



ecoceres
TOGETHER FOR WONDER

2023

| S U S T A I N A B I L I T Y R E P O R T |

Together for Wonder



Report Overview

The EcoCeres Sustainability Report documents EcoCeres' performance on economic, environmental, social and governance topics. This report includes data from 1 January – 31 December 2023, unless otherwise stated, and covers EcoCeres' global entities over which we have operational control, including our offices, manufacturing plants and research, development and engineering facilities.

Reporting Principles

This report conforms to the principles of materiality, quantitative, balance, and consistency.

- **Materiality:** We have identified and assessed key sustainability issues of concern for both internal and external stakeholders of EcoCeres. For detailed materiality assessment process and results, please refer to "Materiality Assessment".
- **Balance:** This report provides an impartial account of our performance in a number of areas, including the environment, employees, supply chain, product services, communities, etc.
- **Quantitative:** We have regularly collected data on quantitative key indicators in environmental, social, and governance categories, and presented summaries and disclosures in this report. The calculation method, reference standards, and parameters for quantitative ESG data in this report have been explained, as detailed in each chapter of this report.
- **Consistency:** The methodology employed in this report applies to both 2022 and 2023 data. Any differences that could affect meaningful comparisons have been duly explained in the relevant chapters.

References

This report is prepared with reference to the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), the ISCC EU 205 Greenhouse Gas Emissions issued by the International Sustainability & Carbon Certification, the United Nations Sustainable Development Goals (SDGs), the European Sustainability Reporting Standards (ESRS) issued by the European Commission, the Biofuel Sustainability Accounting Standard issued by SASB Standards (now part of IFRS Foundation), and the ESG Reporting Guide from the Hong Kong Stock Exchange (HKEX). Content dealing with climate change is prepared by referring to the framework suggested by the Task Force on Climate-related Financial Disclosures (TCFD).



| Letter from the CEO |

At EcoCeres, our business journey is guided by a steadfast commitment to sustainability.

Our vision and mission are embodied in our motto “Together for Wonder”. Through our cutting-edge renewable solutions, we turn waste into wonder and enable businesses to tackle climate change. Together we fight climate change by reconnecting humanity with the wonders of nature.

James Ni

Chief Executive Officer of EcoCeres

Growing strategically with both our businesses and sustainability

2023 has been a year of transformation, development and growth for EcoCeres. We experienced our strongest year of expansion and innovation since our inception. We broke ground in Malaysia to build a new production plant, adding to our existing production plants in China.

While our business grew rapidly, we remained unwavering in our sustainability efforts, ensuring that our growth is aligned with our commitment to sustainability. Over the past year, we have made significant strides by establishing a solid and comprehensive sustainability strategy that will guide our sustainability efforts towards strategic areas of impact. We have enhanced our governance structure, developed new policies, and instilled a corporate culture that values respect, inclusivity, development, collaboration and sustainability.

Laying the foundation for sustainability governance

In 2023, we established the Sustainability Steering Committee (SSC), comprised of our globally diversified and seasoned leadership team. Supported by our Board of Directors, the Committee plays a pivotal role in driving our sustainability agenda. Additionally, we formulated and implemented our Sustainability Policy, complete with a sub-set of 10 themed policies. These strategic developments have delivered a significant step-up to EcoCeres' sustainability governance, positioning us for long-term success in realizing our sustainability commitments.

Creating value and impact for the environment

Providing decarbonization solutions in a sustainable way has always been our core business focus. By harnessing waste resources and converting them into renewable fuels, we not only offer high-value, low-carbon fuel options to our customers, but also reduce the volume of waste ending up in landfills. This dual-pronged approach unlocks tangible environmental value and empowers businesses to make meaningful progress towards their own climate goals.

As we accelerate our business growth, we are also mindful of minimizing the environmental impact from our own operations. In 2023, we took a significant step to launch the first phase of our decarbonization roadmap, committing to reduce the Scope 1 and Scope 2 emission intensity from the Jiangsu plant, our largest production plant and emitting site, by 30% by 2035 compared to the 2022 base year level. This commitment demonstrates our determination to continuously improve our operations and reduce our carbon emissions.

Health and safety is at heart of everything we do

At EcoCeres, health and safety are undoubtedly a top priority in every aspect of our day-to-day operations. It is our belief that a healthy, hazard-free workplace is the foundation upon which business success is built. In 2023, we established a group-level Health, Safety and Environment (HSE) Steering Committee that demonstrates our commitment to achieving zero accidents in our operations. Safety is not just a box to be checked, but a deeply rooted culture that we collectively nurture and uphold every single day.

Looking ahead – all-encompassing growth for value creation

As we look ahead, our ambition to be a trailblazer in the global transition to a low-carbon economy has never been stronger. By fortifying our sustainability governance and doubling down on innovation, we are poised to drive transformative change to decarbonise hard-to-abate sectors.

Yet, we cannot achieve this vision alone. It is through our valued partnerships with customers, suppliers, and communities that we will collectively build a more sustainable, resilient future - one that is cleaner, greener, and filled with wonder.

¹ Market-based emissions. Unless otherwise stated, Scope 2 emissions in this report refer to market-based emissions

About EcoCeres

At EcoCeres, we believe that travel and trade are vital for human progress. That's why we exist: to reduce the greenhouse gas (GHG) emissions of hard-to-abate sectors in order to accelerate their decarbonisation and defossilisation.

To deliver on our mission, we developed innovative technologies to turn waste into wonders: We produce high-performing renewable fuels, including sustainable aviation fuel (SAF), hydro-treated vegetable oil (HVO) and cellulosic ethanol (CE), through our proprietary technologies. By supplying the renewable fuels to our customers, we support their ambitions to keep the world moving while minimising their environmental impact.

“Together for Wonder: EcoCeres utilises waste-based feedstocks and deploys proprietary technology to produce renewable products, and to tackle climate change together with our suppliers, customers, and business partners.”



EcoCeres at a Glance



Established R&D capability in bio-refining in

2008



100%

waste-based feedstock



87%~95%

GHG emission reduction, International Sustainability and Carbon Certification (ISCC) certified



Over **US\$550M**

revenue in 2023 and growing fast



Shipped over

700,000

tonnes of renewable fuels by end of 2023

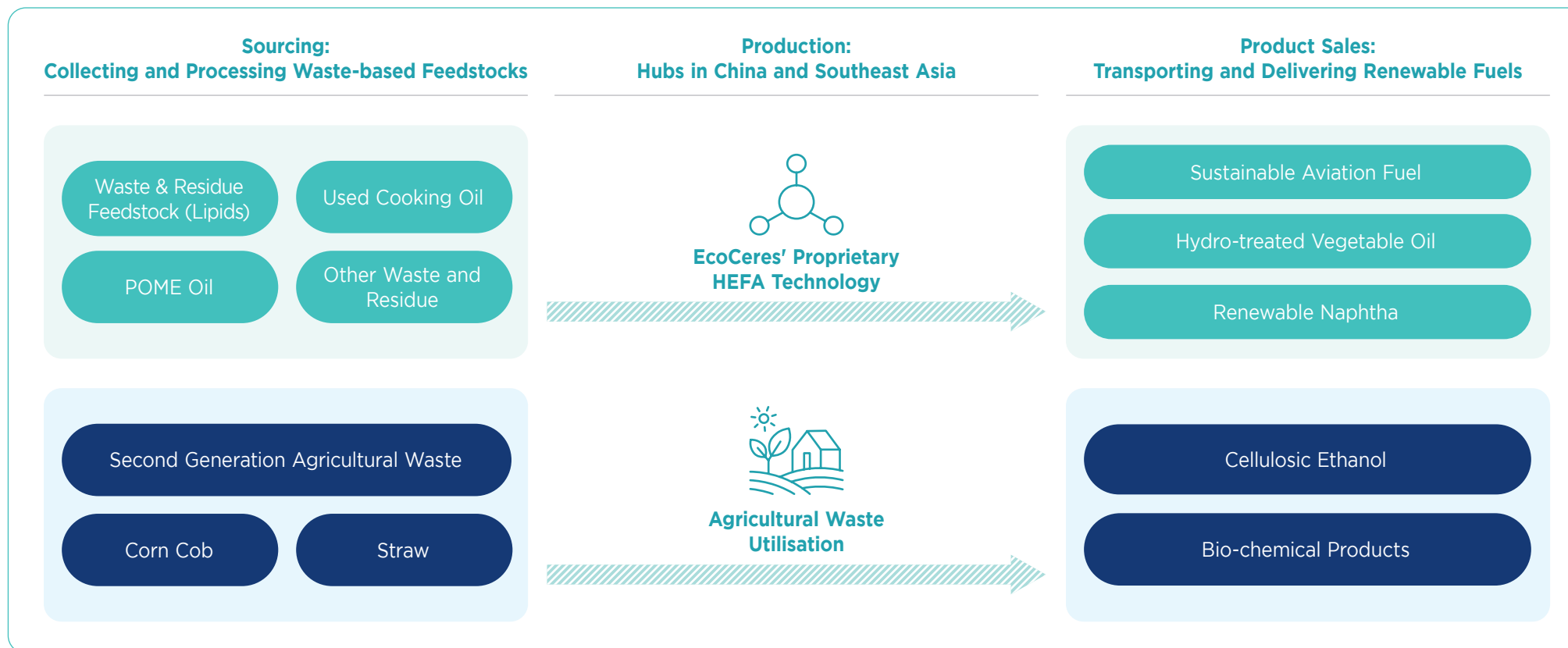


The World's **1st**
ISCC-CORSIA PLUS certified
SAF producer

Our Value Chain

By sourcing waste materials and converting them into renewable fuels and other products, we not only minimise the environmental impact of waste disposal but also unlock the inherent value within those materials.

EcoCeres High-level Value Chain



Feedstock

We use 100% waste-based feedstocks such as Used Cooking Oil (UCO), Palm Oil Mill Effluent (POME) and agricultural waste¹. We believe this creates substantial value beyond GHG reductions in:



Reduced Pollution

When not properly handled, wastes could cause significant pollution to water (e.g., runoff UCO accounts for nearly 25% of water pollution²) and air (e.g., solid agricultural wastes are usually burned in open fields and lead to substantial air pollution)



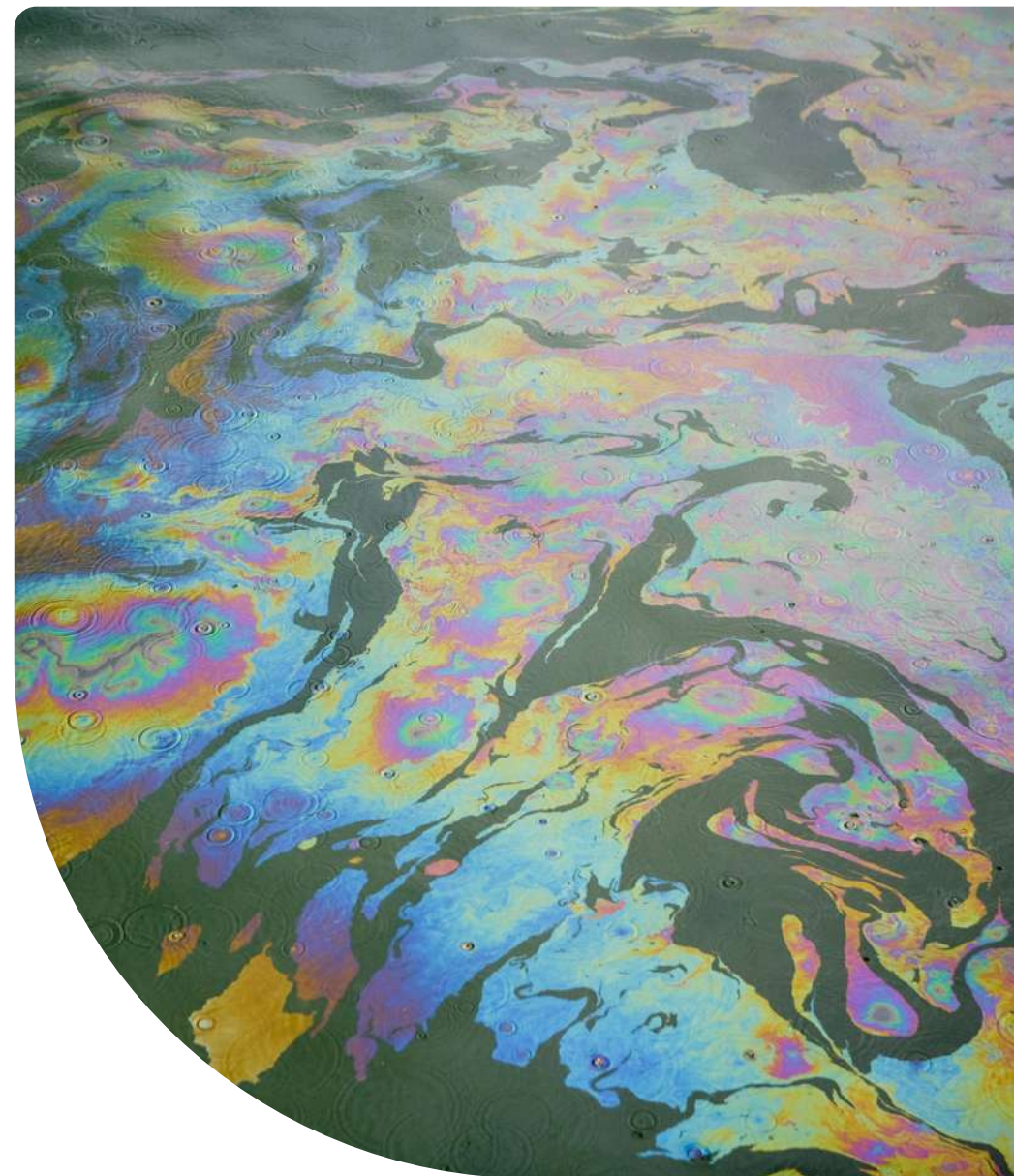

Economic Benefit

Waste collection and processing generates additional income to people along the value chain (e.g., farmers and restaurant owners) and contribute to local job creation




Food Security

By avoiding the use of food crops for fuel production, we do not compete with food supplies and thereby support food security



¹ Actual feedstock mix depends on factors such as costs and availability
² Source: Commission for Environmental Cooperation; UN Environment Programme

Production

Our SAF and HVO production was first commercialised in our Jiangsu plant in China. Today, the plant can produce 350kt of renewable fuels per year. We are now working to expand our production capacity by building a greenfield plant in Johor, Malaysia. It is expected to start operation in second half of 2025 and has an annual production capacity of 420kt.

In Hebei Province of China sits our Cellulosic Ethanol production hub, which utilises agricultural wastes like corn cobs. It is the first such facility in the world and is in trial production. In May 2023, we exported our first batch of 100% waste-based CE to Europe, marking a significant milestone towards commercializing the technology.

EcoCeres Production Footprint



The World's First ISCC-CORSIA PLUS Certified SAF Producer

EcoCeres became the world's first SAF producer that obtained the ISCC-CORSIA PLUS certification in 2021. This means our SAF was certified against both the sustainability criteria for eligible fuels by the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and the six ISCC Principles. The values brought by our SAF have therefore been well recognised that they not only generate lower carbon emissions on a life cycle basis but also have minimised impact on water, soil, air, human rights, local and social development as well as food security during the production process.



Product

By end of 2023, we shipped over 700,000 metric tonnes of renewable fuels to our customers, offering them with viable alternatives to traditional fossil fuels and delivering on our mission to bring cutting-edge technological solutions to tackle climate change.

Sustainable Aviation Fuel (SAF)

Hydro-treated Vegetable Oil (HVO)

Cellulosic Ethanol (CE)



Highlights

- 87%-95% GHG emission reduction, ISCC certified
- Full compliance to American Society for Testing and Materials (ASTM) D7566 Annex 2 standard
- Proven record of international flight usage

- 87%-95% GHG emission reduction, ISCC certified
- Meets EN 15940 requirements
- Low-sulphur content (5 mg/kg)
- Cold Filter Plugging Point (CFPP) down to -30°C

- Up to 80% GHG emission reduction
- Meets EN 15376 requirements
- Low-sulphur content (≤ 1 mg/kg)
- Cloud point $< -50^{\circ}\text{C}$



Certification as of End-2023

- ISCC-CORSIA PLUS
- ISCC EU
- ISCC PLUS
- French Double Counting (FDC)
- Dutch double counting (DDC)

- ISCC EU
- ISCC PLUS
- French Double Counting (FDC)
- Dutch double counting (DDC)
- Nachhaltige Biomasse System, Nabisy
- Registered Renewable Fuel Producer for RFS (US)
- Italian National Scheme (INS)

- ISCC EU
- ISCC PLUS
- French Double Counting (FDC)
- Dutch double counting (DDC)
- Nachhaltige Biomasse System, Nabisy

Our products have obtained certifications from a wide range of trusted verification and certification institutions. International Sustainability & Carbon Certification (ISCC), which is a global sustainability certification system, is the most widely obtained certification by EcoCeres, indicating the sustainability of our feedstocks and products, as well as the traceability of our supply chain.



Sustainability at EcoCeres

We are a “born-pure” renewable platform that strives to become the preferred global partner of renewable solutions for a sustainable world. However, we believe that merely producing low-carbon products is not enough: We aspire to create environmental and socially sustainable impact well beyond our own operations and throughout our entire value chain.

To effectively guide and measure our efforts, we have developed our sustainable strategy around three strategic pillars that define the key areas where we can uniquely contribute to global sustainability: **Catalysing Climate Action, Advancing Supply Chain Transparency, and Prioritising our People.**

Moreover, we understand that successful implementation of our sustainability strategy requires top-down leadership and oversight from senior management, alongside a strong focus on innovation to drive technological advancement. Therefore, **improving governance practices** across our business and taking action to **drive innovation** are core enablers of our sustainability strategy. These ensure that we collaborate with our people, partners and the sector to go further, faster to decarbonise.

Sustainability Strategy



Materiality Assessment

At EcoCeres, our commitment to sustainability is underscored by a rigorous materiality assessment, aligning with internationally recognised standards including the Corporate Sustainability Reporting Directive (CSRD) and the EU Sustainability Reporting Standard (ESRS). During the process, we took reference from Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) for sector-specific topics, sustainability reports and disclosures from the stakeholder groups, as well as sustainability rating agencies. Our approach is not only anchored in industry best practices but also guided by a dual emphasis on data-driven analysis and stakeholder engagement.

Recognizing EcoCeres as a company in the growth stage, we believe that assessing information solely from current stakeholders may not fully capture emerging expectations. To address this, we have conducted comprehensive, data-driven research to anticipate and understand the needs of future stakeholders. This approach ensures that we are prepared to meet evolving sustainability demands effectively.

Materiality Assessment Process

1. Stakeholder Mapping and Data Acquisition:

We collect data from global ESG databases and conduct interviews with key stakeholders to enhance data integrity, forming the foundation of our analysis work.



2. Framework Integration and Data Analytics:

We integrate leading global framework, employing advanced data analytics to discern emerging trends and prioritise material topics with precision and insight.



3. Financial and Impact Evaluation:

We conduct a comprehensive evaluation of both financial and impact considerations, leveraging sophisticated data analytics to discern the significance of various material topics in relation to stakeholder expectations and corporate performance.



4. Materiality Matrix Development:

Building upon our analysis, we construct a materiality matrix to visually illustrate the relative importance and impact of identified topics, enhancing clarity and insight.



5. Management Endorsement and Alignment:

The outcomes of our materiality analysis undergo rigorous review and validation by our Sustainability Steering Committee (SSC), ensuring alignment with corporate strategy and objectives.

Through this comprehensive approach, we aim to not only identify key sustainability priorities but also integrate them into our strategic decision-making processes, fostering long-term value creation for EcoCeres and our stakeholders.

