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sinoma 中国中材国际工程股份有限公司
SINOMA INTERNATIONAL ENGINEERING CO., LTD.



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2025

SUSTAINABILITY
REPORT

CONTENTS

About this report	01
Chairman's speech	03
About Sinoma International	05
Sustainable development management	13



The 14th Five-Year Plan: A New Chapter in Our Sustainable Development 19

Outlook	99
ESG key performance	101
Indicator indexes	115
Feedback form	117



Solidify the foundation for our sustainable development

Consolidating Governance Foundations to Ensure Steady and Healthy Operations for Development	25
Strengthening Governance Foundations	26
Compliance and Integrity in Operations	29
Safeguarding Employee Rights and Interests	36
Pursuing Sustainability through Green and Eco-Friendly Development	49
Green and Clean Production	50
Circular Economy Integration	59



Support the sustainability of the industry, society and global community

Leading Industrial Progress and Enhancing Overall Value for Mutual Benefit	63
Enhancing Service Quality	64
Sustainable Supply Chain	75
Embracing the Mission of the Times and Jointly Pursuing Global Development with Responsibility	79
Green and Low-Carbon Products	80
Addressing Climate Change	85
Improving People's Livelihood and Well-being	90

About this report

Reporting entity

The reporting entity is Sinoma International Engineering Co., Ltd. (stock code: 600970) and its affiliated enterprises. In this report, for ease of expression and reading, "Sinoma International Engineering Co., Ltd." is abbreviated by "Sinoma International," "the Company," and "we," and "China National Building Material Group Co., Ltd." is represented by "the Group."

Reporting scope

The scope of this report is consistent with the scope of the annual financial disclosure. Unless otherwise stated, this report covers the environmental, social, and governance performance of Sinoma International Engineering Co., Ltd. and its affiliated enterprises during the period from January 1 to December 31, 2025. Given the continuity and comparability, certain contents of this report may be extended as necessary.

Information sources

The information and data in the report are derived from the Company's official documents or internal statistics. The historical data cited is final statistical data. In case of any discrepancy between the financial data and the annual report, the annual report shall prevail. Unless otherwise stated, all amounts of currency involved in this report are denominated in Chinese Yuan ("CNY").

Reporting language

This report is published in both Chinese and English. In case of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

Reference standards

UN Sustainable Development Goals 2030 (SDGs)

Sustainability Reporting Standards of Global Reporting Initiative

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 6.0) issued by the Chinese Academy of Social Sciences

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 (SASAC) of the State Council.

Guidelines No. 14 of the Shanghai Stock Exchange for Self-regulation of Listed Companies— Sustainability Report (Trial)

Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE— Compilation of Sustainable Development Reports (Revised January 2026)

Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")



Chairman's speech



Embracing the Mission Through Storms and Mountains, Composing New Chapters Through Shared Adversity.

The year 2025 marked the successful conclusion of the 14th Five-Year Plan and the pivotal transition to charting the grand blueprint for the 15th Five-Year Plan. It was also a critical year for Sinoma International to confront challenges with resilience, forge ahead through turbulent times, and pioneer new horizons amidst transformation. Looking back, we began with operation as our starting point, advanced with green as our brushstroke, and walked every step in responsibility—together composing a defining masterpiece of high-quality development for our time.

This year, we began with operations, anchoring our focus on high-quality development to overcome difficulties and pursue progress amidst stability.

In 2025, the Company achieved a record high in new contract signings, with total value reaching CNY 71.2 billion, up 12% year-on-year. Among which, core engineering business accounted for CNY 42.7 billion, a 15% increase from the prior year, further strengthening our operational foundation. Overseas contracts secured surged to CNY 45 billion, up 24% year-on-year, driving the internationalization index above 47%. Sinoma's high-end equipment has successfully entered mid-to-high-end overseas markets. We accelerated the development of 9 overseas service centers, launching the "Full Business, Full Process, Full Element" globalization initiative. Additionally, we established 4 localized profit platforms generating over CNY 100 million each, continuously solidifying our pioneer position. **We wrote a chapter of perseverance with tangible actions, embodying the spirit of "remaining steadfast despite countless trials."**

This year, we advanced with green as our guiding stroke, spearheading the transformation toward a green and intelligent future—driving simultaneous gains in brand strength and governance effectiveness.

The Company advanced steadily in the ENR "Top 250 International Contractors" ranking, received an "A" grade in SSE information disclosure evaluation for the seventh consecutive year, and was honored with multiple awards including the Golden Roundtable Award for Best Board of Directors and Best Practices in Investor Relations Management. Our ESG governance level continued to rise, with CSA scores surpassing 95% of global peers. We have become the only Chinese mainland enterprise in our industry to be included in the S&P Global Sustainability Yearbook, demonstrating exceptional capital market presence and accountability. We successfully established the cement industry's first certified "zero-employee factory" and built 48 nationally certified green mines. Vigorously expanding the global new energy market, we secured our first overseas hybrid tower project in Saudi Arabia, and built an alternative fuel industrial chain platform, recording supply of over 1 million tons. **We paint the visionary masterpiece of innovation with technology, bringing to life a bold vision: "Intelligence Ignites the Future, Green Powers the Planet."**

This year, responsibility has been our guiding hand, as we fulfilled our global commitment to ensure that the fruits of progress were shared by all.

Guided by a people-centered philosophy, we deepened reforms in personnel, labor, and distribution systems, achieving 100% implementation of term-based appointments and contractual management. Mid-to-long-term incentive programs now cover 16% of eligible employees, letting hard workers gain recognition and tangible benefits. Spanning from the Gobi Desert to high plateaus, and from the Red Sea coast to island nations, we have navigated our extensive operations with responsibility as our rudder and cooperation as our sail, deeply embedding ourselves in our extensive operational landscapes. By building infrastructure, dedicating ourselves to charity, empowering communities, and advancing education, we have built bridges for cultural exchange through tangible actions and woven bonds of people-to-people connectivity with boundless compassion. **True to our original dream, we have written a story of responsibility where harmony thrives and beauty is shared by all.**

Having weathered countless storms, the seas now calm, we hoist our sails as the tide rises anew.

Looking back on 2025, we crossed oceans and scaled mountains in unity; tempered like steel through trials, we stood at the vanguard amidst the surging currents of our times.

Looking ahead to 2026, as the curtain rises on the 15th Five-Year Plan, the clarion call for a new journey resounds. We will fortify our foundations and accelerate comprehensive progress. Driven by unwavering strategic confidence, robust innovation momentum, and a broader global vision, we are committed to propelling high-quality development to new heights. In doing so, we are steadfastly advancing on the journey to becoming a world-class service provider for the building materials industry, contributing greater wisdom and strength to the sector!

Chairman of Sinoma International

About Sinoma International

Company profile

Sinoma International Engineering Co., Ltd. (hereinafter referred to as "Sinoma International") is a key enterprise in the engineering, technical, and service sectors, as well as in international business under the China National Building Material Group Co., Ltd., a Fortune Global 500 company. It is also the world's largest integrated service provider of cement technology, equipment and engineering system integration, a national technological innovation demonstration enterprise, a single champion demonstration enterprise in the manufacturing industry, a demonstration enterprise for national intellectual property, and a winner of the China Grand Awards for Industry.

In 2001, Sinoma International was established by integrating high-quality assets of the national cement technology and equipment engineering business. In 2005, it was listed on the Shanghai Stock Exchange (600970.SH). Through technology import, assimilation, and independent innovation, the Company has successively developed and built a series of production lines ranging from China's first 1,000 tpd production line to the world's largest 14,000 tpd production line, and made major breakthroughs that enabled China's transformation from an importer of complete sets of key equipment to full localization and then to an exporter of complete sets, thus making great contributions to China's infrastructure construction and economic development. The company offers a complete industrial chain and system solutions, covering mining services, cement engineering R&D, engineering design, professional equipment manufacturing, construction, installation, commissioning, and production line maintenance and operation management. It is the only enterprise in the international cement technology and equipment engineering market with a fully integrated industrial chain.

Sinoma International relies on internationally leading technologies for new dry-process cement production lines, backed by independent intellectual property rights. Leveraging its comprehensive industrial chain resources—spanning cement technology, equipment, engineering, and services—the company promotes the global export of Chinese products, technologies, standards, and capital through international engineering projects. It has contracted 373 cement production lines in 91 countries around the world, maintaining the world's No.1 market share for 18 consecutive years. It has also been repeatedly honored with prestigious awards, including the Luban Award for China Construction Engineering and the Gold Award for National High-Quality Engineering. It ranked 38th among ENR's "Top 250 International Contractors" in 2025, and ranked 10th among Chinese companies on the list. The brand "SINOMA" has become one of the most influential brands in the international building materials and engineering market.

Today, Sinoma International has evolved into a global enterprise with core competitiveness system featuring scientific and technological innovation, core equipment, engineering integration, digital intelligence, and global operations. With steady improvement in operation quality and prominent advantages in its corporate value, the Company is steadfastly advancing the corporate mission of "promoting green and intelligent development and serving a better world" and forging fearlessly toward the vision of becoming a "world-class service provider in the material industry."

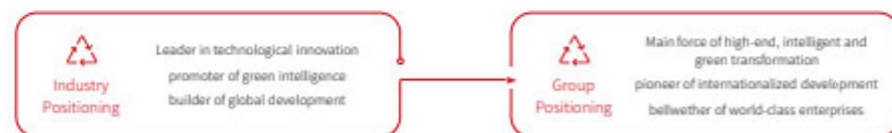
Main business indicators in 2025



Mission and Vision

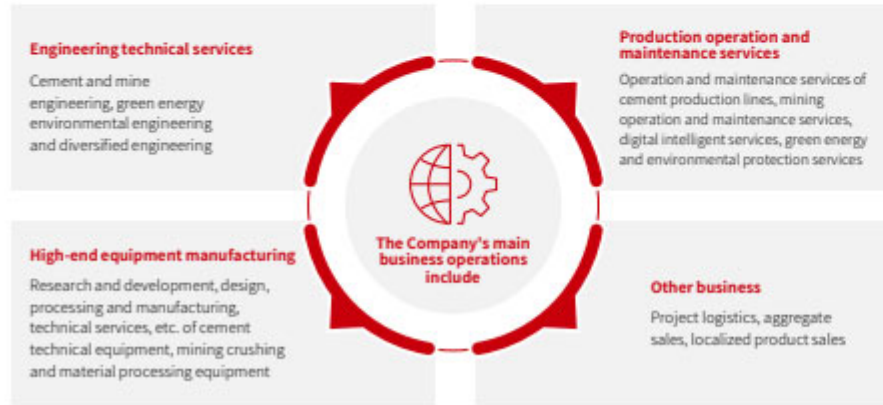


Development positioning



Main business segments

As of 31 December 2025, the main business segments and affiliated enterprises are as follows:



Business segment	Affiliated enterprise
Engineering segment	Sinoma International (Nanjing) Engineering Co., Ltd. Beijing Triumph International Engineering Co., Ltd. Sinoma (Handan) Construction Co., Ltd. Chengdu Design and Research Institute of Building Materials Industry Co., Ltd. Sinoma (Zhejiang) Engineering Design & Research Institute Co., Ltd. CBMI Construction Co., Ltd. Sinoma (Suzhou) Construction Co., Ltd.
Equipment segment	Equipment Group (Tianjin Cement Industry Design & Research Institute Co., Ltd., Hefei Cement Research & Design Institute Co., Ltd., Zhejiang Boyu M&E Industry Co., Ltd., HAZEMAG & EPR GMBH)
Mining segment	Sinoma Mining Construction Co., Ltd.
Operation and maintenance services	CNBM Smart Industry Technology Co., Ltd.
Digital intelligence	Sinoma International Intelligent Technology Co., Ltd.
Green energy and environmental engineering	Sinoma Overseas Development Co., Ltd. Sinoma International Environmental Engineering Co., Ltd. Sinoma International Water Technology (Hefei) Co., Ltd.
Trade logistics	Sinoma International Trading Co., Ltd. Sinoma Cargo (Nanjing) International Logistics Co.,

Note: The environmental and social data disclosed in this report are the sum of the data of the Company and its subsidiary enterprises, irrespective of the Company's share of equity.

Market distribution



Honors & Awards



In 2025, Sinoma International remained firmly committed to its sustainable development strategy and received notable recognition from domestic and foreign governments and institutions for its performance across various areas.

