> <li>Maintain effective implementation of "risk identification, assessment, and response measures" to minimise procurement-related sustainability risks and impacts</li> </ul>	<ul style="list-style-type: none"> <li>Continue the effective operation of "risk identification, assessment, and response measures" in 2025</li> <li>Establish at least two backup suppliers for high-risk product categories by 2025</li> </ul>	<ul style="list-style-type: none"> <li>Successfully maintained the "risk identification, assessment, and response measures" throughout 2025</li> <li>Established four backup suppliers for high-risk product categories</li> </ul>	<ul style="list-style-type: none"> <li>Apply risk management tools in the procurement process.</li> </ul>	<ul style="list-style-type: none"> <li>Effectively implement risk identification, assessment, and mitigation measures to minimize sustainability-related procurement risks and impacts.</li> </ul>	<ul style="list-style-type: none"> <li>In 2026, continue to effectively implement risk identification, assessment, and mitigation measures.</li> </ul>
—	—	—	—	<ul style="list-style-type: none"> <li>Encourage suppliers to adopt sustainable procurement practices.</li> <li>Encourage suppliers to enhance product intelligence and digitalization, improve automation levels, and reduce reliance on manual labor.</li> </ul>	<ul style="list-style-type: none"> <li>Further strengthen suppliers' awareness of sustainable development.</li> <li>Incorporate the level of automation into supplier management and evaluation processes.</li> </ul>	<ul style="list-style-type: none"> <li>Provide training and awareness programs on sustainable procurement and "carbon peaking and carbon neutrality," with participation from over 50% of suppliers.</li> </ul>

## 7 Sustainable Value Chain

### 7.4 Quality Assurance

A key component to D&G's operations is ensuring superior product quality and performance. The Group continuously advances technological innovations to enhance product functionality and efficiency by integrating circular economy principles into its production framework. Strict production controls are in place to maximize resource efficiency and uphold high-quality standards. This commitment to excellence has reinforced the Group's reputation for reliability and sustainability and earned multiples international standard certifications:



D&G has continuously strengthened the development of its management systems and obtained multiple management system certifications, successively passing certification for the ISO Environmental Management System, Quality Management System, Occupational Health and Safety Management System, and Energy Management System. Among these, the Energy Management System certification obtained in 2024 demonstrates that the company has established a systematic energy management mechanism covering aspects such as energy procurement, utilization, and recycling, and continues to optimize energy management performance through the PDCA cycle, enhancing energy efficiency and supporting the goals of energy conservation, consumption reduction, and green operations.

During this reporting year, the Group also obtained the Intellectual Property Management System certification, marking the establishment of a standardized and systematic management framework in the areas of intellectual property creation, application, protection, and management. This certification not only reflects the company's capabilities in protecting and managing innovation outcomes but also provides important qualification support for expanding market collaborations and enhancing core competitiveness.

D&G places significant emphasis on product safety and compliance with safety standards. The Group ensures that its products are designed to function effectively in their intended countries or regions of operation. Before production begins, D&G strictly adheres to the regulatory standards of the respective markets while also evaluating the environmental and societal impacts of its product compositions. To safeguard customer health and safety, all products undergo quality inspections in line with CE and EAC Certification standards. During the Reporting Year, there were no instances of product recalls or shipments due to safety or health concerns. D&G has implemented quality assurance protocols aligned with the ISO 9001:2015 Quality Management System, including a quality control policy that provides a framework for quality measures. Quality inspection ensures all finished products are inspected prior to distribution according to the relevant guidelines, while quality meetings facilitate the review of quality measures to ensure their effectiveness. A quality information management system is in place to ensure all relevant parties have access to the latest information, and customer service follows up on complaints and resolves queries to ensure customer satisfaction.

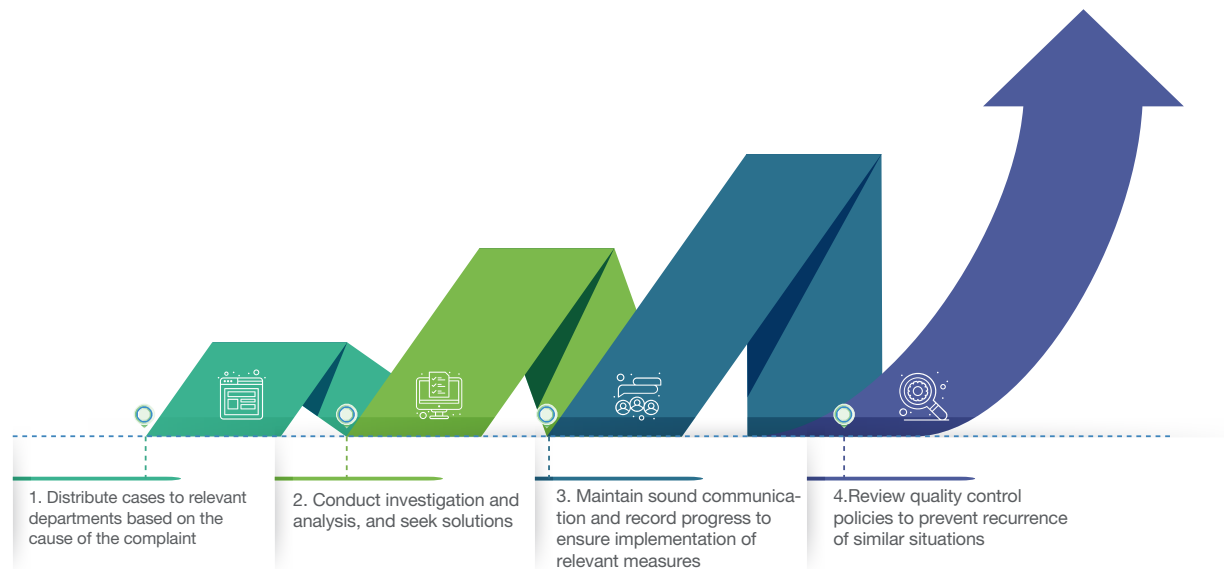
D&G has assigned the Process Management Department to oversee standardized testing procedures to maintain product quality. This includes drafting operational guidelines, ensuring employees adhere to established protocols, and authorizing mass production only upon approval from factory supervisors or inspectors. Throughout manufacturing, supervisors closely monitor operations and consult the Process Management Department for technical support when needed. To sustain production efficiency, routine equipment maintenance and repairs are conducted. If quality issues arise during inspections, the QM Department promptly notifies the Production Department to initiate corrective measures. Additionally, employees participate in continuous on-the-job training to refine their technical skills and enhance productivity.

To maintain high-quality standards, D&G also prioritizes the handling of defective products. The Production Department will place any semi-finished or finished items that fail to meet specifications in the "Defective Products Area". Depending on the nature of the defect, these products undergo repairs by either the QM Department or the Technology and Process Management Department. Once the necessary corrections are made, the QM Department reassesses and approves the items. For products deemed unsalvageable, the Production Department transfers them to a designated waste area, with efforts made to recycle materials where possible. Major cases are reviewed in quality assurance meetings to develop preventive strategies and mitigate future occurrences.

## 7 Sustainable Value Chain

### 7.5 Customer Service

Customer feedback is seen by the Group as a valuable opportunity to improve its quality control framework and prevent recurring issues. D&G has set up several communication channels through which customers can share their opinions. The process for managing customer complaints is outlined as follows:



The Group has established an assessment system to measure the performance of the QM Department and the S&E Department to ensure ongoing improvement in product quality and EHS management. If a complaint pertains to EHS standards, the S&E Department is in charge of verifying the products and services involved and implementing corrective actions. Meanwhile, the QM Department oversees the progress and effectiveness of these measures.

The Engineering Service Department consolidates and manages complaints related to quality issues identified post-delivery or post-use, promptly reporting the issues to the QM Department. To review the data and develop appropriate improvement and preventive actions, the QM Department holds quality meetings every two weeks. Simultaneously, the Engineering Service Department liaises with customers and updates them on progress to efficiently resolve the issues in a way that satisfies customer expectations.

To manage the needs of customers effectively, the Group has divided the complaint cases into four general categories:

Type	Description	No. of Case Received in 2025
General complaints	Customer complaints that can be easily resolved through communication	257
Crisis complaints	Customer complaints that have a major impact on the Company's image and brand	0
Major complaints	Customer complaints that have a potential impact on the Company's image and brand	0
Invalid complaints	Customer complaints that are caused by misunderstandings	0

The Group has implemented a comprehensive complaint-handling system. When customers file complaints, the Group acts promptly to investigate the issue, provide clear explanations, arrange re-delivery of accessories, and offer compensation. All relevant departments also develop preventive and corrective measures to ensure that similar issues do not recur.

To enhance customer service efficiency and satisfaction, the Group upgraded its existing industrial internet platform to create the DG Leap Cloud Industrial Internet. This self-built platform operates on a Software-as-a-Service (SaaS) model, offering customers data services to facilitate equipment digitisation and intelligence at the lowest cost and highest efficiency. By collecting and transmitting valuable data, the platform helps customers optimize equipment operation, reduce energy and material consumption, and maintain stable product quality.

## 7 Sustainable Value Chain

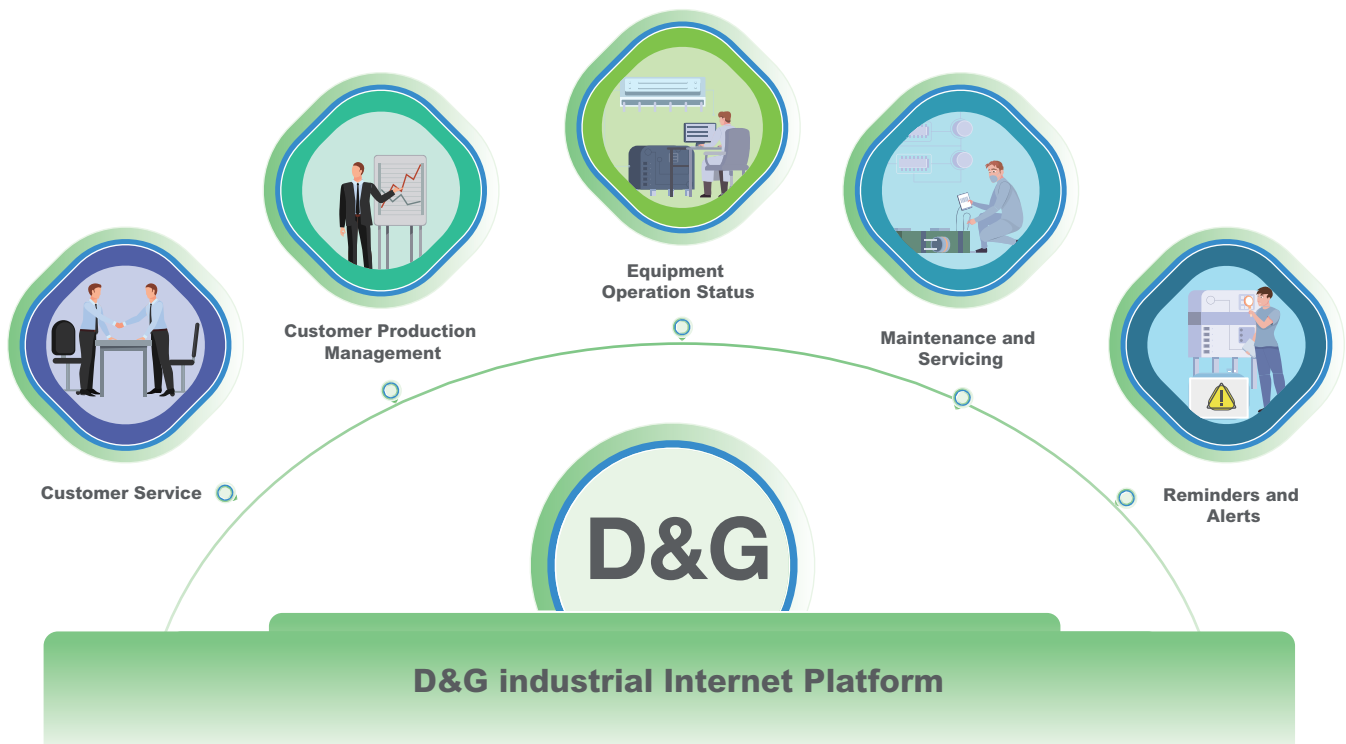
The platform includes several modules, such as production centre, equipment management, maintenance management, service management, and energy consumption management, which customers can select based on their needs. The energy consumption management module offers tools for tracking and analysing energy use. This initiative is a proactive step by D&G towards using digital technology to support the industry's carbon neutrality goals.

By December 2025, the DG Leap Cloud Industrial Internet Platform had provided services to over 120 domestic and international customers, including those in Chinese Mainland, Hong Kong, and other overseas markets.

The project has delivered on-site management services to multiple clients in countries such as Malaysia and Thailand, driving growth in retrofit services and spare parts sales, enhancing customer loyalty, and striving to enable every customer to effectively use digital management tools.

In 2025, the Group carried out an interim upgrade of the platform, completing a series of functional optimizations and adjustments, including energy management, production management, and daily reporting. With digitalization as a foundation, we aim to advance intelligentization through R&D, enabling better and smarter equipment to serve every customer.