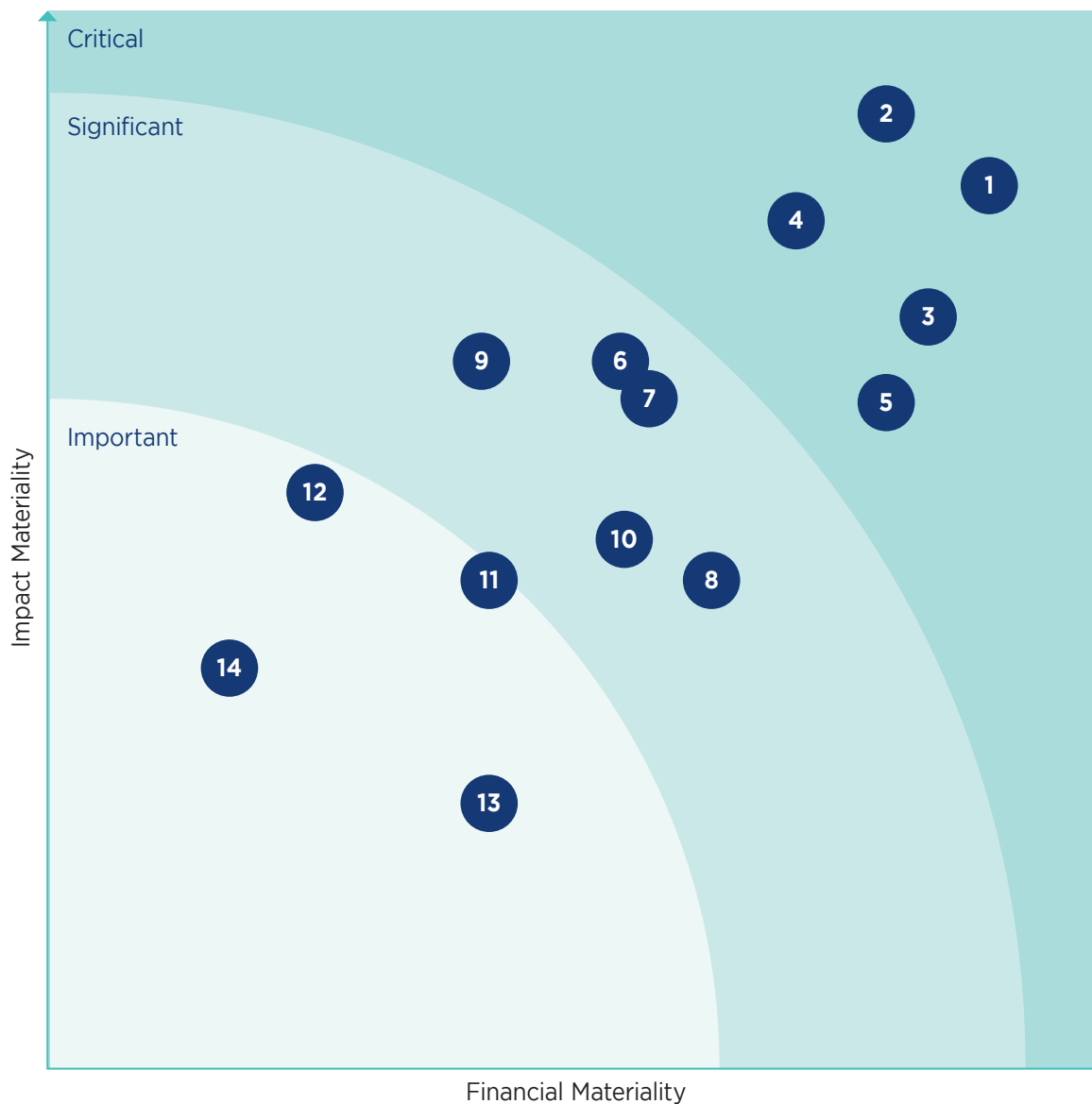
Stakeholder Group and Engagement

Stakeholder Groups	Key Concerns	Engagement Channels	Data Analysis Sources
Customers	<ul style="list-style-type: none"> Product safety and quality Compliance with industry standards Technological innovation Environmental sustainability and carbon reduction 	<ul style="list-style-type: none"> Direct feedback sessions Customer satisfaction surveys Regular updates through newsletters and meetings 	<ul style="list-style-type: none"> Public ESG disclosures Supplier code of conduct Sustainable procurements policies
Suppliers/Business Partners	<ul style="list-style-type: none"> Fair and ethical business practices Opportunities for collaboration and partnerships Sustainability practices and compliance 	<ul style="list-style-type: none"> Supplier meetings and workshops Supplier Code of Conduct reviews and training sessions 	<ul style="list-style-type: none"> Code of conduct ESG policies ESG disclosure reports
Employees	<ul style="list-style-type: none"> Health and safety in the workplace Fair and competitive compensation and benefits Opportunities for professional growth and development 	<ul style="list-style-type: none"> Employee town halls Regular surveys and feedback loops Internal training and development programs 	<ul style="list-style-type: none"> Internal employee surveys Company policies and reports Industry benchmarking data
Government Agencies/Regulators	<ul style="list-style-type: none"> Compliance with laws and regulations Environmental impact, safety, and regulatory standards 	<ul style="list-style-type: none"> Regular compliance reporting Participatory regulatory meetings Policy advocacy and consultation sessions 	<ul style="list-style-type: none"> Regulatory authority publications Regional policy archives Government-related documents
Capital Market/Investors	<ul style="list-style-type: none"> Long-term business strategy and sustainability Transparent ESG performance disclosure Alignment with investor ESG policies and rating standards 	<ul style="list-style-type: none"> Investor relations meetings ESG performance reports Roadshows and investor conferences Engagements on ESG rating standards 	<ul style="list-style-type: none"> Investor relations reports ESG investor association documents Stock exchange official guidelines Investment policy documents ESG rating criteria and standards
Peers	<ul style="list-style-type: none"> Industry best practices Collaborative sustainability initiatives Regulatory compliance and innovation 	<ul style="list-style-type: none"> Industry conferences and roundtables Collaborative working groups 	<ul style="list-style-type: none"> Industry reports Peer company ESG disclosures Industry data benchmarking
Stock Exchanges	<ul style="list-style-type: none"> Compliance with listing requirements Transparency in ESG disclosures Adherence to corporate governance standards 	<ul style="list-style-type: none"> Regular reporting and disclosures Compliance meetings 	<ul style="list-style-type: none"> Exchange official guidelines Listing requirements and frameworks ESG reporting standards

Our 2023 material topics are demonstrated in the matrix. Through this materiality assessment, we gained a holistic understanding of sustainability topics that matter the most to our internal and external stakeholders, ensuring our sustainability efforts are strategic and effective.

Critical	Significant	Important
1. Carbon footprint	6. Business ethics	11. Biodiversity
2. Emission reduction	7. Employee Well-being	12. Water
3. Health and safety	8. Energy use	13. Human and labour rights
4. Value chain impact	9. Community development	14. Diversity, Equity and Inclusion
5. Innovation	10. Corporate governance	

Materiality Assessment Outcome



Translating Strategy into Action: Commitments, KPIs and Targets


As EcoCeres, we commit to put our sustainability strategy into action.

Building on our materiality assessment, we have identified specific areas where we can make the most impact. By further aligning our strategy with specific United Nations Sustainable Development Goals (SDGs) and material topics, we set commitments that reflect our dedication to sustainability.

Each commitment comes with specific KPIs and targets, ensuring we have clear measures for success and accountability. Such integration of strategy, SDGs, material topics, commitments, KPIs and targets enables us to effectively direct our efforts, measure progress, and communicate our achievements to all stakeholders.

The table below details the connections, showing how our sustainability strategy translates into actionable goals and measurable results, driving our ongoing commitments to sustainable development.

Strategic Pillar and Enabler	UN SDGs	Material Topic	Our Commitment	KPI	Target	2023 Performance
Catalysing Climate Action		1. Carbon footprint	Reduce Scope 1 & Scope 2 emission intensity from the Jiangsu plant by 30% by 2035 from 2022 base year	Reduction of Scope 1 & Scope 2 emission intensity from the Jiangsu plant, from 2022 base year	-30% by 2035	0.76%
		2. Emission reduction	Help our end customers to achieve 5mtpa of emission reduction by using EcoCeres renewable fuel products vs. fossil-based products by 2035	Total emission reduction by our end customers by using EcoCeres renewable fuel products vs. fossil-based products	5.0mtpa by 2035	0.9mtpa
		8. Energy use	Procure 100% renewable electricity at the Jiangsu plant by 2030	% of renewable electricity in total purchased electricity at the Jiangsu plant	100% by 2030	52.1%
Advancing Supply Chain Transparency		4. Value chain impact	Maintain 100% renewable feedstock traceability under ISCC standard, and continuously enhance traceability program to new standards	% of procured renewable feedstock volume that is traceable	100% (ISCC) Other standards	100% (ISCC)
		11. Biodiversity 12. Water 13. Human and labour rights	Evaluate all renewable feedstock suppliers based on EcoCeres supplier sustainability criteria by 2025	% of renewable feedstock suppliers assessed	100% by 2025	0%
			Require all renewable feedstock suppliers to commit to EcoCeres' sustainability requirements laid out in EcoCeres Supplier Code of Conduct	% of renewable feedstock suppliers that sign and comply with EcoCeres Supplier Code of Conduct	100% by 2025	0%
		Conduct supplier due diligence and audits, and engage suppliers to improve their HSE, labour, ethical and managerial practices	Increase # of engagements through due diligence, audits, trainings, capability buildings, etc.	N/A	0	

Strategic Pillar and Enabler	UN SDGs	Material Topic	Our Commitment	KPI	Target	2023 Performance
Prioritizing our People		3. Health and safety	Achieve Zero Lost Time Injury Rate (LTIR)	Lost Time Injury Rate (LTIR), # per million working hours	0	0.50
		7. Human capital	Improve and maintain Employee Satisfaction Score (ESS) at high levels	Employee Satisfaction Score (ESS) generated through regular employee engagement surveys	Maintain at high levels	86% (Jiangsu plant only)
		7. Human capital 14. DEI	Provide training on inclusive and respectful leadership to all managers	% of managers that received inclusive and respectful leadership trainings	100% by 2026	14%
		9. Community development	Influence the society at large about sustainability through educational and social programs	# of people influenced through social and educational programs	N/A	0
Driving Innovation		5. Innovation	Continue to invest in improving and developing sustainability technologies	Total R&D spending	Overall increasing trend	5.1m USD
			Collaborate with the broader community for technology development and adoption	# of partnerships in technology development and adoption	N/A	>10
Improving Governance		6. Business ethics 10. Corporate governance	Uphold sustainability accountability at senior management level by making sure that 100% of our senior management members have sustainability-related KPIs linked to their compensation	% of senior management members that have sustainability-related KPIs linked to their compensation	100%	100%
			Ensure all employees receive adequate governance-related trainings	% of employees that received governance-related trainings	100%	96.3%

Improving Governance

2023 marks a major milestone for EcoCeres as it set up sustainability governance across all levels within the organisation, including the Board of Directors, company management and working teams.



Material topics

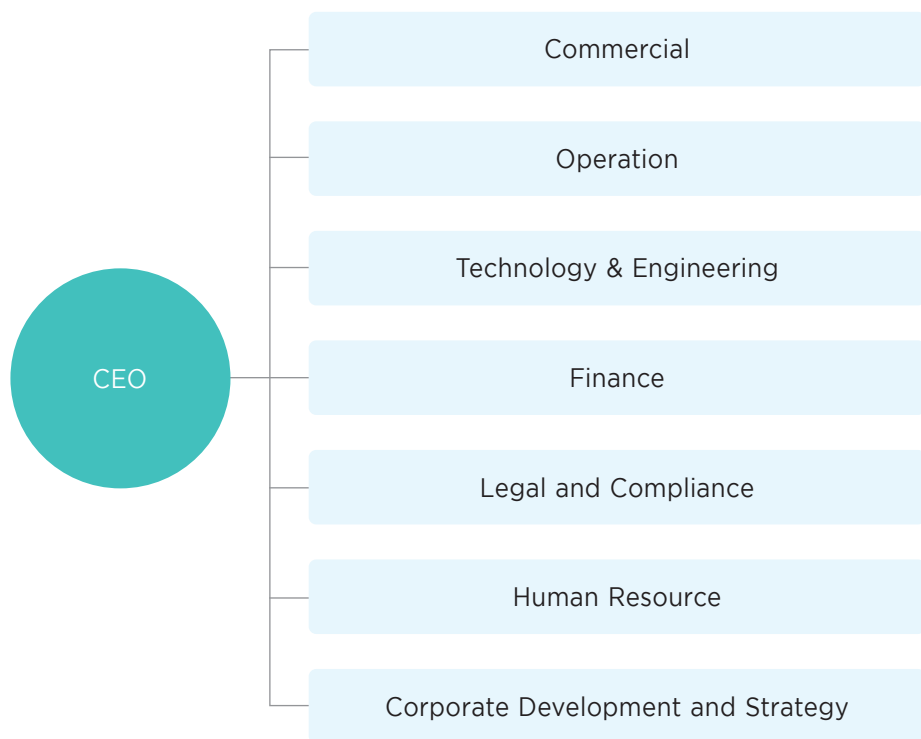
- 6. Business ethics
- 10. Corporate governance

EcoCeres is committed to being a responsible business and has established a robust governance framework that encompasses the oversight of our business operations and sustainability-related matters by our Board of Directors. With clearly defined roles and responsibilities, our governance framework ensures accountability and responsibility in how we conduct business and address sustainability matters.

2.1.1 Corporate Governance

We strive for a high standard of corporate governance with a view of upholding a strong and balanced Board and maintaining a transparent and open communication channel with the Company’s shareholders. We commit to conducting our business in accordance with applicable laws and regulations.

Under the oversight of EcoCeres Board, the Executive Leadership Team (ELT)¹ is responsible for all aspects of EcoCeres’ daily operations. The ELT consists of the CEO and the head of key functions across EcoCeres.



2.1.2 Sustainability Governance

Dedicated to our mission and vision, we are committed to embracing a sustainable business model and promoting sustainability practices in our operations. We understand that strong and effective governance, which places a key emphasis on accountability, will enable us to measure our sustainability performance, monitor and manage ESG risks and opportunities, mitigate potential adverse sustainability-related impact timely, maintain transparency and regular communications with our stakeholders.

Under the oversight of the Board and coordination of the ELT, the Sustainability Steering Committee (SSC) carries out management oversight and reviews ESG issues. The ESG Working Group, a dedicated team under the Corporate Development and Strategy team of EcoCeres, is responsible for day-to-day operations of ESG-related activities and initiatives.

Sustainability Governance Structure



¹ Our management team reflects the status at the time of publication of this Report (Oct 2024)

Board of Directors

The Board plays a pivotal role in the governance of sustainability within EcoCeres. With a strong emphasis on oversight and accountability to sustainability matters, they are responsible for ensuring EcoCeres’ operations align with legal and ethical obligations. They also approve sustainability strategy, conduct risk and opportunity assessments and ensure the annual reporting on sustainability-related initiatives.

Executive Leadership Team (ELT)

The ELT is responsible for monitoring and reviewing sustainability strategies and conducting risk and opportunity assessments. It oversees the annual reporting on sustainability-related initiatives and evaluates the overall sustainability performance.

Each of the ELT members plays a role to deliver EcoCeres’ sustainability commitments. They are accountable in various sustainability-related areas, on which their performances are measured and reflected in their regular evaluations.

Sustainability-related Responsibilities of EcoCeres ELT Members

Role ¹	Sustainability-related Responsibilities ²
CEO	Overall corporate governance, organization development, HSE
Operations	HSE, product quality, energy use
Commercial	Feedstock traceability, responsible sourcing
Technology & Engineering	New technology development, process improvement
Infrastructure and Information	Cybersecurity, ESG disclosure
Legal and Compliance	Corporate governance, compliance
Finance	Risk assessment and management
Human Resources	Talent attraction and development, employee well-being

¹ The roles reflect the status of Dec 2023, the end of the reporting period of this Report

² Not exhaustive



Sustainability Steering Committee (SSC)

Established in the third quarter of 2023, the SSC is composed of leaders from the Commercial, Operations, Technology & Engineering, Human Resources, Finance, Legal & Compliance and Strategy teams, ensuring that sustainability-related issues are discussed and addressed across EcoCeres. The SSC is chaired by the CEO and all members are appointed by the chairman.

The main responsibilities of the SSC are:

- Plan, implement, and recommend changes to sustainability strategies, policies, targets, and risk assessments
- Coordinate internal and external sustainability work, including identifying and overseeing sustainability risks and opportunities
- Ensure effective risk management and internal control systems for ESG compliance and respond to regulatory requirements
- Engage with stakeholders, track feedback, and meet their expectations
- Designate responsibilities for sustainability work plans and formulate long-term improvement plans for ESG performance
- Assess implementation progress and report regularly to the Executive Leadership Team
- Review and monitor ESG-related disclosure and determine reporting standards and scope
- Report findings and recommendations to the Executive Leadership Team on a quarterly basis (and to the Board on a bi-annual basis)

The SSC held two meetings within 2023. Going forward, the SSC will continue to meet at least quarterly to keep the management updated on EcoCeres’ sustainability work and performance.

ESG Working Group

The ESG Working Group is the key driving force of sustainability initiatives in the Company. It consists of passionate and technically capable professionals who take lead of key sustainability initiatives such as sustainability strategy and roadmap development. The Working Group is also responsible to support business teams to implement EcoCeres sustainability strategy in initiative planning, resource coordination and sustainability-related expertise, ensuring strong integration between sustainability initiatives and EcoCeres’ business operations. It aims to help EcoCeres implement all sustainability initiatives in a coordinated approach and adopt sustainable practices in its day-to-day activities.

Other responsibilities of the Working Group include:

- Sustainability initiative tracking: Progress, performance and gaps
- Data collection: Process, tools and data analysis
- Reporting and disclosure: Sustainability reports and other related disclosures

2.1.3 Risk Management

To ensure growth and long-term value for our key stakeholders, EcoCeres considers risk management among our top priorities. The Board assumes responsibility for the holistic oversight of risk management, addressing risk and opportunity areas including regulatory environment, business, financial, competition, and ESG as well as climate-related risks across the short, medium, and long-term horizons. The SSC plays a crucial role in identifying and overseeing sustainability risks and opportunities which are subsequently submitted to the Board for further review and approval. ESG topic is a standing agenda of EcoCeres Board meetings. In our sustainability journey, EcoCeres will continually enhance our risk management procedures.



2.2 Business Ethics

EcoCeres is committed to maintaining the highest standards of business ethics and corporate governance. In addition to complying with laws and regulations in locations where we operate, we operate our business ethically.

We have established and adopted sustainability-related policies since 2023¹. These Group-level policies serve as a guidance for running our day-to-day operations, underscoring our dedication to responsible and ethical business conduct. The policies have been approved by the CEO and made available to external stakeholders².

 Code of Conduct	 Responsible Business Policy	 Sustainable Supply Chain Policy
 Environmental Policy	 Society Policy	 People Policy
 Supplier Code of Conduct	 Anti-bribery and Anti-corruption Policy	 Whistleblowing Policy
	 Human Rights Policy	



¹ Certain policies were adopted in Jan 2024
² The latest policies are available on EcoCeres company website

2.2.1 Our Sustainability-related Policies

Code of Conduct

Our *Code of Conduct* serves as a guiding framework for our employees, outlining the fundamental principles and requirements that shape our business operations and behaviours. We recognise the importance of earning public trust and safeguarding our reputation, which necessitates unwavering adherence to the highest ethical standards in all aspects of our work.

There are five key aspects in our *Code of Conduct*, and all EcoCeres employees are expected to integrate and embody them into their everyday practices.

Key Aspects of EcoCeres Code of Conduct

<p>Business Integrity</p> 	<ul style="list-style-type: none"> • Ensure Business Compliance • Uphold the Highest Standard of Business Ethics • Promote Fair Competition Practices • Create safe environment to speak up
<p>Respect People</p> 	<ul style="list-style-type: none"> • Respect Human and Labour Rights • Value Our People • Respect Everyone in the Workplace • Empower through Learning and Development
<p>Protect EcoCeres</p> 	<ul style="list-style-type: none"> • Embed Health and Safety • Safeguard Assets and Respect Privacy • Ensure Reliable Record-Keeping Practices
<p>Sustainability</p> 	<ul style="list-style-type: none"> • Building a Sustainable Business for a Sustainable World • Strive to Bring Positive Climate Impact • Prioritise Environmental Stewardship
<p>Caring Community</p> 	<ul style="list-style-type: none"> • Community Engagement and Social Investment • Foster Relationships with Stakeholders for Mutual Success

The *Code of Conduct* ensures that we conduct business in an ethical and responsible manner, while mitigating legal and regulatory risks.

Anti-Bribery and Anti-Corruption¹

Our *Anti-Bribery and Anti-Corruption Policy* reflects our commitment in maintaining zero tolerance for bribery and corruption. The policy sets out the responsibilities of our employees in complying with and upholding the Group's position on prevention of bribery and corruption. It also provides guidance on how employees should handle bribery and corruption issues when they perform their job duties, as well as the control and oversight mechanisms.

Anti-Bribery and Anti-Corruption Training in Malaysia Office

On November 9, 2023, the Legal and Compliance team conducted an Anti-Bribery training for our colleagues in the Malaysia Office. The 2-hour training session consisted of an introduction to EcoCeres policy, relevant Malaysian laws and regulations, and case analyses. More than 95% of our colleagues in the Malaysia office participated in the training, either in-person or on-line from the site office.

We strictly adhere to anti-bribery and anti-corruption laws and regulations in all regions where we operate. By complying with these laws, we aim to prevent any criminal or civil penalties and protect our reputation from being tarnished by involvement in any form of bribery or corruption.

Human Rights

At EcoCeres, we care about our people. We are dedicated to embedding human rights as an integral part of our corporate values and responsibilities.

As a responsible corporate, we want to create an equitable, respectful, and supportive working environment for our people and the people we work with. We recognise and respect international human and labour rights standards, and expect the same from our suppliers and business partners:

- The United Nations Universal Declaration of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- The Fundamental Conventions of the International Labour Organization

To reinforce our commitment to respecting and supporting human rights, we have established a *Human Rights Policy*. This policy serves as a guiding framework for our actions, ensuring that human rights considerations are integrated into our decision-making processes, practices, and business relationships. We also require our suppliers and business partners to align with our commitment to human rights through our *Supplier Code of Conduct*.

EcoCeres Human Rights Principles



Labour Rights

Fair employment to all our employees, and provides a safe and healthy working environment



Anti-Modern Slavery

Strictly prohibits all forms of slavery, forced labour, child labour and illegal labour and human trafficking



Freedom of Association

Respects the right of freedom of association and collective bargaining



Diversity, Equity, and Inclusion

Treats all individuals with dignity and respect regardless of personal attributes



Anti-Discrimination and Anti-Harassment

Zero tolerance on any form of discrimination and maintains a workplace free from harassment

¹ EcoCeres Anti-Bribery and Anti-Corruption Policy became effective on Jan 1, 2024. Prior to that, we followed the relevant policies by Towngas

Whistleblowing¹

EcoCeres has established a whistleblowing mechanism that provides a confidential and secure platform for reporting and encourages the reporting of concerns related to any ethical misconduct. Our *Whistleblowing Policy* provides clear reporting channels and guidance for individuals to report their concerns. We encourage whistleblowers to come forward with any genuine reports, assuring them the protection of their identity and the protection we extend against unfair disciplinary action or victimization. We are committed to conducting thorough investigations into all reports received and taking appropriate actions to address any issues identified.