ESG Award

ESG **Growth 100** Index of Central Enterprises

AA in Wind ESG Rating

ESG Golden Bull Award **Top 100**

The 3rd Easy Board ESG+8 **"Value 100"** List

AA- in China Chengxin Green Finance's Rating

Best Practice in Sustainable Development for Listed Companies

Included in S&P Global's **Sustainability Yearbook 2025 (China Edition)** and **Sustainability Yearbook 2026**

Comprehensive Award

ENR's 2025 "Top 250 International Contractors"

38th among global companies and **10th** among Chinese companies on the list

No.1 in China's "Overseas EPC Turnover of Survey and Design Enterprises"

No.6 in China's "EPC Turnover of Survey and Design Enterprises" in 2025

1 Special Prize for Outstanding Achievements in **China's State-owned Enterprises in Deepening Reform and Practice**

2025 **Panorama Outstanding Institutional Attention Award**

Golden Roundtable Award
Best Board of Directors

Best Practice in Investor Relations Management for Listed Companies

Class **A** in Information Disclosure by the Shanghai Stock Exchange (SSE) for seven consecutive years

Sinoma International's Top 10 ESG Highlights of 2025

1

Continuously improving the ESG governance system to build a high-quality ESG brand

The Company was selected for inclusion in S&P Global's *Sustainability Yearbook (China Edition) 2025* and, as the only Chinese mainland enterprise in its industry, in the *Sustainability Yearbook 2026*. It was also recognized with multiple ESG honors, including the "Central SOEs ESG · Growth 100 Index," the ESG Golden Bull Award Top 100, and the "Best Practice in Sustainable Development of Listed Companies" by the China Association for Public Companies (CAPCO).

2

Great efforts in green R&D enhanced technological supply capabilities

In 2025, Sinoma International's green R&D investment accounted for 3.66% of its total R&D investment. The Company secured 190 newly authorized invention patents and 13 international patents. Additionally, two standards were selected by the Ministry of Industry and Information Technology as exemplary cases for the application and promotion of group standards. Tangshan Heavy Machinery Co., Ltd. was recognized as a national-level "Little Giant" enterprise (specialized and sophisticated enterprise that produces new and unique products). Meanwhile, Zhongdu Machinery and Xuzhou Heavy Machinery were both honored as "Provincial-level Green Factories."

3

Four major carbon reduction pathways implemented in Europe, winning sustainability award

The Company successfully rolled out its suite of four major carbon reduction pathways in high-end markets including France and Belgium, with green-oriented projects accounting for 92% of newly signed contracts in Europe. These efforts contributed to the Company being honored with the "Sustainability—Net Zero Award."

4

Intelligent manufacturing advanced deeply, "zero-employee factory" leading the industry

"Intelligent Cement Production Complete Technology Development and Zero-Employee Factory Application" passed acceptance inspection, establishing the cement industry's first certified "zero-employee factory." The "Three Systems" work advanced solidly, and the company was included in MIT's "5G Factory" directory.

5

Deepening international partnerships, brand reputation further enhanced

We successfully hosted the 3rd Sinoma Cement Green & Intelligence Summit, bringing together over 580 industry elites and experts from 49 countries. The event was once again featured on China's national television, CCTV. We held promotion conferences and innovation achievement exhibitions in Indonesia and Iraq, further strengthening customer relationships and reinforcing our brand presence in key markets.

6

Improvement in quality and reach of green energy business accelerated the cultivation of green productivity

We secured our first overseas hybrid tower project in Saudi Arabia, and overseas photovoltaic projects—including DCC in Iraq and Limak in Türkiye—were successfully connected to the grid. The cumulative contracted installed capacity of our green energy business surpassed 5.5 GW.

7

Alternative fuel capacity surges, delivering tangible green results

We established an alternative fuel industrial chain platform, deployed 8 regional companies nationwide, built 18 processing centers, with annual production and processing capacity reaching 2.25 million tons and sales exceeding 1 million tons.

8

Deepening reform and advancing excellence to build world-class demonstration enterprises

With the special initiative—Deepening Reform and Advancing Excellence to Build World-class Demonstration Enterprise—successfully concluded, the Company was awarded the Special Prize for Outstanding Achievements in SOE Reform, reinforcing our commitment to becoming a world-class materials industry service provider—characterized by excellence in products, distinction in brand, leadership in innovation, and modernity in governance.

9

Consistently A-rated in disclosure, recognized repeatedly for governance excellence

The Company was rated Grade A for information disclosure by the Shanghai Stock Exchange for 7 consecutive years, and once again awarded the Golden Roundtable Award for Best Board of Directors, Best Practices in Listed Company Board Governance, and Best Practices in Investor Relations Management.

10

Championing role models, empowering talent through incentives

The Company officially designated its first batch of five Model Worker Innovation Studios, held the sixth session of its Young and Mid-Career Leadership Development Program, and implemented its inaugural incentive payout tied to the commercialization of scientific and technological achievements. Additionally, it introduced performance-based salary pool rewards for core talent in digital-intelligent and green energy sectors, continuously strengthening the role-model effect and systematic cultivation of a high-caliber talent pipeline.

Sustainable development management

Sustainability strategies

Sinoma International has formulated the "1324" sustainability strategy. Internally, the Company establishes a modernized corporate governance framework, adheres to compliant and clean operation, and strives to safeguard employees' rights and interests. By maintaining production and operation in a clean, green, and recyclable manner, Sinoma International aims to **solidify the foundation for our sustainable development**. Externally, Sinoma International continuously enhances service quality, builds a sustainable supply chain, seizes opportunities in clean technologies, pursues breakthroughs in the innovation of green and low-carbon products and services, and actively responds to climate change, thus building a community with a shared future **for mankind that supports the sustainability of the industry, society and global community**.



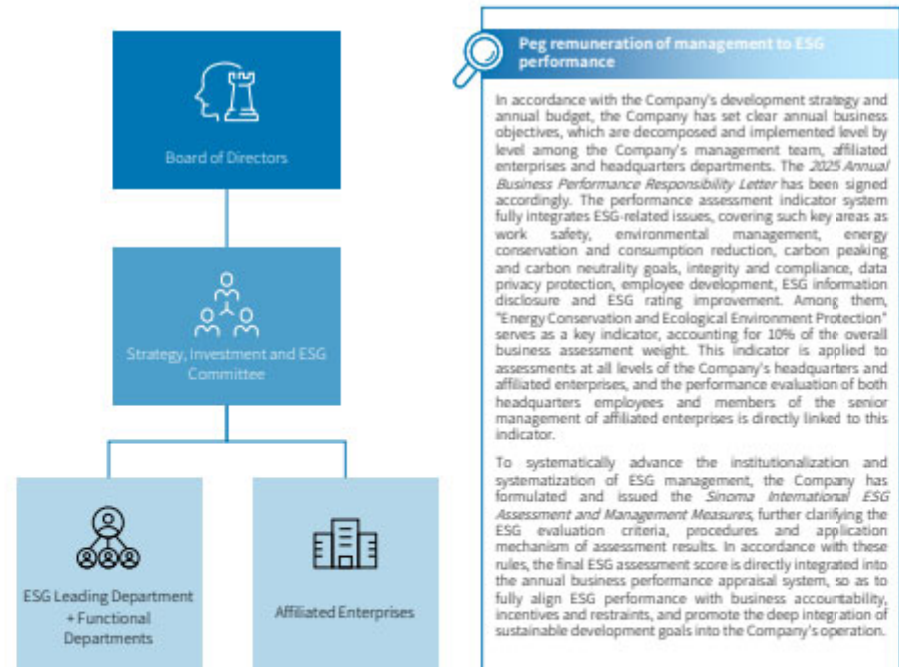
Guided by "one core, three values, two main lines and four goals," the Company establishes a standardized and transparent governance system, fosters an honest and clean business environment, builds a dynamic and capable talent team, and promotes the healthy and sustainable development of the Company. The Company adopts a clean and environmentally friendly production method, advances a low-consumption and recycling operational model, and maintains a healthy and harmonious ecological environment to drive its green and sustainable development. The Company breaks through innovative and advanced technological capabilities, leads the intelligent and high-end industrial upgrading, strengthens the partnership for co-construction and win-win outcomes, and enables the sustainable development of the industrial chain. The Company provides green and low-carbon solutions, cultivates the ability to respond to global climate change, practices the "Belt and Road" initiative of consultation, co-construction, and sharing, promotes the deep integration of global technology, talent, and culture, and contributes to the harmonious and sustainable development of the world.

ESG governance structure

Sinoma International has established an ESG management system under the responsibility of the Board of Directors. The system, led by the management and initiated by the responsible departments, requires cross-departmental collaboration and involvement from entities at all levels.

The Board of Directors is the highest decision-making body for the Company's ESG efforts, responsible for comprehensively guiding the Company's sustainable development strategy and overseeing, supervising, deliberating, and approving significant ESG-related matters such as the Company's ESG strategy and annual ESG report. **The Strategy, Investment and ESG Committee** is set under the Board of Directors, and responsible for researching and formulating the Company's overall objective and implementation strategies for ESG management, assessing and identifying the Company's ESG risks and opportunities, and evaluating, prioritizing and managing important ESG-related matters (including risk management, information security, waste management and pollutant emission, climate change-related risks and opportunities, biodiversity commitments, supplier ESG management, occupational safety and health, labor management, business ethics, etc.), and reporting significant matters regarding ESG work to the Board of Directors on a regular basis.

The Company clarifies the ESG management responsibilities of the leading department and each functional management department, while establishing and improving ESG management norms and processes. Meanwhile, the Company statistically analyzes ESG-related information and data, organizes and carries out ESG practice activities, implements specific objectives and action plans set up by the Company in ESG management, and establishes effective communication with ESG stakeholders. **Affiliated enterprises** clearly define the ESG main responsible department, improve their ESG management systems under the Company's unified planning, and carry out various forms of responsibility fulfillment practices in accordance with local conditions under the unified planning of the Company.



Stakeholder Engagement

Sinoma International has identified key stakeholders related to our operations and maintain smooth and efficient communication with them. At the same time, we actively understand and respond to stakeholders' expectations and demands, involving them in the ESG decision-making process.

Key stakeholders	Primary communication channels	Expectations and appeals	Communication and response
 Governments and regulatory authorities	<ul style="list-style-type: none"> ESG materiality assessment questionnaires Phones/Emails Conferences and conversations 	<ul style="list-style-type: none"> Implement national policies Support regional development Compliant operations by law 	<ul style="list-style-type: none"> Continuously strengthen compliance management Participate in government related meetings and cooperation Respond to relevant national policies
 Shareholders/Investors	<ul style="list-style-type: none"> Press releases/Announcements ESG materiality assessment questionnaire Annual/Interim performance release conferences Shareholders' meetings Investor Meeting 	<ul style="list-style-type: none"> Create market values Control the operation risk Strengthen information disclosure Develop green technologies Protect the ecological environment 	<ul style="list-style-type: none"> Continuously create business performance Improve corporate governance and risk management Periodically publish reports and promptly disclose information Hold shareholders' meetings to strengthen investor relationship management Strengthen technological R&D for low-carbon industry development Adhere to green production and construction
 Directors and senior management	<ul style="list-style-type: none"> Board meetings Shareholders' meetings Employee meetings/seminars ESG materiality assessment questionnaires 	<ul style="list-style-type: none"> High-quality service Compliant operations by law Intensify innovation efforts Strengthen information disclosure 	<ul style="list-style-type: none"> Lean product quality Establish and improve customer service system Continuously strengthen compliance management Strengthen technological R&D Periodically publish reports and promptly disclose information
 Employees	<ul style="list-style-type: none"> Employee meetings/seminars Employee performance appraisal interviews On-site investigation Employee activities 	<ul style="list-style-type: none"> Remuneration and welfare guarantee Employee growth and development Occupational health and safety Employee care Democratic management 	<ul style="list-style-type: none"> Develop a competitive salary system and welfare guarantee mechanism Organize employee training, improve the promotion mechanism, and build the development platform Improve working conditions and care for employees in difficulties Carry out employee activities and strengthen employee communication
 Clients	<ul style="list-style-type: none"> Phones/Emails Conferences and conversations ESG materiality assessment questionnaires 	<ul style="list-style-type: none"> Ensure product quality High-quality service Protect customer rights and interests Develop green technologies Response to climate changes 	<ul style="list-style-type: none"> Ensure product quality Improve client service system Strengthen technological R&D for low-carbon industry development Adhere to green production and construction

