



CNBM Investment Company Limited
2024 ESG Report



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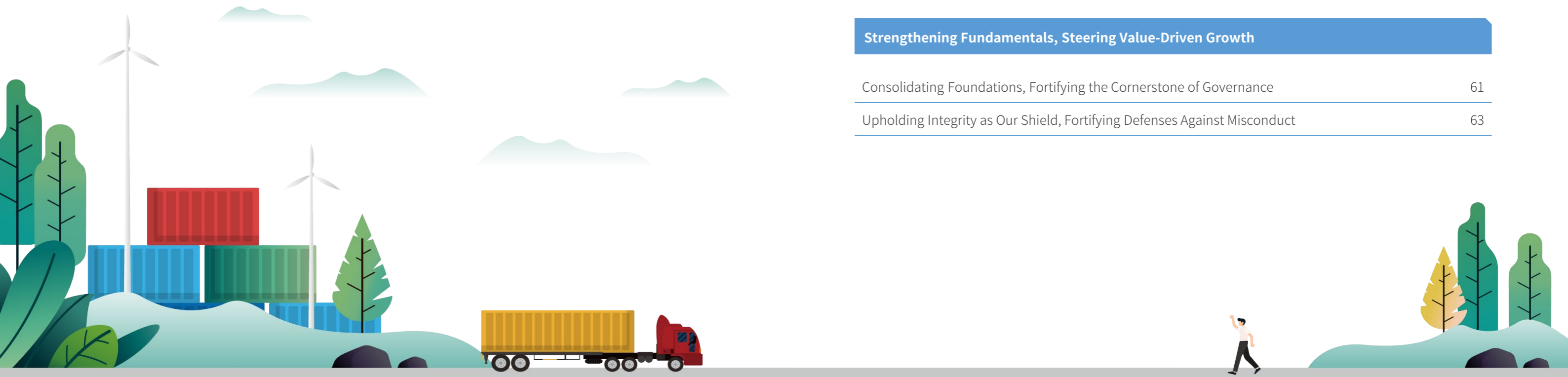
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About the Report

The Report is the first Environmental, Social and Governance Report ("ESG Report") released by CNBM Investment Company Limited (hereinafter referred to as "CNBM Investment" or "the Company" or "We"). It provides the latest information on our efforts to support sustainable development in 2024. Its primary content focuses on ESG issues of interest to our stakeholders and relevant to our sustainability. This enables stakeholders to gain enhanced insight into the Company's sustainable development philosophy, initiatives, and related performance.

The Report primarily covers the Company's major business segments, including overseas operations, supply chain procurement and sales, industrial investment, and asset management. It also discloses Key Performance Indicators (KPIs), supplemented by explanatory notes, to establish a baseline for assessment and facilitate comparison.

Reporting Period

Unless otherwise specified, the Report covers the period from January 1, 2024 to December 31, 2024. The information presented in the Report includes the Company's specific policies and performance in ESG aspects. For data continuity and comparability, certain content in the Report covers an extended reporting period as required for operational purposes.

Reporting Scope

Unless otherwise specified, the Report covers the wholly-owned and controlled subsidiaries (including both majority and significant minority control) of CNBM Investment.

Reporting Guideline

- *Reference Indicator System for the ESG Special Report of Listed Companies Controlled by Central Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC")
- *GRI Sustainability Reporting Standards* ("GRI Standards")
- The United Nations Sustainable Development Goals (SDGs)
- *Corporate Sustainability Disclosure Standards — General Standards (Trial)* issued by the Ministry of Finance
- *Corporate Sustainability Disclosure Standard No. 1 — Climate (Trial)* issued by the Ministry of Finance

Confirmation and Approval

The Report was reviewed, confirmed, and approved by the Board of Directors of the Company in **November 2025**.

Publication Form of the Report

The Report is released in both Simplified Chinese and English on the "Latest News" section of the official website of CNBM Investment (www.cnbm-i.com) under the "News Center" column. In the event of any discrepancy in interpretation, the Simplified Chinese version shall prevail. All users of the Report are advised to refer to the Company's official website and other publicly disclosed information in conjunction with this document, in order to gain a comprehensive and systematic understanding of its business operations and fulfillment of social responsibilities.

Other ESG Information

More information about the Company's ESG performance can be obtained from the WeChat official account of CNBM Investment.



Feedback on the Report

If you have any comments on the Company's work relating to ESG report, please feel free to contact us by email at the following email address.

Email address: dyq@cnbm-i.com



Chairman's Statement

The great way is level as a whetstone, and the traveler knows no bounds. The year 2024 was a period in which CNBM Investment steadfastly pursued both value creation and corporate responsibility, while simultaneously fortifying its developmental resilience and laying a sustainable foundation. We have remained true to our founding mission of "Make good use of resources and serve construction", firmly focusing on the path of high-quality development. Proactively integrating into the Group's strategic landscape, we have continuously expanded our capabilities in global resource allocation and service delivery, thereby amassing a formidable force to propel the enterprise towards stable, long-term growth and its emergence as a world-class investment platform for the materials industry. On behalf of the Board of Directors, I would like to extend our most sincere gratitude to the leaders at all levels, our partners, and all our employees for their long-standing care and support for the Company's development.

Far-reaching plans span across oceans, a clear mission steers the future. We have proactively integrated ourselves into the national development agenda, concentrating on our primary responsibilities and key business. By exploring client needs in depth and expanding our overseas footprint, we achieved annual operating revenue of CNY 12.8 billion, with a 47% year-on-year increase in total profit. Our operations in South Africa, the Middle East and North Africa (MENA), Papua New Guinea, Vanuatu, Tonga, Vietnam, etc. have all undergone comprehensive improvements in quality and efficiency. The CNBM OEC brand was honored with the "Overseas Warehouse of the Year - Outstanding Contribution Enterprise Award", earning the trust of global clients through tangible actions and a strong sense of responsibility, as we jointly paint a picture of shared development and mutual success.

Gathering talents and wisdom to empower the enterprise, we stride forward on the journey of building our shared dream. We have consistently regarded talent as our foremost resource, continuously refining our system for the selection, cultivation, management, and utilization of managers. 83.3% of mid-level managers at our headquarters were recruited through market-oriented selection, and the deployment of Chinese personnel to overseas operations increased by 53% year-on-year, leading to a continuous optimization of our manager structure. We had placed great emphasis on talent cultivation and development. To be specific, we actively conducted multi-tiered training programs and strengthened rotation, exchange and practice of domestic and foreign managers. These initiatives enhanced the comprehensive competencies and managerial skills. Furthermore, we have optimized our performance assessment and incentive systems, thereby consolidating a powerful synergy to drive our high-quality development.

Green drives development, low-carbon vision shapes a new era. We prioritize resource integration and process optimization, and through centralized procurement, we continuously enhance the supply system's reliability and cost efficiency, supporting the Group in achieving efficient operations, low-carbon transformation, and digitalized upgrade of supply management. We have steadfastly advanced the green and low-carbon transition. Specifically, the digital twin project for the vertical grinding equipment of Xiamen ISO Standard Sand Co., Ltd. was successfully accepted. Xiamen ISO Standard Sand Co., Ltd. was honored as a "Demonstration Enterprise for the Integration of Informatization and Industrialization" and a "Demonstration Factory for Intelligent Manufacturing". Our overseas photovoltaic business continued to achieve breakthroughs, with synergistic operations between CNBM ZIM and CNBMI Zambia Co., Ltd. driving a 207% year-on-year increase in sales revenue of photovoltaic and energy storage products. These mean that green technology is propelling high-quality development and contributing to the construction of a Beautiful China.

With a solid foundation and strong spirit, excellence is achieved through governance. We've built our growth on a solid base of comprehensive risk management, creating a strong system for risk control, compliance, and oversight that ensures stable operation of our business. We've also blended Party building with our operation in powerful ways. To be specific, the case - Empowering High-quality Development with the "Five-Pioneer" Party Building Brand System, won first prize of the Group's classic case of Party building and management integration. We've taken measures prepared after inspections, held more Party discipline learning and education programs, and continuously improved governance efficiency. All of these have consolidated solid guarantees for our sustainable development.

In this era of profound change and dynamic momentum, what is called for are individuals of conviction, progress, and resilience. In 2025, we will diligently implement the Group's strategic directives, adhering to the principles of "seeking progress while maintaining stability" and "upholding fundamentals while embracing innovation". We will concentrate resources and efforts to strengthen and expand our core business advantages, and continue to drive the steady and rapid growth of our international operations. With unwavering commitment, we will strive to fulfill the objectives of the "14th Five-Year Plan". Guided by firmer conviction, more forceful measures, and a more pragmatic approach, we are determined to compose a new chapter of high-quality and sustainable development for CNBM Investment.





About CNBM Investment

CNBM Investment Company Limited, formerly known as CNBML Logistics Co., Ltd, was established in January 2001. It is a wholly-owned subsidiary of China National Building Material Company Limited, a Hong Kong listed company of China National Building Material Group Co., Ltd., a central state-owned enterprise directly under the State-owned Assets Supervision and Administration Commission of the State Council. As a leading global manufacturer and capital investment company of non-metallic materials, China National Building Material Group Co., Ltd. has been included in the Fortune Global 500 list for 14 consecutive years, ranking 307th in 2024. The Group has 13 listed companies (including 2 overseas ones) and ranks first in the world in 7 business areas including cement, ready-mixed concrete, fiberglass, wind turbine blades, gypsum boards, etc. It aims to become a world-class material industry investment group that is competitive on the global stage. China National Building Material Company Limited, acting as one of the most important listing platforms of the Group, operates business covering cement, fiberglass, gypsum board, wind turbine blades and other sectors, with excellent comprehensive competitiveness and extensive global influence.

Relying on the comprehensive strength and resource advantages of the Group and China National Building Material Company Limited, CNBM Investment focuses on the strategic positioning of "becoming a globally recognized enterprise, distinguished by a global vision, market competitiveness and sustainable development capabilities". With a registered capital of CNY 3 billion, in 2024, CNBM Investment boasted the total assets of CNY 11.6 billion and operating income of CNY 12.8 billion. With over 2,000 employees, it had an overseas business layout covering 20 countries, and ranked among the top 100 enterprises in Shenzhen for consecutive years. It adheres to the core values of "innovation, performance, harmony, responsibility", and upholds the business philosophy of "environmental harmony, stable operation, standardized practice, refined management, development and innovative". Based in Shenzhen, it seizes the opportunity of the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and the pilot demonstration zone of socialism with Chinese characteristics, and fully leverages the synergistic advantages of international and domestic resources and markets. Moreover, it Focusing on areas such as overseas operations, supply chain management, industrial investment, and asset management, the Company is committed to building an international integrated industrial service platform with industry-leading competitiveness, fully assisting the Group and China National Building Material Company Limited in building a world-class material industry investment group.