D&G industrial Internet Platform:



### 7.6 Customer Privacy and Intellectual Property Rights

D&G maintains a strict stance on intellectual property protection, ensuring compliance with copyright laws and prohibiting the use of unauthorized software. Employees are strictly restricted from installing or using pirated software on company devices. As part of its commitment to innovation and legal compliance, the Group has secured a total of 270 registered patents and 33 software copyrights.

Protecting customer privacy is a priority for the Group. Confidentiality agreements are required when signing contracts with customers to safeguard against data breaches. The Group also conducts regular maintenance of its IT protection systems to guard against malware and data theft. The employee handbook explicitly forbids employees from disclosing customer information, misusing customer data for profit, or engaging in actions that could harm the Group's interests. During the Reporting Year, D&G reported no significant instances of non-compliance or complaints related to customer privacy violations.

## 8 Environmental Management

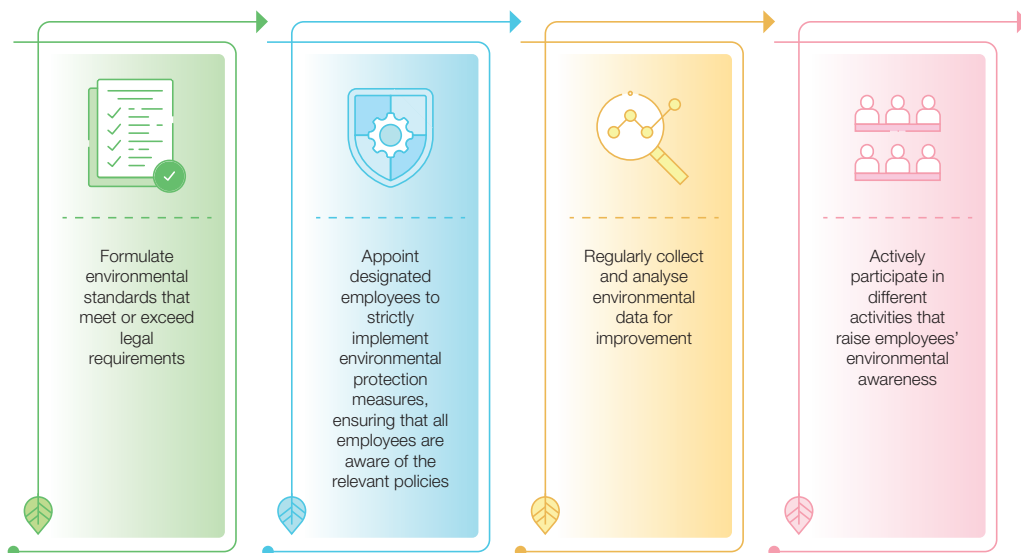
Committed to building a sustainable future, the Group incorporates sustainable development principles into its business strategies and daily operations. In addition to adhering to environmental regulations, it actively embeds ESG considerations into management decisions, ensuring sustainability is integrated across all aspects of its operations.

### 8.1 Green Operation

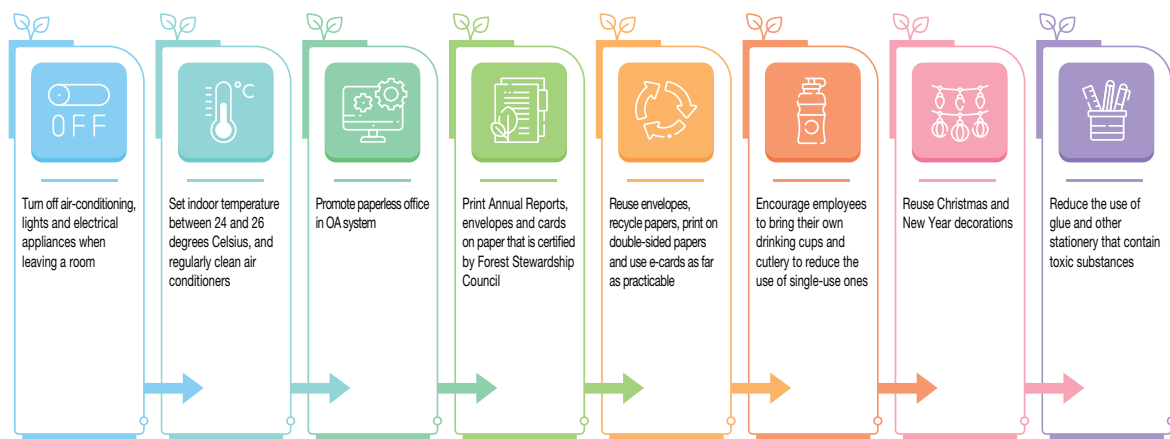
The Group is committed to fostering a sustainable society by embedding sustainability into its decision-making processes and daily operations. In line with its commitment to environmental responsibility, D&G complies with national laws, regulations, and standards governing air pollution, wastewater discharge, and waste management.

As an industry leader in asphalt road construction, the Group has strengthened its environmental management system by implementing the ISO 14001:2015 Environmental Management System. A dedicated committee has been formed to oversee environmental initiatives, ensuring continuous improvements in sustainability practices. This committee not only formulates strategic enhancements but also monitors policies, provides regular updates to the Board, and recommends necessary adjustments. It serves as a bridge between stakeholders, including the Board, employees, customers, and investors, facilitating effective communication on environmental matters.

To reinforce sustainability efforts at its Langfang factory, the Group has developed comprehensive environmental manuals to guide employees in responsible practices:



Apart from adhering to relevant laws and regulations, the Group promotes robust environmental management practices to foster a green working culture among its employees. By sharing relevant information and enhancing both internal and external communication, the Group strives to cultivate an environmentally conscious mindset within the organization. At the Hong Kong headquarters office, a green office policy has been implemented to encourage employees to adopt the following environmental commitments:



The Group has made efforts to improve the workplace environment by incorporating natural elements, such as green plants, into the work setting. This initiative is aimed at promoting the physical and mental health of employees. The Langfang factory, for example, boasts a green area covering approximately 9,493 m<sup>2</sup>, creating a more pleasant and healthier environment for the workforce.

## 8 Environmental Management

In addition to the focus on employee well-being, the Group has set clear environmental management goals to ensure compliance with relevant standards and improve operational efficiency. These goals include achieving a 100% pass rate for environmental monitoring, ensuring that all hazardous waste is properly disposed of, limiting violations of paint spraying facilities and welding dust equipment to fewer than one occurrence, and preventing any production days from being affected by internal environmental or safety issues. These measures reflect the Group's commitment to maintaining high environmental standards and minimizing its ecological impact.

### 8.2 Climate Change

Due to the irreversible impact of climate change on the Earth's ecology, various industries have announced carbon neutrality targets and will gradually transition to a low-carbon economy. The Group recognises that its business will be affected by climate change phenomena such as rising temperatures, typhoons, and extreme weather. When planning and designing new projects, we will consider climate risks and incorporate its impact into our business continuity plans. We have conducted a preliminary assessment of climate-related risks and opportunities with reference to the four core elements recommended by the Task Force on Climate-related Financial Disclosures (TCFD): governance, strategy, risk management, and metrics and targets.

Building on this foundation, we are progressively advancing our climate scenario analysis to evaluate the potential financial and operational implications under different climate pathways. At this stage, as the analytical methodology and key assumptions are still being refined, and consistent internal data collection systems are under development, a full scenario-based assessment has not yet been finalised. The Group intends to enhance its disclosure progressively, in alignment with evolving standards including those from the International Sustainability Standards Board (ISSB), as our analytical capabilities mature.

#### Governance

The Board of Directors evaluates the significance of identifying ESG risks, including climate-related risks, and oversees the progress of ESG-related objectives and initiatives. Management policies and strategies addressing climate and other ESG matters have been established by the Board, ensuring ESG considerations are integrated into the Group's business decision-making processes. On the execution level, the Sustainability Committee manages climate-related risks and facilitates the implementation of relevant strategies and policies. The Committee is supported by an inter-departmental sustainable development working group to drive actions and decisions.

#### Strategy

Physical climate risks, such as extreme weather events (heavy rain, floods, typhoons, and rising sea levels), are becoming more frequent and intense. These events pose significant risks to operational continuity, including damage to facilities, decreased productivity, employee safety concerns, and environmental pollution. Additionally, rising temperatures could increase operational costs, such as higher cooling requirements for equipment and office air conditioning. To mitigate these risks, the Group will monitor extreme weather conditions, develop emergency response plans, and upgrade facilities to improve resilience.

Transition climate risk, stemming from regulatory, technological, and market shifts due to climate action, is another key concern. As governments set carbon neutrality targets, stricter regulations on carbon emissions are expected, potentially increasing compliance costs. Moreover, technological innovation for low-carbon and energy-efficient solutions will require the Group to invest in R&D for clean energy and emission reduction technologies. The Group is actively developing strategies to manage these transition risks.

#### Risk management

The Group recognizes the critical role of internal monitoring and risk management in its sustainable development. The Board continually oversees the internal monitoring and risk management system, ensuring it identifies climate change risks and opportunities. This ongoing oversight will enhance the Group's resilience in the face of climate-related challenges.

#### Metrics and targets

In response to the growing impact of climate change, D&G is committed to enhancing its low-carbon policies and performance. The Group has set clear objectives to reduce carbon emissions annually and has implemented various measures across operations to reduce energy, water, and material consumption. Scope 1, Scope 2, and partial Scope 3 greenhouse gas (GHG) emission data is included in the performance table. The collection methodology for Scope 3 emission data is still being optimized, and we expect to disclose more in future reports. D&G will continue to adopt further measures and proactively pursue its targets to minimize its environmental footprint.

## 8 Environmental Management

### 8.3 Environmental Initiatives

D&G fosters a culture of environmental responsibility by integrating sustainability into its production bases and workplaces. The Group encourages employees to embrace their role in advancing a sustainable society, instilling positive environmental values through awareness programs and initiatives. By actively engaging in environmental protection efforts, D&G aims to cultivate a greener living and working environments for all.

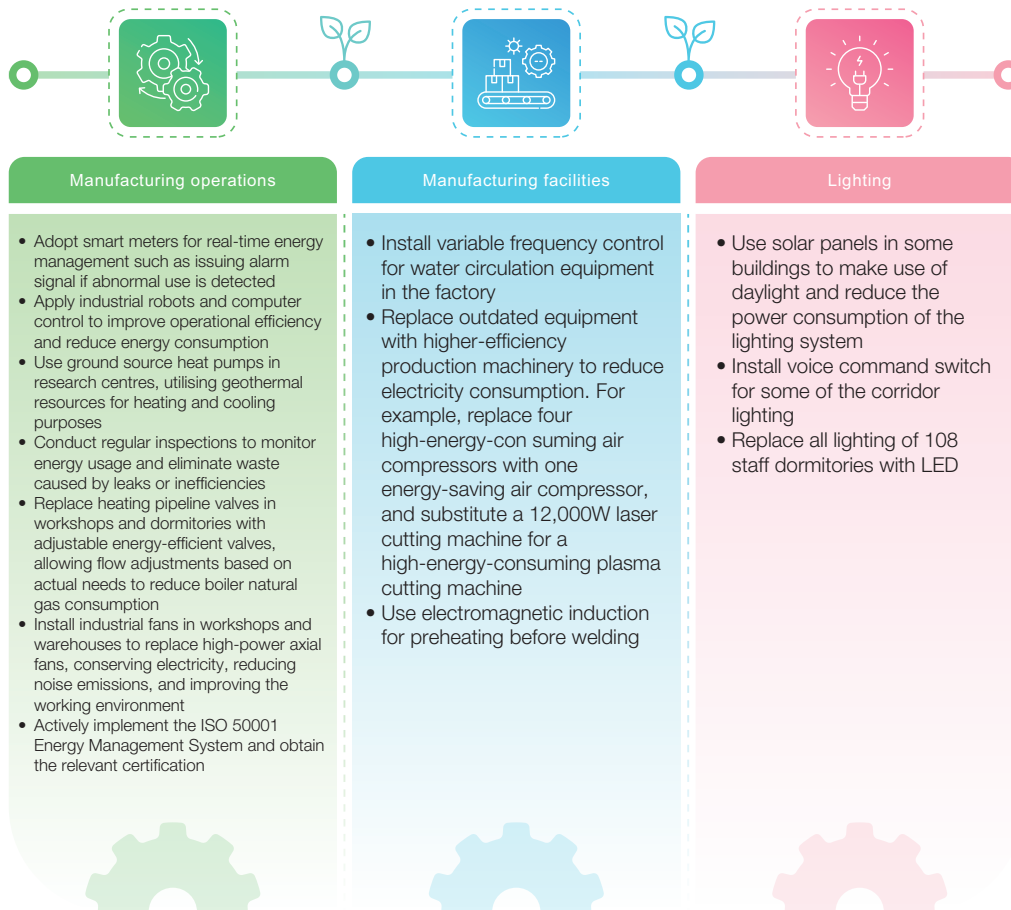
Activity	Description	Photos
Earth Hour 2025	<p>In March 2025, D&amp;G once again supported and participated in “Earth Hour”, organised by the World Wide Fund for Nature. During the event, all non-essential lighting at the company’s properties, factories, offices and employees’ homes was switched off for one hour, demonstrating its commitment to environmental protection through concrete action.</p> <p>This marked the 13th consecutive year that D&amp;G has taken part in “Earth Hour”.</p>	
Tree Planting Event at Langfang Factory	<p>To beautify the factory environment and implement green initiatives, employee representatives were organised to plant flowering and fruit-bearing trees such as hawthorns on the south and north sides of the new warehouse in 2025.</p>	
Green Run 2025	<p>Participated in the “Green Run 2025” charity run organised by Green Council, supporting environmental protection through running and promoting a green and healthy lifestyle.</p>	
Hong Kong Green Day 2025	<p>We sponsored the Hong Kong Green Day for the tenth consecutive year. The Company participated in the “Green Pledge” programme, encouraging employees to wear green on the day as a show of support for environmental protection.</p>	
Green Carnival 2025	<p>We participated in the Green Carnival 2025, promoting green living concepts to employees and the public through interactive games and environmental exhibitions, further raising environmental awareness in the community.</p>	

## 8 Environmental Management

### 8.4 Energy Consumption

The Group relies on municipally supplied electricity for production and natural gas to power factory boilers, as well as for heating and cooking in the staff canteen. In terms of greenhouse gas (“GHG”) emissions, natural gas usage and company vehicle operations contribute to direct emissions (“Scope 1”), while electricity consumption accounts for indirect emissions (“Scope 2”).