Conflict of Interests

When personal interests clash with those of EcoCeres, creating a potential conflict of interest, it's essential to avoid, report, and resolve such conflicts as per the Group's instructions before resuming duties. A Director must promptly disclose any significant and material conflict of interest or potential conflict and abstain from any discussions or decision-making involving transactions or subjects where they might have a conflict with EcoCeres.

Information Protection

To upkeep a secure environment, we have established internal policies and guidelines to govern the usage of data within EcoCeres.

Cybersecurity Management

Our cybersecurity management approach safeguards our IT system, data security, personal data and any confidential information, with technical and organisational protocols. We regularly update and improve our systems to address any potential vulnerabilities.

Awareness programs such as trainings and simulation exercises are conducted to educate employees about cyber threats, phishing scams, and best practices for maintaining a secure technological environment. Protocols are in place for employees to report any suspicious activities or potential security breaches promptly.

Case: Phishing Simulation

The IT team conducted a phishing simulation in Dec 2023. During the exercise, more than 100 EcoCeres colleagues received simulation emails to test their awareness towards phishing. As a result, over 30% of the recipients reported the suspicious emails, but 19% clicked on the phishing links.

The IT team communicated the results and practical tips to all EcoCeres colleagues, and plan to conduct the exercise regularly to ensure all employees stay vigilant towards future phishing attacks.

EcoCeres internal communications after the phishing simulation (communicated in Jan 2024)

EcoCeres
Don't be the fish in phishing's dish

Have you seen the following emails when you opened your inbox recently?

- [Urgent Action Required] Potential Compromise of Your Email Account.
- [紧急行动] 您的电子邮件帐户可能面临风险
- 請速令查詢身份保護，名額有限!

So how to recognize a phishing email?

Whenever you see an email like these, take a moment, pause, and think about "Am I sure it's real?"

- Title: Urgent call to action or threats**
- Sender: First time, infrequent senders, or senders marked [External]**
- Domain: Mismatched email domains**
- Greetings: Generic greetings or salutation**
- Links: Suspicious links or unexpected attachments**
- Text: Spelling and bad grammar**

¹ EcoCeres Whistleblowing Policy became effective on Jan 1, 2024. Prior to that, we followed the relevant policies by Towngas

Handling of Personal Data

We are fully committed to adhering to all applicable data protection laws when handling personal data of our employees, customers, suppliers, contractors, business partners, and other stakeholders. We have implemented integrated measures to prevent any unauthorised access, disclosure, alteration, or destruction of such information.

Protection of Confidential Information

In addition to personal data, it is crucial to prioritise the protection and security of EcoCeres' confidential information. This includes valuable assets such as copyrights, trademarks, patents, know-how, scientific knowledge, and trade secrets. All employees have undertaken the responsibility to diligently protect and maintain the confidentiality of sensitive and proprietary information obtained throughout their employment with EcoCeres.

Fair Competition Practice

We believe that fair competition is essential for fostering innovation, driving market efficiency, and providing customers with the best possible products and services. We are committed to competing fairly and ethically, refraining from engaging in anti-competitive practices such as price fixing, exchange of confidential and sensitive information with competitors, market manipulation, or unfair trade practices that restrict competition.

2.2.2 Policy Trainings

EcoCeres places a strong emphasis on employee training to ensure compliance, ethical conduct and informed decision-making across all levels of our Company. We regularly conduct training sessions that cover topics such as regulatory compliance, ethical business practices and company policies. These efforts are intended to empower our employees with the knowledge and tools they need to uphold the highest standards of governance.

In 2023, our policy trainings covered at least 96% of our employees. Moving forward, we commit to ensure that all our employees receive appropriate governance policy trainings.

We believe that **corporate integrity should shape the future of business**. To support this, we are **establishing sustainability accountability at senior management level** while **extending governance-related trainings to all employees**, instilling a strong code of conduct across our workforce.

Our Commitment

Uphold sustainability accountability at senior management level by making sure that 100% of our senior management members have sustainability-related KPIs linked to their compensation

Ensure all employees receive adequate governance-related trainings

Catalysing Climate Action

We're committed to helping hard-to-abate sectors to decarbonise and defossilise by using our products to reduce greenhouse gas emissions. At the same time, we're looking beyond our products, to how we can mitigate the environmental impact of our own business, working to reduce the emissions within our operations and across our value chain.

At EcoCeres, we acknowledge the urgent need to address climate change in the forthcoming decades and make it our mission to support global efforts to combat climate change with our innovative technological solutions. As we continue to support businesses in their low-carbon transition journey, we also work to manage our climate impact and risks responsibly.

By addressing these impacts and risks proactively, we ensure a sustainable and resilient path forward for our business. Through a multifaceted approach, we disclose our strategies, risks, and progress of our climate actions, aligning with the recommendations of Task Force on Climate-related Financial Disclosures (TCFD).



Material topics

- 1. Carbon footprint
- 2. Avoided emissions
- 8. Energy use

Also covers

- 11. Biodiversity
- 12. Water

3.1 Climate-related Governance

EcoCeres places a strong emphasis on effective governance as the bedrock for achieving our sustainability commitment. Reducing climate impact is at the top of EcoCeres’ sustainability strategy, which echoes with our investors. We are taking a phased approach, with short, medium, and long-term strategies, while actively implementing various measures to address climate-related risks. The EcoCeres Board assumes oversight and responsibility for the sustainability and climate-related matters. The Sustainability Governance section delineates our top-down governance structure with the roles and responsibilities of the Board, Executive Leadership Team, Sustainability Steering Committee, and the ESG Working Group.

At EcoCeres, we acknowledge the necessity of identification, assessment, and mitigation of both traditional risks and climate-related risks. We emphasise clear internal reporting lines to facilitate effective sustainability governance and climate-related risks management. The ESG Working Group is responsible for reporting sustainability tasks, performance and related risks and opportunities. By regularly presenting these results to the Board, the Group ensures that the Board is well-informed

of our sustainability progress, identified risk and their potential impacts, and the proposed strategies for risk mitigation. This enables the Board to make informed decisions and take appropriate actions to address the identified gaps and risks effectively.

EcoCeres also recognises that climate-related risks should be integrated into our overall risk management framework, therefore we plan to develop an Enterprise Risk Management (ERM) Framework that incorporates climate-related risks. Under the ERM Framework, we plan to assess and quantify climate-related risks. By integrating climate-related risks into the overall risk management practices, we aim to enhance the resilience of our business, capitalise on emerging opportunities associated with climate change, and contribute to a sustainable and low-carbon future.

Our *Environmental Policy* lays out our overall policy towards climate change action, guides our approach in addressing climate change and supporting our customers in their decarbonisation journey. Throughout our operations, we prioritise responsible product lifecycle management and implement measures to reduce our carbon emissions.



3.2 Our Risks and Opportunities

Climate change carries risks for our products, operations, and supply chain. If there are any increase in extreme weather events, such as typhoon, coastal flooding, heat waves and sea level rise, it could negatively impact our business. There are also potential technology risks, market risks (on the direct or indirect demand on our products), policy and legal risks, as well as reputational risks.

On the other hand, climate change brings business opportunities during the transition to a low-carbon economy. The development of our renewable products has been driven by the need to reduce GHG emissions and address climate-related risks. By integrating climate considerations into our strategy and operations, we develop pathways to mitigate the risks associated with climate change, in addition to having the capabilities and expertise to capitalise on opportunities in a rapidly evolving business environment.

To better identify and evaluate our exposure to climate-related risks, EcoCeres has performed a scenario analysis in line with the TCFD framework, covering both transition and physical risks associated with our operations in the short (1-2 years), medium (by 2030) and long term (up to 2050).

We assess the potential impacts of climate risks to our business operations to adopt a proactive and informed approach to risk management. The assessment results are further referred to when developing both business and sustainability strategies, and we are regularly reviewing the assessment results to maintain a thorough understanding of our ongoing progress towards a sound and sustainable business mode and management procedure.

Our transition risk analysis utilises the latest representative scenarios developed by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). The NGFS scenarios explore a set of six scenarios which are consistent with the NGFS framework published in the First NGFS Comprehensive Report. We incorporated two scenarios, namely "Below 2°C" and "Current Policies" from the NGFS scenarios framework, as the basis for assessing our transition risks.



Scenarios for Transition Risk Analysis

Below 2°C	Current Policies
<p>The "Below 2°C" scenario gradually increases the stringency of climate policies, giving a 67 % chance of limiting global warming to below 2°C.</p> <p>It aligns with the global target of limiting global warming to well below 2°C above pre-industrial levels, as outlined in the Paris Agreement. It helps us understand potential risks and challenges associated with the transition while taking into account the potential impacts, which are relatively low compared to other scenarios.</p>	<p>The "Current Policies" scenario assumes that only currently implemented policies are preserved, leading to high physical risks.</p> <p>It is selected to represent the continuation of existing policies and practices without significant changes or additional climate-related measures. This scenario helps us understand the potential risks and challenges that may arise if there is limited progress in climate action and policy implementation. It highlights the long-term transition risks associated with continuing on the current path towards a "hot house world".</p>

The transition risk scenario analysis focuses on five-year intervals between 2025 and 2050, which aims to assess the potential risks associated with climate change and their impacts on our financial performance.

By incorporating these scenarios into our analysis, we gain valuable insights into the challenges and opportunities that may arise during the transition. The findings highlight the importance of understanding and preparing for potential risks and financial impacts in advance and allow us to stay ahead of evolving market dynamics and regulatory requirements, and ensure our long-term sustainability and competitiveness in the renewable fuel sector.



Physical Risk Analysis

Our physical risk analysis considers the Representative Concentration Pathway 8.5 (RCP8.5) recommended by the Intergovernmental Panel on Climate Change (IPCC) and sea level rise projections from the Ministry of Natural Resources of China.

Representative Concentration Pathway 8.5 (RCP8.5)

RCP8.5 is the highest baseline emissions scenario in which emissions continue to rise throughout the 21st century.

Such scenario, amongst others, represents the business-as-usual scenario, which is also the most extreme pathway in terms of climate change impacts. It helps us better understand the worst-case impacts of natural hazards caused by climate change on our financial performance in the future.



The scenario and projections used in our analysis consider the future climate change impacts on extreme weather events, including severe coastal flooding and tropical cyclones in Hong Kong where we are headquartered, and in Mainland China in which our production facilities and research centres are located.

The findings from the analysis highlight the importance of proactive risk management in face of climate change, as we recognise the need to closely monitor and respond to changes. By continuously assessing and adapting our strategies, we can effectively plan and prepare in advance to safeguard our properties from the potential consequences of climate change, ensuring the long-term resilience and sustainability of our business operations. This includes implementing measures such as enhancing infrastructure resilience, developing disaster recovery plans, exploring insurance options, and integrating climate risk considerations into our decision-making processes.

Risk and Opportunity Assessment

Risk		Timescale	Potential Impact on EcoCeres
Physical risk	Acute risk	Short- to medium-term	Adverse weather conditions including typhoons and floods can cause significant disruptions to business operations. EcoCeres have plants and offices located in coastal areas, and our supply of feedstocks relies heavily on road and water transport.
	Chronic risk	Medium-to long-term	Chronic physical risks, particularly increasing maximum temperatures, water scarcity, and sea level rise would result in production disruptions or losses. Some of our plants and offices are in coastal areas, and our production relies on heating and cooling as well as water supply.
Transition risk	Technology risks	Medium- to long-term	Renewable fuel is a research and development (R&D) heavy sector. Given the demand to reduce carbon emissions by the aviation industry, the accelerating competition on technology development from peers may pose pressure to EcoCeres.
	Market risks	Short- to long- term	Shift in public demand away from flight in view of climate concerns may lead to lower demand for aviation fuel and hence our products. EcoCeres may also face challenges from intensifying competition for raw materials as global demand for renewable products increases.
	Policy and legal risks	Medium- to long-term	As the world transitions to a low-carbon economy, the enhanced emissions reporting obligations and the potential regulatory changes are forcing companies to put more resources on measuring, monitoring, and reporting climate-related metrics and actions. The extent of influence on EcoCeres depends on the level of regulatory changes, geopolitical landscape, and broader policy landscape.
	Reputational risks	Short-, Medium- and long-term	As EcoCeres positions its renewable fuels as low-carbon alternatives to fossil fuel sources, concerns could arise on the sufficiency and aggressiveness of the climate risk mitigation and management by EcoCeres itself. Misinformation, under- or overstatement in disclosures, and greenwashing suspicions may bring reputational risks.

Opportunity		Timescale	Potential Impact on EcoCeres
Products and services		Short- to medium-term	The foreseeable shift in customer preferences and policy support away from fossil fuels would bring EcoCeres opportunities in future product and service development, such as other low-carbon products and technology pathways, waste management solutions for suppliers, etc. in our current and new markets.
Markets		Medium-to long-term	Chronic physical risks, particularly increasing maximum temperatures, water scarcity, and sea level rise would result in production disruptions or losses. Some of our plants and offices are in coastal areas, and our production relies on heating and cooling as well as water supply.
Resource Efficiency and Energy Source		Short- to medium-term	EcoCeres not only improves resource efficiency externally but also internally by implementing more energy-efficient production and distribution processes, embracing resources recycling practices, adopting the use of green electricity, etc.

Our Response and Strategy

In response to the identified risks and opportunities, we formulate a set of risk mitigation plans and strategies to enhance our adaptability and resilience to climate change, as well as maintain our competitiveness in the swiftly evolving business environment. We conduct regular risk assessments, develop emergency response plans and ensure effective communications with stakeholders as our risk control measures. To seize the opportunities arising from climate change, we are exploring and investing in proprietary technologies, and continuously optimizing our production and distribution processes. We firmly believe that addressing these identified risks and opportunities with a positive approach will lead to long-term success.

3.3 GHG Emissions Management and Strategies

At EcoCeres, we believe it is critical to take concrete actions to support the goal of the Paris Agreement to limit global warming to below 2°C and ideally to 1.5°C.








3.3.1 Our Carbon Emissions

Monitoring and managing our carbon emissions in our own operations and across our value chain is a crucial metric for us to understand our operational impact on environment, track our performance and effectively pursue our goals. We are dedicated to actively promoting internal carbon management practices throughout our operations. Through targeted decarbonization strategies and reducing our carbon emissions, we actively mitigate climate-related risks and contribute to global efforts against climate change, which aligns with our business ambition.

We report our GHG emissions with reference to the Greenhouse Gas Protocol (GHG Protocol), under the following scopes:

- Scope 1 - Direct emissions from production
- Scope 2 - Indirect emissions from purchased electricity and heat
- Scope 3¹ - Other indirect emissions that includes all other relevant emissions throughout our value chain

GHG Emissions in 2023 (ktCO₂e)²

Scope 3				Scope 1	Scope 2	Scope 3
						
2.4	18.2	0.1	0.2	20.0 ³	62.0	25.5
Purchased goods and services	Transportation of raw materials	Waste from operations	Business travel	Production	Purchased energy	Transportation of products

¹ In 2023, Scope 3 emission calculation was on a trial basis. It covered purchased goods, upstream and downstream transportation and distribution, waste generated in operations and business travel

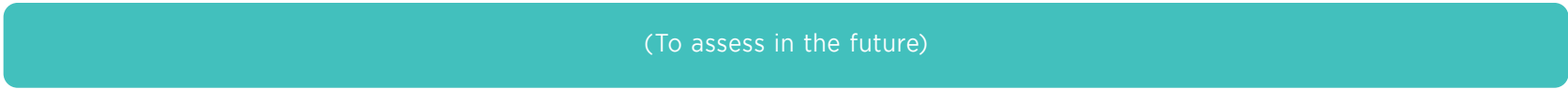
² Figures may not add up due to rounding. Emission intensity data are available in the Appendix

³ Biogenic CO₂ emissions are not included in Scope 1 emission, as the amount of bio-based CO₂ emissions equals the amount that the raw materials have absorbed earlier so no new carbon is released into the atmosphere during the production process

Total GHG Emissions in 2023, Categorised by Site and Scope

Total GHG emission in 2023: 133.9kt¹

Future plants under construction and planning



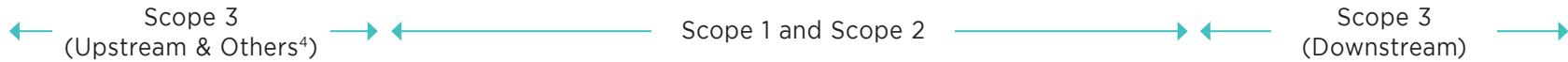
Hebei plants



Jiangsu plant



HK HQ and non-production sites

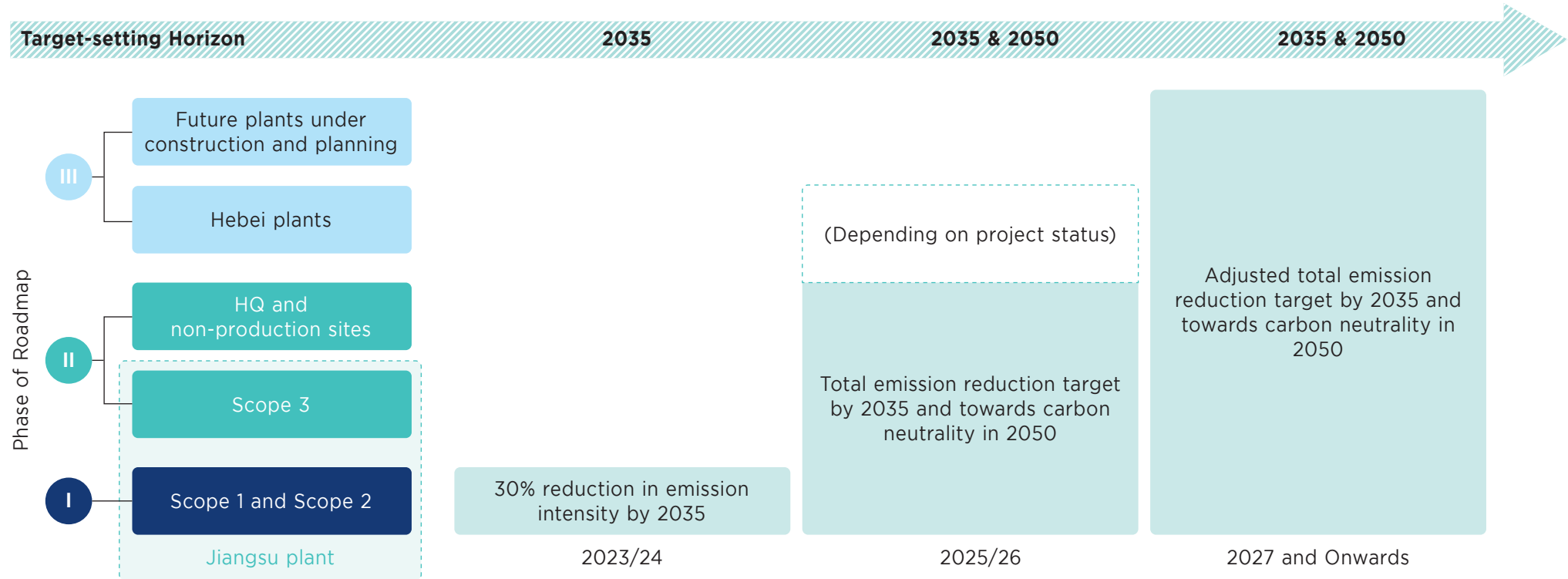


¹ Figures may not add up due to rounding
² % in total emission in 2023
³ Excluding biogenic CO₂ emissions
⁴ Covers Categories 1, 4, 5 and 6 emissions

3.3.2 Decarbonization Roadmap

Fully recognizing the urgency of decarbonisation, we have developed a systematic approach to manage our GHG emissions towards carbon neutrality in phases.