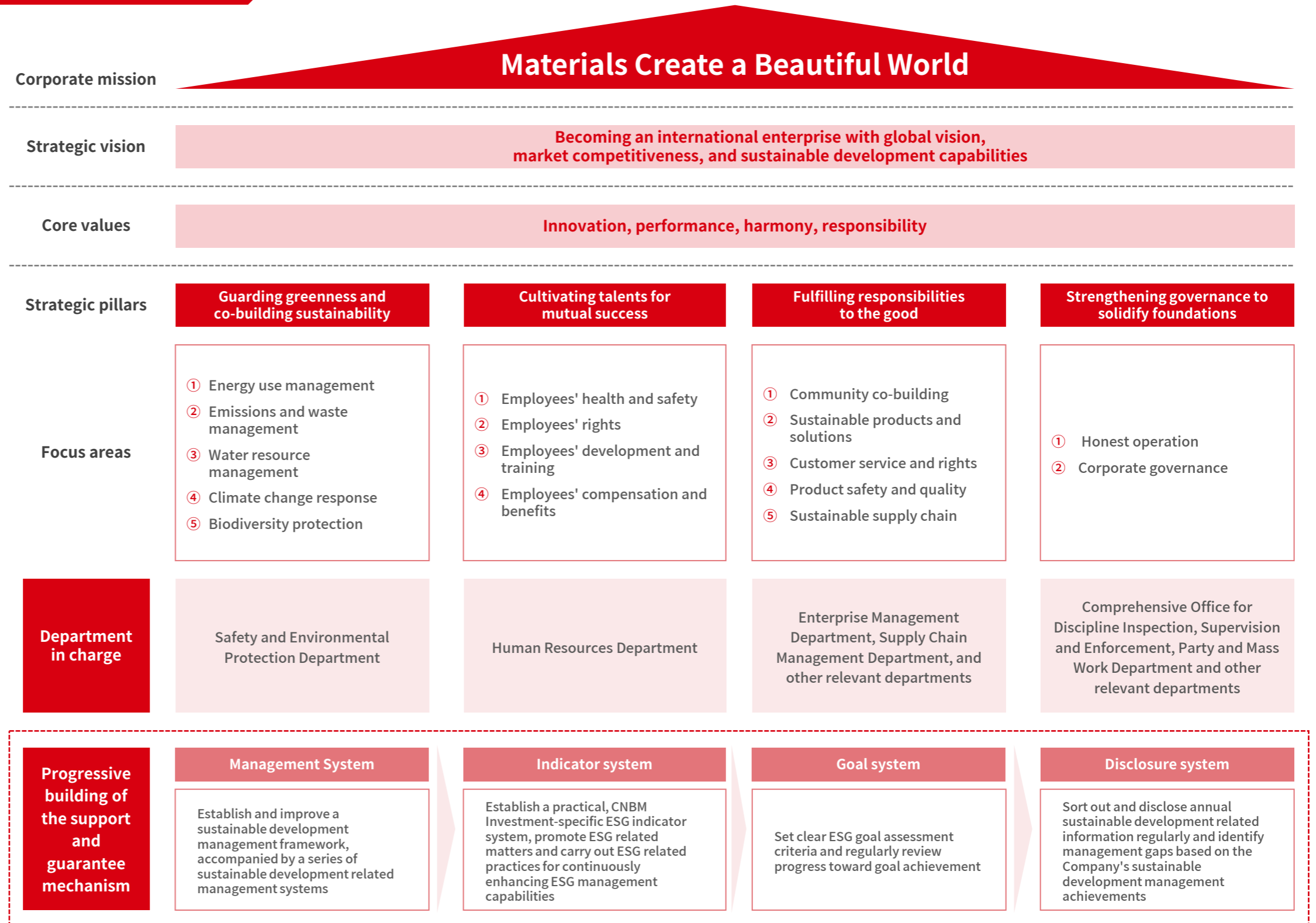




Sustainable Development Management

Strategy of sustainable development

CNBM Investment always shoulders the mission of "Materials Create a Beautiful World". It focuses on the four strategic pillars of "fulfilling responsibilities to the good, strengthening governance to solidify foundations, cultivating talents for mutual success, guarding greenness and co-building sustainability". Under this background, it integrates the sustainable development management system into its governance and business management system, continues to improve its sustainable development performance, and empowers itself to achieve high-quality, rapid, and sustainable development in all aspects.



Sustainable development governance

The Company attaches great importance to the building of a sustainable development governance system. Specifically, it integrates ESG concepts into the corporate governance structure and promotes the deep integration of sustainable development and corporate strategy.

The Board of Directors, as the highest decision-making body for ESG work of the Company, bears ultimate responsibility for the ESG strategy and overall progress. It regularly listens to and deliberates the progress of ESG related work, and provides guidance on the Company's ESG strategic direction.

The Vice President of the Company, serving as the highest-level responsible person for ESG management, provides overall leadership for the Company's ESG strategic planning and implementation oversight. The Vice President is responsible for setting the overarching objectives, core strategies, and implementation policies for ESG management; establishing and improving the ESG risk management and internal control system to mitigate major risks; approving significant ESG management matters, including the annual ESG report, and evaluating the achievement of strategic objectives; while continuously supervising the progress of ESG strategy implementation to ensure the effective operation of the ESG management system and the orderly execution of all ESG initiatives.

The Enterprise Management Department, as the executive body for ESG work, is fully responsible for the organization and implementation of daily ESG management activities, with significant matters reported to the Vice President for approval. Its primary responsibilities include:

- Developing ESG-related policies, systems, and process standards;
- Researching and assessing material ESG issues and formulating management plans;
- Coordinating across business segments to promote the implementation of ESG initiatives;
- Systematically identifying ESG risks and opportunities for the Company and its subsidiaries;
- Establishing and enhancing stakeholder communication mechanisms, and optimizing communication strategies and channels;
- Organizing the collection, integration, and disclosure of ESG-related information and data;
- Taking the lead in carrying out ESG awareness and training activities.

Stakeholder engagement

CNBM Investment has identified the key stakeholders related to its operations and attached great importance to continuous and effective engagement with them. It is convinced that the engagement is a solid foundation for its long-term stable development. To this end, the Company has maintained active engagement with stakeholders through multiple platforms. It has understood their expectations and needs for its products, services, operations, and future development. Furthermore, the company, promoted two-way and transparent feedback between itself and stakeholders, and worked continued to respond to and meet the concerns of all parties.

The Company has identified the following key stakeholders, and main engagement channels:

Key stakeholders	Main engagement channels	Response
Board members, executives, and employees	<ul style="list-style-type: none"> • Employee meeting/forum • Employee performance appraisal interview • Employee satisfaction survey • On-site investigation and research • Employee activities 	<ul style="list-style-type: none"> • Improving the corporate governance system • Implementing high-quality business management • Fulfilling the obligation of information disclosure
Government and regulatory authorities	<ul style="list-style-type: none"> • Telephone/email • Meeting and interview 	<ul style="list-style-type: none"> • Operating in compliance with laws and regulations • Paying taxes on time and in full • Actively responding to regulatory requirements
Clients	<ul style="list-style-type: none"> • Telephone/email • Meeting and interview 	<ul style="list-style-type: none"> • Providing high-quality products and services • Ensuring timely delivery • Continuing to pursue technological innovation
Suppliers/contractors	<ul style="list-style-type: none"> • Issuance of procurement bidding notices • Inspection and supervision of work • Supplier/contractor conference • Telephone/email • Meeting and interview 	<ul style="list-style-type: none"> • Implementing fair procurement requirements • Promoting the development of supply chain compliance • Strengthening safety management measures
Shareholders/investors	<ul style="list-style-type: none"> • General meeting • Board meeting and special topic report meeting • Regular work meeting • Project and business briefing • Daily communication and field visit 	<ul style="list-style-type: none"> • Providing reasonable return on investment • Improving operational performance • Strengthening information transparency and disclosure
Community members/public welfare organizations	<ul style="list-style-type: none"> • Telephone/email • Meeting and interview 	<ul style="list-style-type: none"> • Participating in community public welfare activities • Creating local employment opportunities • Strengthening environmental protection management
Media	<ul style="list-style-type: none"> • Press release/announcement • Media interview 	<ul style="list-style-type: none"> • Releasing company information in time • Actively engaging in media communication • Establishing a good corporate image
Business partners	<ul style="list-style-type: none"> • Inspection and supervision of work • Telephone/email • Meeting and interview 	<ul style="list-style-type: none"> • Strengthening industry technology exchange • Expanding opportunities for collaborative development • Maintaining a fair competitive environment

Milestone Events

CNBM Investment Company Limited was formerly known as Shenzhen Zhujiang Building Materials Industry Co., Ltd. (renamed as "Zhujiang Company of China Building Materials and Equipment Import and Export Co., Ltd." in 1992), a ministry-affiliated publicly-owned enterprise under the Ministry of Building Materials Industry established in Shenzhen on December 9, 1981. In March 1998, according to the principle of separate government functions from enterprise management, the State Bureau of Building Materials Industry put Zhujiang Company of China Building Materials and Equipment Import and Export Co., Ltd. under the management of China National New Building Materials Group Corporation. (later renamed as "China National Building Material Group Co., Ltd.").

January 8, 2001

Four legal entities (i.e., Beijing New Building Materials Public Limited Company, Beijing New Building Materials (Group) Co., Ltd., Zhujiang Company of China Building Materials and Equipment Import and Export Co., Ltd. and Shenzhen Zhujiang Building Materials Industrial Corporation) jointly established CNBMI Logistics Co., Ltd..

December 2007

China National Building Material Company Limited acquired 100% equity of CNBMI Logistics Co., Ltd. held by Beijing New Building Materials Public Limited Company and China Fiberglass Co., Ltd., making the Company a wholly-owned subsidiary of China National Building Material Company Limited. In the same year, CNBMI Logistics Co., Ltd. was renamed as CNBM Investment Company Limited.

October 2020

CNBM Investment acquisition of a controlling stake in Suzhou Concrete and Cement Products Research Institute Co., Ltd. As of the end of 2020, CNBM Investment had 16 second-tier companies and 4 third-tier companies under its controlled enterprises.

2021

CNBM Investment increased its capital and acquired an equity stake in Shanghai Pilot Free Trade Zone South Cement Company Limited. As of the end of 2021, the Company had 16 second-tier companies and 3 third-tier companies under its controlled enterprises.

2022

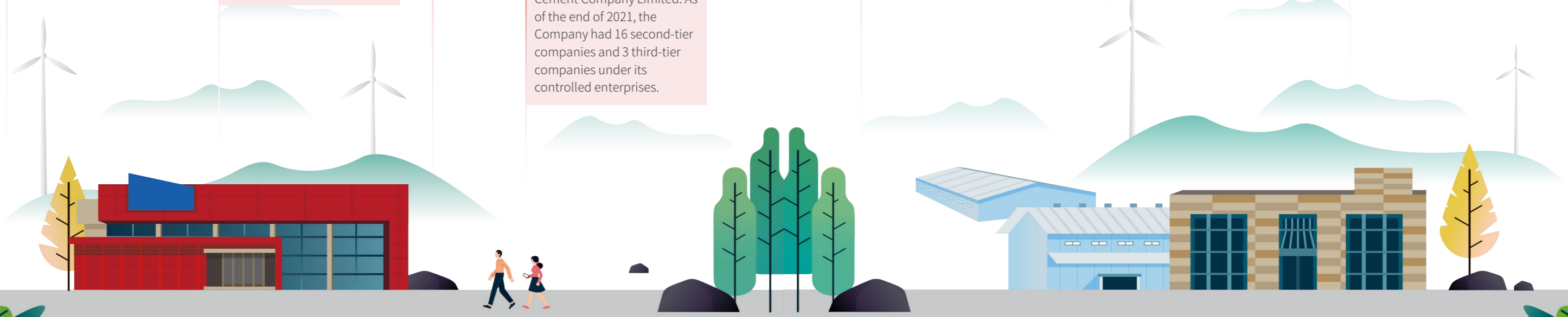
CNBM Investment held equity stakes in 5 companies, i.e., Heilongjiang Pride Power New Materials Technology Co., Ltd., China National Building Material International New Zealand Co., Ltd., China National Building Material International Singapore Company, CNBM Overseas Economic Cooperation Co., Ltd., and Beijing New Building Materials (Tanzania) Company Limited. As of the end of 2022, CNBM Investment had 20 second-tier companies, 10 third-tier companies, and 1 fourth-tier company under its controlled enterprises.

2023

Beijing New Building Materials (Tanzania) Company Limited merged with China National Building Material Investment (Tanzania) Company Limited and renamed it China National Building Material International (Tanzania) LTD. As of the end of 2023, CNBM Investment had 20 second-tier companies, 8 third-tier companies, and 1 fourth-tier company under its controlled enterprises.

2024

CNBM Investment's key businesses were officially defined as overseas warehouses and building materials supermarkets, centralized procurement services, industrial investment, and asset management. CNBM Investment innovatively revitalized the fixed assets in Sungang plot of Shenzhen Luohu district and successfully issued CNBM's first quasi-REITs products, activating the dormant value of assets, and achieving an incremental profit of CNY 510 million. As of the end of 2024, the Company had 28 legal entities at all levels, including 14 domestic and 14 overseas entities, and 7 branches.





Awards and Recognition

CNBM Investment remains firmly committed to practicing sustainable development strategies, receiving widespread acclaim from governmental bodies and organizations at home and abroad across various fields.