Understanding the pressing need to address climate change, D&G has introduced the “Energy Conservation and Consumption Reduction Management Guidelines” to optimize energy efficiency and reduce its carbon footprint. These guidelines require all departments to assess the environmental impact of their energy choices and prioritize sustainable alternatives. To advance its low-carbon energy management strategy, the Group has implemented the following measures:










The Group has appointed the S&E Department to collect and evaluate the monthly energy-saving performance of each production unit and department, as well as to oversee the effectiveness of implemented energy-saving measures. Routine inspections are conducted to monitor energy usage, preventing leaks and unnecessary waste. To reduce electricity consumption, the Group has implemented multiple energy-saving measures. During the year, we continued to advance our equipment upgrades by decommissioning the old plasma cutting machine and replacing it with a more efficient 12,000W laser cutting machine, alongside upgrading four welding machines. These initiatives collectively save 2,340KW of electricity per month, equivalent to approximately RMB1,988 in electricity costs. Additionally, industrial fans were installed in workshops and warehouses to replace high-power axial flow fans, lowering energy usage, minimizing noise pollution, and improving working conditions. The heating pipeline valves in workshops and dormitories were also upgraded to adjustable energy-saving valves, enabling flow adjustments based on demand and reducing boiler natural gas consumption. As a result of these energy-saving initiatives, the electricity intensity per RMB 10,000 of output value decreased by 15% compared to 2024, while the natural gas intensity per RMB 10,000 of output value dropped by 22% compared to 2024. In 2024, the Group proactively implemented the ISO 50001 Energy Management System and achieved certification, reflecting its strengthened capabilities and improved results in energy management.

By the end of 2025, the Group installed solar panels on the roof of the Langfang factory, covering a total area of 10,600 square meters. The estimated solar power generation in 2026 is 2,328.8 million kWh, which will result in a reduction of 13,554 tons of greenhouse gas emissions. During the Reporting Year, the solar panels generated 1,000,000 kWh of electricity, with 820,000 kWh used for internal consumption. Photovoltaic power accounted for 32% of the Group’s total electricity consumption.

In addition to managing Scope 1 and Scope 2 greenhouse gas emissions, the Group officially commenced the calculation and disclosure of Scope 3 emissions during the Reporting Year. Under the GHG Protocol Corporate Standard, Scope 3 covers other indirect emissions that occur across the value chain. During the year, the Group identified and reviewed key emission categories related to procurement, logistics, and employee commuting, and began establishing data collection mechanisms. Going forward, the Group will continue to refine its Scope 3 calculation methodologies, gradually expand data coverage, and improve data quality to gain a more comprehensive understanding of carbon emissions across the value chain, thereby supporting the achievement of the Group’s overall carbon reduction targets.

## 8 Environmental Management

Energy Consumption	Unit	2025	2024
Electricity consumption (covered the usage of photovoltaic power) 	MWh	2,183	2,514
	GJ	7,859	9,052
Electricity intensity (covered the usage of photovoltaic power) 	MWh/RMB'M Revenue <sup>Note 6</sup>	5.79	6.79
Natural gas consumption 	m <sup>3</sup>	186,213	233,782
	MWh	1,929	2,422
	GJ	6,946	8,720
Natural gas consumption intensity 	MWh/RMB'M Revenue <sup>Note 6</sup>	5.11	6.54
Fuel consumption 	MWh	48	68
	GJ	172	244
Total energy consumption 	MWh	4,160	5,004
	GJ	14,976	18,082
Total energy intensity 	MWh/RMB'M Revenue <sup>Note 6</sup>	11.03	13.50

## 8 Environmental Management

GHG Emissions	Unit	2025	2024
Scope 1: Direct emissions <sup>Note 7</sup>	tCO <sub>2</sub> e(tonnes of CO <sub>2</sub> equivalent)	399	503
Scope 2: Indirect emissions	tCO <sub>2</sub> e	1,506	1,571
GHG emissions (Scope 1 & 2)	tCO <sub>2</sub> e	1,906	2,074
GHG emissions intensity (Scope 1 & 2)	tCO <sub>2</sub> e/RMB'M Revenue <sup>Note 6</sup>	5.05	5.60
Scope 3: Other indirect emissions	tCO <sub>2</sub> e	593,011	N/A
Total GHG emissions <sup>Note 8</sup>	tCO <sub>2</sub> e	594,917	N/A
Total GHG emissions intensity	tCO <sub>2</sub> e/RMB'M Revenue <sup>Note 6</sup>	1,577	N/A

Note 6: The Group's revenue for the year ended December 31, 2025, and the year ended December 31, 2024, was RMB 377 million and RMB 371 million, respectively.



Note 7: Starting from this Reporting Year, the Group's greenhouse gas (GHG) emissions include emissions from its vehicle fleet.

Note 8: Starting from this Reporting Year, the Group's total GHG emissions include scope 1, 2 and 3 emissions.

To support this effort, the Group plans to conduct energy management analyses by region to identify abnormal or high energy consumption sources, enabling better monitoring and targeted energy-saving measures.

### 8.5 Air Emissions

Recognizing the impact of industrial emissions on air quality and workplace safety, the Group has implemented strict controls over air pollutants generated during the machinery manufacturing process. The primary emissions from production activities at the Langfang factory include nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>"), and particulate matter ("PM"). To ensure compliance with local environmental regulations, the Group has established the "Air Emissions Management Guidelines." These guidelines outline a structured approach to categorizing and managing emissions while providing a framework for precise monitoring of air pollutant concentration levels.

Types of Air Emissions	Air Emission Management	Monitoring and Auditing
Air emissions from stationary sources (such as production equipment and natural gas boilers) 	<ul style="list-style-type: none"> <li>Air emissions must be treated properly prior to the discharge</li> <li>Install welding smoke dust removal purification devices, paint spray water curtain and activated carbon adsorption devices to filter air emissions</li> <li>Post relevant signs about emission restrictions at the chimney</li> <li>Regular maintenance and repair of air emission and purification facilities are conducted to ensure their normal operation</li> </ul>	<ul style="list-style-type: none"> <li>Third-party qualified environmental monitoring organisations are routinely appointed to measure exhaust emission levels according to emission standards</li> </ul>
Air emissions from mobile sources (such as automobiles) 	<ul style="list-style-type: none"> <li>Air emissions of the factories' vehicles are monitored in accordance with the "Guidelines of Prevention and Control of Motor Vehicle Exhaust Pollution"</li> </ul>	<ul style="list-style-type: none"> <li>Tests are carried out by inspection agencies of the local government as stated by relevant emission standards</li> </ul>

## 8 Environmental Management

The S&E Department has established air emission policies that apply to all factories and is responsible for monitoring air emission management across various departments and manufacturing units. In addition, the S&E Department engages qualified third-party environmental monitoring organizations to conduct thorough assessments of air pollutant emission levels, ensuring compliance with the required standards. In the event of illegal emissions, the S&E Department promptly records the incident and proposes corrective actions to resolve the issue.

To raise awareness among employees regarding different air emission sources and their corresponding pollutants, the Group promotes targeted mitigation measures aimed at reducing air emissions. These measures include:

Source of Air Emissions	Mitigation and Management Measures
Welding fumes	Extracted by the exhaust fan and treated by purifier
Particulates generated from grinding wheel and shot blasting	Removed by pulse bag dust collector
Metal dust	Removed by a central dust collector and reused
VOC gas emitted from paint spraying	Treated by water curtain and carbon adsorption
Cooking fumes from cafeteria	Removed by fume purifier

Air Emissions	Unit	2025	2024
NO <sub>x</sub>	tonnes	0.08	0.08
SO <sub>x</sub>	tonnes	0.00	0.00
PM	tonnes	1.43	1.11

During the Reporting Year, the Group ensured that air pollutant emissions from the Langfang factory complied with legal requirements. The Group also enhanced its method for collecting data on atmospheric pollutant emissions from equipment such as electricity welding dust removal systems and cutting machines. This improvement allows for more accurate data collection throughout the production process, with operating time now based on the actual recorded operating hours.

Striving for zero environmental hazards, the Group has implemented independent emission reduction measures, including limiting or halting production during heavy pollution alerts. Moving forward, the Group will continue to refine its emission control systems to contribute to improved air quality and safeguard employee health.

## 8 Environmental Management

### 8.6 Water Consumption and Wastewater Management

Effective water resource management is essential to the Group's commitment to sustainability. To minimize water consumption at its operational sites, the Group has introduced comprehensive water-saving initiatives. These efforts include promoting the use of high-efficiency water equipment and encouraging departments to adopt water-efficient practices. For instance, several irrigation sprinkler heads in green areas have been upgraded to improve water conservation.

The Group follows its self-established "Energy Conservation and Consumption Reduction Management Regulations", requiring all departments to install and use water-saving equipment based on actual operational needs. Regular inspections, maintenance, and replacements are conducted to prevent water waste. During the year, we installed 29 water flow aerators on sinks in the cafeteria. Tests showed that these aerators reduce water usage by 25% compared to previous faucets, significantly improving water efficiency in daily operations. In support of the water conservation goals, the Group commissioned a third-party professional agency to conduct a water balance assessment at its facility. Additionally, water metering was optimized through the installation of secondary meters in key areas to enhance monitoring. The Group also strengthened routine water usage inspections, maintained detailed consumption records, and promptly repaired or replaced faulty water fixtures to prevent leaks and reduce water wastage.

While overall water consumption remains relatively low across operations and manufacturing, the staff dormitory at the Langfang factory accounts for a higher proportion of usage. Given that all water is sourced from municipal supply services, there was no significant concerns regarding water availability.

Water Consumption	Unit	2025	2024
Water consumption	m <sup>3</sup>	15,968	14,076
Water intensity	m <sup>3</sup> /employee	45.75	42.65

During the Reporting Year, the Group continued to advance water-saving measures by optimising the irrigation system to reduce unnecessary water usage. However, due to a major customer event held in November 2024, approximately 8,000 square metres of new lawn were laid in the factory area. Given the local sandy soil, which leads to rapid moisture loss, irrigation for spring greening and summer watering increased significantly in 2025 to ensure the lawn's survival and spring revival. As a result, overall water consumption for the year rose. The Group will continue to monitor the water needs of newly greened areas, regularly assess and refine irrigation plans based on lawn growth cycles and climate conditions, and further improve water resource management.

Regarding wastewater, the Group strictly adheres to the national "Integrated Wastewater Discharge Standard," ensuring that all wastewater discharge departments channel sewage into designated equipment or proper pipelines to prevent contamination of the surrounding ecosystem. To strengthen wastewater control, the Group has implemented systems to capture, treat, and recycle wastewater from cleaning operations in the painting workshop. Sewage treatment and collection systems are closely monitored to prevent leaks, with regular inspections conducted by the Administration Department. Additionally, the S&E Department arranges annual third-party inspections at the factory's integrated sewage outlet, reviews findings, and identifies areas for improvement. These measures ensure that wastewater discharge remains fully aligned with national emission standards.