EcoCeres Decarbonization Roadmap

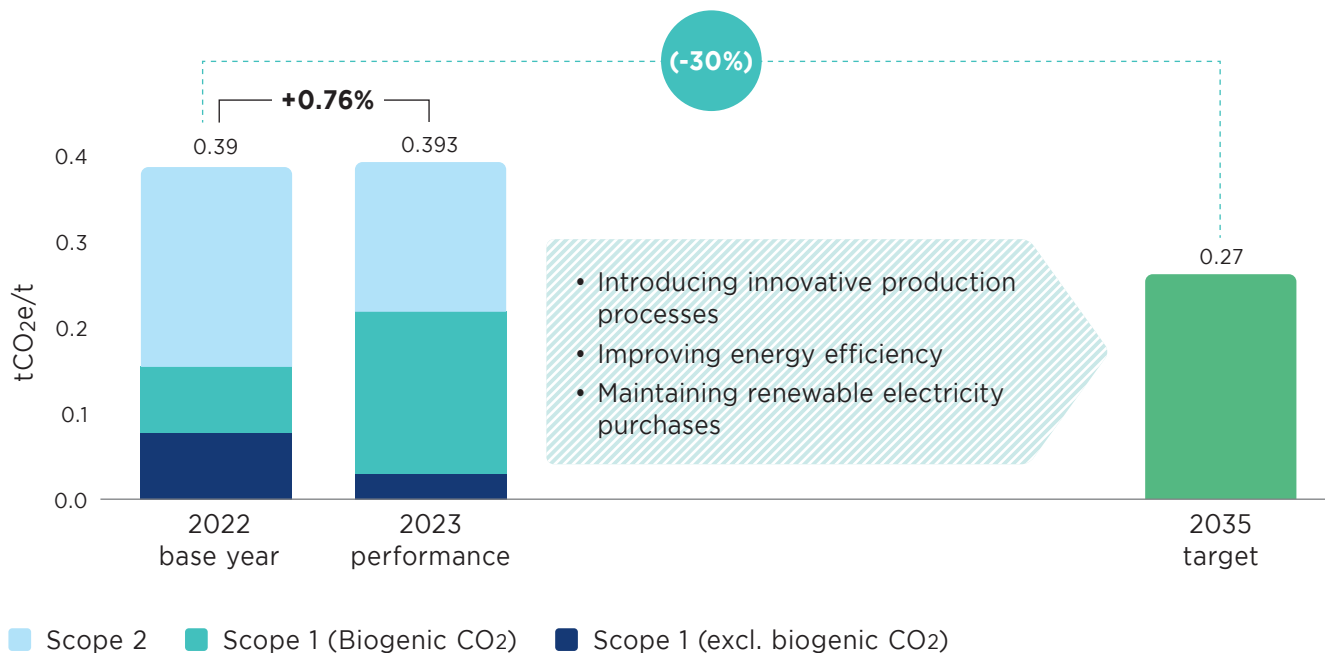


Phase I: Take Immediate Actions at the Jiangsu Plant, Our Largest GHG Emitting Site, from 2023

In 2023, we launched Phase I of our Decarbonisation Roadmap, targeting to reduce the Scope 1 and Scope 2 GHG emission intensity from our Jiangsu plant by 30% by 2035 from the 2022 base year level, marking a significant milestone of our decarbonisation journey. In the Phase I target-setting, we included the biogenic CO2 emissions from the Jiangsu plant, to be in line with the requirements of SBTi¹.

Through our efforts in 2023, we maintained the emission intensity of our Jiangsu plant at a stable level, with only a 0.76% increase. This was achieved while meeting higher product quality requirements and adapting to process innovations. Notably, the emission structure has changed significantly, with the main increase coming from biogenic carbon, while fossil carbon emissions have decreased. We will continue to optimize our future decarbonization approaches, which generally include:

- Introducing innovative production processes
- Improving energy efficiency
- Maintaining renewable electricity purchases



The GHG accounting for the Jiangsu plant was certified according with ISO 14064 by a qualified third-party. Furthermore, the Jiangsu plant has applied for the 'Green Plant' award, with the goal of receiving it in 2024.

¹ Science Based Targets initiative

Phase II: Launch Long-term Target that Covers Scopes 1-3 Emissions towards Carbon Neutrality by 2050

While working to reduce the Scope 1 and Scope 2 emissions from the Jiangsu plant, we will continuously enhance our data and understanding of our Scope 3 emissions to identify decarbonisation initiatives, potentially in

- Logistics, including transportation network optimization, electrification of road transportation, use of low-carbon marine fuels, etc.
- Feedstock pre-treatment, including technology and process optimization, energy efficiency improvement, etc.

Many of the initiatives will require strong partnership with our suppliers, customers, and business partners. We are committed to developing such partnerships from 2024, and work with the broader community towards carbon neutrality by 2050.

Our Phase II target will include our emissions from non-production sites such as the Hong Kong headquarters and R&D centres, albeit small in absolute amount. Based on the findings from the trial production, we will actively consider including production sites in Hebei in the Phase II target.

Phase III: Adjust Decarbonisation Scope and Target as Our Business and Operations Evolve

EcoCeres' business and operations will continue to evolve, as our production starts and stabilises in the Malaysia plant. Moreover, we are actively looking to increase our production capacity in both HEFA and other technology pathways (e.g., AtJ). As the operations stabilise, we expect to establish comprehensive emission baselines and identify tailored decarbonisation initiatives. With such information, we will adjust the scope and target of our Decarbonisation Roadmap progressively.

Our Commitment

Reduce Scope 1 & Scope 2 emission intensity from the Jiangsu plant by 30% by 2035 from 2022 base year



3.3.3 Energy Use

Electricity consumption contributed to 46.3% of our Scope 1 and Scope 2 emissions in 2023. Therefore, it is our top priority to manage our electricity use and efficiency to meet our GHG emission reduction target. We are committed to enhancing our energy efficiency performance by implementing innovative strategies and technologies to minimize energy consumption and optimize efficiency. Our Jiangsu plant exemplifies this commitment, having successfully implemented best practices and achieved ISO 50001 certification.



Energy Efficiency Policies and Measures

EcoCeres has developed a range of strategies and measures to optimise energy utilization in our operations to reduce our GHG emissions. This includes technology development and adoption, and process enhancements. We set and regularly review energy-saving targets to minimise energy usage and maximise efficiency.

Our energy management framework requires that we monitor and analyse our energy consumption data continuously. Based on the data, the operation team designs, implements and reviews improvement measures regularly to improve our energy efficiency. The operation team also regularly communicates our energy performance with the stakeholders through reports and management meetings.

EcoCeres Energy Consumption in 2023

Category	Unit	2023
Indirect energy consumption	kWh	163,236,663
Energy consumption – Purchase steam	kWh	69,436,650
Energy consumption – Purchase electricity	kWh	93,800,013
Purchased electricity from renewable sources	kWh	35,775,000
Purchased electricity from renewable sources as % of total electricity purchase	%	38.1% (Company-wide) 52.1% (Jiangsu plant only)

Our Commitment

Procure 100% renewable electricity at the Jiangsu plant by 2030

We will roll out renewable electricity purchase to other sites (e.g., in Malaysia) in the future, subject to availability and accessibility.

3.4 Emission Reduction by End Customers

Renewable fuels such as SAF and HVO play an essential role in tackling climate change and the transition towards a low-carbon economy, as our end customers can generally emit 85-90% less GHG emissions¹ by switching from conventional fossil fuels to renewable fuels.

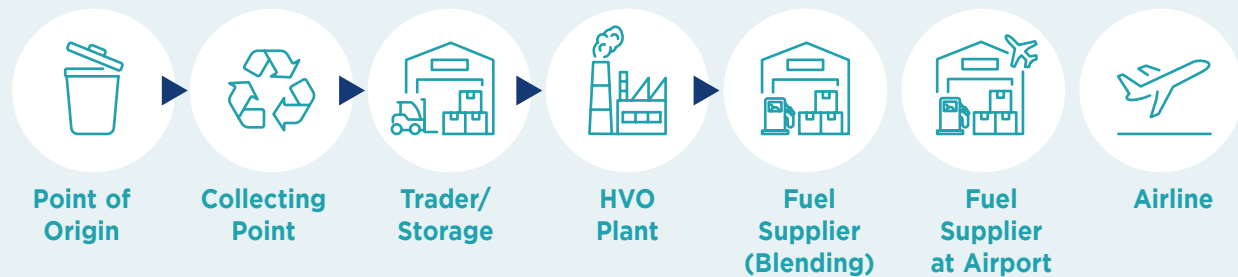
The emission reduction demonstrates the tangible benefits of renewable fuels in combating climate change. EcoCeres is proud to be a leading renewable fuel player to offer low-carbon solutions to help our customers decarbonise their operations.

Case:

How Are the Carbon Footprint Calculated for EcoCeres' Renewable Fuels?

We follow the guidelines of International Sustainability and Carbon Certification (ISCC) to calculate the GHG emissions and emission reduction of our renewable fuel products. It covers different stages along the product life cycle:

- i) Feedstock collection and transportation
- ii) Feedstock pre-treatment
- iii) Product manufacturing
- iv) Product transport and distribution
- v) Fuel combustion

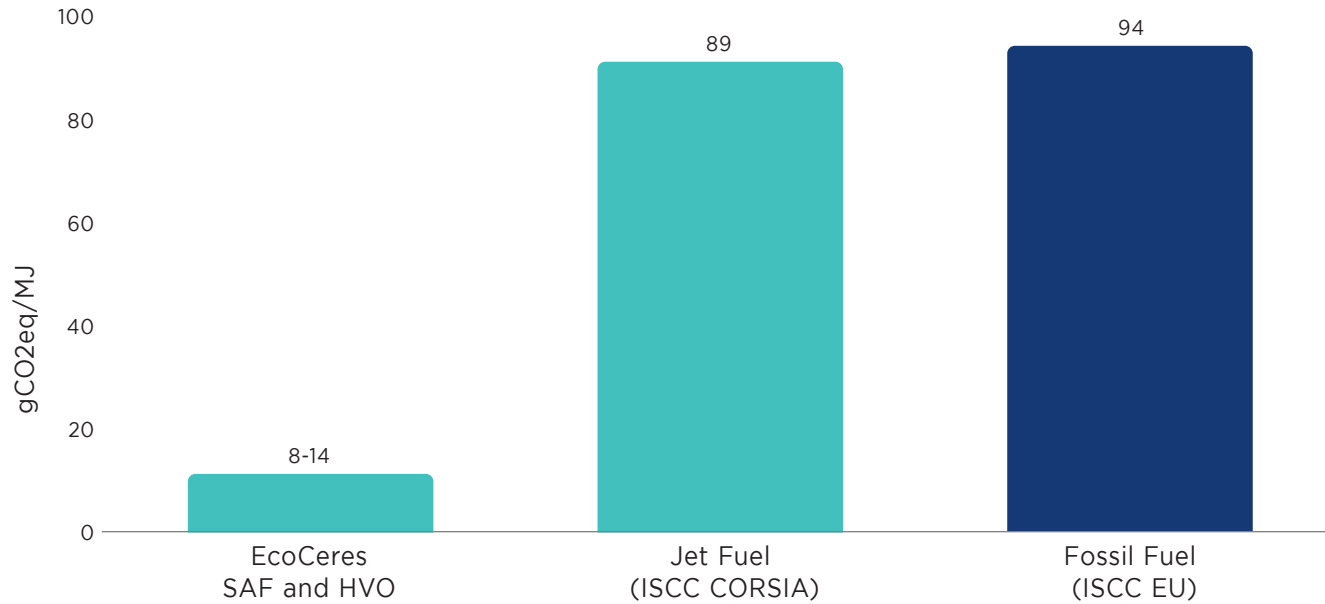


The carbon footprint result is expressed in carbon intensity (CI) value per unit of energy. A lower CI value indicates lower life cycle GHG emissions and thus higher values brought to our customers, society and the environment. The GHG emission reduction of our products, as compared to fossil energy, are also calculated using ISCC methodology, and verified by independent third parties².

¹ Based on EcoCeres products

² Refer to "About EcoCeres" section for more information about our ISCC certifications

Carbon Intensity



Our HVO and SAF have a carbon intensity of 8-14 gCO₂eq/MJ, achieving an ~87-95% reduction in GHG emissions compared to fossil-based fuels, according to ISCC EU Greenhouse Gas Emissions standards and ISCC CORSIA standards.

The amount of emission reduction achieved by our end customers through our renewable fuels can be increased by scaling up our production volume and reducing our GHG emissions.

Our Commitment

Help our end customers achieve 5mtpa of emission reduction by 2035



3.5 Environmental Impact

Besides our efforts to reduce our climate impact, EcoCeres also adopts additional practices to protect the natural world where we operate. EcoCeres implement strict environmental management system and Jiangsu plant was certified as meeting the requirements of ISO 14001: 2005.



immediately to ensure a timely control of the leakage. Inspection records are maintained through the LDAR management system to support continuous improvement in emissions control.

The site-level HSE Committee¹ monitors the air emissions quality daily. A digital air emissions monitoring system is in place for EcoCeres to collect and review air emissions data timely, and review access is also provided to relevant regulatory bodies for close inspection. Additionally, regular inspections and maintenance of our production equipment and pipelines further mitigate emission risks. We review our air emission performance and identify potential opportunities for emission reduction through continuous pollutant monitoring. For example, we have applied low nitrogen combustion technology to reduce the emission of NOx at the Jiangsu plant.

3.5.1 Air Emissions

Emissions generated from our production process generally include exhaust gases, dust, and substances with irritating odours. The key air pollutants are nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter (PM) and volatile organic compounds (VOC). We adhere to air emission management procedures in our day-to-day operations.

Our facilities are equipped with advanced exhaust gas treatment technology, and we employ a leak detection and repair (LDAR) management system to promptly address any VOC leakages, ensuring environmental compliance and workplace safety. Once identified, repairment will be conducted

3.5.2 Water & Effluents

EcoCeres is committed to address water stress, protect local water resources and foster positive community relations by optimizing water use and reducing water contamination. Water risk management is incorporated into our operational and long-term planning to mitigate and minimise water-related operational risks.

Water Consumption

We operate a water consumption monitoring system and keep records of water consumption data across all operational plants within EcoCeres. In accordance with our Environment Policy, EcoCeres implements a set of measures to conserve water and minimise the impact on water resources.



Water Efficiency

- Conduct regular inspection and maintenance of water usage equipment to prevent dripping or leaking of water
- Inspect, account and assess the total consumed water amount of the Group on a monthly basis
- Improve production processes, adopt new technologies to continuously reduce, reuse, recycle water
- Promote water-saving awareness to all employees, suppliers, local communities and other key stakeholders

¹ Refer to "Our HSE Management Framework" section for more information about our HSE governance

Case:

Water Efficiency Initiative in the Jiangsu Plant

The Jiangsu plant adopts the “multi-use, recycle, and reuse” principle when managing its water consumption. As such, it introduced advanced water-saving technology and promoted water-saving practices. Through wastewater recycling and steam condensation reuse, the plant achieved a water recycling rate of 64% in 2023.



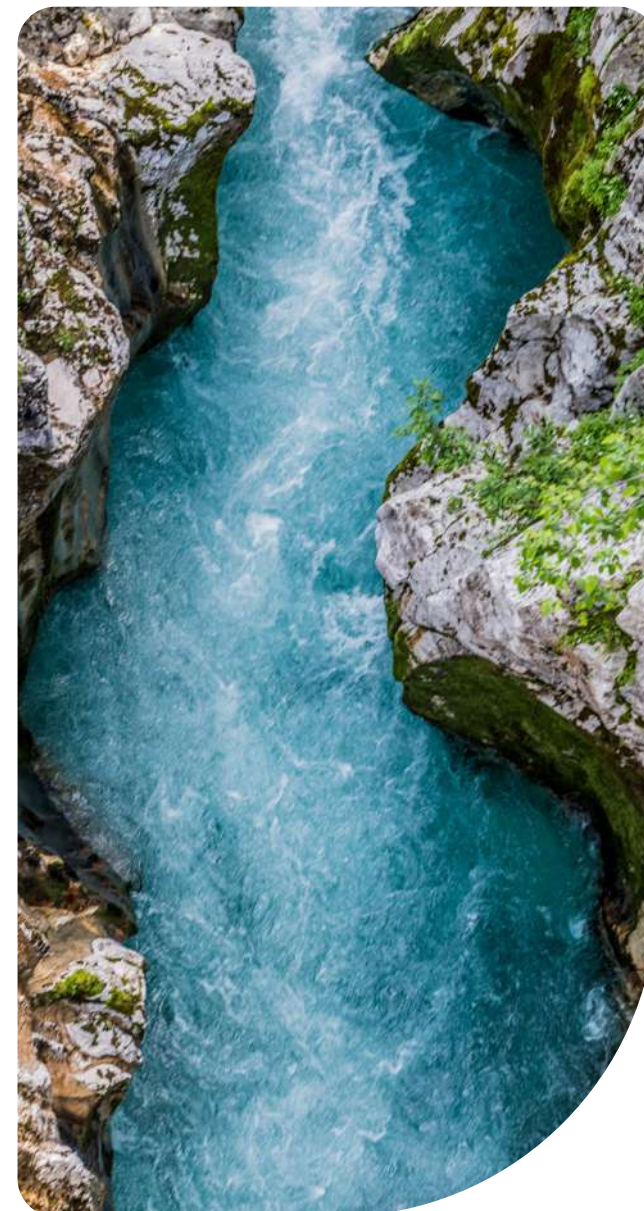
64%

Water recycling rate at Jiangsu plant in 2023

Meanwhile, we also actively identify and manage water-related risks. To ensure a stable supply of water to EcoCeres’ operation and to eliminate the risk of water stress, we regularly evaluate the water stress status of our production plants based on the World Resources Institute’s Aqueduct Water Risk Atlas tool and assess potential impacts of our operations on water-stressed regions. Among our operating locations, Cangzhou, Hebei is a relatively water-stressed region, yet our plant is located in an industrial park with access to stable supply of desalination water from a local provider. The Hebei plants were in trial operation, with the team continuously adjusting and improving the process to optimize production. This requires significant water for flushing and cleaning, leading to higher water intensity in 2023 compared to 2022. Once the plants enter normal operation, water intensity is expected to decrease.

Wastewater Management

Wastewater is mainly generated during feedstock pretreatment and equipment cleaning. To ensure compliance with discharge standards, we adopt a specialised wastewater treatment system and implemented regulated practices to treat process water and stormwater in alignment with our policies. An emergency plan is also developed to provide clear and sufficient response guidance whenever a discharge accident occurs.



¹ More granular classification and data are available in the Appendix

3.5.3 Waste Management

EcoCeres employs the “5R” principle – Replace, Reduce, Reuse, Recover, and Recycle – to mitigate the environmental impacts of waste generated during our operations. In 2023, we reused and recycled over 450 tonnes of waste from our operations.



We categorise waste generated into non-hazardous waste and hazardous waste¹ under our waste management policy. After collection, the wastes are properly stored and subsequently handled or disposed of by qualified third-parties, depending on the type of waste. The hazardous waste will undergo a separate collection, storage and disposal process, with rigorous treatment procedures by specialised waste collector, while dumping, stockpiling, and landfilling of such wastes in unauthorised areas is strictly prohibited. We have a warehouse for hazardous waste storage equipped with intelligent weighing and warehousing system and real-time monitoring system. If an accident occurs, appropriate actions will be implemented following the guidelines in our emergency plan.

When comparing hazardous waste production in 2022 and 2023, the most significant increases were observed in three categories: water treatment sludge, oil sludge, and waste desulfurizer. The reasons for these increases are:

- **Water Treatment Sludge:** In 2023, the raw material pretreatment process was enhanced, leading to an increase in wastewater generation. As a result, the amount of sludge produced rose significantly from 197.5t to 686.9t
- **Oil Sludge:** In 2023, the cleaning of the bottoms of raw material oil storage tanks in external storage contributed to a rise in disposal volume, which increased from 199.7t to 395.9t
- **Waste Desulfurizer:** The dry desulfurizer is typically used as a backup during startup and shutdown, with a normal usage of about 140t per year. In 2023, due to a significant increase in product output, the capacity of the wet desulfurization system was insufficient. As a result, the dry desulfurization system was activated more frequently, leading to an increase in the number of desulfurizer replacements from two times (70t per tank) in 2022 to four times in 2023. Consequently, the disposal volume rose from 127.3t to 309.7t

3.5.4 Biodiversity and Land Use

EcoCeres’ products are made from waste, minimizing the exploitation of natural resources and impacts on habitats of wildlife.

None of our current and upcoming production facilities are in or near protected areas and areas with high biodiversity. We strictly refrain from developing operational sites in nationally or internationally recognised areas of significant biodiversity, such as World Heritage areas and International Union for Conservation of Nature (IUCN) Category I-IV protected areas.

Our Code of Conduct, Sustainability Policy, Sustainable Supply Chain Policy and Supplier Code of Conduct all reflect our ambitions and requirements to protect biodiversity, encompassing both our own operations and our suppliers’ operations.

Advancing Supply Chain Transparency

We recognise and prioritise the importance of supply chain transparency in building trust amongst our key stakeholder groups and are working to achieve and maintain 100% feedstock traceability. At the same time, we're closing the gap between ourselves and our supplier partners, supporting them to improve their health and safety, labour, ethical and managerial practices.



Material sustainability topics

- 4. Value chain impact
- 13. Human and labour rights

4.1 Sustainable Supply Chain Management

At EcoCeres, we have a set of Sustainable Supply Chain Principles to guide our operations and ensure that our renewable feedstock suppliers and business partners align with our values and sustainability goals.

Sustainable Supply Chain Principles

 <p>Compliance with Regulations</p>	<p>We comply with all relevant laws and regulations associated with the operations of its supply chain</p>
 <p>Environmental Footprint Reduction</p>	<p>We strive to reduce our environmental footprint by assessing and minimizing adverse effects across its supply chain, while monitoring and reporting various environmental aspects such as climate change, energy efficiency, air emissions, water management, waste management, and biodiversity, and expects our suppliers to have similar environmental policies and plans in place</p>
 <p>Ethical and Responsible Sourcing</p>	<p>We are dedicated to ethical and responsible sourcing, requiring suppliers to uphold human and labour rights including eliminating child and forced labour, promoting anti-discrimination and anti-harassment policies, and ensuring occupational health and safety measures</p>
 <p>Ethical Business Practice</p>	<p>We strongly oppose bribery and corruption and expects our suppliers to adopt a zero-tolerance policy, preventing any form of bribery, improper payments or unethical practices</p>

Our *Sustainable Supply Chain Policy* clearly defines the roles and responsibilities of our procurement personnel and our approach in managing supply chain risks, while the *Supplier Code of Conduct* sets out basic principles, requirements and expectations that we ask of our renewable feedstock suppliers.