Key stakeholders	Primary communication channels	Expectations and appeals	Communication and response
 Suppliers/Contractors	<ul style="list-style-type: none"> Procurement bidding notice Inspection and supervision Supplier/Contractor conferences Phones/Emails Conferences and conversations ESG materiality assessment questionnaires 	<ul style="list-style-type: none"> Practice fair competition Strengthen strategic cooperation Promote industry development 	<ul style="list-style-type: none"> Implement sunshine procurement Create a responsible supply chain Participate in industry organizations and conferences Expand multi-party communication
 Industry/Business partners	<ul style="list-style-type: none"> Phones/Emails Conferences and conversations ESG materiality assessment questionnaires 	<ul style="list-style-type: none"> Practice fair competition Strengthening strategic co-operation Develop Green Technology Promote industry development Response to climate change 	<ul style="list-style-type: none"> Maintain a healthy market ecosystem Participate in industry organizations and conferences Expand multi-party communication Strengthen technological R&D for low-carbon industry development
 Community members/Public welfare organizations	<ul style="list-style-type: none"> Phones/Emails Conferences and conversations ESG materiality assessment questionnaires 	<ul style="list-style-type: none"> Adhere to energy saving and emission reduction Protect the ecological environment Engage in public welfare and charity Support community construction 	<ul style="list-style-type: none"> Adhere to green production and construction Improve energy and resource use efficiency and implement energy conservation and emission reduction Carry out voluntary public welfare activities Assist in rural revitalization Hold enterprise open day activities
 Media	<ul style="list-style-type: none"> Press releases/Announcements Media interview ESG materiality assessment questionnaires 	<ul style="list-style-type: none"> Maintain good relationships Establish positive interaction 	<ul style="list-style-type: none"> Expand publicity channels Invite stakeholders to visit Communicate with NGOs

Materiality assessment

Sinoma International has integrated materiality assessment into its overall enterprise risk management (ERM) process and conducts materiality assessment on an annual basis. In 2025, in accordance with the requirements of the *Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Reports (Trial)* issued by the Shanghai Stock Exchange (hereinafter referred to as the "Guidelines"), and with reference to mainstream domestic and international sustainability standards, the Company systematically carried out its first materiality assessment based on the "double materiality" framework.

Based on the 21 core issues specified in the Guidelines, this assessment has incorporated company-specific issues in light of the Company's industry characteristics as a global leader in building materials technology, equipment and engineering services, resulting in an assessment list totaling 23 issues.

In accordance with the four core steps for "double materiality" assessment outlined in the Guidelines, the Company identified the short-, medium- and long-term financial impacts of issues on the Company, as well as the actual and potential impacts of the Company's performance on various issues to the economy, society and the environment. The detailed analysis process is as follows:

01 Understanding the context of the Company's activities and business relationships

- Conducted a comprehensive analysis of its core business, value chain segments, and key business relationships, and systematically examined the sustainability impacts of internal operations, project execution, and upstream and downstream supply chains on society and the environment.
- Identified potential risks and opportunities for the Company arising from changes in the external environment, taking into account macroeconomic policies, industry regulatory developments, and sustainability trends in 2025.
- Mapped and defined key stakeholders, including employees, customers, suppliers, investors, government, and communities, as an important foundation for subsequent assessment.

02 Developing the issue list

- Using the 21 foundational issues specified in the SSE Guidelines as a framework, the Company further identified two material issues with distinctive characteristics: "Green and Low-carbon Value Chain Development" and "Enhanced ESG Information Disclosure," based on industry characteristics, regulatory priorities, and peer benchmarking, resulting in a preliminary list of 23 issues.

04 Reviewing and Confirming issues

- The Company integrated the results of impact materiality and financial materiality assessments, and used matrix analysis to map the distribution of each issue across the dual dimensions. Based on the Company's strategy and risk management requirements, materiality thresholds were set, and a final list of high-priority issues with "double materiality" was determined.
- The list was reviewed and confirmed by the Company's Strategy, Investment and ESG Committee, serving as the substantive basis for disclosures in this report.

03 Assessing Materiality of issues

- Impact Materiality Assessment:** Extensive stakeholder feedback was collected through questionnaires from both internal and external parties. A comprehensive evaluation was conducted based on two dimensions: the "severity of impact" (including scale, scope, and irreversibility of impacts) and the "likelihood of impact." The final impact materiality assessment results were formed by synthesizing multi-stakeholder evaluations and incorporating advice from internal and external experts.
- Financial Materiality Assessment:** The Company engaged senior executives, heads of business and functional departments, and relevant experts to analyze the potential short-, medium-, and long-term impacts of each issue on the Company's financial position, operating results, and cash flow. This analysis was based on two dimensions: the "likelihood of financial impact occurrence" and the "magnitude of financial impact."



The 14th Five-Year Plan: A New Chapter in Our Sustainable Development

During the "14th Five-Year Plan" period, Sinoma International achieved leapfrog development from strategic consciousness to global leadership. Within the historical continuum of sustainable development, we have made a decisive leap—advancing from top-level design to systematic implementation, and from technological breakthroughs to global empowerment. Over the past five years, we have not only built an ESG governance framework fully aligned with our corporate strategy, but have also left an indelible mark of Sinoma International on the green transformation of the global cement industry through a series of milestone breakthroughs and benchmark projects.

Driving growth with a clear strategic roadmap

We have embedded the concept of sustainable development into our core strategy, establishing the forward-looking "1324" Sustainable Development Framework. This framework guides our ESG journey with a dual focus: "Strengthening the Foundation of the Company's Own Sustainable Development" and "Serving the Industry, Society, and Global Sustainability." Meanwhile, aligned with the goals of the 14th Five-Year Plan, we have developed a rigorous strategic ESG action plan. Through a closed-loop target management mechanism, we ensure the effective implementation of all tasks.

"1324" Sustainable Development Strategy

"Solidify the foundation for our sustainable development"



"Support the sustainability of the industry, society and global community"

Systematically Guiding the Company's ESG Progress

Green Leadership: Making Low-Carbon Breakthroughs

Strategic Guidelines: Deepening Our Low-Carbon Footprint

We have embedded climate change considerations across our decision-making, production, and daily operations. This has culminated in the development of the *Carbon Peak and Carbon Neutrality Implementation Plan of SINOMA International Engineering Co., Ltd.*, which provides a definitive timeline and roadmap for our journey. By executing this plan, we are actively contributing to the national and the Group's "dual-carbon" goals, demonstrating leadership through concrete actions.

Practice as Evidence: Painting Low-Carbon Landscapes

Innovation-driven low-carbon breakthroughs

At the Building Materials Industry Conference, the Company officially launched the world's first oxy-fuel combustion coupled carbon capture technology for cement—the Qingzhou CUCC 200,000-tonne Oxy-fuel Combustion Enrichment and Purification Demonstration Project. As the world's largest oxy-fuel combustion carbon capture and utilization demonstration project in the cement industry, this project utilizes independently developed technology to boost the CO₂ concentration in flue gas to over 80%, while reducing comprehensive energy consumption by more than 40% compared to conventional methods.

The project has been featured in a special report by the Global CCS Institute and received the 2024 "Climate Action Technology and Engineering Award" from the World Cement Association (WCA), marking the Company's pioneering role in addressing the carbon reduction challenges facing the industry.

Green benchmark projects leading the way

Thanks to its cutting-edge low-carbon solutions, the Company has successfully implemented green projects across multiple European countries, establishing itself as the Chinese contractor with the largest portfolio of low-carbon projects in the region. Notably, green initiatives account for 92% of newly signed contracts in Europe.

In France, the SPL project—the first rotary coupled clay calcination line for Holcim Group worldwide—has achieved 100% fuel substitution, creating a "zero-fossil-fuel" green facility. It cuts CO₂ emissions by 100,000 tons annually and delivers around EUR 8.5 million in carbon credit revenue each year.

The Go4Zero project in Belgium marks the construction of Europe's first "zero-carbon" plant. Once operational, it is expected to reduce CO₂ emissions by 1.1 million tons per year, with a fuel substitution rate of 95%.

Resource recycling and green manufacturing

The Wenglu Phosphogypsum Decomposition to Sulfuric Acid and Co-produced Cement Project in Guizhou successfully applied self-developed phosphogypsum resource utilization technology on the world's largest phosphogypsum processing line. The project reduces limestone mining by 800,000 tons annually and cuts CO₂ emissions by 300,000 tons per year.

The Poland MAL01 Project developed high thermal substitution rate alternative fuel direct injection technology for cement kilns, achieving an alternative fuel thermal substitution rate of at least 90%. The project was selected as a "Typical Case of China-EU Green and Low-Carbon Development Cooperation."

The France MK3 project achieved a thermal substitution rate exceeding 80%, enabling a reduction of 241 kg of CO₂ per ton of clinker after operation, with annual emission reductions of approximately 192,000 tons and estimated annual carbon revenue of about EUR 20 million.

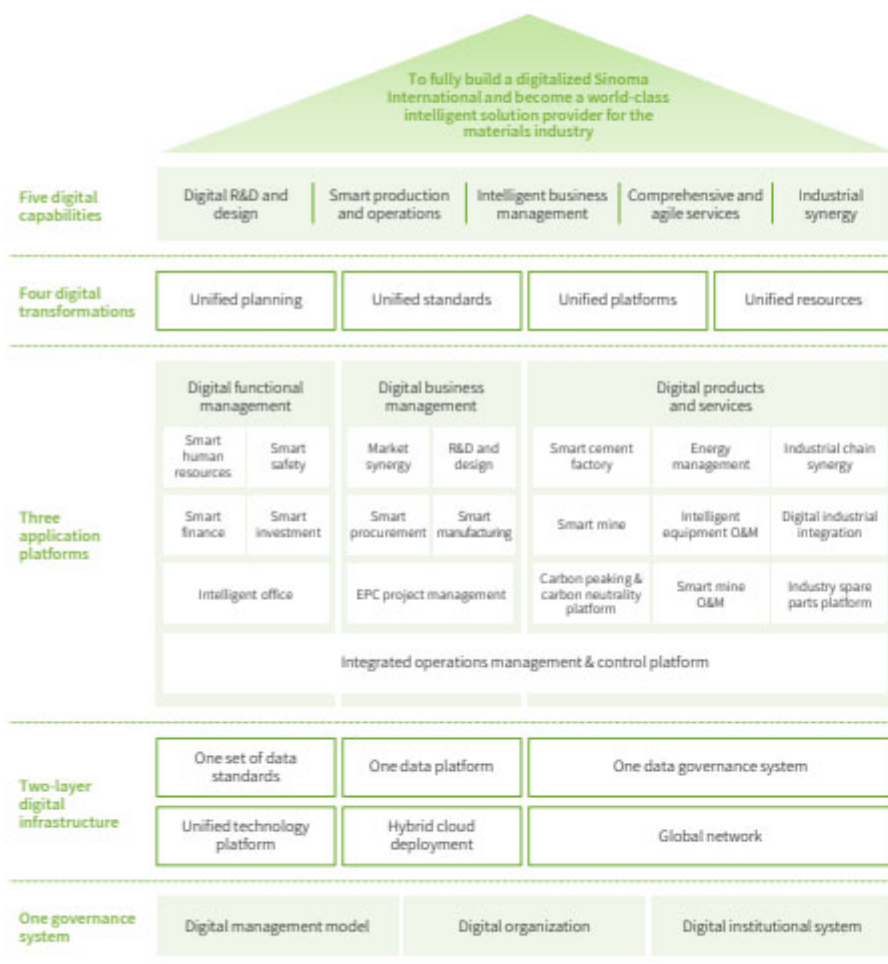
Green operations and smart mines

The High-end Equipment Intelligent Manufacturing Park officially commenced operations, integrating top-tier cement equipment—awarded with honors such as "Single Champion," "Pillar of Great Power," and the National Science and Technology Progress Award—to establish a world-class intelligent manufacturing base. The Company has cumulatively developed 193 green mines and 15 green factories, including 48 national-level green mines and 9 national-level green factories.

The Chuzhou CUCC Green Mine Project, ranked first in the national green mine selection, features an advanced 5G smart mining system that ensures efficient production with minimal environmental impact.

Digital Intelligence Driving, Talent Empowering

In response to the national digital development strategy, Sinoma International released the *14th Five-Year Plan for Digital Strategy*, innovatively proposing the "54321" digital development blueprint. This establishes our vision to "comprehensively build a digitalized enterprise and become a world-leading provider of intelligent solutions for the materials industry," thereby injecting technological impetus into our ESG management.