"First Prize for Typical Cases of Cultural Development for Building Materials Enterprises in 2024-2025" by China Building Materials Enterprise Management Association

"2024 Top 100 Enterprises in the Building Materials Service Industry" by China Building Materials Enterprise Management Association

"2024 Top 100 Building Materials Enterprises in Management" by China Building Materials Enterprise Management Association



"Best Property Rights Trading Organization Award of 2024 (quasi-REIT)" by China Beijing Equity Exchange



"2023-2024 Management-Innovative Enterprises in the Building Materials Industry" by China Building Materials Enterprise Management Association

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Embracing Responsibility for a Shared Journey, Nurturing Prosperity for a Sustainable Future

SDGs practice



CNBM Investment's response to sustainable development strategy topics

Community co-building, sustainable products and solutions, customer service and rights, product safety and quality, and sustainable supply chain



Coexisting in the Chain, Pursuing a Sustainable Future Together

Building a global chain and advancing hand in hand

CNBM Investment optimizes resource allocation through its global green supply chain platform, establishing a sustainable product and service system that integrates "Green, Intelligent Manufacturing + Ecological Trade". Through deep integration, it achieves value co-creation and harmonizes economic benefits with environmental outcomes.

Building a resource-optimized ecosystem

The Company has established a global building materials supply and circular service system through its integrated operational platform for overseas warehouses and building materials supermarkets. The platform integrates wholesale and retail, warehousing and logistics, and marketing & promotion functions, with a strategic focus on green, renewable energy (including photovoltaic energy storage and new energy vehicles), building materials and hardware, and home appliances and furnishings. It innovatively adopts a model combining "showroom experience + exhibition promotion + localized distribution", continuously consolidating supply chain channels and driving product optimization and upgrading. Besides, it actively serves enterprises expanding internationally, providing a comprehensive showcase for renewable energy products, and new materials & equipment. Through physical experience and localized services, it effectively enhances the international visibility of Chinese products, achieving a value upgrade from "going global" with products to "moving up" with brands, and facilitating the deeper integration of "Made in China" into the global building materials supply system.

In October 2024, CNBM Investment was invited to participate in the 3rd CNBM Dubai New Energy Conference, held under the theme of "Embracing Renewable Energy - Building a Low-Carbon UAE". As a globally leading developer of new materials and comprehensive service provider, the Company will continue to deepen its cooperation with the UAE in areas such as green and low-carbon transition, the digital economy, and the development of trade hubs. Together, CNBM Investment and other conference participants will seize the opportunities presented by the high-quality development of the Belt and Road Initiative and promote sustainable China-UAE development.

Case Dubai overseas warehouse of CNBM, Smart storage for a green future

The Dubai overseas warehouse of CNBM, covering an area of 200,000 m², has evolved into a comprehensive logistics hub in the Middle East, integrating a diversified product system that includes building materials, renewable energy equipment, and oil and gas equipment. The platform innovatively provides the Dubai government with "Renewable Energy + AI" intelligent solutions, collaborates with Abu Dhabi-based enterprises to develop energy storage business, and supplies bio-diesel and sustainable aviation fuel (SAF) at scale. As a result, it has successfully established a benchmark project for the green supply chain for "The Belt and Road Initiative".



◀ Dubai overseas warehouse of CNBM ▶

Case Empowering clean cooperation and shaping the energy transition

At the TotalEnergies Marketing UAE & CNBM-FZE: 2024 Diversified Energy Supply Channels Middle East Seminar, CNBM Investment highlighted the strategic value of its global overseas warehouse network in facilitating cross-border trade and serving green infrastructure. Through its warehousing and logistics nodes covering key regions, the Company provides end-to-end supply chain support for renewable energy projects. Looking ahead, it will deepen its collaboration with TotalEnergies in areas such as Sustainable Aviation Fuel (SAF) and green hydrogen, to jointly build a clean energy supply system in the Middle East.



◀ TotalEnergies Marketing UAE & CNBM-FZE 2024 Diversified Energy Supply Channels Middle East Seminar ▶

Case Building a bridge to Europe and empowering the global expansion of Chinese photovoltaics

In June 2024, CNBM International Germany Company, in collaboration with renowned domestic photovoltaic module and energy storage brands, participated in Intersolar Europe, the largest solar industry exhibition in Europe, held in Munich, Germany. Leveraging its 15,000 m² overseas warehouse in Düsseldorf and the advantages of its central state-owned enterprise platform, CNBM International Germany Company provides a full chain of localized services, including marketing, logistics, and after-sales support. Its comprehensive solution continuously enhances the competitiveness and influence of Chinese photovoltaic products in the European market.



◀ Overseas booth of CNBM ▶

Building a green production value chain

The Company strictly adheres to all applicable laws and regulations, consistently upholding "ecological priority and green, low-carbon development" as its core philosophy. This philosophy is deeply integrated into all aspects of the corporate strategic decision, operational management, and value creation process.

During its production and manufacturing phase, the Company has established a comprehensive environmental management system covering the entire product lifecycle and continuously optimized production technologies and energy structures, promoting the green transformation of the industrial chain through practical actions.

Case

Transforming waste into value for a low-carbon future and enhancing quality and efficiency to set an industry benchmark

"Key Technology and Equipment for High-Quality, Low-Carbon Physical Modification of Fly Ash", developed by Xiamen ISO Standard Sand Co., Ltd., represents a major breakthrough in the resource utilization of industrial solid waste. The physically modified fly ash produced by this technology exhibits a quality that exceeds the Grade I quality standard and can replace 10% of cement clinker, leading to a significant reduction in carbon dioxide emissions. Compared to traditional ball mill systems, this equipment achieves energy savings of 20 kWh/t and markedly improves the particle morphology of the modified fly ash. Besides, it reduces the water demand ratio, increases the activity index, and lowers operational costs by 50%. In 2024, this technology was successfully implemented at the Jiaying Power Plant of Zhejiang Provincial Energy Group Company Ltd. The main equipment for its first commercialized project was smoothly installed, establishing a new benchmark for the high-value utilization of industrial solid waste and holding significant demonstrative value for promoting the development of a low-carbon circular economy.



Successful installation of main equipment of the fly ash fine processing project at Jiaying Power Plant of Zhejiang Provincial Energy Group Company Ltd.

During its logistics and warehousing phase, the Company has pioneered a hybrid "Self-Operated + Shared" operation model for its overseas warehouses. This approach, powered by a smart supply chain system, effectively overcomes the "last mile" challenges in globalizing new materials. Transportation costs are optimized via a multi-vendor price comparison mechanism. Domestically, the Company adopts consolidated shipping methods, such as freight consolidation for both road and sea transport, and prioritizes the use of new energy vehicles. At overseas warehouses, electric forklifts are promoted to replace fossil fuel-powered equipment. Furthermore, through initiatives such as intelligent warehouse allocation and dispatch, route optimization, and the full electrification of coal transport, the Company achieves its dual objectives of enhancing logistics efficiency and controlling carbon emissions.

Driving high-quality local economic growth

The Company accurately gauges market demand, continuously enhancing the supply level in local markets with high-quality, competitively priced products and services. Leveraging its international supply chain network, it innovatively adopts cooperative models, including exclusive regional distributorships and brand flagship stores, to successfully introduce high-quality products from various countries. This effectively promotes local consumption upgrades and the optimization of the commercial ecosystem. Concurrently, the Company elevates the level of local industries and strengthens their capacity for autonomous development through technology transfer, equipment support, and the sharing of management expertise.

In numerous projects, the Company has established cooperative mechanisms with local enterprises to foster synergistic development across the upstream and downstream of the industrial chain, creating a mutually beneficial economic ecosystem. While enhancing the security of supply for building materials and home furnishing products, these initiatives have effectively propelled the growth of local industries such as manufacturing, construction, and transportation, injecting new vitality into the local economy and building a more resilient and dynamic regional industrial ecosystem.

Integrating the entire chain for enhanced management efficiency

The company has established a management system covering the entire lifecycle of suppliers in the bulk procurement process, forming a systematic and standardized management closed-loop from pre-onboarding screening to post-onboarding assessment. In the pre-admission stage, key suppliers are identified based on criteria such as scale, lifespan, and past collaboration. A rigorous process which composes of application registration, pre-qualification, and admission review is conducted, and suppliers failing to meet the requirements are decisively denied entry. During the admission stage, the focus is on verifying information including management system certifications, credit reports, and environmental compliance records. Concurrently, safety agreements, confidentiality agreements, and integrity commitment letters are signed to ensure compliant and transparent cooperation.

For approved suppliers, the Company strengthens management through a combination of routine inspections and annual comprehensive performance reviews. Assessment metrics cover multiple dimensions, including quality, supply assurance, on-time delivery, and service. Performance review results are promptly communicated, and suppliers are urged to implement corrective actions, with a particular emphasis on supervising the production processes of raw material suppliers.

Leveraging its information systems, the Company achieves dynamic management, featuring functions such as the real-time blacklisting of high-risk suppliers and early warnings for payment overdue, thereby continuously enhancing its supply chain risk prevention and control capabilities. Furthermore, Xiamen ISO Standard Sand Co., Ltd., a subsidiary of the Company, has formulated documents such as the *Control Procedure for Externally Provided Processes, Products, and Services* and the *Supplier Evaluation and Management Procedure*, providing an institutional framework for supplier management and effectively improving supply chain security.



Securing the global supply chain and fortifying the foundation of risk control

The Company has established a comprehensive supply risk assessment and response mechanism in bulk procurement. Through institutional frameworks such as the *Administrative Measures for Material Procurement*, it has implemented risk early warnings and effective countermeasures. It has also continuously optimized its supply chain layout by promoting the diversification of sourcing for raw materials, packaging materials, and other supplies. Concurrently, green procurement requirements are explicitly stipulated in regulations such as the *Assessment and Management Measures for Energy Conservation, Carbon Reduction, and Eco-environmental Protection*, thereby supporting the sustainable development of the supply chain.

To effectively mitigate the risk of sudden supply disruptions, such as the sudden cessation or interruption of raw materials, the Company implements a three-tiered classification system for its approved suppliers. This approach strengthens supply chain risk management and enhances supply assurance capabilities as follows:

Grade A Suppliers

Elite Suppliers. These suppliers serve as candidates for strategic partnerships. They are engaged under annual framework agreements and are granted priority in selective tendering, competitive quotation process, and payment settlements.

Grade B Suppliers

Preferred Suppliers. These suppliers constitute the primary pool for procurement through competitive quotation process.

Grade C Suppliers

Qualified Suppliers. These suppliers are maintained as alternative sources of supply.



Case

The raw material security plan of Xiamen ISO Standard Sand Co., Ltd., resolving the resource depletion challenge

In response to the challenges of increasingly stringent national environmental policies and the depletion of natural sand resources, Xiamen ISO Standard Sand Co., Ltd. innovatively implemented a raw material security plan. Through measures such as establishing long-term supplier partnerships, developing alternative supply channels, and optimizing its collection, storage, dispatch and allocation mechanisms, the company successfully secured a stable supply of 27,000 tons of raw sand in 2024. This has provided a reliable benchmark material for national cement quality inspection.

Case

Pursuing local-first and global coordination to build a mutually beneficial ecosystem

CNBMI Zambia Co., Ltd. categorizes its suppliers into local and overseas ones and implements a procurement strategy that prioritizes localization. Its local suppliers account for 65% of the total. They primarily provide products that can be manufactured locally and are certified by the Zambia Bureau of Standards (ZABS), such as paint, buckets, and tiles. They must also meet specific criteria, including a production radius not exceeding 200 km and a price no more than 10% higher than import costs. This approach effectively ensures supply chain stability and a cost advantage.

For materials that cannot be mass-produced locally, such as solar products and gypsum boards, CNBMI Zambia Co., Ltd. sources from overseas suppliers who are ISO 9001 certified and possess a minimum of three years of project experience in Africa. Besides, priority is given to suppliers with production bases in China to guarantee product quality and supply efficiency. Through this procurement model, the company has not only enhanced its operational efficiency but also robustly promoted local industrial development, strengthened the resilience of the local supply chain, and injected sustained momentum into the regional economy.

Supplier-related indicators	Data of the year 2024	Unit
Number of suppliers with long-term partnerships with CNBM Investment	Total:	481
	Mainland China:	302
	Hong Kong, Macao and Taiwan:	13
	Overseas:	166
Number of ESG training sessions conducted for suppliers or ESG training events held with suppliers	12	Sessions



Pursuing Perfection in Craftsmanship, Achieving Excellence in Service

Product safety and quality

CNBM Investment has established a quality assurance mechanism that spans the entire product lifecycle, continuously enhancing management effectiveness through innovative R&D and digital tools to deliver safe, reliable, and sustainable products and services to its clients.