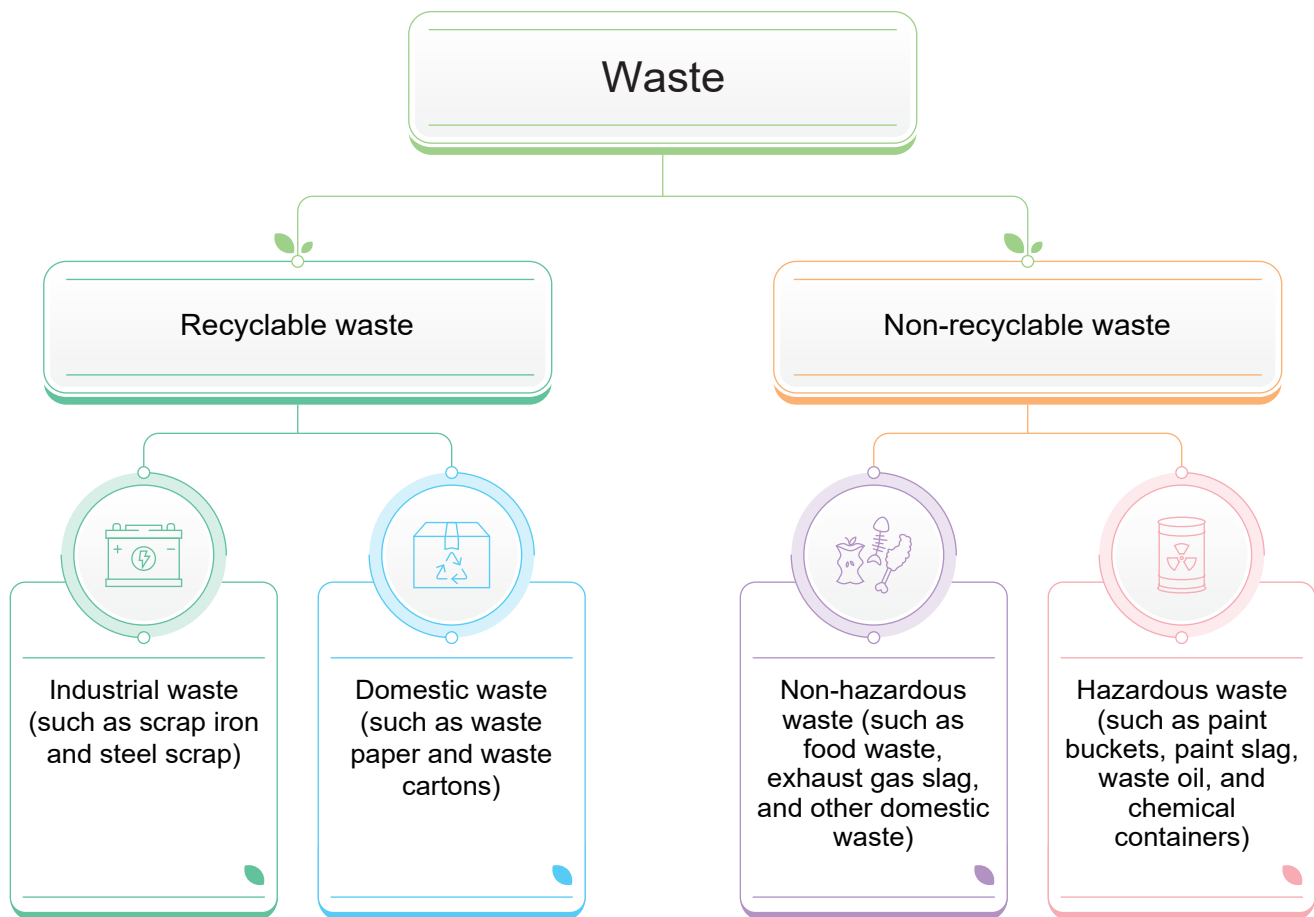
## 8 Environmental Management

### 8.7 Waste Management

D&G actively promotes sustainable waste management by embedding resource efficiency into its operations. Guided by the principle of “Use Less, Waste Less”, the Group follows a structured “4R” approach—reduce, reuse, recycle, and replace—to minimize waste generation. Materials such as steel, cable, packaging wood, and cartons are prioritized for recycling and reuse during production. The Production and S&E Departments collaborate to oversee waste separation, assess its effectiveness and safety, and provide guidance to other departments when necessary. Upholding its commitment to environmental responsibility, D&G has achieved a 100% satisfactory rate in waste separation, ensuring all hazardous waste is managed by the S&E Department. Regular training on hazardous waste disposal enhances employee awareness, while daily monitoring allows for immediate corrective action when needed.

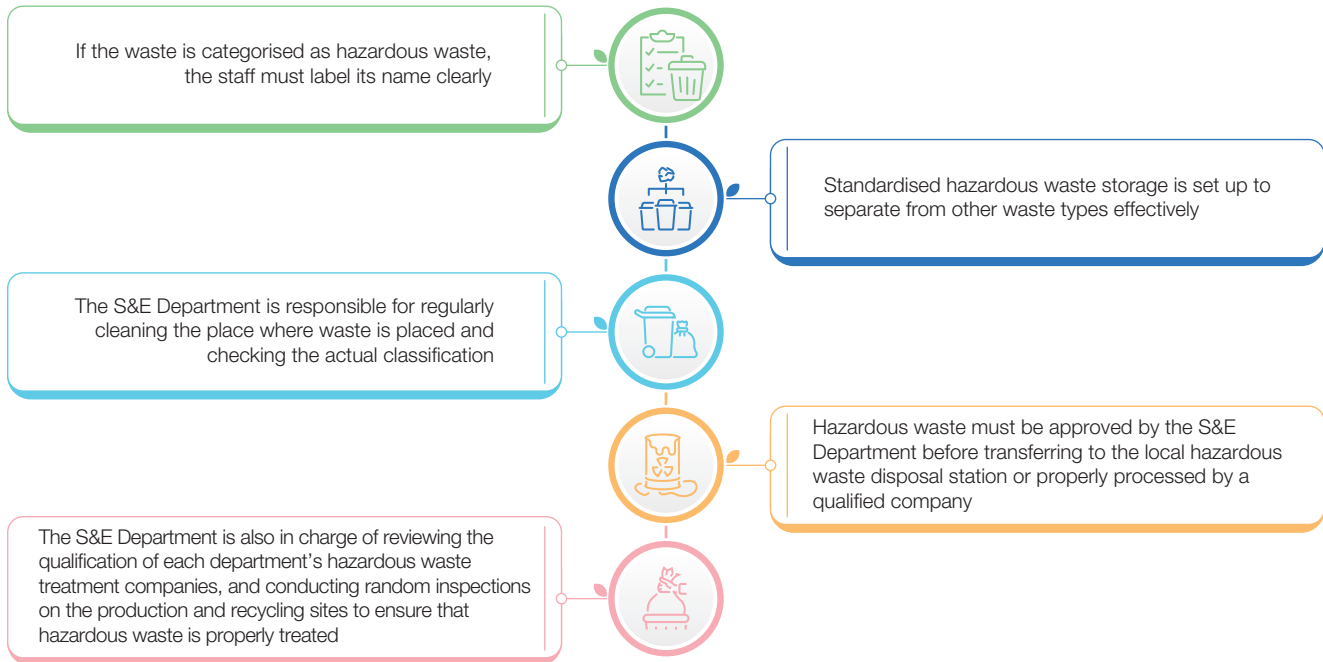
To establish a clear and standardized approach to waste management, the Group has developed internal “Waste Management Guidelines”, outlining proper waste handling procedures. These guidelines aim to mitigate disposal risks to both the Group and the local community, ensuring all production activities align with national waste disposal regulations. Each department designates personnel responsible for tracking and reporting waste data, reinforcing accountability and compliance.

Waste generated are generally divided into two main categories, namely recyclable and non-recyclable waste:



## 8 Environmental Management

Effective hazardous waste management is essential to safeguarding employee health and minimizing environmental risks. Recognizing the potential hazards associated with improper disposal, the Group prioritizes strict controls over hazardous materials. Non-recyclable waste is centrally stored and managed by the Administration Department, ensuring compliance with safety protocols. Meanwhile, each department is encouraged to maximize recycling and reuse opportunities within manufacturing processes, reducing overall waste generation. To further reduce the generation of hazardous waste, the Group continuously monitors the use of paint bucket liners in the spraying process of the production department. This prevents paint buckets from being contaminated, thereby minimizing the production of hazardous waste such as waste paint buckets. During the Reporting Year, all hazardous waste was properly classified and handed over to Shijiazhuang Zhongyou Youyi Environmental Technology Co., Ltd. for disposal.



Waste	Unit	2025	2024
Total amount of hazardous waste (treated by incinerator)	tonnes	63.5	51
Total amount of non-hazardous waste recycled	tonnes	129.2	244

		Amount (tonnes)	Percentage (%)
Recycled waste	Carton	7	5.54%
	Wood	30	23.37%
	Steel	92	71.08%

## 8 Environmental Management

During the Reporting Year, the Group continued to focus on hazardous waste management, striving to reduce its environmental impact. Hazardous waste generation increased compared to 2024, primarily due to the centralized disposal of spray-painting sleepers that had not been replaced for several years. In addition, to meet stricter environmental compliance requirements, the frequency of activated carbon replacement was increased from once in 2024 to twice in 2025, and this replacement frequency will be maintained to ensure continued compliance. The Group will continue to promote the reduction of hazardous waste generation, explore ways to improve recycling rates, and continuously optimise waste management processes to achieve more sustainable waste management practices while meeting environmental standards.

### 8.8 Material Use

D&G integrates sustainability into its procurement strategy by prioritizing local sourcing and recycled materials. This approach reduces carbon emissions from transportation, supports the local economy, and enhances resource efficiency. Recycled materials are used in various applications, including fire-fighting sandboxes, dormitory water heaters, and brackets for CNC cutting machines, helping to minimize reliance on virgin raw materials.

Embracing the principles of a circular economy, D&G focuses on resource conservation, product recycling, and material reuse. In the manufacturing of asphalt mixing equipment, the company recycles steel offcuts to reduce environmental impact. Additionally, D&G optimizes packaging by selecting reusable or recyclable cartons and wood while implementing batch packing to minimize material consumption.

To achieve this, D&G has established a more precise material requisition system, which effectively enhances inventory management, reduces material waste, and enables some stock materials to be sustainably utilized for over six months. The Material Supplies Department and Finance Department oversee the classification and management of procurement materials, categorizing them into four main types:

Material Types	Definition	Management Methods
A	Small variety and large amount of funds needed	Frequently audit inventory and accurately calculate the actual demand of materials to avoid excessive amounts or waste
B	Percentages of varieties and costs are approximately equal	Regularly audit inventory, comparatively less frequent than type A materials
C	Large variety and small amount of funds needed	Regularly audit inventory, comparatively less frequent than type B materials
D	Stagnant materials <sup>Note 9</sup>	Intermittently conduct an audit as compared to other types of materials

Note 9: Stagnant materials are defined as materials with little consumption and low inventory turnover.

# 9 Community Health and Well-being

D&G acknowledges that its employees and operational sites are fundamental to the Group's long-term sustainability. The combined efforts of its workforce and the support from various community sectors are key drivers of the Group's continued growth and success. Upholding a people-centric management approach, D&G remains committed to corporate social responsibility by addressing critical social issues, fostering community well-being, and actively contributing to the development of the regions where it operates.

## 9.1 Our Employees

### Health and Safety

D&G places great importance on workplace safety, adhering to the principle of "Safety First, Prevention-Oriented, and Comprehensive Management." The Group has established safety policies and measures and has obtained ISO 45001:2018 Occupational Health and Safety Management System certification, demonstrating strict compliance with international safety standards. To strengthen supervision and enforcement, D&G has formed a Safety Leadership Team ("SLG"), comprising the President, Production Director, and relevant department heads. This team is responsible for risk identification, hazard inspections, and ensuring compliance with regulatory requirements. Additionally, the Production Department assigns dedicated or part-time safety officers to conduct safety education and implement workplace safety inspections.

The Group has identified potential occupational disease risks for employees, including pneumoconiosis, eye and Otorhinolaryngology disorders, and chemical poisoning. To protect employee health, D&G provides medical check-up allowances before employment, during tenure, and upon departure. All medical reports are sent to the relevant department heads and employees while the Safety and Environmental Department compiles summary records. Access to these records is strictly controlled to protect employee privacy. During the Reporting Year, no work-related health issues were recorded.

D&G has set clear workplace safety objectives, including zero major incidents (fires, explosions, and chemical spills), zero occupational diseases, and ensuring 100% certification compliance for special operations personnel. The Group also aims to limit production downtime due to internal environmental or safety issues to no more than 15 days per year. Under this safety management framework, all departments collaborate to uphold occupational health and safety, continuously implementing and evaluating safety measures.

#### SLG

- Manage daily production safety work, such as conducting safety inspection and monitoring
- Research and develop safe production technology and labour protection plan
- Investigate and handle work-related incidents
- Implement safe production emergency plans
- Review safe production planning and annual plan to set production safety targets
- Update all departments on national laws and regulations related to occupational health and safety

#### S&E Department

- Standardise occupational risk identification and control processes
- Formulate safe risk management solutions or control plans
- Carry out regular safety inspection in the factory
- Confirm and implement relevant safety measures to comply with the relevant laws and regulations
- Update relevant policies in respect of business as well as the relevant laws and regulations
- Organise consultation and maintain communication with external organisations on safe production matters
- Implement occupational health check plans for employees

#### Human Resources Department ("HR Department")

- Organise safety education activities such as safety training and fire evacuation drill
- Report incidents to respective departments promptly and conduct follow-up investigations
- Establish communication with the Labour Administration Department of the local government

#### Production Department

- Provide safe production training to employees
- Implement on-site supervision of safe production
- Execute various safety instructions of SLG

#### Equipment Department

- Employ and communicate with qualified construction contractors

#### Administration Department

- Ensure the safety of the Group's drinking water and conduct water quality assessment from time to time
- Manage and repair air conditioning systems of offices and factories
- Formulate contingency plan for food poisoning
- Manage the maintenance and upkeep of various buildings within the Group

#### Engineers and Technical Staff

- Perform testing on safety technology and labour hygiene technology to ensure the safety, accuracy and stability
- Review and approve technical documents

## 9 Community Health and Well-being

### Talent Recruitment and Retention

D&G places great importance on its employees, recognizing them as the driving force behind the company's success. To support its workforce, the Group has developed a comprehensive human resources (HR) management system that covers recruitment, promotion, transfers, compensation, benefits, and professional development.

