

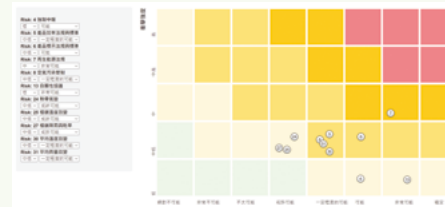
The Most Reliable Global Engineering Services Provider / Trailblazer of Green Innovation /
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Over the last five years, the World Economic Forum has pointed out in its global risk reports that climate change-related risks and disasters remain top global risks. As global climate change and energy consumption intensify, the ability of companies to transform into low-carbon business model has become a critical factor in improving competitiveness across all sectors. In 2021, CTCI formulated the "Climate Change Risk Management Regulations" to establish a complete governance process by continuously identifying issues related to climate change, and examining businesses that are most likely to be affected by climate change and the measures to manage and mitigate such risks proposed by the ESG Task Force through the brainstorming of the members, so that we become better at identifying and responding internally to various risks and opportunities. CTCI's Climate Change Risk Management Regulations shall serve as the guiding principles to the Company's management of issues associated with climate change. The Company regularly identifies, analyzes and manages potential risks and opportunities for the Company and the asset resulting from climate change. At the beginning of each year, the responsible department invites climate change risk-management representatives from all units to participate in the climate-change risk and opportunity identification meeting. The climate change risk-management representative will identify climate-change risks for the next 10 years or above based on the climate-change risk and opportunity identification table. Related countermeasures are drawn up after the identification result is submitted to the unit supervisor for review and approval. The climate change risk-management representative draws up response measures based on the identified climate change risk files, and submits them to the head of business operation unit for review before submitting to the Risk Management Executive Committee.

CTCI identified the near-term (10 years), middle (20 years) and long-term (30 years) risks and opportunities of the climate changes on the Organization, Upstream (supplier) and Downstream (Clients) under the Transition, Nationally Determined Contributions (NDCs), and Physical scenarios to establish the matrices of the risk and opportunities in accordance with the TCFD framework. The matrices of the risk and opportunities were established for the Organization to identify 11 and 14, totally 25 significant risks/opportunities items from the 36/33 climate change risks/opportunities. Regarding

the transition risks, business of the refinery and petrochemical construction projects will be reduced drastically, and our business mode will be transitted to low carbon, green engineering with increasing opportunities under the ESG and net-zero trend. In this regard, CTCI identified the potential risks and opportunities through the Transition and Physical scenario analysis and parameter assumption in various time frame, and then investigated the operation and financial impacts to the Organization, Upstream (supplier) and Downstream (Clients) in the value chain. In the same way, the analyses and the identification results of the risks and opportunities with management measures were also done for the Upstream (supplier) and Downstream (Clients) in the value chain.

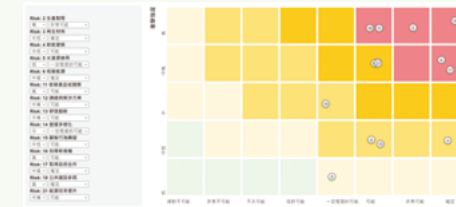
Climate risks matrix in Organization



Significant risks

Near-term: regulation and standard about product labeling
Middle: extreme rain fall or drought.
Long-term: regulation of renewable energy

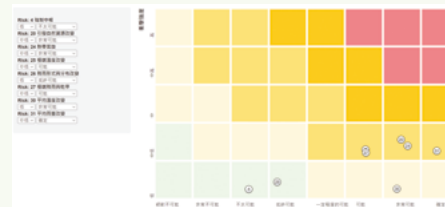
Climate opportunities matrix in Organization



Significant opportunities

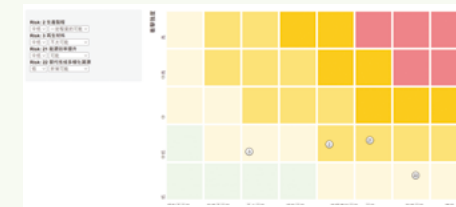
Near-term: low carbon products or services.
Middle: producing process
Long-term: public construction participation.

Climate risk matrix for Upstream Supplier



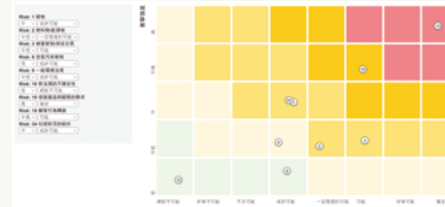
Near-term: tropical hurricane
Middle: extreme rain fall or drought.
Long-term: causing the change of the natural resource

Climate opportunities matrix for Upstream Supplier



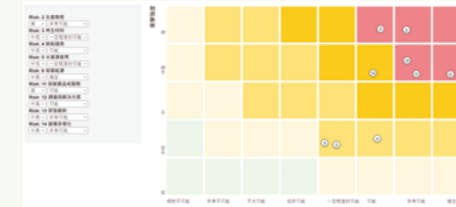
Near-term: producing process
Middle: enhancement of the energy efficiency
Long-term: resource substitution or diversity

Climate risk matrix for Downstream Client



Near-term: fuel tax/energy tax
Middle: market demand of the low carbon products and services.
Long-term: carbon tax

Climate Opportunities matrix for Downstream Client



Near-term: low carbon energy
Middle: R&D and innovation
Long-term: operation diversity

Legend: Significance High Mid-High Middle Mid-Low Low