Practice as the Soil: Cultivating the Fertile Ground of Craftsmanship

Digital and intelligent integration and interconnection

The "Development of Intelligent Cement Production Complete Technology and Application of Zero-Employee Factory" project successfully passed acceptance review, establishing the cement industry's first certified "zero-employee factory." Alongside this milestone, the Equipment ERP Platform, Digital Project Supervision Platform, and Computing Power Platform were completed and launched. The Tax Platform achieved full-level enterprise operation, while Version 1.2 of the Group Construction Enterprise Safety Management Platform was successfully released. These achievements represent excellent practices in delivering intelligent solutions for the building materials industry.

Industrial innovation and empowerment

The Company added six new nationally recognized "Little Giant" enterprises—specialized and sophisticated SMEs that produce novel and unique products, further reinforcing its core competitiveness. We have also successfully built 60 smart factories and 33 digital mines, leveraging intelligent technologies to empower the transformation and upgrading of the industry.

Talent cultivation and incentives

The Company officially designated its first five Model Worker Innovation Studios, harnessing the exemplary influence of master craftsmen to inspire innovation across the organization. The "Emerging Leaders Training Program" has been launched as a flagship training initiative to systematically develop future management leaders. A robust mechanism for the selection, development, retention, and deployment of project managers has been institutionalized, aligning talent management with structured innovation incentives. Most notably, the Company executed its inaugural incentive payout linked to the commercialization of scientific and technological achievements, introducing performance-based salary pool rewards for core talent in digital-intelligent and green energy sectors—continuously reinforcing role-model leadership and a sustainable talent pipeline.

Social responsibility and contribution

The Company prioritizes local employment as a key contribution to host communities. By 2025, we had engaged over 22,000 local workers, with full-level overseas local employees (including subcontractors), accounting for more than 63% of the workforce. We regularly host "Smart Use of Resources Open Day" events, inviting local employees and their families to participate, which strengthens their sense of belonging and connection to the Company. Cultural experience sessions are also organized to foster mutual understanding and integration. Besides, we actively support the Group's charity fund and encourage employees to engage in volunteer activities. Through ongoing charitable donations, disaster relief efforts, and community project assistance, we remain committed to giving back to society in tangible ways.



Steady, Efficient, and Standardized Governance

Sinoma International has systematically established an ESG governance system guided by strategy, supported by organizational structure, and backed by institutional policies. The Company has formally developed and implemented an ESG governance framework at the Board level. In accordance with the *Implementing Rules for the Strategy, Investment and ESG Committee of the Board of Directors*, the Strategy, Investment and ESG Committee is fully responsible for overseeing ESG-related matters, including climate change. Its duties include reviewing the sustainable development vision, monitoring the execution of targets and strategies, and reporting material issues to the Board of Directors.

Systems as the Shield: Strengthening the Baseline of Compliance

The Company has systematically developed an ESG management system. It has publicly released a comprehensive set of sustainability-related policies covering key areas such as the environment, occupational health and safety, anti-corruption and business ethics, human rights protection, supplier conduct, sustainable supply chain management, biodiversity conservation, Board diversity, and tax compliance. The Company has formulated an ESG performance evaluation method for its subsidiaries, establishing a quantitative assessment system that sets clear phased requirements for their ESG work. By improving special ESG management systems, the Company has integrated ESG requirements into all aspects of its overall decision-making, production operations, and daily management.

Practice as the Mirror: Reflecting the Light of Good Governance

Governance innovation

Building on the momentum of the "Three-Year Action Plan of State-owned Enterprises Reform" and the subsequent "Reform Deepening and Upgrading Initiative," the Company has evolved from "Double Hundred" pilot to comprehensive reform—repeatedly recognized by SASAC as a benchmark and top performer in both the "Double Hundred" and "Sci-Tech Reform" evaluations.

The Company has established a robust "1+N" corporate governance framework, continuously refining its Board deliberation protocols and accountability mechanisms. It has achieved full compliance with Board establishment requirements, ensuring that external directors hold a majority of seats. Pioneering the "Nine Joint Working Mechanisms for External Directors," the Company has significantly enhanced the scientific rigor, procedural standardization, transparency, and operational efficiency of Board decision-making.

Performance breakthrough

Our score in the S&P Global Corporate Sustainability Assessment (CSA) rose from a relatively low level at the beginning of the 14th Five-Year Plan period to 62 points, surpassing 95% of global peers in the cement industry. This outstanding performance has been included in both the S&P Global Sustainability Yearbook 2025 (China Edition) and the S&P Global Sustainability Yearbook 2026 (Global Edition), marking that our ESG management has reached **internationally advanced levels**.

As we reflect on the 14th Five-Year Plan period

we have made steady and significant progress on our journey toward sustainable development. Through robust systems, technological breakthroughs, and pioneering demonstration projects, we have not only achieved a leapfrog improvement in our ESG management capabilities, but also showcased the innovative strength and responsible leadership of Chinese enterprises in serving the global cement industry's green and low-carbon transition.

Looking ahead

we will remain steadfast in our commitment to sustainable development. We will leverage the governance, technological, and practical strengths accumulated during the 14th Five-Year Plan period as sustained momentum to drive industry progress and contribute to global ecological well-being. As we embark on the 15th Five-Year Plan, we will strive to write a new chapter in the modernization journey featuring harmonious coexistence between humanity and nature.



Consolidating Governance Foundations to Ensure Steady and Healthy Operations for Development

Strengthening Governance Foundations

Compliance and Integrity in Operations

Safeguarding Employee Rights and Interests

Strengthening Governance Foundations

Sinoma International continues to optimize corporate governance, standardize governance structures, deepen ESG governance, effectively protect shareholders' rights and interests, and focus on enhancing corporate governance capabilities.



In 2025, the Company received a series of corporate governance awards

- The 20th "Golden Roundtable Award"—"Best Board of Directors," "Most Strategic Chairman Award"
- 2025 Best Practices in Sustainable Development of Listed Companies
- 2025 Best Practice Cases in Listed Company Board Governance
- Consecutively honored as Best Practice for Annual Report Performance Briefings of Listed Companies for four years

Standardizing governance structures

In accordance with laws, regulations, and normative documents such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*, Sinoma International has established a comprehensive framework of corporate policies and a robust governance structure comprising the Shareholders' Meeting, the Board of Directors, and the Management. This system is characterized by scientific rigor, standardization, clear accountability, effective checks and balances, and operational efficiency, thereby continuously enhancing the transparency and efficacy of our corporate governance.

In 2025

The Company held
7 shareholders' meetings

10
board meetings


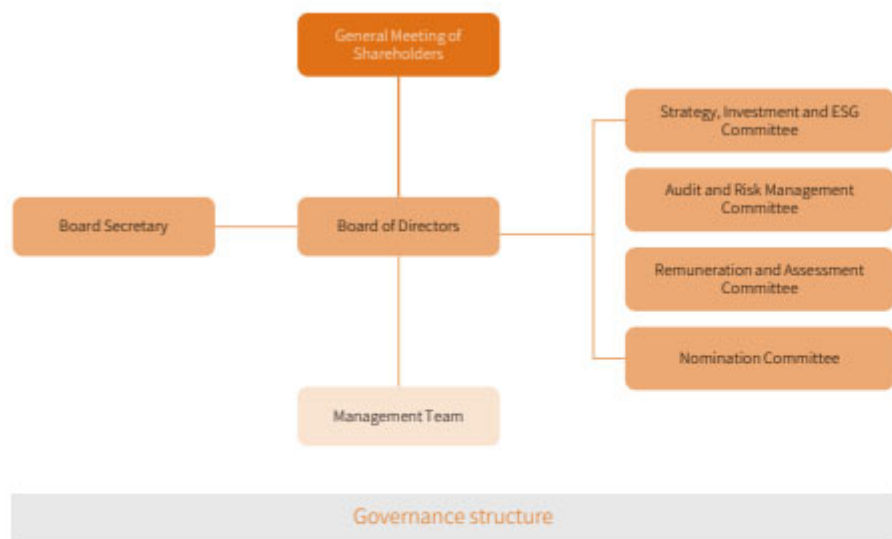
General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company. In strict compliance with the *Rules for Shareholders' Meetings of Listed Companies* and the *Articles of Association*, the Company duly convenes and holds shareholders' meetings. We are committed to safeguarding shareholders' lawful rights, ensuring equitable treatment for all, and maximizing accessibility to facilitate the full exercise of shareholder rights.

Board of Directors

The Company's board of directors consists of 7 directors, including 5 external directors (3 of whom are independent directors). The board has established four specialized committees: the Strategy, Investment and ESG Committee; the Audit and Risk Management Committee; the Remuneration and Assessment Committee; and the Nomination Committee, effectively ensuring scientific strategic decision-making.

The Company ensures board diversity by comprehensively considering factors such as age, educational background, professional experience, skills, and industry expertise.

Safeguarding shareholders' rights and interests

Sinoma International attaches great importance to creating shareholder value, adheres to rewarding shareholders, strengthens proactive investor relations management, and has significantly enhanced its image in the capital market. Furthermore, the Company has established a robust mechanism to safeguard shareholders' rights and interests and enhanced its engagement framework. By timely and accurately disclosing key corporate information—ranging from major strategic decisions and financial performance to CSR initiatives—we have earned the trust and steadfast support of our shareholders and investors.

Creating value for shareholders

Sinoma International continuously optimizes business management and enhances operational quality to create outstanding and stable value returns for shareholders. In 2025, the Company achieved steady progress in its operating performance, enhancing its value creation capabilities and bolstering market recognition and investor confidence.

The Company has paid cash dividends consistently every year since its listing



with cumulative distributions surpassing **CNY 7.4 billion**



Standardizing information disclosure

Sinoma International strictly complies with the *Administrative Measures for Information Disclosure of Listed Companies* to fulfill its information disclosure management obligations, ensuring the authenticity, accuracy, completeness, and timeliness of information disclosure. The Company's information disclosure strategy is anchored in regulatory compliance, while emphasizing precision in detail, distinctive content, and brand enhancement. By proactively articulating our business philosophy to investors, we aim to facilitate accurate value discovery. The Company strictly adheres to its *Insider Information Registration and Management Policy*, standardizing the reporting, transmission, and confidentiality protocols for material non-public information. By ensuring robust information security, we facilitate shareholders' timely access to accurate updates on operational developments, financial performance, and material events, thereby effectively safeguarding the legitimate rights and interests of all investors. In 2025, the Company released four periodic reports and 83 ad-hoc announcements, achieving a record of zero corrections, zero supplements, and zero written regulatory inquiries. This outstanding performance contributed to the Company securing the Shanghai Stock Exchange's highest **"Class A"** rating for information disclosure for the **seventh consecutive year**.

Unblocking communication channels

Sinoma International has elevated its proactive investor relations strategy by diversifying communication channels and formats. Leveraging a hybrid "online-plus-offline" approach, the Company actively engages with retail shareholders, institutional analysts, and potential investors to provide comprehensive insights into operational performance, strategic planning, and key developments. Through regular performance briefings, roadshows, and multimedia content, we facilitate direct dialogue between the Management and the investment community. This ensures the accurate and holistic transmission of corporate value, fostering a virtuous cycle where effective management drives sustainable value growth.

Compliance and Integrity in Operations



Amidst a complex and challenging global environment, Sinoma International adheres to a prudent "bottom-line" mindset, prioritizing risk awareness. The Company has constructed a multi-layered defense system by integrating rigorous management controls with strong ethical governance. Specifically, we have established comprehensive risk prevention mechanisms, strengthened internal controls, and enforced strict compliance, while reinforcing Party conduct and integrity to build robust anti-corruption moral barriers. This holistic approach has securely anchored the Company's trajectory toward sustainable, high-quality development.

Upholding law-based compliance

Sinoma International systematically strengthens its compliance framework by refining systems, optimizing operational mechanisms, enforcing accountability, and cultivating a robust compliance culture. By embedding compliance requirements into every facet of business operations and integrating them throughout the entire lifecycle of decision-making, execution, and oversight, the Company provides a solid foundation for deepening reforms and achieving high-quality development.

Refining the compliance system

Sinoma International has built a robust compliance management system, with compliance committees established across all organizational tiers. Furthermore, the Company has either established specialized legal and compliance departments or designated specific units to oversee these functions. It has issued the *Overseas Comprehensive Compliance System Construction Plan* and actively fulfills its compliance responsibilities. The Company has fully institutionalized the "First Person Accountable" mechanism to drive legal governance. A multi-tiered management system has been established, featuring strategic leadership from the "First Person Accountable," coordination by the Compliance Committee, and professional guidance from the General Counsel. Operationally, the Legal & Compliance Department spearheads implementation, while business and functional units bear primary accountability for execution. Complementing this, disciplinary inspection and audit departments provide independent supervision. Together, these forces create a synergistic engine to propel comprehensive compliance management.