Building a solid quality foundation

The Company strictly adheres to the laws, regulations, and industry standards of all its operational regions to ensure product safety and compliance. In overseas markets, it rigorously follows local quality supervision requirements, and all products sold comply with the safety, environmental, and performance standards of every respective sales region. During the product introduction stage, it meticulously selects products that meet authoritative international standards, ensuring that compliance is met from the source. In its commitment to a systematic approach to quality assurance, it has developed a comprehensive quality management system covering the entire process of "Factory Shipment - Transportation - Warehousing - Shelving - Sale". For its overseas operations, dedicated quality control processes have been established, including the segregated storage of flammable and explosive products and the standardization of safety signage, to comply with the safety and environmental requirements of different markets. Moreover, the Company maintains stringent control over supply chain quality. Upon arrival, products undergo rigorous quality inspection to remove any items damaged during transit. After being shelved, products are subject to regular random inspections, and defective products are promptly removed to ensure the quality of final delivery.

The Company has strictly complied with international trade rules and product liability laws to ensure compliant operations in global markets. It has also established a comprehensive quality accountability mechanism, defining the responsibilities of processors through contracts to ensure that quality issues are traceable and accountable.

South Graphite Co., Ltd. has formulated the *Administrative Measures for the Outsourced Processing of Graphite Products*, which clearly defines production specifications, management responsibilities, and liabilities for breach of contract, thereby strengthening quality control over the supply chain. In cases of customer claims resulting from quality issues attributable to the processor, the company will require the processor to bear the related losses in full and pay double the amount of the contractual penalty, thereby effectively enforcing quality accountability.

BNBM PNG LTD implements stringent quality control at the product development and introduction stage. It requires that procured products comply with a multitude of certifications, including Australian Standards (AS), energy & water conservation certification, ISO, CE, and Chinese National standards (GB). This approach ensures quality from the source and effectively mitigates potential legal and operational risks arising from non-compliance with quality standards.

Driving development with innovation

The Company adheres to a development strategy driven by technological innovation. It continuously increases investment in R&D and deepens industry-university-research collaborative innovation. As a result, it has established a comprehensive technological innovation system, and its technological achievements have received numerous authoritative recognitions.



As of 2024, the Company has been granted a total of **73** patents, including **27** invention patents.



In 2024, the Company achieved several significant R&D outcomes



South Graphite Co., Ltd

- The company actively participated in the formulation and revision of national standards and led the development of *Microcrystalline Graphite* (GB/T 3519-2023).
- Its subsidiary, South Graphite New Materials Co., Ltd., and its managed enterprise, South Graphite Research Institute (Hunan) Co., Ltd., were both recognized as "National High-Tech Enterprise".
- The project titled "Research on R&D and Application of Microcrystalline Graphite in Tires", a collaboration among CNBM Investment, Qingdao Wheel Cloud Design and Research Institute, Qingdao University of Science & Technology, and South Graphite Research Institute (Hunan) Co., Ltd., has completed its first-phase laboratory evaluation. The industrial application of modified graphite is now being accelerated.
- The project titled "R&D of Natural Microcrystalline Graphite Purification Technology", a joint initiative among CNBM Investment, Shenzhen Graphene Innovation Center, and South Graphite Co., Ltd., has achieved a breakthrough. As a result, the purity of test samples has consistently exceeded the target value of 99.95%, laying a solid technical foundation for applications in anode materials.

Xiamen ISO Standard Sand Co., Ltd.


- The company is prioritizing the development of its "Standard Sand+" business model, focusing on the industrialization of key technologies such as the dry-method spheroidization of solid granular materials, low-carbon spheroidized cement, and the physical modification of industrial solid waste. The low-carbon spheroidized cement technology significantly enhances product quality while improving energy conservation and consumption reduction. The industrial solid waste modification technology effectively promotes the comprehensive utilization of resources.
- The project, "Key Technology and Equipment for High-Quality, Low-Carbon Physical Modification of Fly Ash", passed the scientific and technological achievement appraisal by the China Association of Circular Economy and was rated as reaching a world-leading level. This project has subsequently won the second prize at the BRICS Industrial Innovation Contest 2023 and the first prize of the 2024 Science and Technology Progress Award of China Association of Circular Economy (at the provincial and ministerial level). It was also included in the *Catalogue of Major Environmental Protection Technology and Equipment Encouraged by the State*, jointly issued by the Ministry of Industry and Information Technology and the Ministry of Ecology and Environment; the *Recommended Catalogue of Energy Saving and Carbon Reduction Technology and Equipment in the Field of National Industry and Information Technology (2024 Edition)*; and the fourth batch of "Advanced and Applicable Technologies for "Zero-Waste City" Construction" by the Development Center of the Ministry of Ecology and Environment.

Innovative R&D-related indicators	Data of the year 2024	Unit
Annual number of patent applications	8	Patents
Number of invention patents	2	Patents
Annual number of patents granted	12	Patents
Number of invention patents	12	Patents
Cumulative number of valid patents	73	Patents
Number of invention patents	27	Patents
Cumulative number of successfully registered software copyrights	4	Patents
R&D investment	28.73	CNY 1 million


Digital empowerment and upgrading

The Company rigorously adheres to intellectual property protection laws and data security regulations, leveraging digitalization as the core driver to upgrade its quality management system and optimize production efficiency in all aspects.

The Company has initiated the overseas localized deployment of its SAP system. It has now successfully completed the Huawei Cloud testing and the optimization of its business blueprint.



Upon its official launch, the system will cover **80%** of core business modules



reduce paper-based processes by **90%**

This initiative not only significantly enhances operational efficiency but also enables the continuous optimization of production processes and product quality through real-time data monitoring and analysis, thereby providing robust technical support for the high-quality development of its overseas operations.

Case | Pioneering the overseas rollout of the SAP system

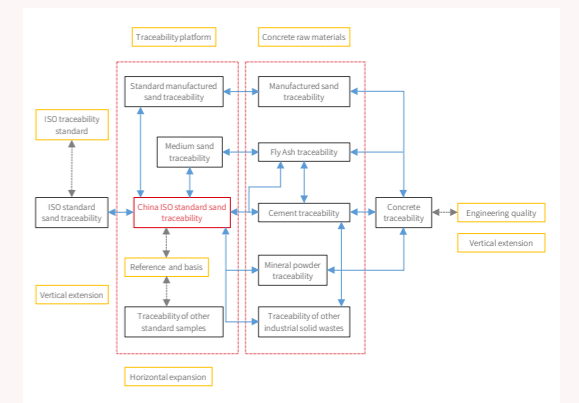
In 2024, CNBM Investment launched the Overseas Building Materials Supermarket Management System project, covering core processes such as finance, procurement, and inventory. The program aims to significantly enhance the overall execution efficiency and international operational standards of its overseas retail business, ensuring the deployment, implementation, and rollout of fundamental modules—including organizational structure management, category management, material management, supplier management, sales management, and store business management—in Papua New Guinea. This will support the daily operations, management, approvals, and accounting needs of personnel in the overseas building materials supermarket business segment, thereby substantially improving cross-border management transparency.

Case | A code for full traceability, a new progress of Xiamen ISO Standard Sand Co., Ltd. in the digital quality control system

Through digital transformation, Xiamen ISO Standard Sand Co., Ltd. has established an intelligent traceability system that spans the entire process, achieving a dual enhancement in both product quality control and economic efficiency.

Given the unique status of standard sand as a national certified reference material, Xiamen ISO Standard Sand Co., Ltd. designed a "one code for one item" traceability system. This system enables the automatic collection of data and precise traceability throughout the entire process, from raw materials to finished products. The system has significantly boosted operational efficiency, with inventory turnover increasing by 42% over the past three years, a 100% factory acceptance rate being maintained, and an average annual sales growth of 10%. In terms of safeguarding the quality of construction projects, the system has established a reliable anti-counterfeiting mechanism that effectively curbs counterfeit and substandard products. Furthermore, by integrating with the traceability chains of cement products, it has promoted the improvement of the quality supervision system across the entire building materials industry, setting a benchmark for its high-quality development.

Additionally, Xiamen ISO Standard Sand Co., Ltd. has developed an intelligent, integrated management system comprising OA, MES, and ERP. This digital leadership is underscored by 3 software copyrights, the Grade AAA certificate of integrated management system for industrialization and informatization, and a series of distinguished accolades, such as "National Excellent Scene for Intelligent Manufacturing", "National Quality Benchmark for the Building Materials Industry", "A Typical Case of Intelligent Manufacturing and Digital Transformation" by the Ministry of Industry and Information Technology, and "A Demonstration Factory for Intelligent Manufacturing in the Building Materials Industry".



Digital quality control system of Xiamen ISO Standard Sand Co., Ltd.

Customer service and rights

CNBM Investment has consistently positioned customer service and rights protection as a cornerstone of its corporate sustainable development. Through the establishment of a standardized customer management system, differentiated service solutions, a continuously improving satisfaction mechanism, and rigorous information security protection, the Company has safeguarded customer rights and interests across all fronts, continuously enhancing service quality. Therefore, it has earned an excellent market reputation across all its operational regions.


Product and service-related indicators	Data of the year 2024	Unit
Number of lawsuits concerning product and service safety and health issues	0	Nos.
Number of cases involving alleged infringement of intellectual property rights by products and services	0	Nos.
Number of complaints received due to customer information leakage	0	Nos.
Total number of complaints received regarding products and services	20	Nos.
Percentage of complaints properly addressed and resolved	100	%
Customer satisfaction rate	98.62	%

Establishing a standardized management system


The Company strictly adheres to all laws and regulations concerning consumer right protection in every region where it operates, ensuring that all customer service processes are fully compliant. Both the headquarters and all subsidiaries of the Company have established comprehensive customer management systems, integrating key information such as customer tier, scale, nature, and cooperation history into an information management system.

To enhance customer management, the Company plans to establish a unified knowledge base system to consolidate the customer rating criteria and service standards of its subsidiaries. To date, its subsidiaries such as Xiamen ISO Standard Sand Co., Ltd. have pioneered the digital management of customer information, laying a solid foundation for subsequent company-wide standardization.

With great importance placed on customer feedback, the Company has established a robust mechanism for its collection and analysis. In 2024, we executed a systematic customer satisfaction program across our overseas markets, continuously optimizing service quality through science-based, data-driven insights.



For individual customers, CNBMI Zambia Co., Ltd. distributed in-store questionnaires, focusing on value for money, promotions, and after-sales response, achieving a satisfaction rate of **92%**



For corporate clients, face-to-face interviews were conducted by account managers, with a focus on matching of solution packages, installation and commissioning, and warranty services, resulting in a satisfaction rate as high as **95%**

All feedback has been entered into the SAP system, forming a closed-loop management model of "categorized research and targeted corrective actions" to ensure continuous improvement.

Developing a differentiated service system

The Company strictly adheres to internationally recognized business practices and local commercial regulations. In overseas markets such as Zambia, it has innovatively implemented a "One Manager for One Customer" exclusive responsibility system. This system assigns a dedicated account manager to each corporate client and establishes a comprehensive profile within the SAP system, enabling full lifecycle management. Leveraging customer tier labels, credit histories, and service preferences stored in the system, account managers are able to deliver precise and customized services.

Case **Exclusive service enhances quality and efficiency, and customized solutions resolve critical challenges**

CNBMI Zambia provided an uninterrupted power solution for ATM equipment across over 40 branches of Stanbic Bank. To address the challenge of unstable local electricity supply, the project team developed a customized system design, complemented by professional installation and long-term maintenance services, ensuring the continuous and stable operation of financial terminal equipment. The project achieved a 95% customer satisfaction rate, effectively resolving the power supply challenge for local financial infrastructure and establishing itself as a model project for sustainable China-Africa cooperation. Through such localized, customized services, the company not only contributes to the development of Africa's infrastructure but also actively fulfills its corporate social responsibility.

Information security and privacy protection

The Company strictly adheres to laws and regulations such as the *Personal Information Protection Law of the People's Republic of China*. In 2024, it established a dedicated digital task force to strengthen data security management, building a solid barrier to safeguard customer rights and interests through systematic information security management. In accordance with the latest Information Management and Control Requirements, the construction of information systems by all subsidiaries is subject to approval from the headquarters, ensuring standardized and orderly data management. The Company conducts regular information security training to clarify institutional requirements and operational procedures. All its subsidiaries have established comprehensive customer privacy protection systems, with responsibilities assigned to specific individuals to ensure the security of customer privacy.