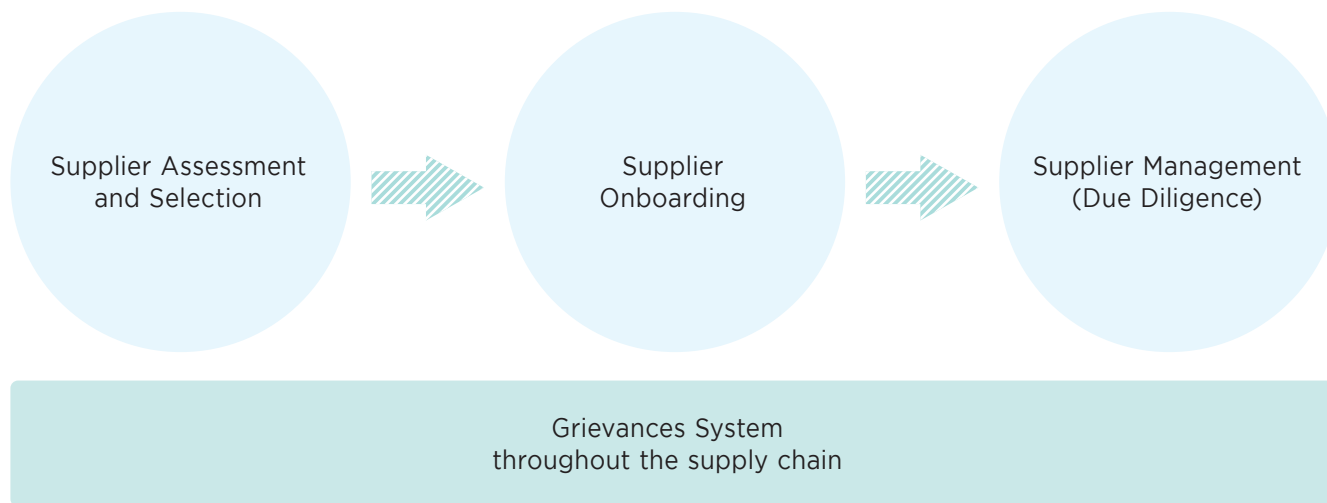
Through these efforts, we seek to enhance transparency, promote ethical practices, and create shared value throughout our supply chain, fostering a collective commitment to sustainability with our suppliers.

4.2 Responsible Sourcing

At EcoCeres, responsible sourcing is embedded in every facet of our supply chain management. Our Responsible Sourcing practices are essential in cultivating a supply chain network where ethical standards and sustainability are paramount.

We have developed a responsible sourcing approach that covers the assessment, selection, onboarding and management of our renewable feedstock suppliers, integrating responsible sourcing principles to ensure that our procurement practices align with EcoCeres' sustainability goals.

Supplier Engagement



4.2.1 Supplier Assessment and Selection

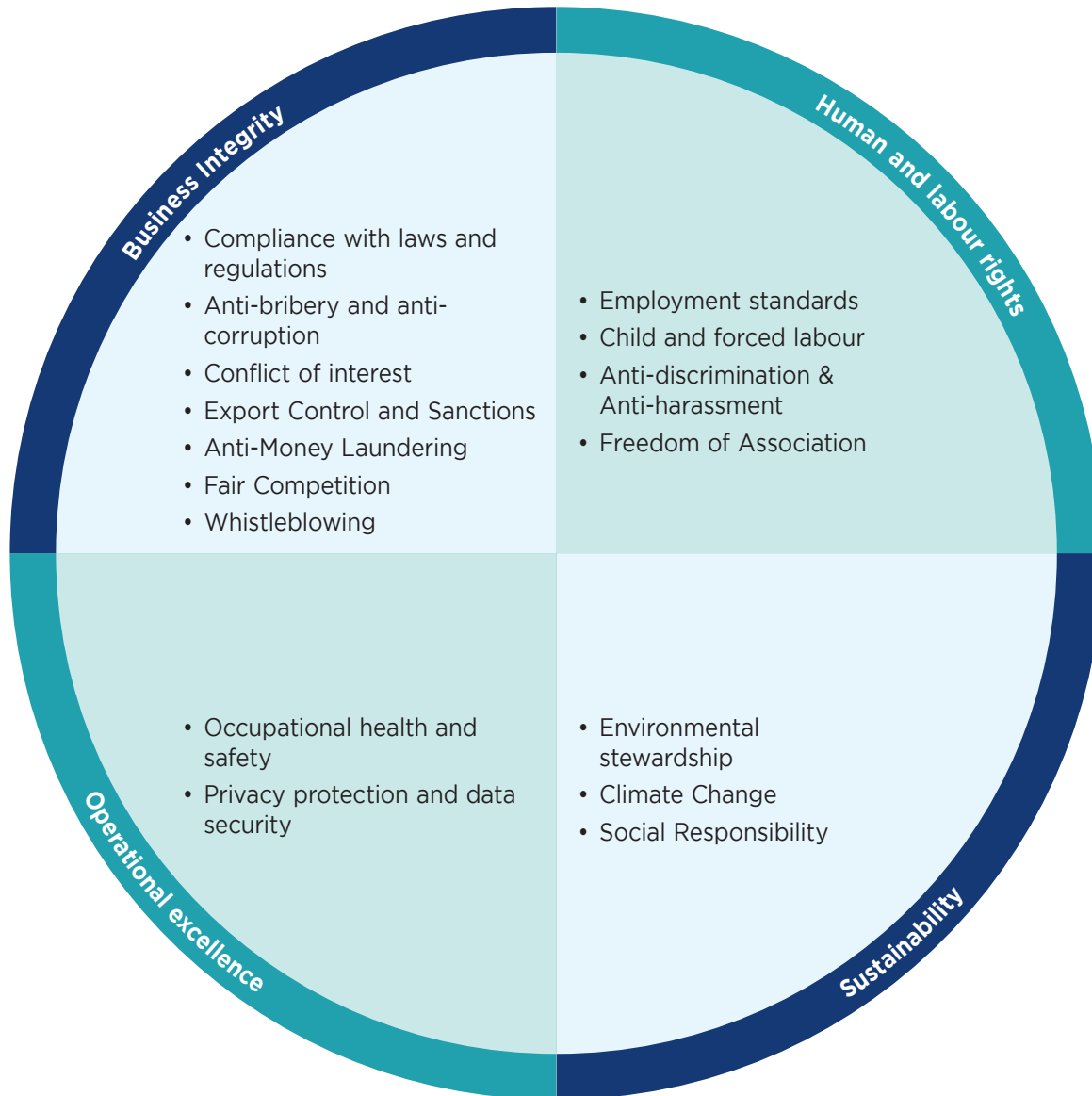
When selecting our renewable feedstock suppliers, we prioritise working with those with substantial operational experience and strong sustainability performance. In addition, EcoCeres gives priority to suppliers who demonstrate their sustainability commitments in climate change and social progression, such as:

- GHG emission disclosure and reduction commitment, including concrete reduction roadmap and tracking mechanisms
- Adherence to internationally recognised human rights and labour standards, including respecting workers' rights, paying workers fairly, ensuring safe working conditions, etc.

4.2.2 Supplier Onboarding

We at EcoCeres expect our renewable feedstock suppliers to share similar values and commitments in sustainability. Therefore, we require our suppliers to adhere to our *Supplier Code of Conduct*, which specifies our principles, expectations and requirements that we ask of our suppliers.

EcoCeres Supplier Code of Conduct



EcoCeres *Supplier Code of Conduct* was formally introduced in Dec 2023. We intend to work closely with all our renewable feedstock suppliers to sign and implement it from 2024 onwards.

Our Commitment

Require all renewable feedstock suppliers to commit to EcoCeres' sustainability requirements laid out in EcoCeres Supplier Code of Conduct by 2025

4.2.3 Supplier Due Diligence

All our renewable feedstock suppliers are subject to our regular due diligence, focusing on product quality and operations.

- **Product quality:** We have implemented a Quality Control Management Procedure for Raw Materials to require all renewable feedstock suppliers to provide testing reports for the renewable feedstocks. We also conduct sampling and testing on the feedstocks to ensure quality compliance
- **Operational excellence:** We conduct on-site inspections to assess the operations of our renewable feedstock suppliers directly. We then work with the suppliers to develop remediation plans to close identified gaps. In case that a supplier is unresponsive, demonstrates significant errors or violations of standards, we will take appropriate actions including contract termination as a last resort.

Moving forward, we plan to enhance our supplier due diligence framework to cover all expectations and requirements laid out in our *Supplier Code of Conduct*, particularly under Business Integrity, Human and Labour Rights, and Sustainability dimensions. Moreover, we plan to take proactive actions to engage our renewable feedstock suppliers to facilitate best practice sharing and capability building. In this way, we promote tangible improvements and deliver real value chain impact together with our suppliers and business partners.

Our Commitment

Evaluate all renewable feedstock suppliers based on EcoCeres supplier sustainability criteria by 2025.

Conduct supplier due diligence and audits, and engage suppliers to improve their HSE, labour, ethical and managerial practices.

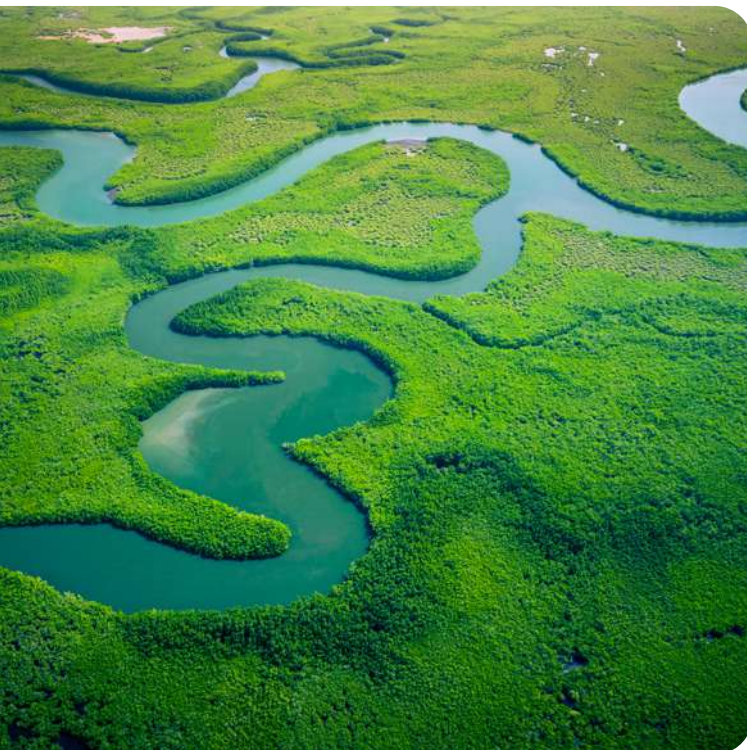
4.2.4 Grievances System in Supply Chains

EcoCeres encourages all stakeholders to report any confirmed or suspected violations of contracts, policies, or the *Supplier Code of Conduct*. Our *Whistleblowing Policy* provides protection for individuals who report misconduct or legal concerns in good faith, and we have a strict zero-tolerance policy against any form of retaliation.

We take every complaint and allegation of suspected sustainability violations with utmost seriousness and conduct thorough investigations. In cases where sustainability criteria or contractual requirements outlined in our agreements have been verifiably breached, and the nature of these breaches is deemed significant, we reserve the right to terminate our contract with the supplier or contractor involved.

4.3 Feedstock Traceability

As global demand for renewable fuels increases, so do expectations for transparency across the supply chain. Feedstock traceability plays a pivotal role in validating sustainability practices, ensuring regulatory compliance and building trust among stakeholders. Without high-quality feedstock traceability, it is impossible for the renewable fuel industry to scale while making sure it is creating the intended environmental and social impact.



Why Feedstock Traceability is Important to the Renewable Fuel Industry

Sustainability practice validation	Feedstock traceability allows for the validation of sustainability claims. This ensures that the feedstocks are genuinely sustainable and not contributing to adverse impacts such as deforestation, loss of habitat or biodiversity, etc.
Regulatory compliance	Many regions have strict guidelines on what constitutes sustainable feedstocks. Feedstock traceability prevents fraudulent activities such as the mislabelling of non-sustainable feedstocks. This ensures that only genuinely sustainable materials are used in renewable fuel production, and hence regulatory compliance
Trust building	When the origin and sustainability of feedstocks are transparent and verifiable, it builds trust towards the renewable fuel industry among suppliers, consumers, investors, and other stakeholders. The trust enhances the credibility of the SAF industry and hence supports its growth

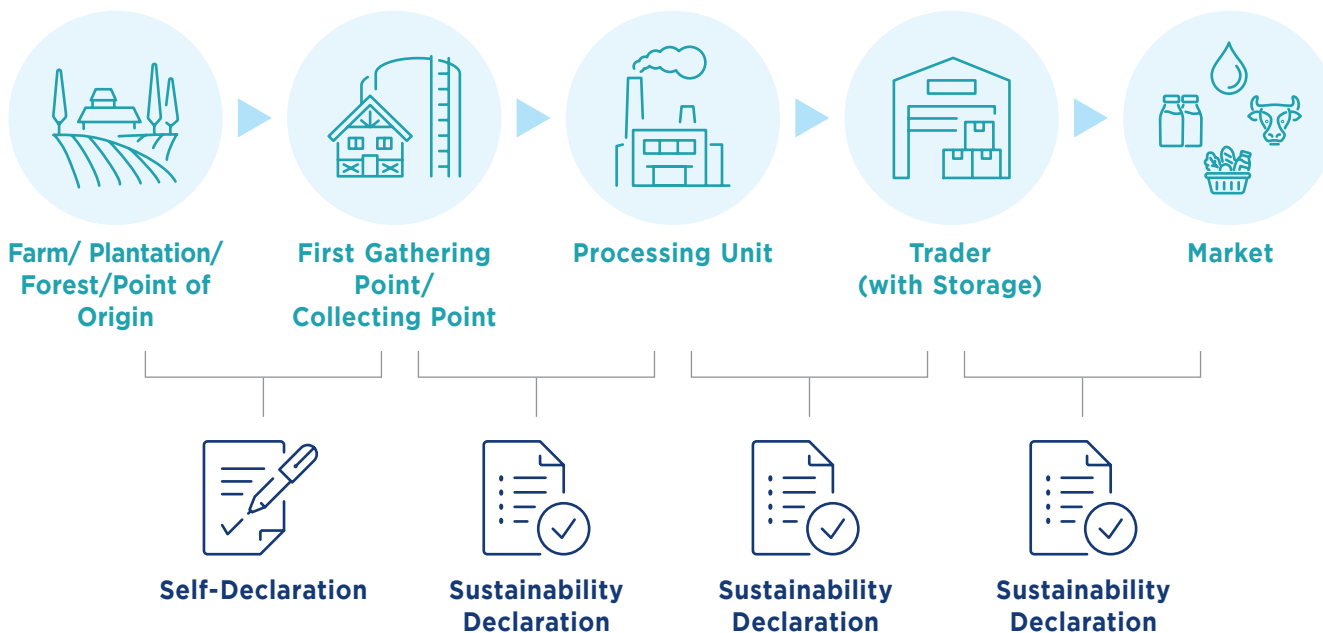
To meet the growing demand for feedstock traceability and manage our supply chain risks proactively, EcoCeres takes achieving high-standard feedstock traceability as one of our key sustainability commitments, targeting to have 100% of our procured renewable feedstocks traceable.

Our Feedstock Traceability Practices

As one of the most widely recognised sustainability standards globally, the International Sustainability and Carbon Certification (ISCC) forms the foundation of our traceability system. EcoCeres’ renewable feedstock is 100% traceable based on the ISCC standard, guaranteeing full compliance with ISCC EU 203 Traceability and Chain of Custody standards. This certification validates our sustainable practices and enhances our credibility and market access.

Next, we plan to enhance our traceability program by aligning with the requirements under the Renewable Fuel Standard (RFS) introduced by the U.S. Environmental Protection Agency. We believe the additional requirements will allow us to meet the needs of more diverse markets and strengthen customer trust in our products.

ISCC Traceability Requirements for Supply Chain



By working closely with our suppliers, we intend to maintain 100% traceability under ISCC standard, and proactively enhance our traceability program to new standards. This goal underpins our broader mission to provide sustainable, traceable, and innovative solutions to our customers, and we look forward to sharing more details of our actions and achievements in the future.

Our Commitment
Maintain 100% renewable feedstock traceability under ISCC standard, and continuously enhance traceability program to new standards, including the RFS.

4.4 Commitment to Quality and Our Customers

Our commitment to the highest standards of product safety and operational management is central to assuring our product quality and serving our customers.

4.4.1 Quality Assurance and Management

Maintaining high quality standards in the production process is essential to serving our customers. At EcoCeres, production monitoring and quality management policies are in place, requiring our quality management team to comply with standard procedures for quality checks and quality assurance. Our Jiangsu plant has been certified to ISO 9001:2015, a widely recognised standard in quality management system.



For feedstocks and auxiliary materials, we conduct quality checks based on the procedures and acceptance criteria specified in our *Feedstock and Auxiliary Material Quality Control Management Procedures*. Post-production, we check all our products against national and international standards for product quality and safety, including product composition and specification, physical and chemical properties, stability and reactivity, toxicity, handling and storage, hazards identification, exposure controls and personal protection, as well as disposal considerations. The checks are also subject to third-party inspection and verification.

To prevent defective products from entering the market, we have set standard procedures to assess, label, record, report and recall any defective projects. For example, we conduct detailed inspections of all products to identify any defective products before shipping. In 2023, there were zero confirmed cases of product recall due to product quality.

4.4.2 Serving Our Customers

We see enormous value in building strong and trust-based relationships with our customers.

It is important that our customers are provided with accurate and reliable information about the specifications and risks of our product. We strive to avoid any misleading or deceptive information in our marketing materials, adhering to industry standards and regulations.

Customer satisfaction is highly valued at EcoCeres. We actively seek feedback from our customers to continuously improve our products and services. In the event of complaints or disputes, our standard procedure is to address and resolve customer concerns as promptly as possible, which involves documentation and understanding customer concerns, coordinating internal feedback, and working towards an optimal solution that meets customers' expectations.

Prioritising Our People

We value our people and communities above all else, prioritising their safety, wellbeing and development while working to foster a culture of empowerment. Embedding the highest health and safety standards while continuing to provide opportunities for meaningful development.



Material sustainability topics

- 3. Health and safety
- 7. Employee Well-being
- 9. Community development
- 14. Diversity, equity, and inclusion



5.1 A Culture of Safety

At EcoCeres, employee safety is our highest priority. Through accountable governance, we foster a strong safety culture in our workplace and continuously look for ways to improve our capability to operate our sites safely.

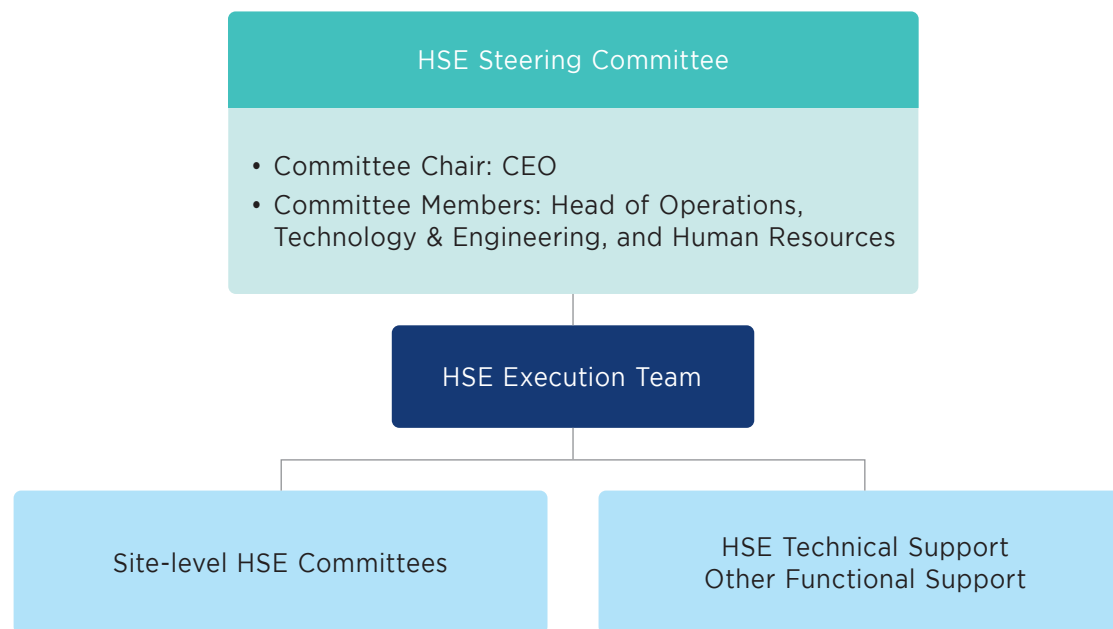
5.1.1 Our HSE Management Framework

We have established a group-wide health, safety, and environment (HSE) management system at EcoCeres, with oversight from the HSE Steering Committee, to manage safety risks and cultivate safety awareness across all EcoCeres sites.

HSE Governance

To ensure effective governance in creating a healthy and safe workplace, EcoCeres has established the HSE Steering Committee to oversee HSE matters at the Group level. The Committee consists of the head of relevant functional and business departments, and is responsible for setting safety targets, assessing HSE-related risks that will potentially occur at multiple sites, and developing solutions with sites to address such risks. The Committee members meet quarterly to discuss, track and address HSE matters, and report safety performance and key progresses to the Board quarterly.

Below the HSE Steering Committee is the HSE Execution Team, which consists of site-level HSE Committees supported by HSE and other functional supports in the Group.



At the site level, the Safety and Risk Management Department is responsible for developing safety strategies based on the “Plan-Do-Check-Act” (PDCA) approach. It develops plant-specific safety plans that consist of KPI metrics and targets for management approval, and reports safety summary to the management regularly. Meanwhile, the Production Department is accountable for site production safety and achieving safety targets in line with the PDCA approach.