The Company consistently strengthens professional compliance staffing, enhancing the development of legal compliance specialists and full-time/part-time compliance management personnel. By the end of 2025, the Company and its subsidiaries employed 54 full-time compliance officers and 436 part-time compliance administrators.

In 2025, the Company launched a comprehensive effectiveness evaluation of its compliance management system. This initiative involved organization-wide self-assessments across all tiers, culminating in an annual *Compliance Management Report* submitted to the Board for review. Furthermore, the system underwent rigorous third-party audit and certification. These measures have significantly enhanced the scientific rigor and operational precision of our compliance framework, propelling compliance management to new depths. The Company has successfully obtained GB/T 35770-2022/ISO 37301: 2021 Compliance Management System certification, receiving the "Dual Certification" from SGS.

Strengthening compliance frameworks

Sinoma International has rigorously implemented a multi-layered compliance framework grounded in national laws—including the *Central State-owned Enterprises Compliance Management Measures*, the *Advertising Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*—as well as Group and corporate regulations such as the *Compliance Management Policy* and the *Guidance for Overseas Business Compliance*. To operationalize these standards, the Company issued distinct *Overseas Compliance Manual* and *Domestic Compliance Manual*, mandating strict adherence to business ethics, including anti-bribery and anti-money laundering and specific operational requirements for trademark and advertising management. Furthermore, to proactively mitigate risks in critical areas such as contract signing, accounts receivable recovery, M&A, and dispute resolution, Sinoma International released the *Legal and Contract Risk Management Manual for Overseas EPC Projects* and the *Model Subcontract Text for International Engineering Projects*. These initiatives provide comprehensive, targeted guidance to all subsidiaries.

By closely tracking changes in the legal and regulatory landscape, the Company ensures prompt compliance reviews and drives a dynamic cycle of policy lifecycle management. This involves the repeal of obsolete rules, amendment of existing ones, and enactment of new provisions. This continuous optimization of our institutional framework robustly underpins our compliance management system. In 2025, the Company conducted **five** group-wide compliance risk inspections and completed effectiveness evaluations for **five** subsidiaries' compliance systems.

Cultivating a compliance culture

Sinoma International prioritizes the building of integrity and compliance culture

- Throughout the year, **8,285** employees across all levels signed *Compliance Commitment Statement*.
- The annual Rule of Law and Compliance Management Conference was convened to analyze achievements and shortcomings while deploying key tasks.
- We orchestrated a multi-tiered training program, mobilizing subsidiaries at all levels to attend sessions hosted by SaSAC, the Group, and Sinoma. These trainings covered critical topics including anti-monopoly compliance, overseas operations, intellectual property risk mitigation, and cross-border M&A. Complementing these external sessions, we independently launched a series of internal legal compliance workshops to interpret and implement newly enacted laws, regulations, and policies. In total, the Company conducted or facilitated **15** training sessions throughout the year, reaching a cumulative attendance of **6,649** person-times.
- The Company ensured timely dissemination of critical legal and regulatory updates, as well as the status of internal compliance operations, to senior executives and department heads through a multi-channel approach comprising quarterly compliance bulletins, executive management meetings, and specialized training sessions.
- The Company maintains a mechanism for the immediate report of any legal or compliance violations to senior management for review. Accountability is strictly enforced against accountable parties based on the specific findings.
- During the reporting period, the Company incurred no violations of laws or regulations, nor was it subject to any administrative penalties or fines.

Strengthening internal control

Sinoma International has established a robust risk and internal control framework and developed comprehensive control manuals. The Company coordinates annual internal control evaluations across all organizational tiers, tracks the implementation of corrective actions, and conducts effectiveness testing on critical business processes. Furthermore, by engaging external auditors for independent internal control audits and timely disclosing both evaluation and audit reports, we have effectively strengthened our corporate governance and propelled high-quality development.

In 2025

the Company further strengthened internal controls, conducted internal control evaluations and audits, achieving **full coverage** of the internal control system across all levels. We organized subsidiaries across all levels to carry out internal control self-assessments and internal control audits, completing **84** internal control compliance audits with **100%** rectification of internal control deficiencies. A total of **33** supervision evaluations on internal control were completed by subsidiaries. We directed our overseas entities to strictly enforce internal control manuals to bolster management effectiveness. We have secured unqualified internal control audit opinions from independent external auditors for **14** consecutive years.

Deepening risk management

Sinoma International has established a systematic and effective risk management system. In this system, business and functional departments serve as the first line of defense for daily risk management; professional departments, such as Legal and Compliance Department, act as the second line of defense for continuous risk monitoring; and departments including Discipline Inspection, Audit, and Patrol serve as the third line of defense to implement risk oversight, thereby solidifying the Three Lines of Defense. The risk function of the third line of defense operates independently from business and functional departments and reports independently to both management and the Board of Directors.

The Company annually prepares a risk management report covering major risk identification and assessment, risk management strategies, and solutions, which is subject to review by the Board's specialized committees. In 2025, the Company identified and assessed five company-level major risks in strategy and operational management, proposed 16 risk mitigation measures, and experienced no major risk events throughout the year.



Sinoma International is committed to fostering a culture where everyone prioritizes risk management. To achieve this, the Company has appointed Risk Management Officers in every department and designated Risk Liaisons in all subsidiaries. Through strengthened promotion, training, and implementation of risk management practices, we actively drive the development of a robust risk culture.

Risk management training

- The Company leverages various platforms—including localized lecture series, strategy seminars, training sessions on standardized corporate governance operations, and follow-up training for independent directors organized by the Shanghai Stock Exchange—to provide both regular and ad-hoc risk management training to all Board Directors.
- Furthermore, the Company engages professional intermediaries to deliver specialized training on audit quality and risk prevention to internal auditors, risk management officers, and compliance officers. These initiatives are designed to further enhance the risk acuity and preventive awareness of all practitioners.

Promoting fair competition

Sinoma International strictly prohibits unfair competition practices, implements the *Measures for Accountability for Illegal Business Operations and Investments*, and adheres to specific requirements in its domestic and international compliance manuals regarding trade secret protection, anti-bribery, anti-monopoly, prohibition of abuse of market dominance, and anti-unfair competition. The Company enhances employee awareness through anti-unfair competition training; The Company has established reporting procedures for anti-competitive behavior, publicly disclosing reporting channels through its official website, internal OA system, and compliance department hotline to stakeholders such as employees, suppliers, and customers, and has implemented standardized processes for report acceptance, investigation, and feedback. The Company maintains strict confidentiality and robust protection for whistleblowers to ensure reported matters are handled promptly and impartially.

In 2025, the Company recorded no incidents of unfair competition such as abuse of market dominance, confusion marketing, commercial bribery, false advertising, trade secret infringement, or fraudulent prize promotions.

Upholding integrity as the bottom line

Sinoma International strictly adheres to anti-corruption policies and regulations, having perfected an integrity management system that encompasses institutional constraints, preventive early-warning mechanisms, and oversight of disciplinary enforcement. The Company undertakes diverse initiatives to foster integrity culture, leveraging the foundational role of education to resolutely advance Party conduct, clean governance, and anti-corruption efforts in depth, thereby providing robust safeguards for high-quality development.

Strict adherence to integrity standards

Sinoma International strictly complies with policies and regulations including the *Provisions on Clean Practices for Leaders of State-Owned Enterprises*, *Regulation on Disciplinary Actions Against the Managerial Professionals of State-owned Enterprises*, *Code of Integrity and Self-Discipline for Members of the Communist Party of China*, *Rules for Supervision and Disciplinary Enforcement by Discipline Inspection Commissions of the Communist Party of China*, and *Regulations on CPC Disciplinary Action*. The Company rigorously implements group-level systems such as the *Regulations Prohibiting Business Relationships Between Group Enterprises and Relatives or Other Specified Persons of Enterprise Leaders Engaged in Business Activities*.

Fortifying Defenses Against Corruption

Sinoma International strengthens Party conduct and clean governance, establishing and continuously improving mechanisms for punishment and corruption prevention to solidify the ideological defense against corruption.

Reinforcing integrity accountability	<p>The Company signs the <i>Party Conduct and Clean Governance Responsibility Statement</i> with heads of headquarters departments and subsidiary enterprises. It also requires mid-level and above executives, along with personnel in key positions, to sign the <i>Leadership Integrity Self-Discipline Commitment Letter</i>, thereby reinforcing primary responsibilities and fostering a stronger culture of integrity. Party organizations within subsidiary enterprises submit annual reports on their Party conduct and clean governance initiatives. The Company's Discipline Inspection Commission (DIC) conducts spot visits to grassroots party organizations to hear progress updates, strengthening daily oversight and guidance.</p>
Ensuring unimpeded reporting channels	<p>Reporting mailboxes are maintained by discipline inspection commissions at all levels. Upon receipt of a report, the DIC initiates verification in accordance with the <i>Rules for Supervision and Disciplinary Enforcement</i> and the <i>Discipline Inspection Work Manual</i>. The case is processed through established workflows, with investigation results escalated level-by-level upon completion. Additionally, discipline inspection personnel at all levels are strictly prohibited from privately retaining, disclosing, or disseminating information regarding case clues, investigation progress, involved parties, or whistleblowers in any form. Anonymous reporting is allowed by ensuring strict implementation of whistleblower protection mechanisms, thereby eliminating any form of retaliation.</p>
Clear reward and punishment mechanisms	<p>Employees violating the Company's integrity requirements are subject to disciplinary actions commensurate with the severity of the offense, including warning talks, reassignment, demotion, dismissal, and corresponding Party disciplinary measures. Performance-based salaries and bonuses for the year may be partially or fully withheld. Furthermore, the Company links compensation and performance evaluations to integrity conduct by mandating the inclusion of integrity self-discipline in appraisal criteria.</p>
Digital integrity development	<p>The Company has embedded integrity-related regulations and standards into digital business approval processes, implementing system functionalities such as automated invoice verification and digital reimbursement recognition to provide online warnings and alerts for integrity risks.</p>
Combating commercial bribery	<p>The Company has established an entertainment expense declaration procedure to monitor usage and reduce commercial bribery. In external bidding processes, the Company completes and submits the <i>Bidding Integrity Commitment Letter</i> and uniformly issues the <i>Procurement & Subcontracting Integrity Agreement Template</i>. This template is mandated as a standard annex to both tender documents and procurement contracts across all units to strictly guard against commercial bribery.</p>
Avoiding conflicts of interest	<p>The Company strictly adheres to the Group's <i>Regulations on Prohibiting Business Transactions Between Group Enterprises and the Relatives or Other Specific Associates of Enterprise Leaders</i>. Mid-level and above executives, personnel in key positions, newly appointed leaders, and newly promoted managers are organized to complete and file self-inspection forms, ensuring that all relevant information is thoroughly examined and fully reported. Additionally, in 2025, middle-level managers and members of the leadership teams of affiliated enterprises conducted in-depth special self-inspections on the issue of "exploiting enterprise resources for personal gain."</p>



For Board members, the Company requires strict adherence to laws, regulations, and the Company's *Articles of Association*, strengthening the ideological defense line for compliance, and faithfully fulfilling duties of loyalty and diligence.

- All Board directors are required to proactively disclose social relationships of their immediate family members.
- The Company ensures all Board members participate in training on compliance and strict Party governance, achieving comprehensive coverage of integrity awareness education.
- The Company conducts timely independence assessments for its Independent Directors.
- Board directors involved in related-party transactions must recuse themselves from voting. Insider trading and improper profit transfers are strictly prohibited.
- Board directors shall consciously accept supervision by state-owned asset authorities and regulatory bodies, and respond to shareholders' concerns.
- Board directors must exercise strict restraint over relatives and associates to prevent vicarious liability, thereby safeguarding the interests of the Company and all shareholders.

Promoting integrity and upright conduct

Sinoma International integrates Party conduct, integrity building, and anti-corruption efforts into the overarching strategy for high-quality enterprise development, conducting rigorous inspections to ensure compliance.