Fostering Harmonious Coexistence for Mutual Growth Abroad

To strengthen its ties with local communities in its overseas operational areas and build stable, transparent, and trusting cooperative relationships, CNBM Investment continuously refines its communication mechanisms and interactive channels with these communities. Through deep involvement in local social development, the Company actively fulfills its social responsibilities, promotes cultural integration, and stimulates economic growth, thereby contributing to the creation of a harmonious and mutually beneficial environment for overseas development.

For four consecutive years, the Company has been honored with awards in the "Belt and Road Initiative" Short Video Competition, hosted by the China Public Diplomacy Association.



2024 *The Blossom of Endeavor Along the Silk Road*



2023 *The "New Youth" Link: Forging a Global Chain in Building Materials and Home Furnishings*



2022 *Three Decades of Staying True to Our Mission*



2021 *Co-Creating a Brighter Future*



Co-building our communities with the sense of responsibility

CNBM Investment proactively engages with surrounding communities and actively participates in local public welfare initiatives spanning education, healthcare, and environmental protection. Since its inception, BNBM PNG LTD has assisted 18 families affected by disasters in rebuilding their homes. This effort has not only enhanced their disaster resilience and security but also promoted the stability and development of the local community. Furthermore, the company strengthens employees' sense of belonging and identity and fosters cross-cultural exchange and understanding by organizing activities such as festive celebrations, cultural lectures, and employee exchange programs.

Case

Delivering light and hope through charitable donations: a central state-owned enterprise's commitment to public welfare

In 2024, CNBM International South Africa (PTY) Ltd donated 100 KOOL ENERGY UPSs to multiple communities across South Africa's KwaZulu-Natal, Eastern Cape, and Gauteng provinces. The donation ceremony was held at the Solar & Storage Live Africa, attended by distinguished representatives from the political and business circles of both China and South Africa. In response to the frequent power outages affecting many parts of South Africa, the company proactively fulfilled its social responsibilities as a central state-owned enterprise (SOE). By providing practical equipment, the initiative has enabled essential facilities such as schools and clinics to maintain basic operations, thereby improving the living conditions for local residents. This act not only showcases the technological prowess and the results of CNBM's deep localization efforts but also deepens the friendly and cooperative relations between China and Africa, injecting new momentum into the development of a high-level China-Africa community with a shared future.



◀ Donation ceremony of CNBM International South Africa (PTY) Ltd ▶

Case Extending warmth to nurture young minds and building a hopeful future through "Well Constructed" Foundation

From 2023 to 2024, BNBM PNG LTD, in collaboration with the local orphanage Life PNG Care, jointly hosted three sessions of the "Well Constructed Foundation — Joining Hands to Empower Children's Education" initiative. The volunteer team conducted in-depth field visits and research to gain a comprehensive understanding of the living conditions and educational needs of the children at the orphanage. Subsequently, they donated backpacks, home appliances, and food to over 40 children, bringing warmth and hope to those in difficult circumstances. In recognition of the company's sustained commitment to the well-being and development of children, a local educational institution awarded a special Certificate of Appreciation, expressing its high regard for this charitable act.



◀ Charity activities themed as "Well Constructed Foundation — Joining Hands to Empower Children's Education" ▶

Case Lending a helping hand in times of disaster: a testament to solidarity and responsibility

In the wake of a natural disaster in Vanuatu, CNBMI Vanuatu Limited responded swiftly. Leveraging its own resources, the company donated building materials and home appliances valued at CNY 200,000 to the National Disaster Management Office (NDMO) of the Vanuatu Meteorology and Geohazards Department, providing full support for post-disaster reconstruction efforts. As an enterprise deeply rooted in the local community for over a decade, the company has consistently stood in solidarity with the local society, sharing weal and woe. Through this concrete action, it has fulfilled its social responsibilities, demonstrating the profound foundation of China-Vanuatu friendship and the strong sense of corporate commitment.



◀ Donation for earthquake relief work in Vanuatu ▶

Overseas cultural integration

CNBM Investment is steadfast in its commitment to the philosophy of cultural integration, respecting and assimilating into local cultures while promoting the coexistence and exchange of diverse cultures. In its daily operations, it places a strong emphasis on respecting and understanding local languages, customs, and religious beliefs, actively fostering an inclusive and open corporate culture. It gives full consideration to the needs of employees from different cultural backgrounds, providing diversified training and communication mechanisms to ensure that all staff feel respected and recognized in the workplace. By organizing cross-cultural training, holiday celebrations, and cultural exchange activities, it continuously deepens understanding and collaboration among employees, thereby enhancing team cohesion and operational efficiency.

CNBM Investment actively participates in the cultural life of local communities, supporting festive celebrations, cultural exhibitions, and educational projects. This proactive engagement allows it to integrate into the local society, building long-term, stable, trust-based and mutually beneficial relationships with the residents.

Case A cultural fusion to celebrate the Mid-autumn Festival, fostering China-Papua New Guinea friendship and unity

at the Papua New Guinea University of Technology, jointly hosted a celebration event. During the event, Chinese and Papua New Guinean employees of BNBM PNG LTD, along with teachers and students from the Confucius Institute, participated in traditional games such as guessing lantern riddles and the ancient game of pitch-pot, savored the traditional taste of mooncakes, and inscribed heartfelt festival greetings in Chinese calligraphy.



Furthermore, the company actively organizes its employees to participate in significant local celebrations, including Papua New Guinea Independence Day and Christmas. Through activities like traditional attire displays and gift exchanges, cultural exchange is effectively promoted. These initiatives have not only enriched the cultural lives of employees but also built a bridge of friendship between China and Papua New Guinea, deepening mutual understanding and strengthening the bonds of camaraderie.



◀ Celebration of the Mid-autumn Festival by BNBM PNG LTD and the Confucius Institute ▶

Case Promoting communication through Wilco Relay and driving growth through national fitness

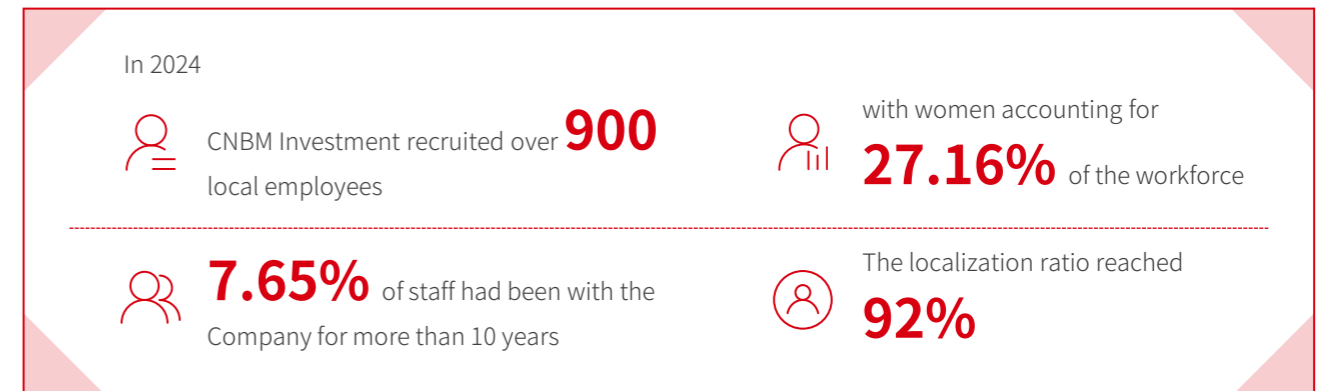
Since 2015, CNBMI Vanuatu Limited has continuously hosted the annual Wilco Relay, an event that has evolved into the most influential mass sporting spectacle in the region. Over the past few years, the event has attracted long-distance running enthusiasts from Vanuatu, as well as from China, Australia, New Zealand, New Caledonia, Japan, South Korea, and other countries and regions. Both the scale of participation and the level of competition have increased year by year. During the event, the company awards cash prizes to outstanding participants to support their personal and family livelihoods, delivering tangible benefits to the local community. This event not only enhances Vanuatu's international profile but also promotes the integrated development of local sports, tourism, and cultural industries. Furthermore, it fosters multicultural exchange, highlighting the proactive role of CNBM Investment in advancing the cultural and sporting development of the region.



◀ Wilco Relay ▶

Cultivating local talent

CNBM Investment adheres to the principle of local recruitment, ensuring full compliance with local labor laws and regulations. It is committed to providing equal opportunities and fair treatment to all employees, regardless of race, gender, religious belief, or cultural background. This includes offering competitive compensation and benefits packages, establishing formal employment contracts, and guaranteeing pathways for professional development. All its overseas subsidiaries consistently uphold the principle of local talent recruitment, with an average local employment rate exceeding 90%.



By maintaining a "local-first" hiring principle and strengthening its recruitment and skills training mechanisms for local staff, the Company actively promotes employment opportunities for community youth and enhances their long-term career development capabilities.

CNBM Zambia Co., Ltd. has thoroughly implemented a local talent recruitment strategy. Of its total workforce, 121 are local hires, accounting for over **93%**.

It has established a dedicated promotion pathway for local talents, resulting in local employees comprising **20%** of the management team and achieving a localization rate of over **40%** in technical positions.

Through this strategy, it has realized significant operational improvements, including a **35%** reduction in employee turnover and a **22%** increase in production line efficiency. Furthermore, the strategy has successfully maintained a zero-conflict record with the local community, forging a win-win model where "talent localization drives sustainable development".





Uniting Talent and Industry for Shared Prosperity, Forging a New Era of Harmony

SDGs practice



CNBM Investment's response to sustainable development strategy topics

Employees' health and safety, employees' rights, employees' development and training, and employees' compensation and benefits



Building Dreams Together, Empowering Employee Growth

CNBM Investment always regards employees as its most valuable asset, adhering to a “people-oriented” development philosophy. It has established a comprehensive system for safeguarding employees' rights, supporting career development, and providing compensation and benefits, committed to creating a platform for mutual growth between employees and the enterprise. This enables every employee to realize their professional aspirations and life values at CNBM Investment.

Employees' rights and protection

The Company strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and fully implements internal systems including the *Management Measures of CNBM Investment Company Limited for Employees' Positions and Ranks* to safeguard employees' legitimate rights and interests. In daily management, it upholds the principle of non-discrimination, prohibit child labor, and create a fair and safe working environment for employees.

In 2024, the Company established and improved communication and feedback mechanisms, achieving 100% union membership among domestic employees. Through multiple channels including trade unions, Party-mass organizations, Youth League organizations, and human resources departments, we actively listened to employees' voices. The system of workers' congress effectively safeguarded employees' rights to participate in our democratic management.

Employee-related indicators		Data of the year 2024	Unit
Total number of employees		2,181	Person
Number of employees by gender	Male	1,469	Person
	Female	712	Person
Total number of employees by ethnic group	Han	729	Person
	Minority	1,452	Person
Total number of employees by job level	Senior management	54	Person
	Number of female employees	13	Person
	Middle management	120	Person
	Number of female employees	39	Person
	General staff	2,007	Person

Employee-related indicators		Data of the year 2024	Unit
Total number of employees by employment type	Long-term	2,175	Person
	Short-term	6	Person
Total number of employees by age group	Under 30 years old	1,023	Person
	30 to 50 years old	1,008	Person
	Over 50 years old	150	Person
Total number of employees by region	Mainland China	619	Person
	Hong Kong, Macao and Taiwan	1	Person
	Overseas	1,561	Person
Number of complaints received regarding infringement upon employees' legitimate rights and interests		0	Cases
Number of complaints received regarding discrimination against applicants or employees		0	Cases
Employee satisfaction rate		96.63	%
Employee satisfaction rate by gender	Male	95.97	%
	Female	98.15	%
Employee satisfaction rate by ethnic group	Han	96.49	%
	Minority	100	%
Employee satisfaction rate by job level	Senior management	100	%
	Middle management	100	%
	General staff	95.74	%
Employee satisfaction rate by age group	Under 30 years old	97.14	%
	30-50 years old	96.58	%
	Over 50 years old	96.15	%
Number of cases involving suspected child labor or forced labor		0	Cases

Employees' development and training

The Company attaches great importance to employees' career development. In 2024, we formulated and improved systems such as the *Management Measures of CNBM Investment Company Limited for Employees' Positions and Ranks*, clarifying the position and rank system, promotion criteria, and qualification standards to provide employees with clear career development paths. The training system encompasses comprehensive development programs across all levels, including new employee onboarding, on-the-job skills enhancement, and middle/senior management development programs, featuring specialized training on topics like international business and legal disputes.