Jiangsu Plant

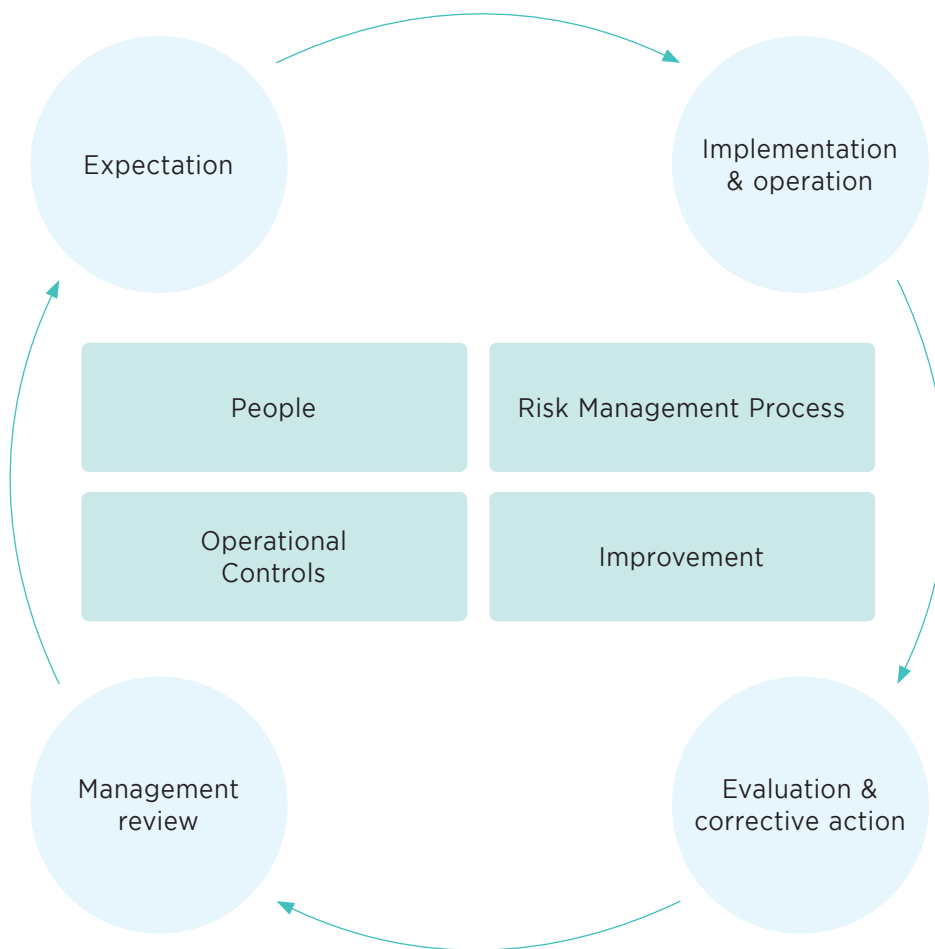
Using the Jiangsu plant as an example, we established a series of Work Safety KPIs, including Occupational Health and Safety (OHS), Zero Fire and Explosion Accidents, Zero Liability Accidents, Zero Environmental Pollution Accidents, 100% Detection Rate of "Three Violations" Incidents, 100% Rectification Rate of Hidden Dangers, HSE Training Completeness and Pass Rate, and Contractor Accidents. By the end of 2023, all KPIs were 100% completed.

Every Committee, function, and department under our safety governance structure have their own roles and responsibilities, but they all coordinate and work together towards one common goal - to achieve Zero Accident in workplace at EcoCeres.

HSE Management System

We have established an effective HSE management system (Five-in-One) to manage identified risks using the PDCA approach, demonstrating resilience in the face of ongoing safety challenges during our rapid growth phase.

EcoCeres HSE Management System



The system covers a set of standards, procedures, and guidelines, providing instructions for managing and addressing different aspects of HSE-related issues such as accident reporting and investigation, operating permit, change management and emergency response.

Five-In-One System

The Five-In-One System is a new generation of enterprise safety production information technology product. This platform promotes the digital and intelligent transformation and upgrading of enterprises through information technology. It upholds four core values as below:

Safety: Accurately track the real-time location of personnel and vehicles, allowing management to allocate work more effectively, manage personnel dynamics promptly, and address abnormal statuses, thereby enhancing safety management within the plant.

Convenience: Utilize GIS maps to digitize and electronize all data, enabling millisecond-level information transmission and second-level data reporting. Support for both PC and mobile platforms allows for real-time reporting of abnormal information, improving the timeliness and simplicity of management.

Efficiency: Through digital and intelligent methods, achieve comprehensive coverage, real-time monitoring, rapid response, and precise decision-making in safety management. This significantly enhances the effectiveness and efficiency of safety management, reduces management costs, and strengthens the ability to prevent and handle safety hazards.

Interconnection: The integration of multiple systems such as work permits, inspections, and video surveillance, along with open interfaces, increases the connectivity between all information systems, avoiding information silos and fragmentation, resulting in a synergistic effect greater than the sum of its parts.



The HSE Management System


The HSE management system of our Jiangsu plant is certified to ISO 45001, ensuring robust safety practices and regulatory compliance. Meanwhile, we are putting in all necessary HSE processes in Malaysia and Hebei sites, and intend to obtain ISO 45001 certification when they become fully operational in the future.



We proactively manage our safety data in all operational sites, not only to comply with local regulatory requirements but also as part of our broader safety management strategy. For instance, in response to safety data management regulations of Jiangsu Province, we are implementing a “Five-in-One” integral online platform in our Jiangsu plant. The platform allows us to analyse and identify opportunities to enhance HSE management. Furthermore, we are exploring digital transformation opportunities in safety data management towards higher security and transparency.

Case:
Training Session was Held at the Jiangsu Plant

In August 2023, an Occupational Health and Safety (OHS) training session was held at the Jiangsu plant, with

 **75 employees** participating.

Through this training, employees gained valuable knowledge on preventing occupational diseases.





5.1.2 Our Commitment to Zero Accidents Risk Assessment & Safe Production Planning

To demonstrate our commitment to safety and fulfil local regulatory requirements on safety risks assessment and management, we conduct risk assessment regularly on the activities and processes during our production to identify potential sources of hazard and safety risks. In response to the legal requirement, we conducted production safety inspections and identified 1,491 hidden dangers within our operations in 2023. We also managed to rectify all issues in a timely manner before any material damages were done. Preventive measures were developed to minimise reoccurrence of similar issues.

The Safety and Risk Management Department also organises safety risk assessment and hazard identification at least once a year. To facilitate the implementation of the risk assessment, a specific Risk Assessment Working Group is formed every time when an assessment is conducted. By taking into consideration of factors such as the likelihood, exposure and consequences of the potential accident, a risk map that shows levels of risks in every zone of our production plant will be produced and our observation and analysis will be documented in a risk assessment report for review and future use.

Every production plant will establish their own annual work plan on safety management in the beginning of each financial year, covering action items, financial considerations and human resources allocation to ensure the safety practices remain on course. The safety work plan covers safety goals and targets, highlighted safety monitoring and control works of each department, training plans, proposed meetings and activities for the year. In 2023, we achieved 0.5 total lost-time incident rate (LTIR) per million working hours, 64% lower than the 2022 level.

Our Commitment

Achieve Zero Lost Time Injury Rate (LTIR)

Emergency Preparedness

To enhance our awareness and capabilities to respond to emergencies, we have developed an emergency policy that offers comprehensive guidance for addressing different emergency scenarios, including fire, chemical spills and floods, along the prevention, preparation, response, and recovery phases. Additionally, regular trainings and drills are conducted to ensure that our employees possess the adequate knowledge and skills for effective emergency response.

Case: Jiangsu Plant Held an Emergency Equipment Practical Drill

In March 2023, the Jiangsu plant held an Emergency Equipment Practical Drill. The drill included on-site, hands-on training in the proper use of firefighting emergency equipment, such as SCBA, gas masks, fire extinguishers, hydrant hoses, defibrillators, and oxygen bags.

The goal was to ensure that the staff became proficient in using this emergency equipment.

Case: Phase II E8101C Fire Specific Emergency Drill

On 30 June 2023, Phase II E8101C Fire Specific Emergency Drill took place in Jiangsu plant.

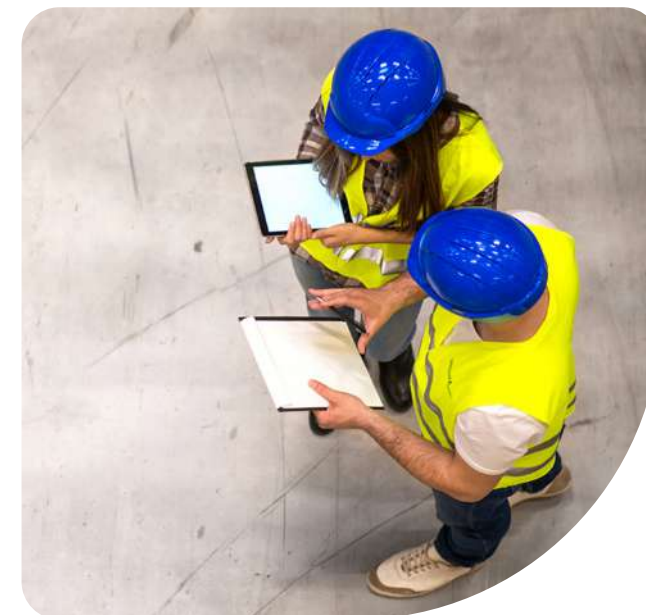
 **28 employees** participated in the drill.

The drill went successful, and no safety hazard was found.



Continuous Improvement

We continuously monitor the effectiveness of our safety management system. To safeguard the compliance and effectiveness of the safety management system, we conduct audits and action management as part of our improvement strategy. We also focus on reviewing and improving incident management to prevent incident reoccurrence. Furthermore, we carry out reviews on the overall safety management system for continuous improvement. Apart from internal self-assessment and inspection, we proactively engage external parties to evaluate the efficacy of our established controls on safety-related risks and compliance.



5.1.3 Raising Workplace Safety Awareness

At EcoCeres, we take every opportunity to foster safety awareness throughout every level of the organisation.

The site and company level management teams are responsible for reviewing our safety performance and identifying weaknesses and gaps in safety awareness. With guidance and approval from the Board, the management will subsequently roll out safety awareness initiatives and programs, such as a program to identify and minimise the hazards from slips, trips and falls (STF) in workplace.

We provide training programs to enhance awareness and competence in occupational health and safety matters, contributing to a safe

workplace for everyone on the site-level. In each of our production plants, a policy for managing the safety training and education programs has been established, which standardises the roles of relevant departments, the training types and scopes, target audience, training duration and requirements on examination and qualification.

Based on the policy, the responsible department will develop annual training plans to ensure our staff receive all required trainings and that they possess the sufficient knowledge and awareness to safeguard our workplace safety. In 2023, we offered over 53,000 total training hours for occupation health and emergency response.

Safety Production Month Initiative

In response to the national “Safety Production Month” campaign, we launched various initiatives to raise safety awareness every June at all our operational sites. In June 2023, we held a Safety Knowledge Competition in our Hebei plant, aiming to enhance employees’ understanding of safety practices and promote a culture of safety. In our Jiangsu plant, we offered Hazard and Operability (HAZOP) practice workshop and online trainings, covering emergency response and process safety. Our training outcomes are demonstrated through project competitions and safety essay competitions.

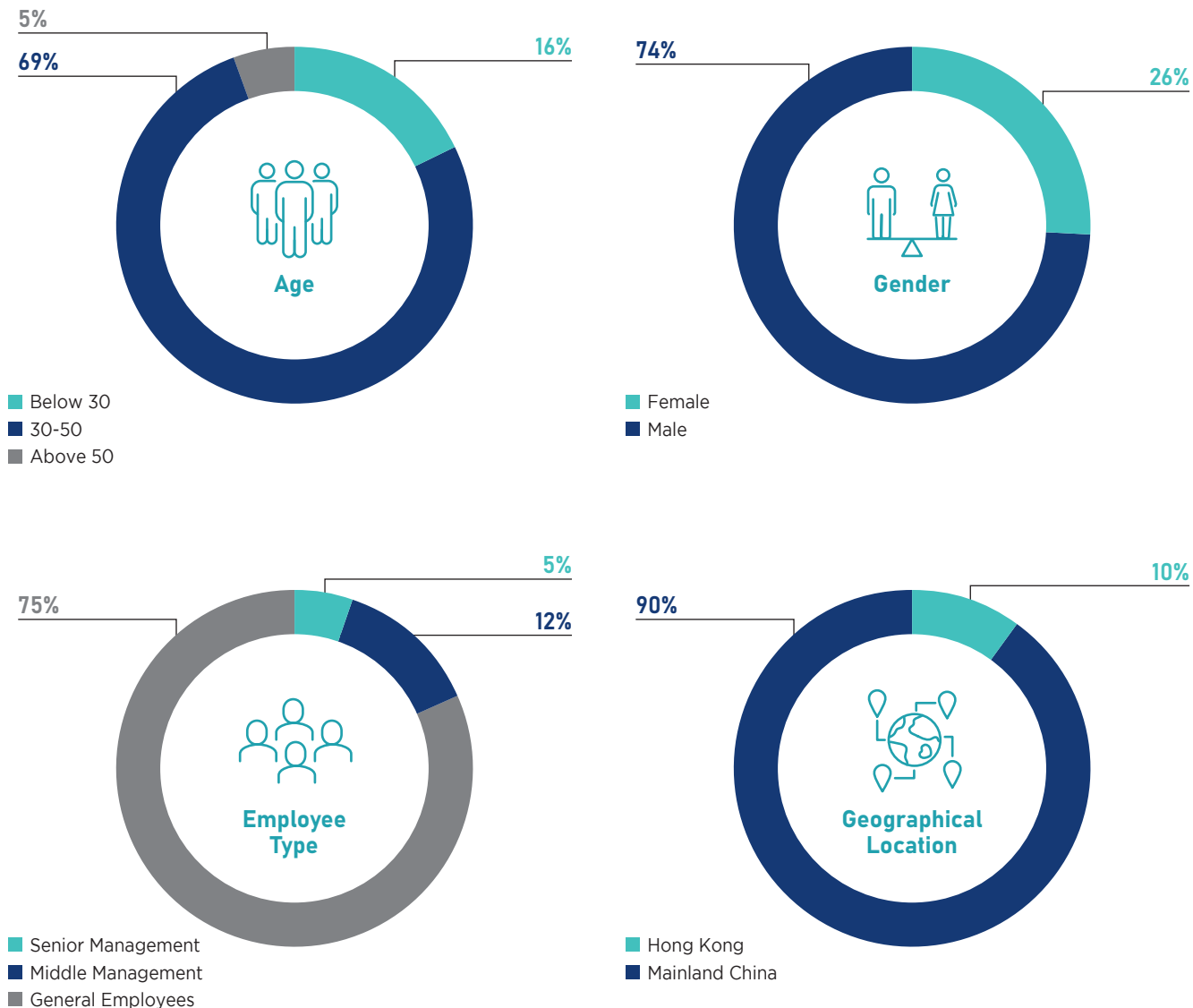


5.2 Our People and Community

5.2.1 Talent Management

As our business continues to expand, we acknowledge the pivotal role our employees play in driving our growth. At EcoCeres, we are committed to adopting a people-centric approach, providing our employees with a rewarding and fulfilling employment experience. We recognise that investing in our workforce is paramount for long-term success and sustainable growth. As a responsible employer, we are dedicated to creating a supportive, inclusive, and engaging working environment where the well-being, growth, and development of every individual within EcoCeres are valued.

EcoCeres HSE Management System



Our commitment to our people is reflected in our People Policy. This policy outlines EcoCeres' dedication to being a responsible employer in equal employment opportunity, remuneration, well-being, learning and development, human rights, diversity, equity, and inclusion, as well as occupational health and safety. By adhering to this policy, we ensure that our practices align with industry standards and best practices, serving as the guiding framework for our people-centric initiatives.

Our Commitment to People



We comply with applicable laws and regulations in all aspects of our labour management processes. Whether it pertains to equal employment opportunity, non-discrimination, wages, working hours, occupational health and safety, employee benefits, termination procedures or any other employment-related matters, we ensure that our practices align with relevant laws and regulations of the locations in which we operate.

Talent Recruitment, Management and Retention

EcoCeres understands the importance of building a strong and talented workforce. We recognise that attracting and retaining skilled individuals who align with our values and contribute to our mission is essential to our long-term success.

Adhering to a comprehensive and inclusive recruitment process, we strive to attract a diverse pool of candidates and ensure equal opportunities for all applicants. Our recruitment practices are guided by principles of fairness and transparency. We assess candidates based on their qualifications, skills, and potential to contribute to EcoCeres' success. We value the diversity of perspectives and experiences that the candidates bring, recognizing the strength it adds to our organization. In 2023, we hired 176 new employees into EcoCeres.

As part of our talent recognition and retention practice, we conduct remuneration reviews in alignment with market standards. The process is conducted cyclically to ensure that we stay competitive as an employer. In addition, we conduct performance reviews with our people at the end of each year as part of our talent promotion and succession planning initiative. Our group-wide average turnover rate was 10.9% in 2023.

Employee Benefits and Welfare

We understand that a positive and supportive working environment contributes to employee satisfaction, engagement, and the overall success of our people. The benefits that EcoCeres provides considers location and job-specific needs, and government requirements. While the benefits that we provide vary depending on location, they are designed to attract and retain talent. All our full-time employees have benefits package that covers theirs and their eligible family members’ health and medical needs.

We understand the significance of important life events such as marriage and becoming a parent. To support our employees during these milestones, we provide marriage leave and paternity leave according to labour regulatory requirements across different jurisdictions. These leaves allow our employees to take the time they need to celebrate and bond with their families while maintaining a healthy work-life balance.

Talent Engagement

We employ various communication channels, including All Hands meetings and informal events such as “Tea with CEO,” to create platforms for sharing relevant information with our people. These communication channels allow for open dialogues, enabling employees to ask questions, provide feedback, and gain a deeper understanding of EcoCeres’ goals and initiatives. We also introduced a career journey sharing session and Role Models Award in 2023, amongst our efforts to recognise and celebrate our people that have achieved significant milestones in their careers.

We also actively listen to our people. In 2023, we conducted an employee engagement survey at group level, where we received a high employee response rate. The purpose of the survey was to understand employee’s feedback on whether they are familiar with the company’s business direction, and whether they face any issues in work execution, leadership guidance, cross-functional collaboration, personal development, and receiving recognition. Using the Jiangsu plant as an example, we received 281 questionnaire replies, achieving a response rate of 98%.

Employee Engagement Survey Results (Jiangsu plant)

Employee Response Rate	98%
	Positive Feedback (Percentage (%))
Safety	91%
Work relation	90%
Engagement	87%
Work arrangement & Efficiency	87%
Management	84%
Corporate Culture	84%
Supervisory Support	82%
Trainings & Talent Development	82%
Performance management	82%
Job satisfaction	80%
Communication	80%
Work-life balance	77%

We take our employees’ feedback seriously to understand their satisfaction levels and identify areas for improvement. For example, to promote collaboration and strong execution, we launched a Role Model Award in 2023 to recognise employees who have played exemplary roles in such desired behaviours across the Company.

Our Commitment

Improve and maintain Employee Satisfaction Score (ESS) at high levels

5.2.2 Employee Training and Development

Our operation is closely tied to the high standard of work performance delivered by our employees. We recognise that investing in their training and development not only enhances their current job performance, but also supports their long-term growth within the Company. We prioritise the continuous learning and development of our employees through a series of programs. These programs are designed to equip both new and existing employees with the necessary skills, knowledge, and tools to excel in their roles. In 2023, we provided trainings related to new employee onboarding, general management skills, performance management and job-specific skills across all seniority levels.

Percentage of Employees Trained

Senior Management	90.5%
Middle Management	80.4%
General employees	94.1%

Anti-discrimination Training for Hong Kong Staff

The Hong Kong headquarters held an anti-discrimination training on Dec 19, 2023, focusing on anti-discrimination ordinances in Hong Kong about gender, disability, family status, race, etc. Through case sharing and discussions, our colleagues gained a deeper understanding of discriminative actions in their daily life and powerful tactics to combat discriminations at workplace.



Additionally, we are supportive to the development of our people in expanding their knowledge, skills, and professional networks externally, while growing together with the Company. We believe in empowering our employees to pursue external trainings and development opportunities that align with their career aspirations and personal growth. To support this, we offer sponsorship programs which provide financial assistance to employees attending external training programs, workshops, conferences and certifications. We also offer professional membership sponsorships and examination leaves to provide tangible support to our people.

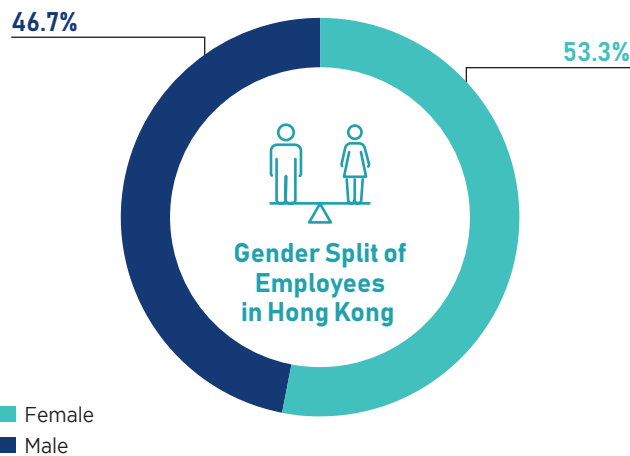


5.2.3 Diversity, Equity, and Inclusion

EcoCeres upholds the principles of diversity, equity, and inclusion in our workplace. We strive to foster a supportive and inclusive working environment that values collaboration, respect, and open communication. We have a zero-tolerance policy towards any form of discrimination and harassment. We believe in fostering an inclusive culture that values and respects the unique attributes of every individual.