To safeguard employees' rights and well-being, D&G has implemented a structured internal employment policy that ensures fair and transparent workplace practices. Beyond compliance, the Group remains committed to attracting, developing, and retaining top talent, aligning individual career growth with the company's long-term strategic objectives.

### Talent Attraction

D&G is committed to fostering a diverse and inclusive work environment that maximizes employee potential. The Group adheres to principles of openness, equality, and merit-based competition, establishing equal opportunity and anti-discrimination policies to ensure a fair and inclusive workplace. Discrimination based on gender, disability, marital status, race, religion, age, nationality, sexual orientation, or any other factor is strictly prohibited throughout the hiring process. Each new employee undergoes a probationary period of two to three months, during which their work performance, skills, adaptability, and effectiveness are assessed. Unbiased feedback is provided, and the final decision on whether the employee will be formally hired is made by the General Manager based on these evaluations.

D&G also upholds the principles of human rights by addressing any issues promptly and implementing measures to prevent violations. The HR Department ensures all candidates provide valid identification documents, verify their age and work permits, and prevent forced or child labour. In the event that child labour is discovered, the Group terminates the contract immediately, supports the individual's return to school, and allows adult family members to replace the child in the workforce to alleviate the financial burden. If the child is found to be sick or injured upon termination, D&G arranges for their medical treatment and covers all medical and living expenses during recovery.

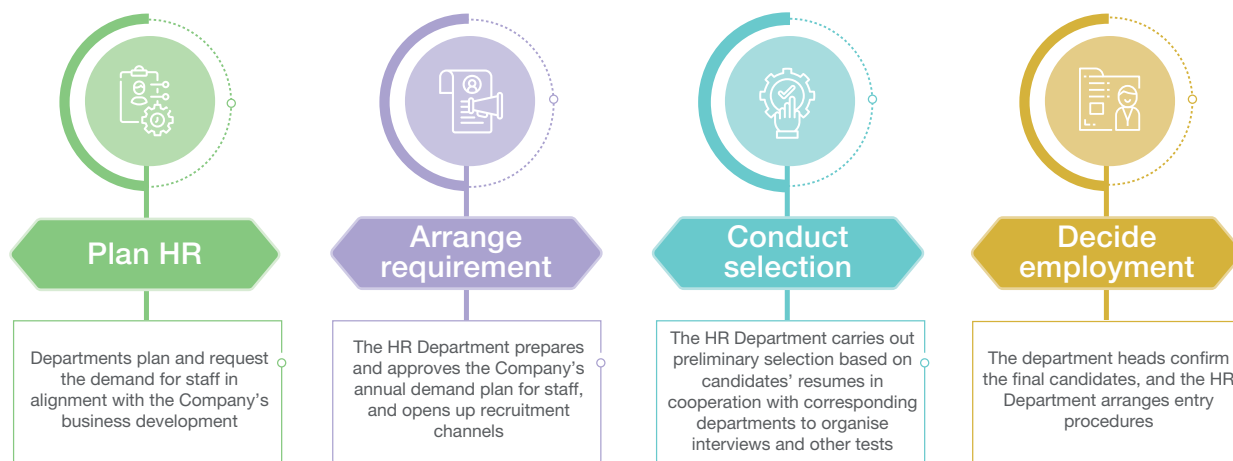
During the Reporting Year, the Group complied with all relevant labour laws and regulations, with no reports of discrimination, child labour, or forced labour cases.

Furthermore, internal codes are in place to protect employees' rights and prevent the use of forced labour:

- No fees shall be charged to employees during the recruitment process
- Employees' identification documents shall not be detained
- Overtime working is only on employees' voluntary basis
- Employees' human rights such as using restrooms and drinking water in the workplace shall not be exploited
- Violence and threats shall not be allowed to force employees to work
- If forced labour is discovered, the management departments shall immediately stop illegal activities, hold the perpetrators accountable and provide appropriate compensation to the employee

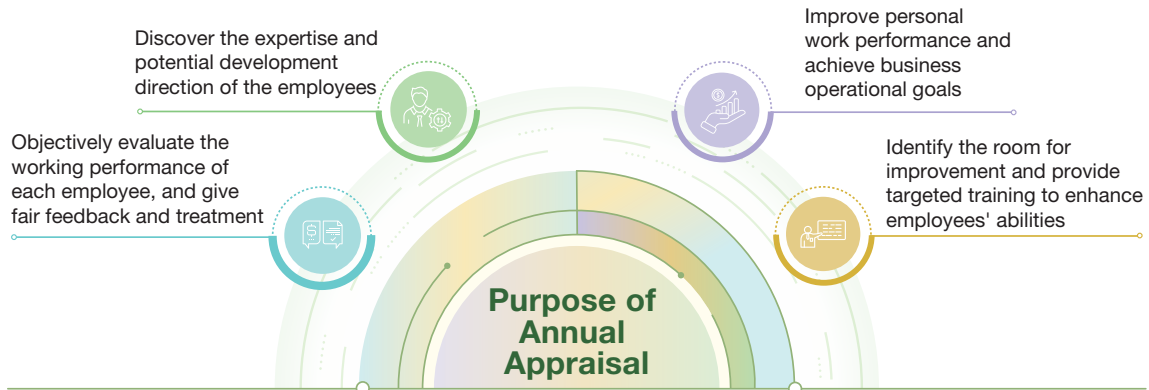
The general recruitment process is shown in the diagram below:

### Recruitment Process

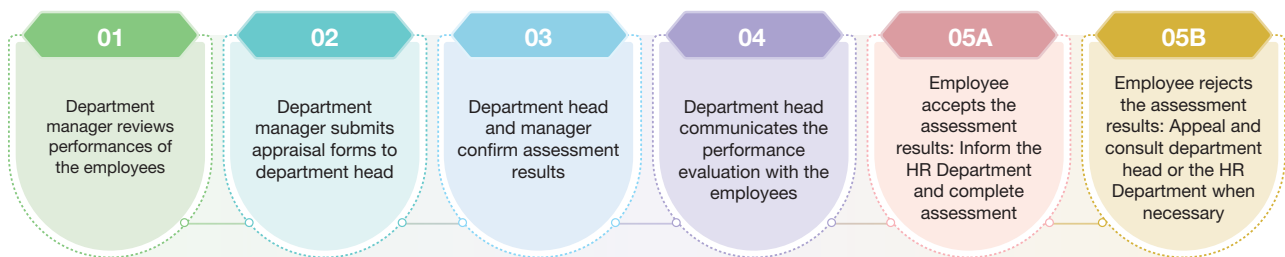


## 9 Community Health and Well-being

Supervisors in each department conduct annual appraisals of employees to objectively assess their performance over the past year. This evaluation considers factors such as work efficiency, teamwork, and overall attitude. Based on the results of these reviews, the Group makes salary adjustments and considers offering promotion opportunities to employees who demonstrate strong performance and potential for growth.



### Procedures of Annual Appraisal



### Employee Benefits

The Group is dedicated to fostering a harmonious and supportive working environment for its employees. In line with local government requirements, D&G ensures that all employees receive appropriate benefits, competitive remuneration packages, and comprehensive protections. Given that the Group's primary operations are based in China, the HR management system is tailored to meet the needs and regulations of these locations, ensuring that employees are well-supported in both their professional and personal well-being.

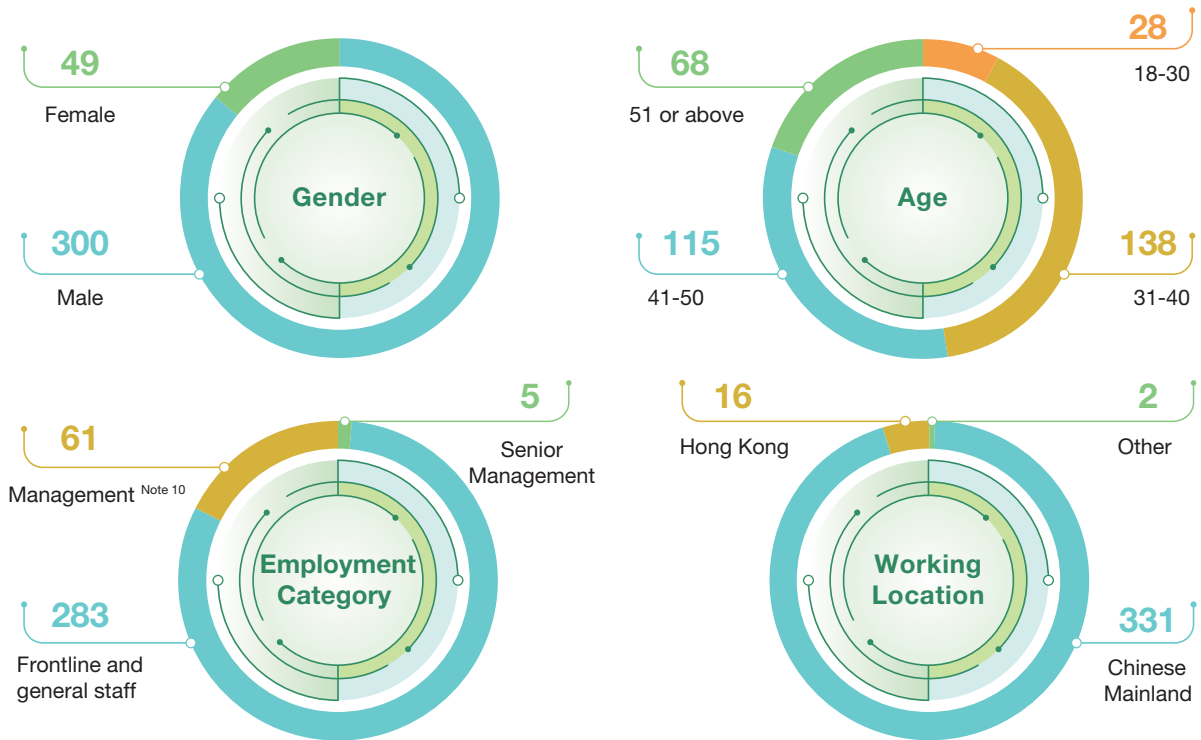
The Group provides the following benefits to the employees:



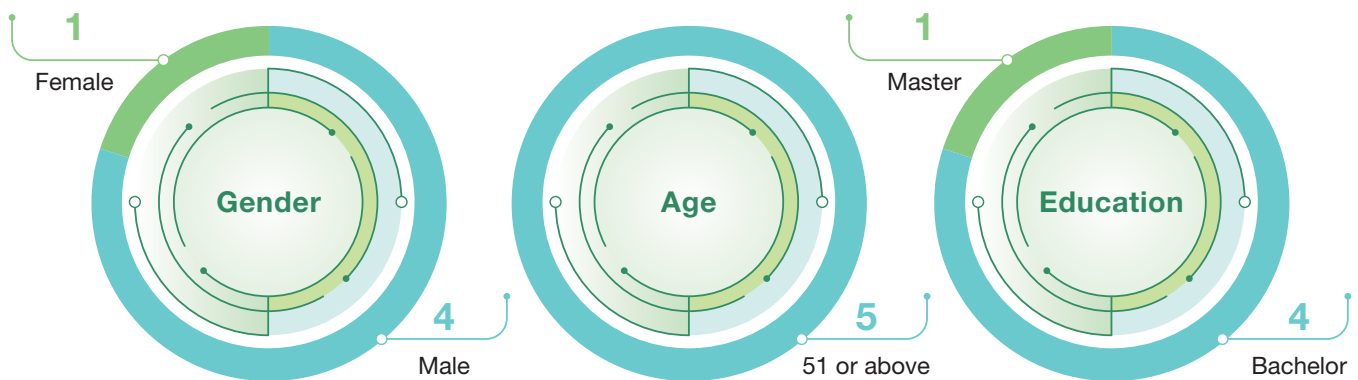
## 9 Community Health and Well-being

D&G offers competitive and fair remuneration based on job responsibilities, qualifications, skills, and market factors, adhering to principles of economy, legitimacy, comparability, and competitiveness. The Group's policies include overtime pay, requiring prior managerial approval, and an annual bonus for employees with over a year of service. Recruitment, transfer, resignation, and internal communication emphasize mutual respect and employee rights, while the HR Department monitors turnover data to ensure efficient management. During the Reporting Year, all employees were full-time and permanent.

### Employee details



### Senior Management <sup>Note 11</sup>



Note 10: Management refers to employees ranked "Manager" apart from the Group's Senior Management.