The Company respects employees' personal development aspirations, establishing talent mobility and transfer mechanisms, and providing career planning guidance for employees upon request. Through a systematic training and development framework, we help employees continuously improve their professional capabilities and overall competencies, achieving shared growth with the enterprise.

Training-related indicators		Data of the year 2024	Unit
Employee training ratio	Male	92.17	%
	Female	84.27	%
	Under 30 years old	91.44	%
	30 to 50 years old	93.53	%
	Over 50 years old	90.35	%
	Han	95.88	%
	Minority	79.89	%
	Senior management	94.44	%
	Middle management	90.83	%
	General staff	89.44	%
Per capita training hours	Male	8.82	Hour
	Female	8.51	Hour
	Under 30 years old	4.95	Hour
	30 to 50 years old	9.40	Hour
	Over 50 years old	24.31	Hour


Training-related indicators		Data of the year 2024	Unit
Per capita training hours	Senior management	19.86	Hour
	Middle management	24.12	Hour
	General staff	7.80	Hour
	All staff	8.80	Hour
Total cost of employee training		1,216,177	CNY

Employees' compensation and benefits

The Company has established a well-designed and reasonable compensation and benefits system, strictly implementing the *Management Measures for Compensation and Benefits* and other relevant systems. Compensation standards for each position are determined through job evaluation. In 2024, the market-oriented recruitment ratio reached 28% at the Company, reflecting a talent value orientation. Its attendance management is subject to an 8-hour working system while incorporating flexible adjustment mechanisms, demonstrating humanistic care. Besides, it implements a 360-degree appraisal on employees, evaluating employees' performance across 10 dimensions. Benefits, including enterprise annuity and supplementary commercial insurance, achieve full employee coverage at the Company.

The Company has built a comprehensive employee care system, promoting employees' physical and mental well-being through diverse cultural and sports activities, including weekly badminton sessions, professionally coached yoga classes, quarterly birthday celebrations, and at least two large-scale outdoor activities annually (such as hiking trips and fun sports meetings). These activities not only enhance employee fitness but also foster team cohesion. In 2024, through systematic employee satisfaction surveys, the Company gained in-depth insights into employees' needs. The survey results serve as crucial input for the continuous optimization of human resource management, constantly improving employees' happiness and sense of belonging.

Through a well-developed employee growth system, the Company enables every employee to realize their self-worth in a fair and open environment and advance together towards a brighter future.



In 2024, the market-oriented recruitment ratio reached **28%** at the Company



Prioritizing Health and Safety, Building Healthy Workplaces

Putting employees' health and safety first, CNBM Investment has established a comprehensive occupational health and safety management system covering domestic and overseas operations. Through systematic training, drills, and personalized protective measures, we have maintained a safe and healthy working environment for our employees. In 2024, there were zero major workplace accidents and zero occupational disease cases, fulfilling its commitment that "employees' life and safety are paramount".

Employees' health and safety

CNBM Investment strictly follows relevant laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Interim Regulations on Supervision and Management of State-owned Assets of Enterprises*, the *Notice of the General Office of the State Council on Strengthening the Work Safety of Central State-owned Enterprises*, the *Interim Regulations on Supervision and Management of Work Safety at Central State-owned Enterprises*, and the *Implementation Rules for Work Safety Assessment of Central State-owned Enterprises*. It also abides by the *Work Safety Responsibility System of China National Building Material Group Co., Ltd.*, the *Work Safety Responsibility System for All Employees of China National Building Material Company Limited*, and its *Articles of Association*.

The Company implements the work safety principle of "Safety First, Prevention Focused, Integrated Solutions". We have fully implemented our primary responsibility for work safety, emphasizing a people-centered approach that values human life above all. Upholding a safety-first development philosophy, we have established a mechanism involving production and operation enterprise accountability, employee participation, government oversight, industry self-discipline, and social supervision. We have also developed a safety target management system that defines work safety responsibilities for the Chairman, President, and all other positions. "Safety Awareness Month" campaigns have been launched annually to prevent and reduce accidents. All these efforts are to ensure safety and health of workers during operations, and protect corporate assets and public life/property.

Occupational health and safety initiatives of subsidiaries of CNBM Investment:

South Graphite Co., Ltd.	Xiamen ISO Standard Sand Co., Ltd	CNBM Material Co., Ltd
It has formulated 102 work safety management systems covering safety target management, technical approvals, and ventilation management. It has strictly implemented underground safety equipment issuance/training systems, and provided protective supplies (workwear, dust masks, etc.) for employees. In 2024, it conducted 2 emergency drills (flood/fire), and revised and filed contingency plans.	It has obtained ISO45001 occupational health and safety management system certification, and established a standardized work safety system. As a result, it was rated as a Class II compliant enterprise. In 2024, it delivered 32 training sessions on safety and environmental protection (involving a total of 2,091 participants) and organized 5 emergency drills (involving a total of 84 participants).	It obtained certifications for quality, environment, and occupational health & safety, organized firefighting and first-aid drills, and built a multi-tiered health protection network.

Overseas health and safety

CNBM Investment has established an emergency response plan system covering different countries and production types, building a robust safeguard for its overseas staff. With special attention paid to issues such as domestic water safety and disease prevention and control in overseas operations, it has optimized the physical examination process for dispatched employees, added personalized indicator checkups, and incorporated chronic drug use into the management system. It has also established strict park management systems for overseas high-risk areas to ensure that its employees worldwide can enjoy equal health protection standards.



Embracing Responsibility for a Shared Journey,
Nurturing Prosperity for a Sustainable Future

Uniting Talent and Industry for Shared Prosperity,
Forging a New Era of Harmony

Painting a Green Vision,
Embarking on a Low-Carbon Journey

Strengthening Fundamentals,
Steering Value-Driven Growth

Overseas subsidiaries of CNBM Investment have implemented a series of health and safety measures, including:



The Company always practices its "people-oriented" core management philosophy, prioritizing employees' health as a strategic focus for its development. In response to the special health needs of overseas staff, it continues to improve its medical and health service system through regular health screening, disease prevention education, and emergency medical assistance to protect the staff's physical and mental health.

Case Promoting traditional Chinese medicine (TCM) culture and caring for employees' health

In March 2024, BNBPM PNG LTD launched a health initiative and invited the 13th China Medical Team in PNG to hold an event on TCM culture promotion and malaria prevention & control. Medical experts introduced characteristic TCM therapies such as acupuncture and cupping through a dual approach of theoretical instruction paired with hands-on demonstration. They also provided on-site diagnostic services for both Chinese and local employees. The event prioritized malaria prevention and control education, delivering detailed analysis of transmission routes, symptom identification, and preventive measures to elevate all the employees' awareness of disease prevention and control.



Local newspaper coverage of the medical outreach event

Occupational health and safety-related indicators	Data of the year 2024	Unit
Number of work-related deaths (for employees)	0	Person
Lost days due to work injury (for employees)	0	Day
Number of work-related deaths (for contractors)	0	Person
Total number of production projects	4	Projects
Proportion of projects with zero work-related death	100	%
Number of participants in occupational health and safety training	3,038	Person-times
Number of safety inspections conducted	1,860	Inspections
Quantity of hidden dangers identified	526	Cases
Rectification rate of hidden dangers identified	96	%
Number of participants in emergency drills, fire drills, and other drills	916	Person-times
Expenditure related to safety and health	1,713.26	CNY 10 thousand

3

Painting a Green Vision, Embarking on a Low-Carbon Journey

SDGs practice

6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND

CNBM Investment's response to sustainable development strategy topics

Energy use management, emissions and waste management, water resource management, climate change response, and biodiversity protection

Advancing Low-Carbon Transition, Fulfilling Our Climate Commitment

Addressing climate change is a shared responsibility for global sustainable development, and green and low-carbon transition is an essential pathway to achieve this. Under this backdrop, CNBM Investment earnestly implements the Group's "dual carbon" strategic goals and always views climate change response as an important issue for its sustainable development. It fully integrates green and low-carbon principles in such core business as overseas warehouses, building material supermarkets, and centralized procurement supply chains. It endeavors to drive green upgrades of supply chains, green expansion of overseas business, and low-carbon transformation of operation and management, as part of our ongoing efforts to enhance its green competitiveness.

Governance

CNBM Investment has defined oversight and management responsibilities for climate-related matters and established a climate governance framework led by the Board of Directors to provide overall oversight. As the supreme decision-making body, the Board of Directors regularly reviews climate change strategies, targets, and risk and opportunity management tasks, ensuring alignment of climate-related efforts with corporate strategy.

The Vice President serves as the top executive responsible for climate and ESG initiatives, coordinating company-wide climate efforts to meet the strategic goals. The Enterprise Management Department, as the implementing body, organizes the development of climate-related management policies and procedures and coordinates carbon peak and carbon neutrality efforts across business units. The department also conducts risk and opportunity analysis, supervises the achievement of goals, and promotes information disclosure and training.

Strategy

Climate change impacts CNBM Investment across multiple dimensions, including policy/regulation updates, emerging technology application, and market demand change. The Company has identified risks by category, specifics, and potential impacts.

Physical risks related to climate change		
Risk category	Risks related to climate change	Potential impact of risks on the Company
Acute risk	Extreme weather events such as floods and typhoons	<ol style="list-style-type: none"> The Company's overseas warehouses and building materials supermarkets in regions such as Southeast Asia, Pacific Island nations, and Africa are susceptible to facility damage. This could lead to inventory loss and increased costs for repairs and restoration. Logistics disruptions delay supply chain deliveries and trigger customer complaints and additional operational expenses.

Physical risks related to climate change		
Risk category	Risks related to climate change	Potential impact of risks on the Company
Acute risk	High temperatures and heatwaves	<ol style="list-style-type: none"> High temperatures compromise the safety of overseas warehousing operations, requiring additional investments in cooling equipment that raise energy costs. Increased health risks for outdoor workers necessitate enhanced occupational health and safety management and heatstroke prevention plans.
	Intensified infectious diseases and public health events	<ol style="list-style-type: none"> Climate-induced tropical disease spread increases health management costs for overseas warehouse and supermarket staff. Heightened labor shortages or operational halts impact business continuity.
Chronic risk	Sea-level rise	<ol style="list-style-type: none"> Some coastal warehouses and supermarkets face inundation risks, which may devalue assets and halt operations. It is necessary to plan asset relocation or add protective facilities in advance, increasing capital expenditure.
	Rising average temperature	<ol style="list-style-type: none"> The rise in global average temperature leads to increased energy demand for refrigeration in storage and air conditioning in building material supermarkets, resulting in a continuous rise in operating energy costs. Delayed energy efficiency retrofits may compress profit margins and undermine overall profitability.

Transition risks related to climate change		
Risk category	Risks related to climate change	Potential impact of risks on the Company
Regulatory and policy risk	Stricter carbon emission regulations globally	<ol style="list-style-type: none"> Elevated carbon footprint requirements for some imported building materials increase supply chain procurement costs. It is necessary to strengthen green procurement and supplier management systems, raising compliance costs.
Market risk	Growing customer preference for eco-friendly products	<ol style="list-style-type: none"> Rising overseas demand for low-carbon and green building materials may erode market share if product restructuring lags. It is necessary to accelerate green product deployment, which may create capital investment pressure.
Technical risk	Green and low-carbon technology updates	<ol style="list-style-type: none"> Overseas warehouses and supermarkets require energy-saving retrofits and renewable energy adoption; failure to do so will result in their energy efficiency lagging behind industry standards, ultimately undermining their competitiveness. It is necessary to increase R&D and equipment renewal funds, which will have a short-term impact on financial performance.
Reputational risk	Enhanced ESG regulation and information disclosure requirements	<ol style="list-style-type: none"> Inadequate carbon emission and ESG data disclosure could undermine international investors' confidence. It is necessary to establish a carbon emission and environmental data management system, which will increase operation and management expenditures.