Our dedication to diversity, equity, and inclusion is reflected in our interactions with our people, customers, suppliers, contractors, and business partners. We ensure that our relationships are built on principles of equity and respect for personal attributes. Regardless of an individual's sex, pregnancy, family and marital status, race, colour, ethnic origin, disability, religion, political views, age, citizenship, or any other personal attributes, we stand firm in our commitment to providing equal opportunities and fair treatment.

In 2023, our efforts to ensure diversity and inclusivity translated to a balanced gender ratio (55.3% female employees) at the Hong Kong headquarters, our largest non-production site within the Company.



At our production sites, we fully recognise the contributions by our female colleagues and actively seek to support their health and development.

We remain committed to fostering a diverse and inclusive culture at EcoCeres. Moving forward, we plan to expand our diversity, equity, and inclusion efforts into ethnic diversity, among other areas, as we build up our management and operation teams in Southeast Asia. While the expansion is exciting, it sets higher expectations for our colleagues to embrace inclusivity and respect in their daily work.

Our Commitment

Provide training on inclusive and respectful leadership to all managers

Advancing Inclusivity at Our Production Sites – A Case in Jiangsu Plant

Zhangjiagang Women’s Committee hosted a training session themed “Mental Health for Women in Workplace” for female colleagues at the production site. The training focused on psychological adaptation and stress management at workplace, and covered female psychological characteristics, general theory of interpersonal relationships, female social image and workplace relationship management. Our female colleagues were empowered to pay greater attention to their personal growth and physical and mental well-being. They also learned practical tactics and advice to effectively alleviate the mental stress from their professional and personal lives.



EcoCeres' efforts have won external recognitions: EcoCeres was honoured as one of 53 Hong Kong champions in the 2024 HR Asia Awards (Best Companies to Work For in Asia). As a company of passionate people working together to decarbonise the world with renewable solutions, we are proud to have won under this year's theme - The Definitive Z Choice, demonstrating that our people approach is forward-looking and future-proofing.

The below are the areas that our company has achieved in order to receive the 2024 HR Asia Awards.

Total Engagement Assesment Model™
Core: Collective Organization for Real Engagement Culture & Ethics, Leadership & Organization, Active Initiatives
Self: Heart, Mind & Soul
 Emotional Engagement (Heart), Intention & Motivation (Mind), Behavior & Advocacy (Soul)
Group: Think, Feel & Do
 Collective Consciousness (Think), Workplace Sentiment (Feel), Team Dynamics (Do)



5.2.4 Community Contribution

EcoCeres' Society Policy serves as the bedrock for our social commitments, and we are dedicated to proactively managing our social impact by engaging with communities and stakeholders, making strategic social investments and fostering harmony within the society. We are constantly looking for opportunities to contribute to the boarder communities.

Supporting Local Communities in Jiangsu, China

In June 2023, a team from the Jiangsu plant visited the Zhangjiagang Children's Welfare Home and supported them with food and children's daily necessities. Our colleagues also spent time to understand the children's daily challenges and needs, while expressing their best wishes for a happy Children's Day.

We are proud to have contributed to the society with positive influence for both social development and children's growth.



In the future, we aspire to incorporate more elements about sustainability and decarbonization into our educational and social programs while further expanding the reach of our programs.

Our Commitment

Influence the society at large about sustainability through educational and social programs

Driving Innovation

Underpinning everything we do is a passion for driving innovation, collaborating with our people, partners and the sector to go further, faster to decarbonise. By continuing to invest in research and development, we enhance the efficiency and sustainability of our production processes and develop new solutions to convert more waste-based feedstocks into renewable products.



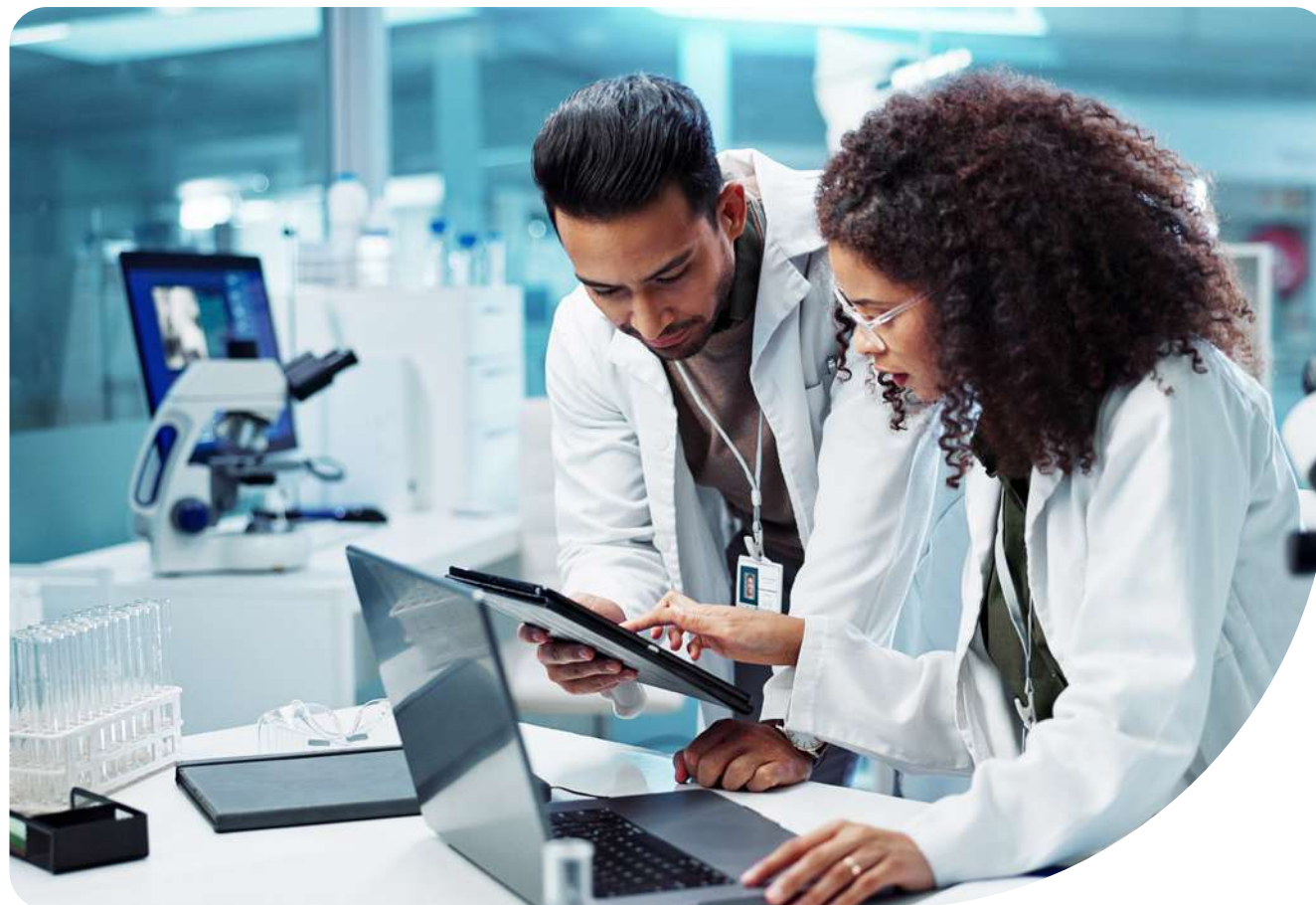
Material sustainability topics

- 5. Innovation

6.1 Research and Development

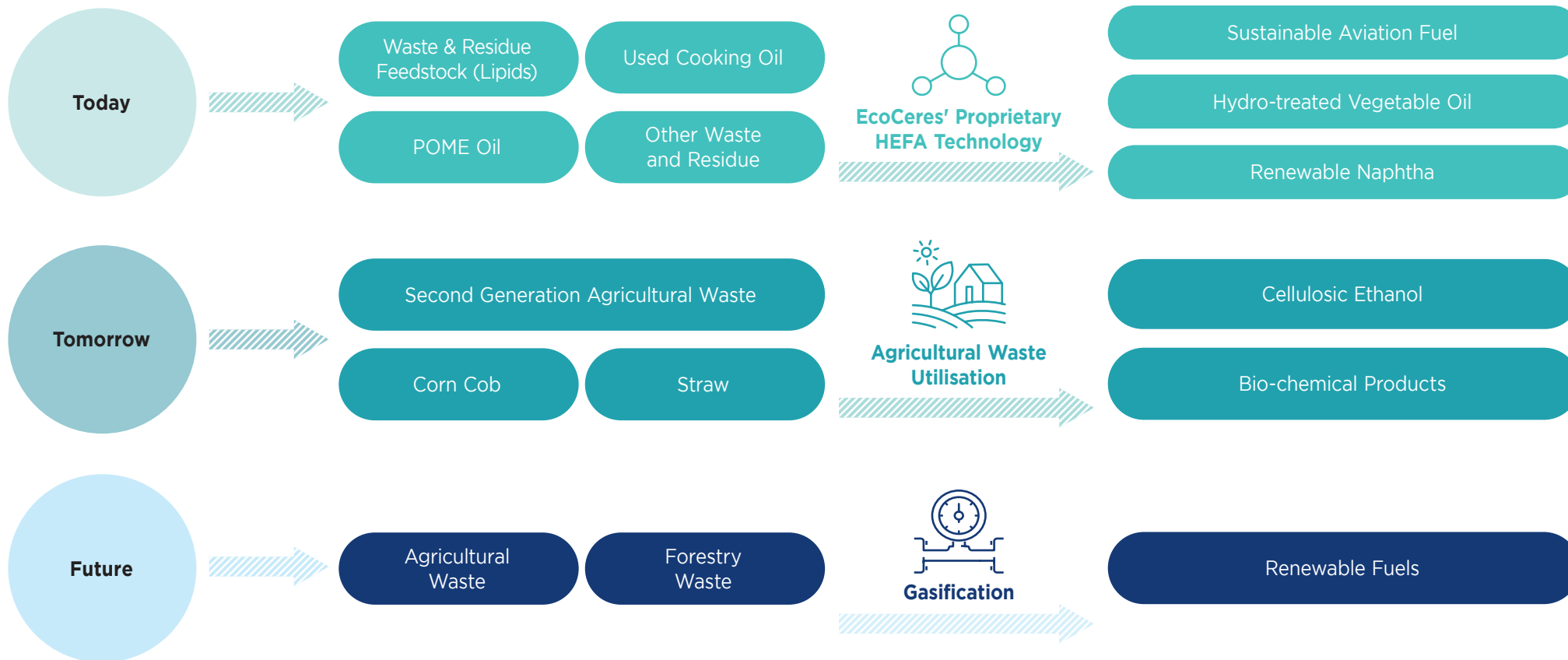
Innovation has been part of EcoCeres’ DNA since it was founded. In 2008, we established the initial bio-refining R&D capabilities within Towngas. Since then, we have been tirelessly investing in R&D capabilities and have built two R&D centres with over 100 staff combined. Among them, there are in total 83 STEM-related¹ positions, of which 20 (24.1%) are held by female employee. The R&D team is the key driving force behind the development and adoption of our proprietary Hydro-processed Esters and Fatty Acids (HEFA) technology, including our self-developed process and catalysts. In 2023, the Cangzhou plant in Hebei province was recognized as a National High-tech Enterprise.

Going forward, EcoCeres will maintain its positioning as a “born-pure” renewable fuels innovator by focusing on processing and converting 100% waste-based feedstocks into alternative solutions to traditional fossil fuels. Meanwhile, we believe our current and future technological knowhow in renewable fuels will give us edge in developing bio-chemicals and other renewable products. We will investigate such opportunities as they arise based on resource requirements, financial and sustainability impacts.



¹ Science, technology, engineering and math

EcoCeres Innovation Roadmap



In 2023, we spent over 5.1m USD on clean technology development. As of end of 2023, we own 52 patents. Our commitment to R&D will continue growing as we keep pushing the technological boundary to advance our sustainability impact.

Our Commitment
Continue to invest in improving and developing sustainability technologies

6.2 Scaling Through Partnerships

EcoCeres believes that it can scale its sustainability impact even faster and further through partnerships. Therefore, EcoCeres maintains an open mind when joining in forces with external partners to advance innovation.

Partnerships with Academic Institutions

We have a long-standing tradition of working with leading academic institutions on technology development. As of end-2023, we have more than 10 research projects on-going with over five institutions in China and Southeast Asia.

Partnerships for Industry Players

EcoCeres works closely with industry players to develop, validate and roll out new technologies. For example, all our feedstocks are waste-based with varying types and amounts of impurities. Our R&D team work with our suppliers and sourcing team to identify valuable feedstocks and develop tailored technological solutions to utilise such feedstocks. This approach allows EcoCeres to capture economic value given the scarcity of feedstocks, while scaling our sustainability impact by properly treating wastes that would otherwise have to be discharged.

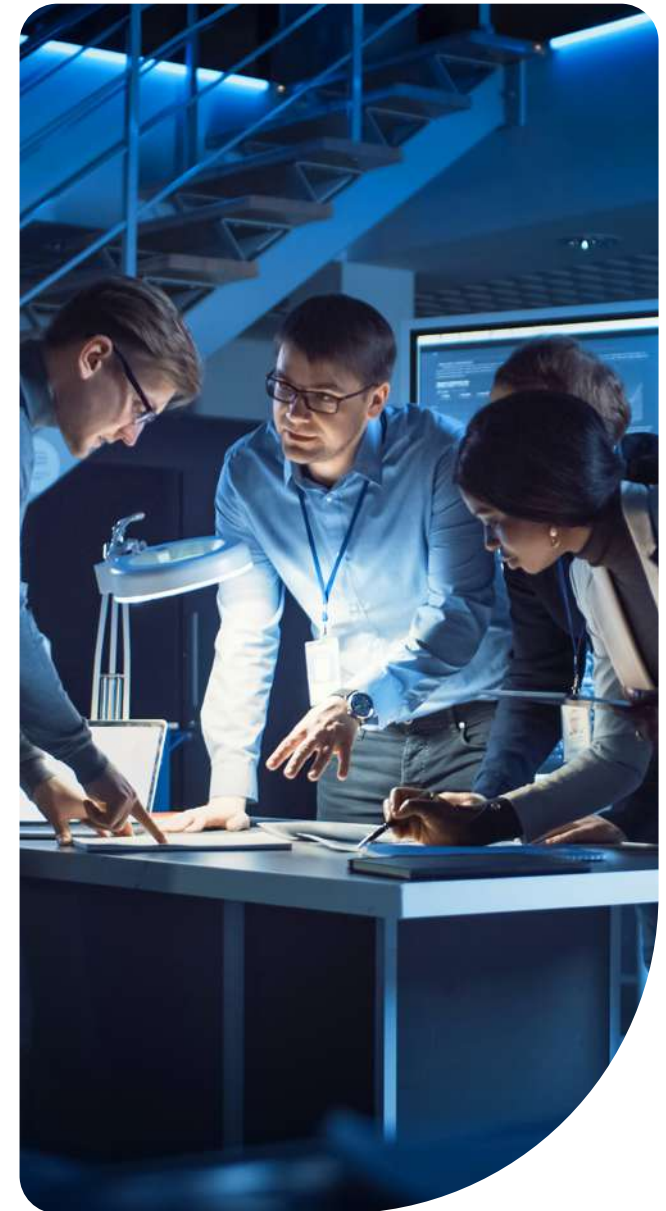
Case:

Feedstock Pre-treatment Technology

Since 2022, we started a joint project with a major supplier to develop a pre-treatment technology tailored to the supplier's feedstock conditions. The project involved the development, fabrication, installation and operation of a custom-made equipment on-site at the supplier premise to handle the feedstock. By working together, we developed the technical and operational knowhow to expand our feedstock optionality and set an example model for further scaling-up.

Our Commitment

Collaborate with the broader community for technology development and adoption



Key Performance Indicators (KPIs)

Environment and Climate

Metrics	Unit	2022	2023
Materials			
Feedstock consumed in production	t	More than 300,000	More than 400,000
Percentage of recycled input materials used	percentage	100.00%	100.00%
Production capacity	t	More than 200,000	More than 300,000
Energy			
Direct energy consumption	kWh	50,178,572.96	112,243,802.86
Energy consumption - Stationary combustion source	kWh	49,706,979.91	111,373,097.80
Energy consumption - Vehicle fuel	kWh	471,592.05	870,704.06
Indirect energy consumption	kWh	157,653,911.94	163,236,662.78
Energy consumption - Purchased electricity	kWh	83,047,057.97	93,800,012.80
Energy consumption - Purchased steam	kWh	74,606,853.97	69,436,649.98
Renewable energy consumption	kWh	28,946,300.00	35,775,000.00
Non-renewable energy consumption	kWh	178,886,223.90	239,702,940.64
Total energy consumption	kWh	207,832,484.90	275,480,464.64
Energy consumption intensity	kWh/tonnes of product	857.37	833.84
GHG emissions			
Scope 1 ¹	tCO ₂ e	21,615.15	21,607.65

Metrics	Unit	2022	2023
Scope 2	tCO ₂ e	66,732.19	68,396.43
Scope 1&2	tCO ₂ e	88,347.33	90,003.08
Scope 3 ²	tCO ₂ e	48,025.66	43,879.36
Category 1: Purchased goods and services	tCO ₂ e	6,492.88	2,442.46
Category 4: Upstream transportation and distribution	tCO ₂ e	22,567.26	18,220.29
Category 5: Waste generated in operations	tCO ₂ e	52.61	93.74
Category 6: Business travel	tCO ₂ e	38.09	171.92
Category 9: Downstream transportation and distribution	tCO ₂ e	18,874.82	22,950.74
Biogenic CO ₂ emissions	tCO ₂ e	20,085.13	56,777.24
GHG emission intensity			
Scope 1	tCO ₂ e/tonnes of product	0.09	0.07
Scope 2	tCO ₂ e/tonnes of product	0.28	0.21
Scope 1&2	tCO ₂ e/tonnes of product	0.37	0.27
Scope 3	tCO ₂ e/tonnes of product	0.20	0.13

¹ Scope 1 emission does not include biogenic CO₂ emissions

² Calculation on a trial basis, which covers purchased goods, upstream and downstream transportation and distribution, waste generated in operations and business travel

Metrics	Unit	2022	2023
Water consumption			
Water consumption ¹	tonnes	410,329.5	1023353.82
Water consumption intensity	tonnes/tonnes of product	2.85	3.60
Wastewater Effluent ²	tonnes	119,289.25	95226.16
Air emissions			
NOx	tonnes	36.36	39.36
SOx	tonnes	0.82	1.43
Particulate matter	tonnes	2.03	1.72
VOC	tonnes	5.55	3.73
Waste generated			
Hazardous	tonnes	1,614.57	2,369.62
Preparation for reuse	tonnes	295.61	163.46
Recycling	tonnes	0.82	0.16
Incineration	tonnes	1,011.43	1,876.27
Landfill after pre-treatment	tonnes	306.71	329.73
Hazardous waste intensity	kg/tonnes of product	6.66	7.17
Non-hazardous	tonnes	1,411.98	1,767.15
Preparation for reuse	tonnes	325.22	24.66
Recycling	tonnes	403.28	262.24
Incineration	tonnes	683.48	1,480.25
Non-hazardous waste generation intensity	kg/tonnes of product	5.83	5.35

¹ Water consumption does not include the water usage from the Cangzhou plant due to an issue with the water meter.
² Wastewater effluent does not include the wastewater from the Luanzhou plant, as we believe the data quality is not reliable.

People and Development

Employment

Metrics	Unit	2022	2023
Total number of employees			
Total number of employees (at the end of the year)	number	759	873
Number of employees by employee category and age group			
Top Management	number	35	46
Below 30	number	0	0
30-50	number	21	32
Above 50	number	14	14
Middle Management	number	89	111
Below 30	number	1	2
30-50	number	73	89
Above 50	number	15	20
General Employees	number	635	716
Below 30	number	140	153
30-50	number	481	546
Above 50	number	14	17
Number of employees by whether they are disabled or not			
Employees with disabilities	number	0	0
Employees without disabilities	number	759	873

Employment by Gender

Metrics	Unit	2022			2023		
		Male	Female	Total	Male	Female	Total
Total number of employees							
Number of employees	number	594	165	759	649	194	873
Number of employees by employee category and gender							
Management ²⁴	number	92	32	124	104	45	149
Top Management ²⁵	number	28	7	35	32	10	42
Middle Management	number	64	25	89	72	35	107
General Employees	number	502	133	635	545	149	694
Number of employees by contract type and geographical location							
Permanent employees	number	594	164	758	667	201	868
Hong Kong	number	22	31	53	38	47	85
Mainland China	number	572	133	705	610	143	753
Malaysia	number	0	0	0	19	11	30
Singapore	number	0	0	0	0	0	0
Contract employees	number	3	1	4	3	2	5
Hong Kong	number	0	0	0	0	0	0
Mainland China	number	3	1	4	1	2	3
Malaysia	number	0	0	0	2	0	2
Singapore	number	0	0	0	0	0	0

²⁴ Management = top management +middle management

²⁵ Top management includes CEO-1 , CEO-2 and managers in the plants.