Anti-corruption supervision and auditing

- In accordance with the *Inspection Work Implementation Measures*, *Inspection Work Leading Group Work Rules*, *Inspection Team Work Rules*, and *Inspection Work Leading Group Office Work Rules*, the Company's Party Committee conducts annual inspections encompassing integrity and anti-corruption reviews, ensuring that all affiliated enterprises are covered within a five-year cycle.
- The Company has established a comprehensive supervision system, culminating in the *Sinoma International Comprehensive Supervision System Implementation Plan*. The Company convenes regular meetings of the Leading Group and Coordination Group for Party conduct, integrity building, and anti-corruption work to deploy supervision tasks, conduct joint inspections, and leverage synergies.
- Annually, the Company organizes special governance campaigns, achieving 100% integrity inspection coverage across all affiliated enterprises while mandating self-inspections and corrective actions at all levels. Party organizations within the affiliated enterprises submit annual reports on their integrity initiatives. Concurrently, the Company's Discipline Inspection Commission conducts ad hoc field visits to grassroots units to review progress.
- Discipline inspection commissions at all levels have established the *Annual Political Supervision List*, integrating efforts to enforce discipline and combat corruption. To further leverage supervisory synergy and enhance effectiveness, the *Sinoma International Comprehensive Supervision Work Implementation Measures* has been formulated.
- The Company engages accounting firms annually to conduct internal control audits, placing significant emphasis on identifying material misstatements resulting from fraud and the risk of management override of controls.

Sinoma International Integrity Culture Framework



The Company convenes annual meetings on Party conduct and integrity building and anti-corruption efforts, ensuring full coverage across all subsidiary enterprises. Additionally, during the monthly work conferences, the Secretary of the Discipline Inspection Commission conducts the "Monthly Dialogue on Party Conduct and Integrity" for senior leaders and personnel in key positions. In 2025, the Discipline Inspection Commission Secretary conducted 2 sessions on Party regulations and discipline guidance at branch levels. The Company strengthened the development of work style, issued the *Fifteen Rules on the Development of Work Style of Sinoma International*, and organized 2 warning education conferences with over 300 participants.

The Company continues to strengthen the Sinoma International Integrity Culture Brand System. During the third quarter, it spearheaded a series of 10 Party conduct and discipline education initiatives across all levels of Party organizations. Subsidiary enterprises have fostered a clean, upright, and dynamic working environment by producing integrity-themed micro-dramas, visiting educational bases, administering disciplinary and legal knowledge assessments, and soliciting integrity-themed creative works. Ahead of major statutory holidays—including the New Year/Spring Festival, May Day/Dragon Boat Festival, and Mid-Autumn/National Day periods—the Company issues integrity alerts to all employees and management members. These alerts, disseminated through official directives, cautionary case reviews, and open letters, serve to reinforce compliance and ethical standards.

In 2025

331 integrity education and training sessions were provided for all full-time employees, part-time staff



and contractors, covering **29,091** participants with **100%** all-tier coverage

Safeguarding Employee Rights and Interests



Committed to a people-centric philosophy, Sinoma International safeguards the fundamental rights of its workforce, focuses on establishing a robust talent development framework and prioritize employee well-being, thus fostering a collaborative environment where both individuals and the organization grow together.

Governance mechanism

The Chairman of Sinoma International is fully responsible for internal governance related to employee rights protection, welfare system enhancement, diversity initiatives, and talent pipeline development. Spearheaded by the Executive Vice President of Human Resources, the committee integrates a focus on talent stability, employee satisfaction, and organizational efficiency across the entire spectrum of organizational transformation, cultural development, and business operations. Under the guidance of the Chairman, the Human Resources Department, as the lead department, drives policy implementation. Each department and subsidiary establish dedicated human resources working groups to ensure vertical policy penetration and horizontal coordination.

The Company has established a Safety and Health Committee, chaired by the Chairman. Functioning as the apex governance body for employee safety, this committee holds overarching responsibility for the establishment, implementation, and oversight of the occupational health, safety, and occupational disease prevention systems. The Committee's core responsibilities include: Organizing the formulation and approval of corporate objectives, policies, and annual plans on work safety and occupational health; Establishing and improving the all-employee work safety responsibility system, continuously advancing the construction of the "dual-control" system for work safety standardization, risk classification management, hidden hazard investigation and governance; Ensuring work safety investments, organizing the development of safety management systems, operating procedures, training programs, and emergency response plans; And supervising/inspecting work safety operations of subsidiaries, guiding accident emergency response and investigation handling. Under the Committee's centralized leadership, the Company has established a three-tier linkage governance structure, effectively integrating safety concepts into the entire process of strategy formulation, project execution, and operational management.

Management strategies

Sinoma International strictly adheres to national labor laws and upholds fair recruitment practices, regarding employees as its most valuable asset. The Company continuously refines its talent management lifecycle—including selection, development, and placement—and optimizes career pathways and growth environments. Beyond this, the Company enhances welfare security systems, deepens employee care across the entire career span, and strengthens safety and occupational health management. Through these efforts, the Company is committed to fostering harmonious labor relations and mutual growth between the organization and its employees, thereby laying a solid talent foundation for sustainable development.

Strengthening rights protection

Sinoma International strictly complies with laws and regulations including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, the *Regulations on the Prohibition of Child Labor*, the *Special Provisions on Labor Protection for Female Employees*, and the *Regulations on Guaranteeing Wage Payments to Migrant Workers*. The Company has formulated the *Recruitment Management Measures* and *Labor Contract Management Measures* to standardize labor employment.

The Company upholds the principles of openness, fairness, and equity in recruitment and ensures lawful execution of labor contracts to eliminate illegal employment practices. During this reporting period, the Company maintained full compliance with regulations regarding child labor and forced labor, achieving a 100% labor contract signing rate. For employees undergoing involuntary separation in accordance with legal regulations, the Company provides outplacement support and vocational training to enhance their employability and facilitate a smooth transition to new roles. In the event of labor arbitration or personnel disputes, a joint task force comprising the Human Resources Department, Legal and Compliance Department, and Trade Union intervenes to mediate the situation and safeguard the legitimate rights and interests of employees.

Upholding equal human rights

Sinoma International is unwavering in its commitment to equal employment opportunities. We strictly prohibit workplace harassment and discrimination based on age, gender, nationality, ethnicity, religious belief, health status, or any other personal distinction. By enforcing equal pay for equal work, the Company promotes fair employment practices and fosters a diverse, inclusive, and cohesive work environment where every employee feels a strong sense of belonging.

Human rights risk management

- The Company actively implements human rights due diligence across its operations and value chain. This process is designed to identify, assess, and address potential human rights impacts and risks—particularly concerning forced labor, child labor, discrimination, and inequality of opportunity. By focusing on these critical areas, the Company ensures that its workforce, with specific attention to vulnerable groups such as women, children, and migrant workers, is protected and respected. The Company regularly conducts self-inspection and self-correction activities for human rights risks, including the issue of timely wage payment for migrant workers, across all levels of subsidiaries, and strengthens supervision of subcontractors.
- Throughout the year, the Company has maintained a **clean record** regarding the aforementioned potential human rights risks. No incidents violating the principles of equal opportunity, diversity, or non-discrimination were reported.

Promoting diversity and inclusion

- As our global operations continue to expand, the Company and its subsidiaries have adapted our HR strategies to the specific realities of our overseas markets—where international business represents a significant share. We have established localized human resources management regulations, along with tailored systems for incentives, performance appraisal, and compensation for our overseas workforce. By actively recruiting top talent regardless of nationality, race, educational background, or professional expertise, we are building a truly international and diverse team. Furthermore, mandatory policy training programs covering diversity, anti-discrimination, and anti-harassment are actively conducted to foster a respectful work environment. To reinforce ESG policy awareness, the Company conducted outreach and training sessions across its major subsidiaries, with a specific focus on the Employee Code of Conduct, especially its commitments regarding inclusion and diversity.
- The senior management team is accountable for advancing diversity initiatives and has explicitly prioritized "local value chain extension" as a strategic objective. Guided by the vision of building a truly international and diverse workforce, the Company remains committed to enhancing employee localization rates. The Company is committed to aggressive localization of its overseas workforce, resulting in a steady increase in the employment of local nationals. We advocate for equal employment opportunities and have established labor and compensation management systems that strictly comply with local laws and regulations. By ensuring equal pay and benefits for all employees, regardless of nationality, we are fostering a diverse, inclusive, and cohesive corporate culture that strengthens mutual trust and a sense of belonging.

Unblocking complain channels

- To ensure strict adherence to Sinoma International's *Code of Business Conduct* and *Human Rights Policy Statement*, the Company has established clear policies and accessible procedures. A dedicated, confidential, and anonymous reporting email channel has been implemented to provide employees with a convenient platform for voicing complaint. This channel is also open to customers, suppliers, and other stakeholders, who are encouraged to raise any concerns they may have.



For business ethics

jubao@sinoma.com.cn



For human rights

hresg@sinoma.com.cn

- The Company takes a firm stance against suspected violations of laws, policies, and codes of conduct. All complain are subjected to professional and thorough investigations, and appropriate actions are taken based on the findings. The Company strictly prohibits any form of retaliation, ensuring a safe environment for reporting. In 2025, the Company received **no** complaints through the aforementioned channels, resulting in **no** disciplinary actions.

Optimizing compensation and working hours mechanisms

Sinoma International operates under a standard working hours system in compliance with labor regulations. The Company has established comprehensive policies, including the *Compensation Management Measures* and the *Management Policies for Employee Working Hours, Rest, Leave, and Absence*, to standardize work schedules, rest periods, and vacation arrangements. Furthermore, a dynamic compensation adjustment mechanism is formulated, benchmarking salary levels against industry market rates and individual job contributions.

The Company operates a comprehensive compensation structure consisting of base salary, position-based salary, and various allowances. In terms of statutory benefits, 100% of employees are covered under the national "Five Insurances and One Fund" system, which includes medical, pension, work-related injury, maternity, and unemployment insurance, as well as the housing provident fund. Additionally, the Company provides a range of supplementary benefits, including housing, transportation, and meal allowances. Furthermore, the Company sets and monitors maximum working hours, implements equal pay for equal work regardless of gender, provides paid annual leave, and contributes to enterprise annuities for approximately 60% of its employees.

Performance evaluations are conducted on a quarterly or annual basis. This comprehensive process encompasses a variety of assessment methods, including the alignment of organizational goals (company, department, and project team objectives), individual objective reviews, multi-dimensional appraisals, and ongoing real-time communication. Following the release of the results, department heads engage in one-on-one performance interviews with employees. These sessions are designed to gain a deep understanding of individual contributions, solicit feedback, and provide targeted guidance for improvement, career development, and training needs.

The Company implements a restricted stock incentive plan to align the interests of directors, senior executives, core managers, and key business and technical specialists. Comprehensive performance metrics are established at the corporate, subsidiary, and individual levels to govern this program.

Complementing this, a dual-track compensation growth mechanism—linking both position and rank—is utilized. Regular assessments of employee income are conducted, confirming that this year, wages for all employees across the entire organization exceeded the local social average, thereby adequately meeting their living requirements.

The Company has established a compensation clawback policy to ensure accountability. For Party members who cause asset losses due to disciplinary violations, the performance-based portion of their annual salary will be reduced in accordance with the *Implementation Rules for Salary Reduction of Responsible Persons in Group Member Enterprises Subject to Party and Administrative Disciplinary Actions*. Furthermore, for current, resigned, or retired managerial personnel who violate national laws and regulations, or who cause asset losses through failure to perform or improper performance of their duties, corresponding deductions will be applied to their current performance-based annual salary. Based on the findings of Party/administrative disciplinary actions and asset loss liability assessments, the Company will also claw back part or all of any previously paid performance bonuses and medium-to-long term incentive earnings.

Promoting employee development

Sinoma International is fully committed to employee growth, guided by the strategic vision of "optimizing talent management, serving individual development needs, and empowering corporate strategy." Through the strategic levers of "optimizing talent mechanisms, enhancing the development environment, and stimulating innovation," the Company has established a holistic lifecycle management mechanism encompassing talent selection, development, and placement. This framework is anchored by three pillars: a dual-track career path (management & professional); A job competency system; a rank promotion and certification system. Systematically advancing the cultivation of five key talent pools—financial, technological, international, operational, and high-potential young leaders—the Company focuses on enhancing workforce capabilities and smoothing career pathways. This ensures synergistic growth between individual employees and the organization.

To further standardize the employee grading system and expand career development pathways, the Company has established a dynamic talent management and mobility mechanism. This mechanism ensures the right talent is matched to the right role and allows for flexible upward and downward movement. In accordance with these guidelines, subsidiaries at all levels have formulated their respective *Rank Management Measures*. Based on the Company's management positioning and functional categories, positions are divided into two distinct tracks: Management and Professional. Clear qualification requirements and promotion criteria have been established for each grade level.