The Company has also identified the following opportunities related to climate change:

Opportunities related to climate change		
Opportunity category	Opportunities related to climate change	Potential impact of opportunities on the Company
Resource efficiency	Improved energy efficiency through warehousing digitization and logistics route optimization	<ol style="list-style-type: none"> Fuel consumption and operational costs are reduced via optimized freight scheduling and minimized empty runs in overseas warehouses. Enhanced warehousing energy efficiency strengthens green warehousing brand influence.
Energy sources	Increased adoption of renewable energy and distributed PV in overseas warehouses and supermarkets	<ol style="list-style-type: none"> Decreased reliance on volatile traditional electricity prices improves energy supply security. A higher ratio of green power used by the Company meets customers' green procurement requirements, expanding market share.
Products and services	Promotion of low-carbon and green building materials in overseas supermarkets	<ol style="list-style-type: none"> Capturing the green consumption trend in the international market, this practice will scale up the sales of low-carbon building materials. It will elevate brand prestige and core competitiveness of building material supermarkets.
Market	Surging global demand for green supply chain services and PV products	<ol style="list-style-type: none"> As international clients increasingly prioritize supply chain carbon footprint management, company offers centralized green procurement and warehousing solutions to strengthen customer relationships. With the continuous expansion of demand for PV products in overseas markets, the Company can fully leverage the channel advantages of overseas warehouses and building material supermarkets to scale up the sales of PV products, expand overseas customer groups, and further enhance the Company's influence and competitiveness in the international green building material market.
Resilience	Enhanced climate resilience of warehouses and supply chains	<ol style="list-style-type: none"> Climate-resilient retrofits of overseas warehouses and logistics facilities lower the risk of operational disruptions from extreme weather events. Supply continuity is ensured by enhanced stability of the Company's overseas assets and business ensures.

Risk management

CNBM Investment incorporates climate risk management into its enterprise-wide risk management framework and adopts a systematic approach to identify, assess, and manage climate-related risks and opportunities across operations.

Based on such main business as overseas warehouses, building material supermarkets and centralized procurement supply chains as well as product characteristics, the Company has established a climate risk and opportunity repository covering potential impacts on finance, production and operation, asset management, supply chain, and personnel safety.



In terms of domestic business

The Company fully considers climate change factors in important stages such as site selection, mergers & acquisitions, and expansion. It engages professional, independent third-party organizations to conduct environmental and climate risk assessments and issue assessment reports as decision-making basis.



In terms of overseas business

The Company completes the procedures for internal assessment and identification of extreme weather events, natural disasters and other climate-related risks based on regional evaluations of a third-party insurer, in order to ensure asset security and business continuity.

Indicators and targets

With a heightened focus on climate change management, CNBM Investment has established an indicator system covering greenhouse gas (GHG) emissions, and continued to monitor and analyze the following indicators, among others.

Climate-related indicators	Data of the year 2024	Unit
Total GHG emissions	2,086.03	Ton
GHG Scope 1 emissions	41.30	Ton
GHG Scope 2 emissions	2,044.73	Ton
GHG emission intensity	0.15	Ton / CNY 1 million operating revenue

In response to climate imperatives, CNBM Investment has established energy targets related to climate change based on the analysis of climate change risks and opportunities, as well as its own operational realities, so as to promote its green transformation.

Target

Comprehensive energy consumption per unit output value of standard sand below
2.85 kgce/CNY 10 thousand.

Target progress in 2024

The comprehensive energy consumption per unit output value of standard sand was
2.65 kgce/CNY 10 thousand.

Status

Achieved





United in Green Commitment, Safeguarding Our Ecological Homeland

As part of its efforts to implement the philosophy of green and low-carbon development and the development concept that "lucid waters and lush mountains are invaluable assets", CNBM Investment continues to strengthen energy and resource management, enhance emission and waste control, and promote biodiversity conservation and ecological synergy. It strives to build a sustainable development pattern featuring harmonious coexistence between humanity and nature and to safeguard our beautiful planetary homeland.

Energy usage management

Adhering to the principle of "energy conservation first", CNBM Investment actively advances energy mix optimization and use efficiency improvement. It is committed to building a clean, low-carbon, safe, and efficient energy management system, propelling green production and sustainable development to new heights.

Management system development

Upholding the philosophy of "energy conservation first, green and low-carbon development", CNBM Investment strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on Energy Conservation*, the *Law of the People's Republic of China on Promotion of Cleaner Production*, the *Circular Economy Promotion Law of the People's Republic of China*, and the *Environmental Protection Law of the People's Republic of China*. It strengthens the development of an energy management system at all fronts to optimize the energy utilization structure and enhance energy efficiency.

The Company's manufacturing subsidiary, Xiamen ISO Standard Sand Co., Ltd. has established a robust organizational framework for environmental protection and carbon peak & carbon neutrality work. A leading group has been formed to fully implement energy conservation and emission reduction responsibilities, further reinforcing energy management. By the end of 2024, Xiamen ISO Standard Sand Co., Ltd. had obtained ISO50001 energy management system and ISO14001 environmental management system certifications. Cumulatively, 4 legal entities under CNBM Investment had been certified by ISO14001, and 1 legal entity certified by ISO50001.

Energy mix optimization

The primary energy sources across all levels of CNBM Investment are electricity and natural gas. Notably, Xiamen ISO Standard Sand Co., Ltd. has fully transitioned from coal to natural gas, with its current energy consumption mix comprising about 66% of natural gas and about 33% of electricity. By advancing fuel structure transformation, CNBM Investment reduces fossil fuel consumption and pollutant emissions, tangibly elevating the eco-friendliness of energy utilization.

Case

CNBM ZIM's PV power generation system, a model for advancing green and low-carbon transition

CNBM ZIM constructed a 180 kW PV power generation system featuring smart inverter technology for dynamic load matching. The daily power generation efficiency is about 65%, and the annual clean electricity output reaches 140 MWh, supporting green energy demand of office areas and production lines. The project not only optimizes the energy mix, but also significantly reduces reliance on traditional fossil fuels and carbon emissions, establishing a paradigm for green and sustainable overseas operations.



◀ 180 kW PV system of CNBM ZIM ▶

Energy conservation and consumption reduction initiatives

Adhering to the concept of green production and life, CNBM Investment implements energy conservation and emission reduction management through the following key measures:

During the operational phase

- The Company organizes energy-saving and environmental protection education and training sessions to raise the energy-saving awareness of all staff, advocating the conservation of resources such as electricity, water, paper, and oil, and eliminating waste.
- The Company implements waste classification management to facilitate resource recycling in offices and production sites.
- The Company adopts paperless offices, enforces "lights-off when unoccupied" policy, and controls air-conditioning temperatures to optimize office energy consumption.
- The Company encourages green commuting by employees and promotes energy-efficient and low-carbon transportation to reduce energy consumption for transportation.

During the production phase

- Xiamen ISO Standard Sand Co., Ltd. strengthens green procurement management of suppliers by signing agreements with strict environmental standards, ensuring 100% compliance of purchased raw materials. It controls moisture content of sand materials to reduce fuel consumption during the production phase.
- Xiamen ISO Standard Sand Co., Ltd. arranges production plans properly to improve operation efficiency of production lines. In 2024, electricity consumption per unit product decreased by 2.23% compared to that of the previous year.

Energy-related indicators	Data of the year 2024	Unit
Total direct energy consumption	946.75	MWh
Natural gas consumption	803.34	MWh
Gasoline consumption	39.54	MWh
Diesel consumption	103.87	MWh
Total indirect energy consumption	4,426,829.48	MWh
Power consumption	4,426,829.48	MWh
Comprehensive energy consumption	4,427,776.23	MWh

Management of water resource utilization

Upholding the principles of "water conservation priority and systematic governance", CNBM Investment strengthens whole-process water management and recycling to continuously enhance water resource utilization efficiency. It earnestly fulfills water resource protection responsibilities and contributes its power to building a water-saving society

The Company rationally allocates the water usage structure based on local water resource endowments and water security conditions. Domestically, it primarily relies on the municipal water supply system for water use, with minimal production water usage. Strict conservation measures are taken on domestic water use, including ongoing water-saving initiatives to improve water efficiency and reinforce resource-efficient operation and management. Overseas, in addition to municipal sources, the Company employs solutions such as procuring bottled water and exploring rainwater harvesting in regions with water withdrawal safety issues or supply instability, ensuring safe domestic water and health needs for employees while intensifying water conservation management and awareness. For instance, CNBM International South Africa (PTY) Ltd implements refined protocols for meeting and daily water management. To be specific, it requires participants to take away unfinished water, preventing resource waste and demonstrating its meticulous water resource management and sense of responsibility.

Water-related indicators	Data of the year 2024	Unit
Total water withdrawal	26,986.50	Ton
Intensity of water withdrawal	1.94	Ton / CNY 1 million operating revenue
Total water discharge	5,334	Ton
Total water consumption	21,652.50	Ton

Emissions and waste management

CNBM Investment rigorously enforces pollutant emission and waste management standards, implementing full-process controls and resource recovery initiatives. We advance green production practices while promoting reduction, harmlessness, and resource recovery of solid wastes, and continuously enhances environmental governance capabilities to strengthen foundations for sustainable development.

Adhering to the principle of green development, the Company strictly abides by Chinese environmental protection laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. It also fully implements national and local emission standards. All its manufacturing subsidiaries have established a sound environmental management system, forming a systematic and standardized management framework covering the entire life cycle of emissions and waste.

For its manufacturing subsidiaries such as Xiamen ISO Standard Sand Co., Ltd. and South Graphite Co., Ltd., we have identified and complied with 85 environmental laws and regulations covering areas such as environmental protection, pollution prevention and control, energy conservation and consumption reduction, and clean production. We have formulated multiple internal policies such as the *Management Measures for Prevention and Control of Water Pollution*, the *Management Measures for Prevention and Control of Solid Waste Pollution*, and the *Management Responsibility System for Hazardous Waste* to further improve the emission and waste management system, providing a strong guarantee for green operation of the enterprises.

Waste gas management



The waste gas emitted by the Company is primarily fugitive dust and waste gas from production operations at its manufacturing subsidiaries such as Xiamen ISO Standard Sand Co., Ltd. and South Graphite Co., Ltd. Therefore, the Company has installed high-efficiency dust collectors to capture and purify dust, ensuring compliant emissions of waste gas and minimizing impact on the surrounding environment.

Wastewater management



The Company strictly follows relevant laws and regulations on wastewater, and fully implements Class III discharge limit set forth in the *Integrated Wastewater Discharge Standard* (GB8978-1996) and Level B ammonia nitrogen discharge requirements in the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T 31962-2015). These efforts ensure that the quality of discharged water meets national environmental protection standards, fulfilling its environmental protection responsibilities.

Solid and hazardous waste management



The Company attaches high importance to standardized management of solid and hazardous waste. Waste generated from the core product of Xiamen ISO Standard Sand Co., Ltd. , consists primarily of minimal concrete test blocks and tailings, all entrusted to licensed contractors for compliant disposal; while zero hazardous waste is generated by our company. South Graphite Co., Ltd. strictly implements management requirements of "collection by classification, management by assigned persons, regulated transportation, and compliant disposal", and signs treatment contracts with certified third-party companies, ensuring full-process environmental compliance.

Packaging material management



The Company actively advances green packaging and optimizes packaging designs to reduce material usage, with approximately 180 tons of plastic packaging materials consumed in 2024. It also promotes the use of recyclable packaging materials while accelerating R&D on biodegradable plastic packaging applications, realizing the green and low-carbon transition of packaging materials step by step.

Emission-related indicators	Data of the year 2024	Unit
Chemical oxygen demand (COD) emissions	1.64	Ton
Ammonia nitrogen (NH ₃ -N) emissions	0.14	Ton
Nitrogen oxides (NOx) emissions	0.14	Ton
Industrial particulate matter emissions	0.0254	Ton

Waste-related indicators	Data of the year 2024	Unit
Volume of self-generated hazardous solid waste	0	Ton
Intensity of self-generated hazardous solid waste	0	Ton / CNY 1 million operating revenue
Volume of self-generated harmless solid waste	92.47	Ton
Intensity of self-generated harmless solid waste	0.0072	Ton / CNY 1 million operating revenue

Biodiversity conservation

CNBM Investment actively respond to global biodiversity conservation initiatives, assesses the ecological impacts of project construction and operation at all fronts, and implements effective measures to protect natural ecosystems, promoting harmonious coexistence between humanity and nature, and building a diverse, stable, and vibrant ecological security barrier.