Metrics	Unit	2022			2023		
		Male	Female	Total	Male	Female	Total
Number of employees by employment type and geographical location							
Full-time employees	number	594	165	759	649	194	873
Hong Kong	number	22	31	53	38	47	85
Mainland China	number	572	134	706	611	147	758
Malaysia	number	0	0	0	19	11	30
Singapore	number	0	0	0	0	0	0
Part-time employees	number	0	0	0	3	0	3
Hong Kong	number	0	0	0	0	0	0
Mainland China	number	0	0	0	3	0	3
Malaysia	number	0	0	0	0	0	0
Singapore	number	0	0	0	0	0	0

New Employee

Metrics	Unit	2022	2023
New employee hires			
Total number of new employee hires	number	167	176
New employee hires by gender			
Male	number	128	130
Female	number	39	46
New employee hires by age group			
Below 30	number	54	66
30-50	number	110	104
Above 50	number	3	6
New employee hires by geographical region			
Hong Kong	number	16	47
Mainland China	number	151	129
Malaysia	number	0	27
Singapore	number	0	0

Employee Turnover

Metrics	Unit	2022	2023
Employee turnover			
Total number of Employee turnover	percentage	23.85%	10.91%
Employee turnover by gender			
Male	percentage	23.85%	8.66%
Female	percentage	3.82%	2.25%
Employee turnover by age group			
Below 30	percentage	6.32%	2.85%
30-50	percentage	16.60%	7.59%
Above 50	percentage	0.92%	0.47%
Employee turnover by geographical region			
Hong Kong	percentage	18.87%	21.18%
Mainland China	percentage	24.12%	9.79%
Malaysia	percentage	0	31.8%
Singapore	percentage	0	0

Proportion of Senior Management Hired from the Local Community by Geographical Region (at Significant Operating Locations)

Metrics	Unit	2022	2023
Hong Kong	percentage	71.43%	75.00%
Mainland China	percentage	28.58%	41.19%
Malaysia	percentage	0	100%
Singapore	percentage	0	0

Number of Workers That Are Not Employees

Metrics	Unit	2022	2023
Total number of workers that are not employees	number	340	387
Agency workers	number	15	20
Contractors	number	132	124
Sub-contractors	number	0	0
Interns	number	0	0
Construction workers	number	190	239
Consultants	number	3	4

Work-life Balance

Metrics	Unit	2022	2023
Percentage of employees entitled to take family-related leave	percentage	100.00%	100.00%

Parental Leave

Metrics	Unit	2022			2023		
		Male	Female	Total	Male	Female	Total
Employees that took parental leave	number	23	7	30	27	8	35

Training and Development

Metrics	Unit	2022			2023		
		Male	Female	Total	Male	Female	Total
Number of employees trained by employee category							
Top Management	number	18	6	24	29	9	38
Middle Management	number	33	5	38	50	29	79
General Employees	number	485	112	597	538	157	695
Total	number	536	123	659	617	195	812
Percentage of employees trained by employee category							
Top Management	percentage	64.29%	85.71%	68.57%	90.63%	90.00%	90.48%
Middle Management	percentage	51.56%	20.00%	42.70%	79.17%	82.86%	80.37%
General Employees	percentage	96.61%	84.21%	94.02%	94.86%	91.28%	94.09%
Average hours of training per year per employee by employee category							
Top Management	hours	8.44	6.50	7.96	8.10	5.56	7.50
Middle Management	hours	11.82	3.40	10.71	11.68	3.03	8.77
General Employees	hours	115.43	76.37	108.10	105.28	72.56	98.46

HSE

Metrics	Unit	2022	2023
Work-related injuries			
Total Working Hours	hours	2,181,235	2,009,528
Employee working hours	hours	1,336,164	1,461,813
Contractor working hours	hours	845,071	547,715
Total recordable incident rate (TRIR)	# per million working hours	1.38	1.49
Employee TRIR	# per million working hours	2.25	0.68
Contractor TRIR	# per million working hours	0	3.65
Total Lost-time incident rate (LTIR)	# per million working hours	1.38	0.50
Employee LTIR	# per million working hours	2.25	0.68
Contractor LTIR	# per million working hours	0.00	0.00
Total Fatality	number	0	0
Employee Fatality	number	0	0
Contractor Fatality	number	0	0
Number of high-consequence work-related injuries (excluding fatalities)	cases	0	0

Metrics	Unit	2022	2023
Work-related ill health			
Number of cases of recordable work-related ill health (employee)	number	0	0
Number of cases of recordable work-related ill health (workers that are not employees (including contractors))	number	0	0
Number of fatalities as a result of work-related ill health employee)	number	0	0
Number of fatalities as a result of work-related ill health (workers that are not employees (including contractors))	number	0	0

Supply Chain

Suppliers Suppliers of Raw Material and Auxiliary Material

Metrics	Unit	2023
Number of suppliers by geographical region		
Mainland China	number	49
North China	number	30
Central China	number	1
South China	number	3
East China	number	11
Northeast China	number	1
Southwest China	number	3
Hong Kong	number	1
Malaysia	number	4
Indonesia	number	7
Total	number	61

Customer and Product Responsibility

Metrics	Unit	2022	2023
Percentage of significant product and service categories for which safety and health impacts are assessed for improvement			
SAF	percentage	100.00%	100.00%
HVO	percentage	100.00%	100.00%
Cellulosic Ethanol	percentage	100.00%	100.00%
Percentage of total products sold or shipped subject to recalls for safety and health reasons			
SAF	percentage	0.00%	0.00%
HVO	percentage	0.00%	0.00%
Cellulosic Ethanol	percentage	0.00%	0.00%
Number of products and service related complaints received			
Total number of complaints related to products	case	0	0
Number of substantiated complaints related to breaches of customer privacy	case	0	0
Number of complaints received from outside parties and substantiated by the company	case	0	0
Number of complaints from regulatory bodies	case	0	0

Metrics	Unit	2022	2023
Data security incidents			
Total number of data security breaches or other cybersecurity incidents	case	0	0
Total number of data/privacy breaches	case	0	0
Total fines/penalties paid as a result of information security breaches or other cybersecurity incidents	ten thousand yuan	0	0
Quality of other services			
Non-compliance incidents involving product and service information and labelling	case	0	0
Incidents of marketing breaches	case	0	0

Anti-corruption

Metrics	Unit	2022	2023
Number of employees that have received training on anti-corruption, by employee category			
Top Management	number	24	38
Middle Management	number	38	79
General Employees	number	597	695
Total	number	659	812
Number of employees that have received training on anti-corruption, by region			
Hong Kong	number	0	61
Mainland China	number	659	710
Malaysia	number	0	41
Total	number	659	812
Confirmed legal cases of corruption			
Confirmed legal cases of corruption	case	0	0
Outcomes of confirmed legal cases of corruption			
Number of legal cases in which employees were dismissed or disciplined	case	0	0
Number of persons dismissed or blacklisted for recruitment due to corruption	case	0	0
Number of legal cases when contracts with business partners were terminated or not renewed	case	0	0
Number of corruption and bribery cases under external investigation in the last three financial years	case	0	0
Economic losses recovered as a result of addressing incidents of corruption	HKD	0	0
The amount of fines for violation of anti-corruption and anti- bribery laws	HKD	0	0

Content Index

GRI Content Index

GRI Standards	Descriptions	Corresponding Section
The organization and its reporting practices		
2-1	Organizational details	EcoCeres, Inc., is incorporated in the Cayman Islands with limited liability
2-2	Entities included in the organization's sustainability reporting	This report covers EcoCeres Inc., including its subsidiaries
2-3	Reporting period, frequency and contact point	This report covers a comprehensive overview of EcoCeres' sustainability performance and initiatives from 1 January 2023 to 31 December 2023
2-4	Restatements of information	This is EcoCeres' first sustainability report, any exceptions, restatements, or changes to data reported are noted where applicable
2-5	External assurance	Assurance Report attached in [xx]
2-6	Activities, value chain and other business relationships	4.1 Sustainable Supply Chain Management 6.2 Scaling through partnerships
2-7	Employees	5.2 Our People and Community
2-8	Workers who are not employees	Appendix: Key Performance Indicator Table
2-9	Governance structure and composition	2.1 Governance
2-10	Nomination and selection of the highest governance body	2.1 Governance
2-11	Chair of the highest governance body	2.1 Governance

GRI Standards	Descriptions	Corresponding Section
2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Governance
2-13	Delegation of responsibility for managing impacts	2.1 Governance
2-14	Role of the highest governance body in sustainability reporting	2.1 Governance
2-15	Conflicts of interest	2.2 Business Ethics
2-16	Communication of critical concerns	Sustainability at EcoCeres Materiality Assessment
2-17	Collective knowledge of the highest governance body	2.1 Governance
2-18	Evaluation of the performance of the highest governance body	2.1 Governance
2-19	Remuneration policies	N/A
2-20	Process to determine remuneration	N/A
2-21	Annual total compensation ratio	N/A
2-22	Statement on sustainable development strategy	Letter from the CEO Sustainability at EcoCeres 2.1.2 Sustainability Governance
2-23	Policy commitments	Sustainability at EcoCeres
2-24	Embedding policy commitments	Sustainability at EcoCeres
2-25	Processes to remediate negative impacts	2.2 Business Ethics
2-26	Mechanisms for seeking advice and raising concerns	2.2 Business Ethics

GRI Standards	Descriptions	Corresponding Section
2-27	Compliance with laws and regulations	3 Catalysing Climate Action 4.1 Sustainable Supply Chain Management 5. Prioritising our People 6. Driving Innovation
2-28	Membership associations	1. World Economic Forum 2. IATA Strategic Partnership program 3. Hong Kong SAF coalition 4. International Sustainability & Carbon Certification 5. Suzhou Safety Production Management Association 6. Zhangjiagang Association of Enterprises with Foreign Investment 7. Hong Kong Investment Enterprise Service Association of Jiangsu Province 8. Zhangjiagang Free Trade Zone CSR Association 9. Zhangjiagang Chemical Industry Association
2-29	Approach to stakeholder engagement	Sustainability at EcoCeres Materiality Assessment
2-30	Collective bargaining agreements	In addition to complying with local legal requirements, EcoCeres is dedicated to upholding internationally recognised human and labour rights and ensuring equitable employment terms for all employees. This commitment is outlined in the EcoCeres Code of Conduct and Human Rights Principles.

GRI Standards	Descriptions	Corresponding Section
Material Topics 2021		
3-1	Process to determine material topics	Materiality Assessment
3-2	List of material topics	Materiality Assessment
3-3	Management of material topics	Materiality Assessment
Procurement Practices		
204-1	Proportion of spending on local suppliers	4.2 Responsible Sourcing
Anti-corruption		
205-1	Operations assessed for risks related to corruption	2.2 Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	2.2 Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Appendix: Key Performance Indicator Table In 2023, there are one confirmed incident of corruption was reported to the local authorities. We take such incidents extremely seriously, and immediate follow-up actions were taken. The individuals involved were promptly dismissed from their positions. This incident resulted in no financial loss to EcoCeres. This incident serves as a reminder of the importance of maintaining the highest standards of integrity throughout our business operations. We remain vigilant in our efforts to prevent corruption and reinforce our commitment to maintaining the highest standards of integrity throughout our business operations.

GRI Standards	Descriptions	Corresponding Section
Anti-competitive behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No cases during the reporting period. EcoCeres embedded fair competition practices in EcoCeres' Code of Conduct. No
Materials		
301-1	Materials used by weight or volume	Appendix: Key Performance Indicator Table
301-2	Recycled input materials used	Appendix: Key Performance Indicator Table
301-3	Reclaimed products and their packaging materials	Appendix: Key Performance Indicator Table
Energy		
302-1	Energy consumption within the organization	Appendix: Key Performance Indicator Table
302-2	Energy consumption outside of the organization	Appendix: Key Performance Indicator Table
302-3	Energy intensity	Appendix: Key Performance Indicator Table
302-4	Reduction of energy consumption	3.3 GHG Emissions Management and Strategies
302-5	Reductions in energy requirements of products and services	Appendix: Key Performance Indicator Table

GRI Standards	Descriptions	Corresponding Section
Water and Effluents		
303-1	Interactions with water as a shared resource	3.5 Environmental Impact 3.5.2 Water & Effluents
303-2	Management of water discharge-related impacts	3.5 Environmental Impact 3.5.2 Water & Effluents
303-3	Water withdrawal	Appendix: Key Performance Indicator Table
303-4	Water discharge	Appendix: Key Performance Indicator Table
303-5	Water consumption	3.5 Environmental Impact Appendix: Key Performance Indicator Table
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.5 Environmental Impact
304-2	Significant impacts of activities, products and services on biodiversity	3.5 Environmental Impact
Emissions		
305-1	Direct (Scope 1) GHG emissions	3.3 GHG Emissions Management and Strategies Appendix: Key Performance Indicator Table
305-2	Energy indirect (Scope 2) GHG emissions	3.3 GHG Emissions Management and Strategies Appendix: Key Performance Indicator Table

GRI Standards	Descriptions	Corresponding Section
305-3	Other indirect (Scope 3) GHG emissions	3.3 GHG Emissions Management and Strategies Appendix: Key Performance Indicator Table
305-4	GHG emissions intensity	3.3 GHG Emissions Management and Strategies Appendix: Key Performance Indicator Table
305-5	Reduction of GHG emissions	3.3 GHG Emissions Management and Strategies
305-6	Emissions of ozone-depleting substances (ODS)	No material ODS has been emitted in 2023
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Appendix: Key Performance Indicator Table
Effluents and Water 2016		
306-3	Significant Spills	No significant spills identified
Waste		
306-2	Management of significant waste-related impacts	3.5 Environmental Impact
306-3	Waste generated	3.5 Environmental Impact Appendix: Key Performance Indicator Table
306-4	Waste diverted from disposal	3.5 Environmental Impact Appendix: Key Performance Indicator Table
306-5	Waste directed to disposal	3.5 Environmental Impact Appendix: Key Performance Indicator Table

GRI Standards	Descriptions	Corresponding Section
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	4.1 Sustainable Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	4.1 Sustainable Supply Chain Management
Employment		
401-1	New employee hires and employee turnover	Appendix: Key Performance Indicator Table
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Our People and Community
401-3	Parental leave	Appendix: Key Performance Indicator Table
Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	EcoCeres follows the local laws and regulations in location where it operates when applicable regarding operational changes.
Occupational Health and Safety		
403-1	Occupational health and safety management system	5.1 A Culture of Safety
403-2	Hazard identification, risk assessment, and incident investigation	5.1 A Culture of Safety
403-3	Occupational health services	5.1 A Culture of Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	5.1.3 Raising Workplace Safety Awareness

GRI Standards	Descriptions	Corresponding Section
403-5	Worker training on occupational health and safety	5.1.3 Raising Workplace Safety Awareness
403-6	Promotion of worker health	5.2.1 Talent Management
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1 A Culture of Safety
403-9	Work-related injuries	5.1 A Culture of Safety
Training and Education		
404-1	Average hours of training per year per employee	Appendix: Key Performance Indicator Table
404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Our People and Community
404-3	Percentage of employees receiving regular performance and career development reviews	Appendix: Key Performance Indicator Table
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Appendix: Key Performance Indicator Table
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	There were zero incidents of discrimination reported within EcoCeres during the reporting period.

GRI Standards	Descriptions	Corresponding Section
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	EcoCeres' Human Rights Principle outlines our commitment to respect the right of freedom of association and collective bargaining.
Child labour		
408-1	Operations and suppliers at significant risk for incidents of child labour	2.2 Business Ethics
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	2.2 Business Ethics
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	5.2 Our People and Community
413-2	Operations with significant actual and potential negative impacts on local communities	5.2 Our People and Community
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	4.1 Sustainable Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	4.1 Sustainable Supply Chain Management

TCFD Recommendations Disclosure

TCFD Recommendations Disclosure

	Description	Location in the report
Governance Disclose the organization's governance around climate related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	3.1 Climate-related Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	3.1 Climate-related Governance
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	3.2 Our Risks and Opportunities
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	3.2 Our Risks and Opportunities
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	3.2 Our Risks and Opportunities
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	3.2 Our Risks and Opportunities
	b) Describe the organization's processes for managing climate-related risks.	3.1 Climate-related Governance
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Sustainability at EcoCeres

TCFD Recommendations Disclosure


	Description	Location in the report
Metrics & Target Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	3.3 GHG Emissions Management and Strategies
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	3.3 GHG Emissions Management and Strategies
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	3.3 GHG Emissions Management and Strategies

Disclaimer


This Report may contain certain forward-looking statements that reflect the Group’s beliefs, plans or expectations about the future or future events. These forward-looking statements are based on assumptions, current predictions and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Group’s control. The actual results or outcomes may differ materially and/or adversely due to a number of factors. Nothing contained in these forward-looking statements shall be, relied upon as many assurance or representation as to the future or as a representation or warranty otherwise. Neither the Group nor any of its affiliates, directors, officers, employees, agents, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies. Neither the Group nor any of its affiliates, directors, officers, employees, agents, advisers or representatives shall have any responsibility or liability whatsoever, as a result of negligence, omission, error or otherwise, for any loss howsoever arising in relation to any information, contents or opinions presented or contained in this Report.

Independent Practitioners’ Assurance Report

Bureau Veritas Certification



INDEPENDENT ASSURANCE STATEMENT



Objectives of Work

Bureau Veritas Certification (Beijing) Co., LTD (“BUREAU VERITAS”) has been engaged by EcoCeres, Inc. (hereafter referred to as EcoCeres) to conduct an independent Assurance of its EcoCeres Sustainability Report 2023 (the “Report”). This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of EcoCeres. Our sole responsibility was to provide independent assurance on the accuracy of information included.

Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard AA1000AS (V3) Type 2 assurance. The scope of work included:

- Data and information included in EcoCeres Sustainability Report 2023 for the reporting period 1 January – 31 December 2023;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Assurance Principles and AA1000 Assurance Standards:
 - Inclusivity
 - Materiality
 - Responsiveness
 - Impact
- Evaluation of the Report against the principles of Materiality, Accuracy, Completeness, Balance, Clarity and Comparability, as defined in the GRI Sustainability Reporting Guidelines;


Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by EcoCeres) and statements of future commitment;
- Financial data and information that has been audited by a third party.

The levels of AA1000 assurance are as follows:

Report Section	Level of Assurance
Environment related	Advanced (type 2, Moderate)
Employees related	Advanced (type 2, Moderate)
Supply Chain related	Advanced (type 2, Moderate)
Product related	Advanced (type 2, Moderate)
Community related	Advanced (type 2, Moderate)

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ASR-TT-08 AA1000 验证声明模板-EN V202408



Page 1 of 3

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Level of assurance: Reasonable Assurance

Assurance standard

1. AA 1000 AP (2018) & AA 1000 AS (V3)
2. International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)*"), developed by the International Auditing and Assurance Standards Board;
3. GRI Sustainability Reporting Standards, published by the Global Reporting Initiative

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of EcoCeres;
2. Review of documentary evidence produced by EcoCeres;
3. Audit of performance data, tracing and checking the sample data according to the sampling principle;
4. Site visits to EcoCeres Jiangsu Plant and Cangzhou Plant (located in Hebei Province) ;
5. Review of EcoCeres data and information systems for collection, aggregation, analysis and review;
6. Review of stakeholder engagement activities of EcoCeres by review of outcomes and approaches used by EcoCeres;

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Non-financial Reports, based on current best practice in independent assurance. The work was planned and carried out to and concluded based on reasonable, rather than absolute assurance, as determined by Bureau Veritas.

Assurance Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in the Report are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of EcoCeres's activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over EcoCeres's performance and status during the reporting period;
- EcoCeres has established appropriate systems for the collection, aggregation and analysis of relevant information;
- EcoCeres has processes in place for consulting and engaging with its key stakeholders in a structured and systematic manner.
- The Report properly reflects the organisation's alignment to and implementation of the AA1000AS (V3) principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;

Alignment with the principles of AA1000AS (V3)

Inclusivity



Bureau Veritas Certification

EcoCeres has processes in place for engaging with a range key stakeholders including clients, suppliers, investors, government officials, representatives from a range of NGOs and industry associations and has undertaken a number of formal stakeholder engagement activities covering a range of topics such as Carbon footprint, Emission reduction, Health and safety, Value chain impact and Innovation and so on.

Materiality

The Report addresses the range of environmental, social and economic issues of concern that EcoCeres has identified as being of highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. The material issues disclosed in the report and the relevant data and information are of Materiality.

Responsiveness

EcoCeres is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

Impact

EcoCeres takes responsibility for the governance, environmental, and social issues involved in its operational activities, as well as the positive and negative impacts it brings. The company conducts appropriate quantitative monitoring and evaluation of the impacts of these material issues, and based on the results of performance monitoring, adopts relevant continuous improvement measures.

Based on the work conducted, we recommend EcoCeres to consider the following:

The business should continue its efforts to actively integrate principles of Corporate Responsibility into its management structures and daily operations, by incorporating them into existing management systems and audit processes (COMPLETENESS);

The report would benefit from more examples, such as detailed case studies on material issues (COMPLETENESS);

The organisation should consider development of internal procedures and information systems to manage Key Performance Indicators against risky areas and issues of concern, allowing periodic monitoring and timely responses to deviations (RESPONSIVENESS);

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with EcoCeres. We have conducted this Assurance independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.



Director of Greater China Region
Bureau Veritas Certification (Beijing) Co., LTD
2024-11-29

Pin Tian
Assurance Team Leader
Bureau Veritas Certification (Beijing) Co., LTD
2024-11-29