Note 11: Senior Management refers to the Group's Executive Directors and Chief Financial Officer.

In addition, D&G places great importance on the feedback and ideas of its employees. The Group conducts annual employee satisfaction surveys to gather insights into employees' perspectives on various aspects of the company and work environment. These areas include performance assessments and salary adjustments, division of labour and team coordination, training and professional development, internal communication and team spirit, as well as the working environment and supporting facilities. As employees are key stakeholders with an in-depth understanding of the Group's operations, their valuable input plays a crucial role in driving D&G forward. Upon collecting the survey results, the HR Department consolidates and analyses the data, making recommendations to the management for thoughtful consideration. If needed, the Group informs each department of the relevant policy implementations and works closely with them to ensure timely execution of the necessary actions.

## 9 Community Health and Well-being

### Employee Cohesion

D&G is committed to fostering a supportive and inclusive workplace that promotes both the physical and mental well-being of its employees. By cultivating a positive work environment, the Group strengthens team cohesion and enhances employees' sense of belonging. Additionally, D&G prioritizes employee health by offering nutritious, well-balanced meals at the factory's staff canteen, ensuring that workers have access to quality food that supports their overall well-being and job satisfaction.

To further promote healthy living, the Group's Corporate Culture Team organized several employee activities during the Reporting Year, aiming to engage employees in wellness initiatives and cultivate a supportive work culture. These efforts highlight D&G's commitment to not only professional development but also the holistic well-being of its workforce:

Activities	Description	Photos
Fun Weekend Event at Langfang Factory	The Company hosted a fun staff sports day featuring tug-of-war, card games, table tennis, badminton, and jump rope, bringing employees together for a day of laughter and friendly competition. Colleagues enjoyed a relaxing lunch at the canteen, fostering camaraderie and team spirit.	
Office Staff Jump Rope Activity During Work Breaks	From July to September, the Company provided jump ropes to all departments, encouraging employees to take 10-minute daily exercise breaks to relieve stress and stay active. Weekly jump rope competitions were held on Friday afternoons with small prizes, adding fun to the activities and fostering a positive team atmosphere.	
Dragon Boat Festival Zongzi-Making Activity at Factory	On the eve of the Dragon Boat Festival, the Company organised employee representatives to make zongzi together, celebrating the traditional festival in a warm and joyful atmosphere. The cooked zongzi were served free of charge as part of staff meals, allowing every employee to enjoy the taste of "home" and experience the warmth of the D&G family.	
Hiking Activity Celebrating the Company's 10th Listing Anniversary	To celebrate the 10th anniversary of the Company's listing, a themed hiking event was organised for employees, with the route designed to encourage relaxation and interaction in a pleasant atmosphere. Along the way, knowledge quizzes on corporate culture and industry topics were held with prizes, making learning enjoyable while enriching employees' knowledge. Together, colleagues marked this important milestone in a healthy and vibrant way.	
Dumpling-Making Activity for Staff	On 7 November, the Company organised employee representatives to make dumplings together, working in teams and enjoying the fun of preparing traditional food. The freshly made dumplings were served free of charge to all employees at lunchtime, bringing the warmth and taste of "home" on a winter day and reflecting the caring spirit of the D&G family.	

## 9 Community Health and Well-being

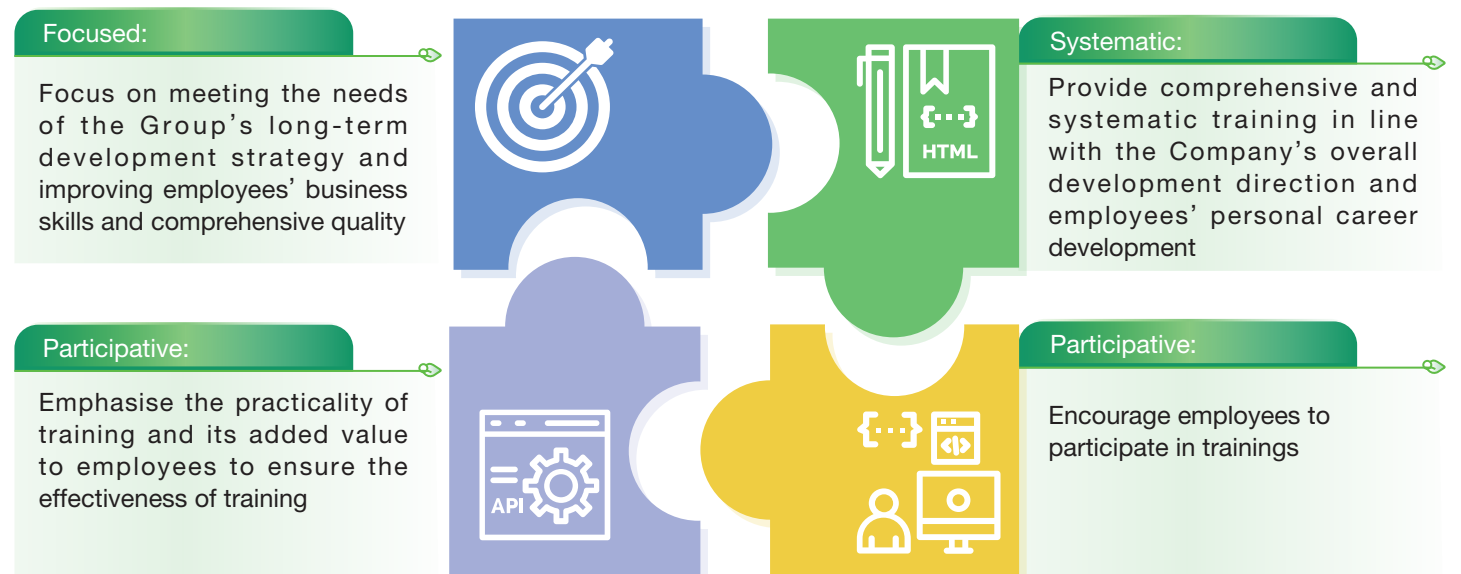
### Training and Development

D&G is dedicated to nurturing a culture of continuous learning, empowering employees to expand their knowledge and adapt to evolving industry trends. By providing diverse and targeted training programs, the Group aims to strengthen employees' skill sets, drive business growth, and reinforce a sustainable corporate culture. To ensure effective implementation, the HR Department is responsible for developing, coordinating, and executing training initiatives, aligning them with both organizational objectives and employees' professional development needs. Additionally, the Group conducts an annual survey to assess employees' training needs, guided by the "Employee Training Management Guidebook," and evaluates the training provided by various departments. This information is then used to develop targeted training strategies. To ensure the success of these training initiatives, the HR Department assesses the outcomes using methods such as written tests or live demonstrations and collects feedback through post training questionnaires, utilizing the responses to improve future programs.

In line with the training needs of employees and their roles, the Group offers a variety of training programs tailored to enhance their professional growth and competence:

Value training:	Professional knowledge training
Convey the Company's strategy, behavioural norms, occupational ethics and values, and increase employees' working motivation	Enhance professional knowledge and skills training related to employees' positions
Job skills training	Management training
Provide standardised training corresponding to job duties and improve employees' skills in process and operation	Provide management knowledge and idea training for the employees with management potential, enabling them to understand the Company's development goals and business strategies

In order to provide comprehensive training resources, the Group has formulated training strategies based on the following principles:



## 9 Community Health and Well-being

D&G's training plan is mainly classified into four categories, namely occupational health and safety, environmental knowledge, management and operation, and professional knowledge. This year, in addition to traditional training, the Group has implemented an online training programme on the OA system, allowing employees to learn independently on the OA system at any time. During the Reporting Year, D&G has arranged a series of training programmes covering these areas (including traditional training and OA online training):



### Average Training Hours of Employee & Percentage

	2025	
	Average Training hour (hr) <sup>Note 12</sup>	Percentage <sup>Note 13</sup>
All employees	31.99	98
<b>By Gender</b>		
Male	33.68	86
Female	24.50	14
<b>By Employment Category</b>		
Senior management <sup>Note 14</sup>	57.40	1
Management <sup>Note 15</sup>	27.09	19
Frontline and general staff	32.69	81

Note 12: The average number of training hours = the total annual training hours of this group of employees/the number of that group of employees.

Note 13: Percentage = total annual training hours for this group of employee/total annual training hours

Note 14: Senior Management refers to the Group's Executive Directors and Chief Financial Officer.

Note 15: Management refers to employees ranked "Manager" apart from the Group's Senior Management.

### 9.2 Our Community

D&G's production activities are closely linked to community development. As part of its commitment to corporate social responsibility, the Group extends its care beyond the supply chain and workplace to actively support community initiatives. In addition to environmental protection efforts, the Group focuses its resources on supporting youth and underprivileged groups. During the Reporting Year, D&G donated HKD 19,000 to support environmental initiatives such as "Hong Kong Green Day 2025"; In observance of National Disability Day, the Company visited a local special education school and donated school supplies, daily necessities, and recreational materials valued at RMB 12,000, demonstrating our commitment to social inclusion and community support. Additionally, the Group made a donation of HKD50,000 to support relief efforts following the fire at Wang Fuk Court in Tai Po. D&G remains committed to community development and leverages its network and influence to promote community investment projects.

The Group has renewed its five-year "D&G Machinery Teaching and Scholarship Program" with Chang'an University, aimed at recognizing outstanding teachers and students. Additionally, D&G supports the university by providing an off-campus training base and jointly developing an industry-academia-research demonstration center.

## 10 Looking Forward

Amidst challenges such as post-pandemic recovery, geopolitical and economic uncertainties, and the escalating climate crisis, D&G remains steadfast in its commitment to proactive risk management and strategic business planning. By continuously assessing risks and refining its strategies, the Group enhances its adaptability and resilience in an evolving market landscape. Strengthening corporate governance remains a priority, with ongoing reviews of policies and management frameworks to maintain operational efficiency and integrity.

In managing environmental and social risks along the supply chain, D&G upholds rigorous supplier evaluations, closely tracking emissions and operational practices to minimize its environmental footprint. Aligned with circular economy principles, the Group is dedicated to improving workplace and community well-being while fostering a sustainable and responsible supply chain. Through these efforts, D&G actively contributes to the realization of the SDGs.

# 11 Performance Table

## Environmental Performance

Indicator	Unit	2025	2024	2023
<b>Materials</b> <small>Note 16</small>				
Total weight of material consumption	tonnes	567	842	640
Use of non-renewable materials (Steel)	tonnes	514	794	606
Use of renewable materials (Wood and cartons)	tonnes	30	48	35
<b>Air Emissions</b> <small>Note 17</small>				
PM	tonnes	1.43	1.11	0.77
SO <sub>x</sub>	tonnes	0.00	0.00	0.00
NO <sub>x</sub>	tonnes	0.08	0.08	0.15
<b>GHG Emissions</b> <small>Note</small>				
Scope 1: Direct GHG emission	tCO <sub>2</sub> e	399	503	666
Scope 2: Indirect GHG emission	tCO <sub>2</sub> e	1,509	1,571	1,699
Scope 3: Other indirect GHG emission	tCO <sub>2</sub> e	593,011	—	—
Scope 1 & 2 GHG emissions	tCO <sub>2</sub> e	1,908	2,074	2,365
Scope 1 & 2 GHG emissions intensity	tCO <sub>2</sub> e/RMB'M Revenue	5.05	5.60	8.51
Total GHG emissions	tCO <sub>2</sub> e	594,917	—	—
Total GHG emissions intensity	tCO <sub>2</sub> e/RMB'M Revenue	1,577	—	—
<b>Energy Consumption</b>				
Electricity consumption	MWh	2,183	2,514	2,634
	GJ	7,859	9,052	9,484
Natural gas consumption	MWh	1,929	2,422	3,325
	GJ	6,946	8,720	11,971
Fuel consumption	MWh	48	68	—
	GJ	172	244	—
Total energy consumption	MWh	4,160	5,004	5,959
	GJ	14,976	18,016	21,455
Energy intensity	MWh/RMB'M Revenue	11.03	13.50	21.45
<b>Water Consumption</b>				
Total water consumption	m <sup>3</sup>	15,968	14,076	12,941
Water intensity	m <sup>3</sup> /employee	45.75	42.7	40.1
<b>Hazardous Waste</b>				
Total hazardous waste	tonnes	63.5	51	60
<b>Non-hazardous Waste</b> <small>Note 18</small>				
Total recycled materials	tonnes	129	244	88
Recycled steel	tonnes	92	201	58
Recycled paper	tonnes	7	5	7
Recycled wood	tonnes	30	38	22
Total scrap non-hazardous waste	tonnes	0	0	0
Recycled non-hazardous waste	%	100	100	100

Note 16: The Group did not use any recycled input materials, so the relevant data was not disclosed.

Note 17: Air emissions were calculated based on monitored concentrations and emission rates and were calculated using dry gas flow and annual operating hours, respectively. The Group's air emissions did not include emissions of persistent organic pollutants, VOC and hazardous air pollutants, as their impact on the Group's operations is minimal.