In China

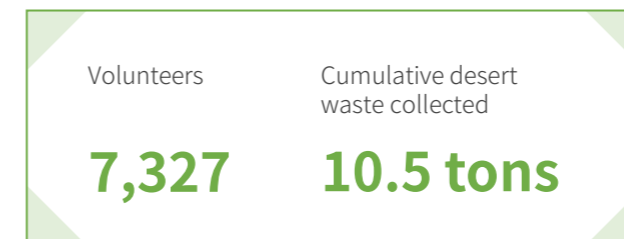
Before mine development planning, South Graphite Co., Ltd. conducts comprehensive ecological surveys, identifies forestland distribution ranges through scientific methods, and obtains mining permits and other approvals according to laws and regulations, ensuring compliant and orderly mining operations. During production, advanced underground mining techniques are adopted to minimize impacts of surface deformation and subsidence on terrestrial ecosystems. Dedicated waste rock yards are uniformly constructed in all mining areas to prevent forestland encroachment and vegetation destruction.

The Company also visits the mining areas and their surrounding areas to investigate biodiversity conditions. These visits are to confirm that operations avoid habitats of rare and endangered species and that production, operation, products, and services cause no significant disturbance or damage to ecosystems, fully fulfilling its ecological protection obligations in mineral resource exploitation and utilization.

Overseas

The company actively makes efforts to fulfill social responsibilities overseas where it has established presence, advances ecological conservation and public welfare practices. Employees of CNBM FZE participated in the 22nd "Clean UAE" campaign organized by the UAE government for public benefit. Collaborating with the UAE-China Chamber of Commerce and other local Chinese enterprises, they formed a hundred-volunteer team conducting cleanup activities at the AL Marmoom Desert Conservation Reserve in Dubai.

This event was launched simultaneously across four sites in Saih Al Salam, attracting 7,327 volunteers who collectively removed 10.5 tons of desert waste. This tangibly improved local ecology, demonstrating the Company's commitment to ecological progress and human-nature harmony.



4

Strengthening Fundamentals, Steering Value-Driven Growth

CNBM DISTRIBUTION CENTER

SDGs practice



CNBM Investment's response to sustainable development strategy topics

Honest operation and corporate governance

Embracing Responsibility for a Shared Journey,
Nurturing Prosperity for a Sustainable Future

Uniting Talent and Industry for Shared Prosperity,
Forging a New Era of Harmony

Painting a Green Vision,
Embarking on a Low-Carbon Journey

Strengthening Fundamentals,
Steering Value-Driven Growth



Consolidating Foundations, Fortifying the Cornerstone of Governance

Governance structure

Upholding standardized governance, CNBM Investment rigorously implements responsibilities of the Board of Directors, improves institutional systems, and fortifies integrity and compliance culture, so as to solidify the governance bedrock for its high-quality development.

The Company has established a robust corporate governance framework, fostering a system characterized by well-defined responsibilities, effective checks and balances, and seamless coordination. According to the latest provisions of the *Company Law of the People's Republic of China* and requirements from the parent company, the Company and its subsidiaries have timely revised *the Rules of Procedure for the Board of Directors and Its Special Committees*, the *Working Rules for the General Manager*, and other related policies, and amended their articles of association on time. These efforts have ensured the compliance of the Company's governance structure and decision-making process with laws and regulations, and comprehensive improvement of governance efficiency.

Risk management

As part of its ongoing efforts to improve its risk management system under the principles of "comprehensive coverage, tiered management, and prominent focus", CNBM Investment has established an overall risk management framework comprising three lines of defense—business execution, functional supervision, and audit supervision, forming a risk management pattern of separation and balance among decision-making, execution, and supervision to ensure its compliant and efficient operation.

1

First line of defense Business execution

As direct responsible persons for risk management, business departments and subsidiaries of the Company implement risk prevention and control measures as well as internal control policies in daily operations, and promptly identify, report and address their risks, to ensure that business activities are carried out according to laws and regulations.

2

Second line of defense Functional supervision

As the functional supervision department of the Company, the Legal Affairs and Compliance Department fulfills its responsibilities of supervision, guidance, and inspection, formulates and improves relevant policies and procedures, and monitors and evaluates the risk management work of business departments, promoting the effective operation of the internal control system.

3

Third line of defense Independent audit supervision

As an important component of the Company's internal supervision system, the Audit Department is responsible for post-supervision. The department conducts independent audits as per the requirements of the State-owned Assets Supervision and Administration Commission (SASAC), the Group, and the Company. During these audits, it identifies potential risks, proposes rectifications, and enforces closed-loop issue management to ensure the compliant operation and sound development of the Company.

Internal control supervision

CNBM Investment consistently upholds the fundamental principles of law-based corporate governance and compliant operations, continuously strengthening and refining its compliance management and risk control system across key business areas. The Company enhances its mechanisms for risk identification and response to effectively prevent and mitigate various operational risks, ensuring that business activities comply with relevant laws and regulations through legal due diligence and compliance reviews for major projects. It actively promotes an integrated management framework that coordinates legal affairs, compliance, risk management, and internal controls, while reinforcing the compliance defense line and cultivating a strong compliance culture by organizing all employees to sign the Compliance Commitment Letter. In 2024, the Company carried out an annual 'comprehensive compliance' assessment for key subsidiaries, establishing a long-term mechanism through corrective action registers and supervising follow-up implementation, thereby strengthening the role of compliance assessments in risk prevention and business safeguarding and further enhancing the Company's overall compliance management capabilities.

In 2024, in line with the annual plan, the Company carried out 21 audit projects (including one additional off-plan project) focusing on financial revenues and expenditures, financial risks, economic responsibilities, trade compliance, internal control systems, investment projects, and rectification progress. A total of 26 subsidiaries were audited, accounting for 96.3% of all subsidiaries, achieving full audit coverage of high-risk areas such as trade, financial derivatives, and overseas operations, thereby further enhancing the Company's risk prevention and control capabilities.

The Company has established a corrective action register, clearly defining responsibilities and measures, and continuously tracking implementation. During the year, internal audits identified 96 issues, of which 40 are scheduled for rectification in 2024, 60 have been completed, and 14 partially completed. Meanwhile, rectification of issues identified through the Group's overseas special audits and SASAC's mixed-ownership reform inspections has progressed steadily, helping to standardize management processes and close management loopholes.





Upholding Integrity as Our Shield, Fortifying Defenses Against Misconduct

CNBM Investment fully implements requirements of improving Party conduct and upholding integrity for central state-owned enterprises, and incorporates the concept of integrity into corporate governance, operation and management, and the code of conduct for employees. The company continuously strengthens a robust mechanism that "deters, prevents, and eliminates" corruption, providing a robust safeguard for its steady operation and high-quality development.

Integrity-related indicators	Data of the year 2024	Unit
Director coverage in anti-commercial bribery and anti-corruption training	100	%
Employee coverage in anti-commercial bribery and anti-corruption training	100	%
Number of cases of employees violating the corporate code of conduct (in terms of corruption or bribery)	0	Cases
Number of cases of employees violating the corporate code of conduct (in terms of discrimination or harassment)	0	Cases
Number of cases of employees violating the corporate code of conduct (in terms of customer privacy data)	0	Cases
Number of cases of employees violating the corporate code of conduct (in terms of conflict of interest)	0	Cases
Number of cases of employees violating the corporate code of conduct (in terms of money laundering or insider trading)	0	Cases
Number of concluded corruption litigation cases against the Company and employees	0	Cases
Number of anti-commercial bribery and anti-corruption training sessions organized and attended	156	Sessions

Development of integrity management system

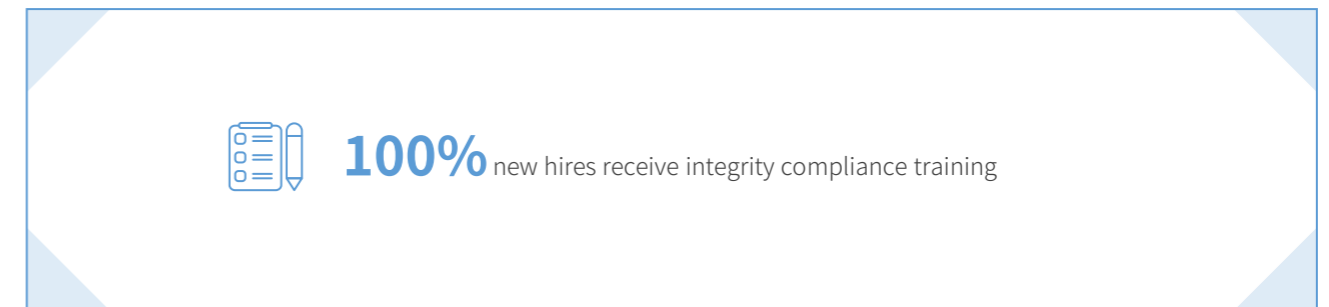
As part of its ongoing efforts to improve its integrity compliance system, the Company has formulated policies such as the *Several Provisions on Integrity Compliance for Enterprise Leadership and Personnel Holding Key Positions* and the *Contract Management Measures*, focusing on regulating leadership teams, young leaders, and personnel holding key positions (procurement, sales, and investment). It has strengthened anti-graft, anti-fraud, anti-corruption, anti-commercial bribery, and fair competition requirements through daily awareness campaigns and education.

Each year, the Company's Party Committee signs the Responsibility Statement on Party Conduct and Integrity Building with its subsidiaries, linking integrity performance to the assessment of Party-building responsibilities and performance evaluation, thereby strengthening accountability. The Company's Discipline Inspection Commission requires all executives to sign an annual Integrity Commitment Letter, while the Secretary of the Discipline Inspection Commission regularly conducts integrity talks with management teams and middle-level cadres of the Company and its subsidiaries. These efforts aim to instill the awareness of integrity in professional conduct, promptly address early signs of misconduct, and effectively prevent integrity risks.

Supervision, discipline enforcement, and education initiatives

The Company's Disciplinary Inspection Commission fulfills its role in supervision for ensuring execution and promoting improvement. It normalizes special investigations and rectifications in key areas such as "misappropriation of public assets for private gain", "shadow companies", and "shadow shareholders". In addition, it strengthens the verification of problem clues and the enforcement of disciplinary accountability, and resolutely investigates and punishes all forms of corruption and illicit transfer of benefits to fortify the integrity defense line.

At the same time, the Company integrates integrity education into routine management. To be specific, 100% new hires receive integrity compliance training. Regular warning education meetings are convened to publicize typical cases and screen warning education videos, enhancing all employees' awareness of discipline and their abilities to resist corruption and prevent moral decline. This drives the formation of a normalized mechanism of "using cases to promote reforms and improve governance".



Warning education meeting of CNBM Investment



Group integrity interview session of CNBM Investment

Integrity requirements and reporting channels

The Company has issued the *Integrity Compliance Acknowledgment* to its suppliers, specifying integrity requirements in the contract terms. By virtue of this, it has promoted partners' adherence to anti-bribery, anti-unfair competition, information transparency and other requirements, and helped foster a transparent business environment. Meanwhile, it has established comprehensive supervision and reporting channels (including e-mail, website, paper letter, and official WeChat account) to accept anonymous and real-name reports. It has also taken rigorous measures to protect whistleblowers' information, safeguarding their legitimate rights and interests.

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Glossary

In this Report, unless the context indicates otherwise, the following terms are defined as follows:

"CNBM Investment" "the Company" "We"	CNBM Investment Company Limited
"ESG"	Environmental, Social and Governance
"Xiamen ISO Sand"	Xiamen ISO Standard Sand Co., Ltd
"South Graphite"	South Graphite Co., Ltd.
"CNBM International South Africa"	CNBM International South Africa (PTY) Ltd

"CNBM FZE"	China National Building Material Group FZE
"BNBM PNG"	BNBM PNG LTD
"CNBMI Vanuatu"	CNBMI Vanuatu Limited
"CNBMI Zambia"	CNBMI Zambia Co., Ltd.
"CNBM ZIM"	CNBM International Company Zimbabwe (Private) Limited