Talent development system



- Talent pipeline development:** The Company centrally coordinates campus recruitment across the entire organization. In 2025, we successfully recruited **375** new graduates. The Company also actively participates in the Group-organized campus recruitment fairs, assisting subsidiaries in streamlining the talent acquisition process. The company launched the first unified campus recruitment campaign, anchored by the "SINOMA" brand. This initiative successfully enhanced both brand equity and talent quality.



- Diversified training system:** The Company provides targeted training programs for all employees, including comprehensive new hire onboarding and a dual-mentor system for frontline roles. This system pairs employees with both on-site and headquarters mentors, fully leveraging the knowledge transfer capabilities of experienced professionals. New hires are matched with dedicated mentors on either a "one-to-one" or "one-to-two" basis. The Company recognizes and rewards outstanding performance among new employees as well as successful mentor-mentee pairs. To further enhance the political literacy and job performance of young managers, the Company has conducted six sessions of the Young and Middle-aged Managers Training Program by the end of 2025. The program covered 258 managers across all levels of the organization, effectively building a robust talent pool to ensure strategic continuity.



Training categories: Strategic, Management, Professional, General (including communication skills, computer applications, data processing, etc.), and Others (tailored to specific job requirements)

Training approaches: Internal Training, External Training, Mentorship Programs (led by business specialists or mid-to-senior manager) Internal Job Rotation, Self-Directed Learning

Specialized training programs: Localization Development Forum, Science and Technology Forum, Digital Training, English Salon, Cadre and Staff English Training, etc.



- Internal job rotation and exchange:** The Company strategically manages talent allocation, prioritizing internal transfers to address staffing shortages in key departments. To support career growth, employees interested in exploring different fields may submit applications to the Human Resources Department. The Company will assess these requests based on business needs and initiate the internal recruitment process to facilitate new career pathways. Furthermore, structured job rotation programs are organized to provide employees with a holistic view of the Company's operations. This initiative is designed to enhance cross-functional understanding and strengthen employees' capabilities in solving complex, real-world business challenges.



- Deepening university-enterprise cooperation:** The Company has established strategic collaborations with domestic and international universities, including Wuhan University of Technology and Shandong University. Through these partnerships, we conduct joint degree programs, internship recruitment, social practice initiatives, and targeted recruitment events. In 2025, the Company established new strategic partnerships with the University of Jinan and Nanjing Tech University.



- Professional certification support:** The Company encourages employees to obtain industry-recognized professional qualifications by reimbursing examination fees for certifications that are directly relevant to employees' current roles. Upon successful registration of the certificate with the Company, employees can receive a one-time bonus and a monthly practice allowance.



- Local talent development:** The Company embraces a "Localization" strategy, integrating local resources and talent into its core operations. We focus on cultivating and recruiting local professionals, including high-caliber experts in business, legal, and tax sectors. By actively hiring fresh graduates from local universities, we inject new vitality into our teams while providing robust human capital support for long-term local development and significantly boosting host-country employment.



- Development of sci-tech talent:** The Company has established a dedicated talent pool for scientific and technological backbone personnel and highly skilled professionals. In 2025, we formally initiated the formulation of the "15th Five-Year Plan" for human resources management, explicitly designating sci-tech talent and international talent development as key specialized initiatives. By the end of 2025, the Company had cumulatively nominated: **40** leading sci-tech talents; **47** young sci-tech talents. Additionally, **9** individuals were selected for the Group's key research talent pool, and **24** were awarded the Special Government Allowance from the State Council. Sci-tech talents accounted for **34%** of the beneficiaries of medium-to-long-term incentive programs, covering **851** instances.



Case: Cultivating digital-intelligent practical talent to advance digital transformation

To further advance the Group's digital transformation strategy, the Company hosted a one-week intensive training session on "Process Management, Data Governance, and Digital Governance Systems" in Beijing and Nanjing in July 2025. The curriculum covered core modules including process management, data governance, low-code platforms, and digital supervision, utilizing an integrated delivery model featuring "theory + hands-on practice + workshops." A total of **117** members from special task forces and consultant teams across 14 member units participated. All trainees successfully completed the low-code scenario design and practical assessments, effectively bridging the gap between knowledge and applied skills.

This training session achieved four key achievements: unified strategic understanding of digital transformation; enhanced capabilities in process and data governance; established "Project Blueprints" with clear accountability; strengthened cross-departmental synergy. This training program has laid a solid talent foundation for "Digital Sinoma International" and marks the Company's entry into a new era of comprehensive digital governance implementation.



Case: Focusing on sci-tech innovation to jointly deliberate talent-driven enterprise strategies

In September 2025, Sinoma International convened a sci-tech talent symposium. Centered on the theme "Pooling Sci-Tech Strength, Igniting Innovation Momentum, Empowering High-Quality Development," the event gathered over 70 participants—including rehired experts, key sci-tech personnel, young talents, and management representatives—to jointly discuss talent-driven enterprise strategies in the context of digital transformation.

Through research briefings, group workshops, and insights from external think tanks, the symposium systematically reviewed the current landscape and challenges regarding talent structure, incentive mechanisms, and career development systems. In-depth discussions focused on "Top-Level Design for Sci-Tech Innovation," "Recruitment and Cultivation of High-Level Talent" and "Young Talent Echelon Development." These deliberations provided critical decision-making insights for refining the Company's sci-tech talent management system and stimulating organization-wide innovation during its digital transformation journey.

Advocating employee care

Sinoma International is committed to enhancing employee well-being through comprehensive welfare initiatives. The Company has established policies such as the *Employee Leave Management Measures* and the *Young Talent Apartment and Subsidy Scheme*, deepening our care for employees throughout their careers. These measures are designed to strengthen employee engagement and foster a strong sense of belonging.

Assistance for Urgent and Difficult Needs

- Upholding an "employee-centric" philosophy, the Company has refined its humanistic care initiatives. We have established a registry for "key milestones" to ensure timely support, hosted honorary retirement ceremonies, and organized care programs for senior retirees and families of expatriate staff. In 2025, these targeted care initiatives—ranging from birthdays and weddings to illness recovery and retirement—reached over 620 individuals.
- Sinoma Overseas remains committed to addressing the needs of expatriate staff and their families through diverse initiatives. This includes visiting families during the Spring Festival and providing special assistance funds to local employees, ensuring robust rear-support for overseas operations.
- The Company maintains a tradition of holiday greetings during major festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, alongside providing birthday cake vouchers.
- We promptly visit employees during hospitalization and conduct irregular visits to retirees, actively resolving urgent issues in their daily lives. In June 2025, Sinoma (Suzhou) extended care to a young employee diagnosed with cancer and launched a company-wide fundraising initiative to give support.
- Special assistance was provided to employees with unique needs or financial hardships through the Group's Love & Charity Fund. In 2025, CDI provided targeted assistance to an employee whose child suffered from a serious illness. Beyond regular care and inquiries, the Company presented condolence funds totaling 4,800 yuan during the Spring Festival and other occasions.
- Focusing on the needs of frontline workers, the Company conducted specialized care initiatives. In 2025, we carried out three "Summer Cooling & Winter Warming" campaigns at project sites, distributing heat-relief and cold-protection supplies to demonstrate our caring culture and enhance employee well-being and belonging.
- The Company continues to refine its support mechanisms for overseas personnel by formulating the *Implementation Measures for Overseas Employee Assistance*, which has been fully piloted in the Nigeria region. In 2025, through the Sinoma (Suzhou) Special Assistance Fund for Overseas Employees (Nigeria), the Company provided aid totaling 2,050,000 Naira (approximately CNY 9,762) to eight Nigerian employees.

Sustained focus on physical and mental well-being

Sinoma International is deeply committed to employee well-being, consistently upholding a human-centric approach. The Company organizes free annual health check-ups and invites professional doctors to conduct on-site medical consultations based on needs. Additionally, psychological counseling services are provided to support employees' mental health. To ensure work-life balance and safety, the Company offers flexible working arrangements. Special employees are entitled to work-from-home benefits, and in the event of unexpected conditions such as heavy fog, staff can apply for remote work to reduce risks and ensure personal safety. In line with legal requirements, the Company grants paid parental leave to eligible couples. Before the child turns three, both parents are entitled to ten days of leave annually. For families with multiple children, these leave days are cumulative. Sinoma (Suzhou) has established a dedicated free online medical consultation channel for employees, fostering a strong sense of security and happiness.

The Company has also equipped the office building with a gym and professional sports facilities. We actively organize cultural and sports activities, including basketball, badminton, table tennis tournaments, and fun games, to enrich employees' leisure time and promote both physical and mental health.

Care for female employees

Sinoma International is deeply committed to the care and development of its female workforce. We are attentive to the unique challenges and specific needs women face in the workplace, actively launching warm initiatives to create a supportive and pleasant working environment for all women employees.

Featured theme activities

In celebration of International Women's Day, trade unions at all levels organized a series of events. These vibrant themed activities brought together female employees, including expatriates, from the headquarters and subsidiaries, fostering a stronger sense of team cohesion.

Maternal and infant care support

Recognizing the needs of new mothers, the Company provides special care and support. Female employees are entitled to one hour of breastfeeding leave per day for a period of twelve months following the end of their maternity leave. Some subsidiaries' trade unions have also established dedicated baby care rooms for female employees.



Case: Cross-border Women's Day celebration: uniting forces for shared progress

On the eve of International Women's Day, Sinoma International hosted a synchronized celebration themed "Her Story, Her Wish." The event united the Beijing headquarters with seven overseas branches—including Egypt, Nigeria, and France—showcasing the cohesion and humanistic care of the Company's global team. The Beijing headquarters kicked off the festivities with floral arrangement workshops, while the international branches hosted culturally immersive activities such as hair-braiding, handicraft making, and traditional hand painting. On-site wish draws allowed employees to share their personalized aspirations, conveying the Company's meticulous care through tangible actions and highlighting the inclusiveness of its diverse workforce. The Company highly commended the pivotal role played by female employees in the Company's international development. He emphasized the commitment to continuously improving development platforms, supporting female staff in achieving both personal growth and corporate advancement.



Fulfilling safety commitments

Sinoma International adheres to the core philosophy of "People-Oriented, Safe Development, and Green Development." In line with the work policy of "Safety First, Environmental Priority, Prevention-Oriented, Comprehensive Management, Full Staff Participation, and Continuous Improvement," the Company is committed to establishing a safety management framework characterized by enterprise-wide oversight, whole-process control, and full staff involvement. This strategic approach fosters a secure and stable environment, driving the Company's high-quality development.

Implementing safety management

In response to the national "Healthy China" initiative, Sinoma International strictly adheres to laws and regulations such as the *Occupational Disease Prevention and Control Law of the People's Republic of China* and the *Regulations on Work-Related Injury Insurance*. The Company has continuously improved its HSE standards, establishing a comprehensive system that includes the *HSE Management Manual* and the *HSE Management Compendium*. Leveraging efficient organizational synergy and a pragmatic, results-oriented approach, Sinoma International has steadily advanced safety management and successfully achieved its annual safety targets, maintaining a stable and secure operational environment.

The Company revised and released the *Sinoma International Assessment Management Measures for Work Safety, Energy Conservation, and Ecological Environmental Protection*. The policy links critical safety issues and objectives to executive compensation by clearly defining veto indicators and key KPIs, which directly determine the outcomes of annual executive evaluations and remuneration.

Sinoma International incorporates subcontractor and labor team safety management into its overall safety framework, clearly stipulating the respective safety and environmental responsibilities, obligations, and rights of both parties. The Company establishes safety and environmental access requirements for equipment, facilities, and construction tools, provides relevant safety training to enhance subcontractors' awareness, and supervises the establishment of their safety management systems, ensuring they understand and comply with the Company's HSE policies and requirements. The Company strictly prohibits the use of unqualified subcontractors. It rigorously monitors job sites to promptly halt the "Three Violations": violations of operating procedures, unauthorized command, and breaches of labor discipline. The Company also eliminates the practices of "management by subcontracting" and "management by penalty."