Note 18: Non-hazardous waste includes scrap steel, wood and cartons. Since 2018, D&G has recycled all non-hazardous waste from the production process, so there is no data regarding the amount of non-hazardous waste disposal. Currently, the Group only discloses the amount of non-hazardous waste that is relatively material to its production. The Group is progressively upgrading the waste collection and data management system to enhance the disclosure of non-hazardous waste in the future.

# 11 Performance Table

## Scope 3 Emissions Inventory

Scope 3 Category	Description	Methodology	2025 (tCO <sub>2</sub> e)
1. Purchased goods and services	Emissions from the process of extraction, production, and transportation of goods and services purchased or acquired by D&G	Emissions in this category are calculated using a spend-based method that determines carbon emissions from procurement spend on goods and services and applying by the appropriate emission factors	32,104
3. Fuel- and energy-related activities	Emissions related to the production of fuels and energy purchased and consumed by D&G (not included in scope 1 or scope 2)	Emissions in this category are calculated using average-data method, which involves calculating upstream emissions of fuel and electricity, and by application of by the appropriate emission factors	995
7. Employee commuting	Emissions from transportation of D&G's employees between their homes and their worksites	Emissions in this category are calculated using average-data method that is based on D&G's number of employees, publicly-available statistics on average commuting distance and breakdown of commuting modes used, working days, and applying by the appropriate emission factors	53,691
9. Downstream Transportation and Distribution	Emissions from the transportation and distribution of products sold, occurring in vehicles and facilities not owned or controlled by D&G	Emissions in this category are calculated using a spend-based method that determines carbon emissions from D&G's spending on each transportation and distribution services and by the appropriate emission factors	506,221

## Social Performance

Indicator	Unit	2025	2024	2023
<b>Workforce</b>				
Total	No. of people	349	330	323
<b>By Gender</b>				
Male	No. of people	300	277	273
Female	No. of people	49	53	50
<b>By Employment Category</b>				
Senior management <sup>Note 19</sup>	No. of people	5	6	6
Management <sup>Note 20</sup>	No. of people	61	61	65
Frontline and general staff	No. of people	283	263	252
<b>By Age</b>				
18-30	No. of people	28	29	33
31-40	No. of people	138	143	138
41-50	No. of people	115	100	98
51 or above	No. of people	68	58	54

# 11 Performance Table

Indicator	Unit	2025	2024	2023
<b>By Working Location</b>				
Hong Kong	No. of people	16	17	15
Langfang	No. of people	258	243	239
Beijing	No. of people	26	25	24
Shanghai	No. of people	18	18	17
Guangzhou	No. of people	22	21	21
Chengdu	No. of people	2	—	—
Xi'an	No. of people	5	5	5
Others <sup>Note 21</sup>	No. of people	2	1	2
<b>Senior Management Breakdown</b>				
<b>By Gender</b>				
Male	No. of people	4	5	5
Female	No. of people	1	1	1
<b>By Age</b>				
31-40	No. of people	0	0	0
41-50	No. of people	0	1	1
51 or above	No. of people	5	5	5
<b>By Academic Qualification</b>				
Bachelor	No. of people	4	5	5
Master	No. of people	1	1	1
<b>New Employee Hire Breakdown</b>				
Total	No. of people	35	23	13
<b>By Gender</b>				
Male	No. of people	32	21	10
Female	No. of people	3	2	3
<b>By Age</b>				
18-30	No. of people	10	6	0
31-40	No. of people	16	13	6
41-50	No. of people	7	4	5
51 or above	No. of people	2	0	2
<b>By Working Location</b>				
Hong Kong	No. of people	2	3	2
Langfang	No. of people	27	15	6
Beijing	No. of people	1	2	2
Shanghai	No. of people	0	1	1
Guangzhou	No. of people	2	2	0
Chengdu	No. of people	0	0	1
Xi'an	No. of people	1	0	0
Others <sup>Note 21</sup>	No. of people	2	0	1
<b>Employees Turnover Rate <sup>Note 22</sup></b>				
Overall	No. of people	19	16	74
	%	5.6	5.0	20.9

# 11 Performance Table

Indicator	Unit	2025	2024	2023
<b>By Gender</b>				
Male	No. of people	17	12	55
	%	6	4.4	18.6
Female	No. of people	2	4	19
	%	19	7.8	32.8
<b>By Age</b>				
18-30	No. of people	4	3	6
	%	14	9.7	15.0
31-40	No. of people	8	7	26
	%	6	5.0	17.0
41-50	No. of people	4	3	13
	%	4	3.0	13.6
51 or above	No. of people	3	3	29
	%	5	5.4	44.6
<b>By Working Location</b>				
Hong Kong	No. of people	2	1	1
	%	12	6.3	6.9
Langfang	No. of people	15	12	64
	%	6	5.0	23.8
Beijing	No. of people	1	1	6
	%	4	4.1	23.5
Shanghai	No. of people	0	0	0
	%	0	0.0	36.4
Guangzhou	No. of people	1	1	2
	%	5	4.8	27.3
Chendu	No. of people	0	0	1
	%	0	0	120
Xi'an	No. of people	0	0	0
	%	0	0	0
Others <sup>Note 21</sup>	No. of people	0	1	0
	%	0	66.7	0
<b>Occupational Health and Safety</b>				
Total number of work-related fatalities	No. of incident(s)	0	0	0
Total number of injuries	No. of incident(s)	1	2	2
Injury rate per 1,000 employees	—	2.87	6.1	6.2
Lost day(s)	Day(s)	61	82	55
Lost time incident rate (LTIR) <sup>Note 23</sup>	—	0.29	0.6	0.6
<b>Training and Education</b>				
Topics	No.	170 <sup>Note 25</sup>	157	139
<b>By Types of Topics <sup>Note 24</sup></b>				
Occupational health and safety	Hours	58.5	57.5	59
Management and operation	Hours	84.2	153.5	190.5
Professional knowledge	Hours	340	236.5	178.8
Environmental knowledge	Hours	33.5	29	9
All types	Hours	516.2	476.5	437.3

# 11 Performance Table

Indicator	Unit	2025	2024	2023
<b>Average Training Hours and Percentage of Employees</b>				
<b>By Gender</b>				
Male	Hours	33.7	35.1	31.4
	%	86	85	85
Female	Hours	24.5	16.4	18.9
	%	14	15	15
<b>By Employment Category</b>				
Senior management	Hours	57.4	59.3	20.5
	%	1	1	1
Management	Hours	27.1	26.9	16.6
	%	19	18	20
Frontline and general staff	Hours	32.7	32.7	33
	%	81	81	79
<b>Geographical Location of Suppliers</b>				
China	No.	142	145	150
	%	97.9	98.0	97.4
Overseas (Outside China)	No.	3	3	4
	%	2.1	2.0	2.6
<b>Community investment</b>				
Donations and sponsorships	RMB	74,011	261,672	46,900

Note 19: Senior Management refers to the Group's Directors and Chief Financial Officer

Note 20: Management refers to employees ranked "Manager" apart from the Group's Senior Management.

Note 21: Others refer to overseas countries, including Indonesia and Kazakhstan.

Note 22: The number of employee turnover and employee turnover rate are only applicable to full-time employees. The turnover rate is calculated as follows:

$$\text{Turnover rate} = L/E * 100\%$$

L = Number of employee turnover in the Reporting Year

E = (Number of employee at the beginning of the year + number of employee at the end of the year)/2

Note 23: Lost Time Injury Rate (LTIR) - the ratio is the number of all fatal and lost working hours incidents multiplied by 200,000 working hours (equivalent to approximately 100 working hours per year) divided by working total hours.

Note 24: excluding anti-corruption training hours

Note 25: Topics include training training and OA online training

## 12 Content Index

### 12.1 HKEX ESG Code Content Index

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
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.	Green Operation
KPI A1.1	The types of emissions and respective emissions data	Air Emissions; Performance Table
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Climate Change; Energy Consumption; Performance Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management; Performance Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management; Performance Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Targets; Air Emissions
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.	Environmental Targets; Waste Management
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Climate Change; Energy Consumption; Water Consumption and Wastewater Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Targets
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.	Environmental Targets; Water Consumption and Wastewater Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group does not directly use any packaging materials; therefore, related data is not disclosed.

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Climate Change; Energy Consumption
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Water Consumption and Wastewater Management; Air Emission
<b>Aspect A4: Climate Change</b>		
General Disclosure	[Repealed 1 January 2025]	—
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (a) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Our Employees; Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our Employees; Performance Table
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (b) the policies; and (c) 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.	Our Employees
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	Performance Table
KPI B2.2	Lost days due to work injury.	Performance Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Performance Table
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Table

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our Employees
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Procurement
KPI B5.1	Number of suppliers by geographical region.	Sustainable Procurement; Performance Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Sustainable Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Procurement
<b>Aspect B6: Product Responsibility</b>		
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.	Quality Assurance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Assurance; Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting Data Privacy and Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Data Privacy and Intellectual Property Rights

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B7: Anti-corruption</b>		
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.	Anti-corruption
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.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
<b>Aspect B8: Community Investment</b>		
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.	Our Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community

### 12.2 Climate-related Disclosures

Description	Statement/Section
<b>(I) GOVERNANCE</b>	
IFRS S2 para. 19. An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Climate Change The Group is continuously improving its internal oversight mechanisms to facilitate the effective implementation of climate strategies, with a view to providing more comprehensive reporting in the future.

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Description	Statement/Section
<b>(I) GOVERNANCE</b>	
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Climate Change The Group is continuously improving its internal oversight mechanisms to facilitate the effective implementation of climate strategies, with a view to providing more comprehensive reporting in the future.
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	The Group is continuously improving its internal oversight mechanisms to facilitate the effective implementation of climate strategies, with a view to providing more comprehensive reporting in the future.
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	
<b>(II) STRATEGY</b>	
IFRS S2 para. 20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Change The Group is continuously assessing the impacts of climate on its cash flows, with a view to providing more comprehensive reporting in the future.
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making	
IFRS S2 para. 21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate Change
(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

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Description	Statement/Section
<b>(II) STRATEGY</b>	
IFRS S2 para. 22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Climate Change; Industrial Partnership
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Climate Change; Industrial Partnership
IFRS S2 para. 23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	
IFRS S2 para. 24. An issuer shall disclose qualitative and quantitative information about:	
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	The Group is actively improving the collection of climate-related and financial information, with a view to providing more comprehensive reporting in the future.
(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
IFRS S2 para. 25. The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	The Group is actively improving the collection of climate-related and financial information, with a view to providing more comprehensive reporting in the future.
(i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	
(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
IFRS S2 para. 26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	The Group is actively preparing to conduct climate scenario analysis, with a view to providing more comprehensive reporting in the future.
(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	

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Description	Statement/Section
<b>(II) STRATEGY</b>	
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	The Group is actively preparing to conduct climate scenario analysis, with a view to providing more comprehensive reporting in the future.
(ii) the key assumptions the issuer made in the analysis; and	
(iii) the reporting period in which the climate-related scenario analysis was carried out.	
<b>(III) RISK MANAGEMENT</b>	
IFRS S2 para. 27. An issuer shall disclose information about:	
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	The Group is actively preparing to conduct climate scenario analysis, with a view to providing more comprehensive reporting in the future.
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
(v) how the issuer monitors climate-related risks; and	
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
<b>(IV) Metrics and Targets</b>	
IFRS S2 para. 28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	Energy Consumption;
(b) Scope 2 greenhouse gas emissions; and	Performance Table
(c) Scope 3 greenhouse gas emissions.	

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Description	Statement/Section
<b>(IV) Metrics and Targets</b>	
IFRS S2 para. 29. An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Energy Consumption; Performance Table
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
IFRS S2 para. 29. An issuer shall:	
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Energy Consumption; Performance Table
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
IFRS S2 para. 30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group is actively improving the collection of climate-related financial and asset information, with a view to providing more comprehensive reporting in the future.
IFRS S2 para. 31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks	
IFRS S2 para. 32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
IFRS S2 para. 33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
IFRS S2 para. 34. An issuer shall disclose:	
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	The Group has not adopted internal carbon pricing in its decision-making process, as it does not have a material impact on its operations. The Group will regularly assess whether to adopt internal carbon pricing to enhance climate risk management.
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
IFRS S2 para. 35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group is actively preparing to conduct an analysis of climate-related remuneration policies, with a view to providing more comprehensive reporting in the future.
IFRS S2 para. 36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group is actively preparing to conduct relevant industry metric analyses, with a view to providing more comprehensive reporting in the future.

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Description	Statement/Section
<b>(IV) Metrics and Targets</b>	
IFRS S2 para. 37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a) the metric used to set the target;	Environmental Targets; Industrial Partnership
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d) the period over which the target applies;	
(e) the base period from which progress is measured;	
(f) milestones or interim targets (if any);	
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
IFRS S2 para. 38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party;	The Group is actively preparing to conduct target validation, with a view to providing more comprehensive reporting in the future.
(b) the issuer's processes for reviewing the target;	
(c) the metrics used to monitor progress towards reaching the target; and	
(d) any revisions to the target and an explanation for those revisions.	
IFRS S2 para. 39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Industrial Partnership; Energy Consumption; Performance Table
IFRS S2 para. 40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	Industrial Partnership; Energy Consumption
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d) whether the target was derived using a sectoral decarbonisation approach; and	
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	The Group has not adopted carbon credits in its decision-making process, as they do not have a material impact on its operations. The Group will regularly assess whether to adopt internal carbon credits to enhance climate risk management.
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
IFRS S2 para. 41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	The Group is actively preparing to conduct relevant cross-industry metric analyses, with a view to providing more comprehensive reporting in the future.

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## 12.3 GRI Standards Content Index

<b>Statement of use</b>	D&G Technology Holding Company Limited has reported in accordance with the GRI Standards for the period 1 January 2025 – 31 December 2025
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable</b>	N/A
<b>GRI Sector Standard(s)</b>	

GRI Standard	Disclosure	Section/Statement	
General Disclosures			
GRI 2:General Disclosures 2021	1. Organisational Profile		
	2-1	Organisational details	Reporting Period and Scope; Business Review
	2-2	Entities included in the organisation's sustainability reporting	Board's Statement; Reporting Framework; Reporting Principles
	2-3	Reporting period, frequency and contact point	Reporting Period and Scope; Contact Details
	2-4	Restatements of information	There were no restatements of information made from reporting period FY2025.
	2-5	External assurance	Verification Statement
	2. Activities and workers		
	2-6	Activities, value chain and other business relationships	Business Review; Sustainable Procurement
	2-7	Employee	Our Employees; Performance Table
	2-8	Workers who are not employees	All employees in the Reporting Year were full-time and permanent. For detailed information about employees, please refer to the Performance Table.
	3. Governance		
	2-9	Governance structure and composition	Sustainability Corporate Management and Robust Governance
	2-10	Nomination and selection of the highest governance bod	Please refer to the Group's 2025 Annual Report
	2-11	Chair of the highest governance body	Please refer to the Group's 2025 Annual Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Please refer to the Group's 2025 Annual Report
	2-13	Delegation of responsibility for managing impacts	Please refer to the Group's 2025 Annual Report
	2-14	Role of the highest governance body in sustainability reporting	Please refer to the Group's 2025 Annual Report
	2-15	Conflicts of interest	Please refer to the Group's 2025 Annual Report
	2-16	Communication of critical concerns	Please refer to the Group's 2025 Annual Report
	2-17	Collective knowledge of the highest governance body	Please refer to the Group's 2025 Annual Report
2-18	Evaluation of the performance of the highest governance body	Please refer to the Group's 2025 Annual Report	

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GRI Standard	Disclosure	Section/Statement	
General Disclosures			
GRI 2: General Disclosures 2021	2-19	Remuneration policies	Please refer to the Group's 2025 Annual Report
	2-20	Process to determine remuneration	Please refer to the Group's 2025 Annual Report
	2-21	Annual total compensation ratio	Please refer to the Group's 2025 Annual Report
	4. Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	Board's Statement; Sustainability Goals and Highlights
	2-23	Policy commitments	Sustainability Corporate Management and Robust Governance; Risk Management; Ethics and Integrity Regarding human rights, the Group has a "Statement on the Prevention of Modern Slavery" (for forced labour). In addition, the labour contract signed by the Group and its employees clearly states that "according to the relevant laws and regulations of the "Labor Law", "Labor Contract Law" and "Regulations on the Implementation of the Labor Contract Law", Party A and Party B follow the principles of legality, fairness, equality, voluntariness, consensus and integrity to develop the labour contract." There are also relevant employee management systems, including protection for female labours and child labours management systems.
	2-24	Embedding policy commitments	Please refer to the Group's 2025 Annual Report
	2-25	Processes to remediate negative impacts	The Group has relevant policies and procedures to clarify the remedial and whistleblowing processes for dealing with negative impacts, including the "Code of Conduct for D&G Machinery Employee" to regulate employee behaviour. There is another whistleblowing policy ("Employee Reward and Punishment System") and anti-bribery/corruption prevention policy ("D&G Employee Integrity and Self-discipline Commitment"), as well as documents such as "Employee Satisfaction Management Measures" and "Customer Complaint Handling Process".
	2-26	Mechanisms for seeking advice and raising concerns	Please refer to the Group's 2025 Annual Report
	2-27	Compliance with laws and regulations	Operational Compliance Please refer to the Group's 2025 Annual Report
	2-28	Membership associations	Industrial Partnership; Our Community
	5. Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Communication Channels; Materiality Assessment
2-30	Collective bargaining agreements	Percentage of total employees covered by collective bargaining agreements (that is union) was 97% in the Reporting Year.	
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Reporting Framework; Reporting Principles
	3-2	List of material topics	Reporting Framework; Reporting Principles; Materiality Assessment

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GRI Standard		Disclosure	Section/Statement
<b>Economic Performance</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Risk Management; Climate Change
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Please refer to the Group's 2025 Annual Report
	201-2	Financial implications and other risks and opportunities due to climate change	Risk Management; Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Please refer to the Group's 2025 Annual Report
	201-4	Financial assistance received from government	Please refer to the Group's 2025 Annual Report
<b>Indirect Economic Impacts</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Sustainability Corporate Management and Robust Governance
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Please refer to the Group's 2025 Annual Report
	203-2	Significant indirect economic impacts	Please refer to the Group's 2025 Annual Report
<b>Procurement Practices</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Sustainable Procurement
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable Procurement; Performance Table
<b>Anti-corruption</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Anti-corruption
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	The percentage of operations assessed for risks related to corruption: 100% There were no significant risks related to corruption identified through the risk assessment in the reporting period.
	205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
<b>Anti-competitive Behaviour</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Ethics and Integrity
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Ethics and Integrity

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GRI Standard	Disclosure	Section/Statement
<b>Tax</b>		
GRI 3: Material Topics 2021	3-3	The management approach and its components Please refer to the Group's 2025 Annual Report
GRI 207: Tax 2019	207-1	Approach to tax Please refer to the Group's 2025 Annual Report
	207-2	Tax governance, control, and risk management Please refer to the Group's 2025 Annual Report
	207-3	Stakeholder engagement and management of concerns related to tax Please refer to the Group's 2025 Annual Report
	207-4	Country-by-country reporting Please refer to the Group's 2025 Annual Report
<b>Materials</b>		
GRI 3: Material Topics 2021	3-3	The management approach and its components Material Use; Performance Table
GRI 301: Materials 2016	301-1	Materials used by weight or volume The Group did not have any direct consumption of packaging material and thus, the relevant data were not disclosed and not applicable.
	301-2	Recycled input materials used The Group did not have any recycled input material due to the nature of business and thus, the relevant data were not disclosed and not applicable.
	301-3	Reclaimed products and their packaging materials The Group did not have any direct consumption of packaging material and thus, the relevant data were not disclosed and not applicable.
<b>Energy</b>		
GRI 3: Material Topics 2021	3-3	The management approach and its components Energy Consumption
GRI 302: Energy 2016	302-1	Energy consumption within the organisation Energy Consumption; Performance Table
	302-2	Energy consumption outside the organisation Not applicable. The energy consumption of the Reporting Year was not included the energy consumption outside the organisation due to it was not material to the Group's operation.
	302-3	Energy intensity Energy Consumption; Performance Table
	302-4	Reduction of energy consumption Energy Consumption
	302-5	Reductions in energy requirements of products and services Energy Consumption
<b>Water and Effluents</b>		
GRI 3: Material Topics 2021	3-3	The management approach and its components Water Consumption and Wastewater Management
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource Water Consumption and Wastewater Management There is no significant risk on sourcing water in the factory of D&G.
	303-2	Management of water discharge-related impacts Water Consumption and Wastewater Management
	303-3	Water withdrawal All our withdrawn water is freshwater, in which the total dissolved solids is equal to or lower than 1,000 mg/L.
	303-4	Water discharge Water Consumption and Wastewater Management
	303-5	Water consumption Water Consumption and Wastewater Management

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GRI Standard		Disclosure	Section/Statement
<b>Emissions</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Energy Consumption; Climate Change; Performance Table
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy Consumption; Climate Change; Performance Table
	305-2	Energy indirect (Scope 2) GHG emissions	Energy Consumption; Climate Change; Performance Table
	305-3	Other indirect (Scope 3) GHG emissions	Energy Consumption; Climate Change; Performance Table The Group's Scope 3 greenhouse gas emissions are disclosed in the GHG Emissions table and the Performance Table.
	305-4	GHG emissions intensity	Energy Consumption; Climate Change; Performance Table
	305-5	Reduction of GHG emissions	Performance Table
	305-6	Emissions of ozone-depleting substances (ODS)	The Group's operations did not have any emissions of ODS and thus, the relevant data were not disclosed and not applicable.
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Air Emissions; Performance Table
<b>Waste</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Waste Management
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management
	306-2	Management of significant waste-related impacts	Waste Management
	306-3	Waste generated	Waste Management; Performance Table
	306-4	Waste diverted from disposal	Waste Management
	306-5	Waste directed to disposal	Waste Management
<b>Supplier Environmental Assessment</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Sustainable Procurement
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainable Procurement
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Procurement

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GRI Standard	Disclosure	Section/Statement
<b>Employment</b>		
GRI 3: Material Topics 2021	3-3	The management approach and its components Our Employees
GRI 401: Employment 2016	401-1	New employee hires and employee turnover Our Employees; Performance Table
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees Our Employees
	401-3	Parental leave a) Total number of employees that were entitled to parental leave, by gender: Male: 294 Female: 48 b) Total number of employees that took parental leave, by gender: Male: 3 Female: 1 c) Total number of employees that returned to work in the Reporting Year after parental leave ended, by gender: Male: 3 Female: 1 d) Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender: Male: 8 Female: 0 e) Return to work and retention rates of employees that took parental leave, by gender: Return to work rate: Male: 100% Female: 100%; Retention rate: Male: 83% Female: N/A
<b>Labor/Management Relations</b>		
GRI 3: Material Topics 2021	3-3	The management approach and its components Our Employees
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes Minimum notice periods regarding operational changes are normally 1 month.
<b>Occupational Health and Safety</b>		
GRI 3: Material Topics 2021	3-3	The management approach and its components Our Employees
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system Our Employees
	403-2	Hazard identification, risk assessment, and incident investigation Our Employees
	403-3	Occupational health services Our Employees
	403-4	Worker participation, consultation, and communication on occupational health and safety Our Employees
	403-5	Worker training on occupational health and safety Our Employees; Performance Table

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GRI Standard	Disclosure	Section/Statement	
<b>Occupational Health and Safety</b>			
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	Our Employees
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our Employees
	403-8	Workers covered by an occupational health and safety management system	Our Employees
	403-9	Work-related injuries	Performance Table
	403-10	Work-related ill health	Our Employees
<b>Training and Education</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Our Employees
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Our Employees; Performance Table
	404-2	Programs for upgrading employee skills and transition assistance programs	Our Employees
	404-3	Percentage of employees receiving regular performance and career development reviews	All employees in Chinese Mainland have quarterly and annual performance appraisals and career development appraisals. Percentage of employees receiving regular performance and career development reviews during the reporting period: 100%
<b>Diversity and Equal Opportunity</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Our Employees
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Our Employees; Performance Table
	405-2	Ratio of basic salary and remuneration of women to men	The company's primary locations for salary disbursement are Hong Kong, Langfang, Beijing, and Guangzhou. Based on the salary payment locations: Hong Kong basic salary and compensation ratio: Male: Female = 1.31: 1 Beijing basic salary and compensation ratio: Male: Female = 2.67: 1 Langfang basic salary and compensation ratio: Male: Female = 8.63: 1 Guangzhou basic salary and compensation ratio: Male: Female = 2: 1
<b>Non-discrimination</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Our Employees
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Our Employees During the Reporting Year, D&G was not aware of any discrimination, child labour or forced labour cases.
<b>Child Labor</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Our Employees
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Our Employees

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GRI Standard	Disclosure		Section/Statement
<b>Forced or Compulsory Labour</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Our Employees
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our Employees
<b>Local Communities</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Our Community
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Our Community
	413-2	Operations with significant actual and potential negative impacts on local communities	The only operation site involved in production and storage and transportation is Langfang, so there is only the Langfang operation site with potential major negative impact on the local community, and the rest of the operation sites are only offices, and there will be no potential major negative impact on the local community.
<b>Supplier Social Assessment</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Sustainable Procurement
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable Procurement
	414-2	Negative social impacts in the supply chain and actions taken	Among D&G's 139 suppliers, 3 are local suppliers. A small number of local suppliers may have a certain negative impact on the welding processing business. Due to the nature of the business, the remaining suppliers are not involved in negative impacts.
<b>Customer Health and Safety</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Quality Assurance
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Quality Assurance
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Assurance
<b>Marketing and Labeling</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Quality Assurance
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Operational Compliance; Quality Assurance
	417-2	Incidents of non-compliance concerning product and service information and labeling	Operational Compliance
	417-3	Incidents of non-compliance concerning marketing communications	During the Reporting Year, the Group did not violate the regulations regarding health and safety, information, and logos and marketing of product and service.
<b>Customer Privacy</b>			
GRI 3: Material Topics 2021	3-3	The management approach and its components	Quality Assurance
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Quality Assurance; Protecting Data Privacy and Intellectual Property Rights