Building safety culture

Sinoma International places great emphasis on safety education and training, specifically striving to enhance the professional competence of full-time HSE management personnel. Guided by the principle of "three-level HSE education," affiliated enterprises and project departments have conducted a variety of training activities. These include site-entry HSE inductions, specialized training, experiential safety training, and accident case studies. Cumulatively, **33,836** training sessions have been carried out, reaching **607,143** participants. The Company has achieved **100%** training coverage for both in-house employees and contractor staff. The Company attaches great importance to the organization of the "Work Safety Month" campaign. Company-wide, we are committed to constantly introducing new elements to these activities to enhance safety. Through diverse initiatives such as safety lectures delivered by "top executives," knowledge competitions, safety culture promotion, and accident case analyses, a rich and robust safety culture atmosphere has been fostered. Various work safety cultural activities are organized to comprehensively elevate employees' safety awareness and emergency response capabilities.



Case: Strengthening the foundation and building defenses, intelligent management safeguards safety

In May 2025, Sinoma International hosted the kick-off meeting for the "Work Safety Month" campaign in Beijing. The event officially launched a series of initiatives themed "Everyone Speaks Safety, Everyone Can Respond to Emergencies—Identifying Hidden Hazards in Our Surroundings." The meeting brought together over 600 participants, representing personnel at all levels across the Company.

The meeting defined four core tasks: First, strengthening responsibility implementation and consolidating the safety foundation; Second, focusing on key processes and implementing precise risk control; Third, deepening the "Work Safety Long March" special campaign; Fourth, accelerating the construction and application of an intelligent safety management system. The meeting formally released the implementation plan. Participants collectively signed a commitment banner, achieving comprehensive mobilization and deployment. This has laid a solid safety foundation for the Company's high-quality development.



Site of the "Work Safety Month" kick-off meeting

Impact, Risk, and Opportunity Management



Regarding employee employment and rights, Sinoma International places high importance on issues and needs within the workplace environment, comprehensively identifying employee demands through democratic management approaches. Subsidiaries at all levels strictly comply with laws and regulations such as the *Trade Union Law of the People's Republic of China*. The Company has improved its democratic management system, with the Workers' Congress serving as the fundamental form. To facilitate communication, a multi-channel platform has been established, incorporating online mailboxes, office hotlines, digital proposal modules, Corporate WeChat, the Chairman's Communication Day, the Workers' Congress, and trade union feedback mechanisms. This system ensures a closed-loop management process for employee demands, effectively safeguarding employees' rights to information, participation, expression, and supervision. To ensure the equitable treatment of employee concerns, affiliated enterprises actively solicit feedback from female staff through various channels, such as symposium for female employees and the establishment of Women Workers' Committee. These measures effectively safeguard women's rights to equal employment.



Regarding occupational health, Sinoma International places great emphasis on occupational health. The Company systematically identifies and assesses risks related to employee life and health, working environments, and emergency management through established processes. The Company conducts regular occupational health and safety risk assessments, prioritizes critical risks, and formulates comprehensive emergency response plans. We proactively fulfill our primary responsibility for occupational disease prevention and control. To ensure employee well-being, we also organize routine health check-ups, educational seminars, and mental health initiatives. The Company has established investigation procedures for work-related injuries, health issues, critical illnesses, and accidents, aiming to prevent all occupational health hazards before they arise.



In the realm of work safety, Sinoma International strictly adheres to all relevant laws and regulations. The Company exercises rigorous control over the procurement of hazardous chemicals and harmful substances, establishing dedicated storage areas equipped with appropriate ventilation. These areas are specifically designed to meet special requirements for fire prevention, explosion protection, and corrosion resistance. To ensure on-site safety, prominent warning signs indicating the nature of hazards are displayed, and essential protective equipment—such as emergency leak containment devices—is installed. Employees are provided with necessary personal protective equipment, supplemented by clear safety reminders and operational guidelines throughout the workplace. Furthermore, regular equipment inspections are conducted to ensure all systems remain in optimal working condition, effectively minimizing the risk of accidents.



Regarding employee development, Sinoma International is committed to removing barriers to career advancement and skill enhancement. The Company proactively identifies professional growth opportunities, offering tailored solutions including leadership and skills training, internal mobility options, and support for professional certifications. This empowers employees to navigate challenges and seize opportunities presented by the Company's drive towards digital, smart, and green operations.

Metrics and targets

Sinoma International embraces the management philosophy of "using targets to guide management and metrics to drive results." In this framework, the Company has established a robust system of clear quantitative objectives and monitoring indicators specifically dedicated to safeguarding employee rights.

Regarding employee employment and rights

The Company has established dynamic salary adjustment rules based on job contribution and industry market benchmarks, linking employee compensation to KPIs (actual contribution), job performance, competency, and work attitude, with floating performance components accounting for 60% for senior management, approximately 40-50% for middle management, and below 30% for general staff.

The Company is deepening the construction of its medium- to long-term incentive mechanisms. We are effectively leveraging a suite of seven incentive instruments, including excess profit sharing, virtual equity, and employee stock ownership, with a particular focus on bolstering sectors such as technological innovation, high-end equipment, and digital intelligence. These initiatives cover **2,483** employees, accounting for **16%** of the total workforce.



The Company continues to strengthen democratic management, with **1,172** employee representatives and **87.76%** union membership rate by the end of 2025. This year, the Company conducted a comprehensive employee satisfaction survey. Utilizing online questionnaires, we collected feedback from **58%** of the workforce regarding work experience, intrinsic motivation, happiness levels, and job pressure. The results show that satisfaction rates across various demographics—including gender, ethnicity, employee category, and age—consistently approach **98%**.

Objectives

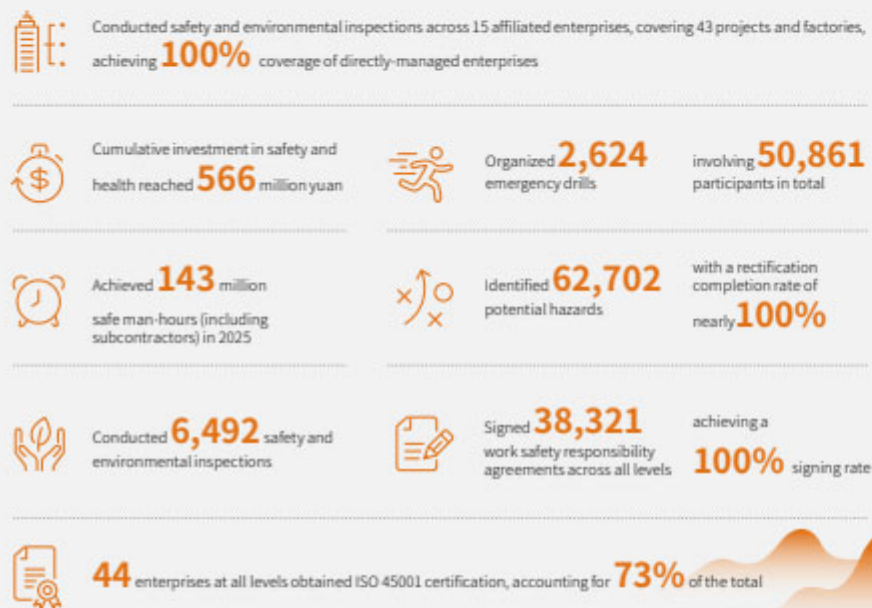
The Company aims to maintain an employee satisfaction rate above **97%** in the long term.

Regarding employee occupational health and production safety

The Company has established a comprehensive set of safety management objectives to rigorously implement and achieve effective work safety outcomes.



The Company continuously strengthens resource support, ensuring the effective implementation of work safety measures



Note: The total number of enterprises at all levels used to calculate the ISO 45001 certification rate refers to enterprises engaged in engineering construction, equipment manufacturing, production operations, and maintenance that are applicable for ISO 45001 certification. In 2025, the figure for ISO 45001-certified companies excludes three affiliated enterprises that were dissolved during the reporting period.

In terms of employee development

In 2025, the Company recruited **805** new employees and facilitated **361** internal transfers. The overall employee turnover rate stood at **4.88%**, marking a decrease of **14.54%** compared to the previous year.

In 2025, the company's employees cumulatively completed **1,462,621** hours of training, translating to an average of **103** hours per employee, fully optimizing the talent management pipeline—"Selection, Development, Utilization, and Retention."

Note: For more key performance indicators related to employees, please refer to the "Social data" section in the ESG Key Performance of this report. The number of training hours per employee is calculated by dividing the total cumulative training hours by the total number of employees who received training.



Pursuing Sustainability through Green and Eco-Friendly Development

Green and Clean Production

Circular Economy Integration

Green and Clean Production

We place high priority on green development. We fully implement the principles of "understanding the new development stage, applying the new development philosophy, and fostering the new development pattern," promoting the green and low-carbon transformation of our energy structure and the coordinated improvement of ecological and environmental quality. Together, these efforts lay a solid foundation for our high-quality development.

Strengthening environmental management

We strictly comply with national laws and regulations related to ecological and environmental protection. We have implemented robust environmental management systems and mechanisms, conducted environmental risk control and environmental protection inspections, and rigorously enforced environmental policies across all our business segments.

Establishment of organizational structure

At the governance level, the Board of Directors is responsible for establishing and improving the environmental, social and governance (ESG) management system. The Strategy, Investment and ESG Committee is responsible for assessing the environmental management performance, as well as related risks and opportunities. It formulates and reviews the environmental management vision, objectives, and strategies, and reports significant matters to the Board. At the management and execution level, we have established a Leadership Group for Ecology and Environmental Protection, co-chaired by the Chairman and the President. Composed of members of the senior leadership team, the Leadership Group provides overall direction for the ecological progress and oversees the implementation of environmental protection, energy conservation, and emission reduction efforts.

Improving the institutional system

We strictly comply with national environmental protection laws and regulations including the *Environmental Protection Law of the People's Republic of China*. We have formulated a series of environmental protection policies, covering the entire process of production and operation, engineering construction, contracting and subcontracting. These policies include *Responsibility System for Ecological and Environmental Protection*, *Management System for Environmental Impact Assessment of Construction Projects*, *Measures for Clean Production*, *Energy Conservation and Emission Reduction*, and *Special Rules for Ecological and Environmental Protection of Overseas Entities (Projects)*.

We rigorously implement the ISO 14001 environmental standard, striving to establish a green and sustainable environmental management system that effectively controls environmental risks.

As of the end of 2025



44 subsidiaries had obtained the GB/T24001-2016 / ISO 14001:2005 **Environmental Management System Certification**, accounting for 73% of the total

7 subsidiaries had been certified under GB/T2331-2020 / ISO 50001:2018 / RB/T119-2015 **Energy Management System**

Note: The total number of entities used to calculate the certification rates for ISO 14001 and ISO 50001 refers to subsidiaries engaged in engineering construction, equipment manufacturing, and green energy and environmental protection. In 2025, the figure for ISO 14001-certified companies excludes three affiliated enterprises that were dissolved during the reporting period.

Strengthening management mechanisms

We rigorously implement environmental information disclosure requirements. All production-oriented entities have developed self-monitoring plans and deployed monitoring systems for real-time supervision, ensuring effective management and control of pollutant emissions. Through sound environmental management systems, stringent monitoring measures, and comprehensive emergency response plans, we prevent and address potential environmental incidents.

In 2025



We conducted **2,207** environmental inspections across all levels



invested CNY **49.41** million in environmental protection

We have strengthened environmental protection accountability at every level. In 2025, a total of **33,223** environmental protection responsibility agreements were signed by employees across all subsidiaries. While completing rectification tasks assigned by central environmental inspections on schedule, we also implemented a top-down internal environmental inspection mechanism, achieving **full coverage of all subsidiaries**. A total of **2,207** environmental inspections (including external government inspections) were conducted across all levels in 2025, identifying **5,422** potential risks, all of which were rectified, achieving a **100 percent** rectification rate.

We also integrate environmental management mechanisms into our commercial cooperation

Logistics and transportation



In accordance with the *Measures for the Acceptance Management of Safety Materials*, we require suppliers to provide logistics services that comply with applicable environmental laws and regulations and to take necessary measures to prevent environmental pollution. Transport operators are required to strictly prevent spillage, leakage, and fire hazards, ensure safety, and prohibit oil leakage.

Engineering general contracting



Subcontractors are integrated into our unified management system. Subcontracts explicitly define the safety and environmental responsibilities, obligations, and rights of both parties, and establish safety and environmental access requirements for equipment, machinery, and facilities. We provide environmental training to subcontractors, helping them understand our environmental management policies and requirements and adopt eco-friendly practices in their work.

Investment and M&A



We implement the *Management System for Safety and Environmental Due Diligence of Mergers and Acquisitions*. Due diligence checklist guidelines have been developed covering four areas: business, finance, legal, and safety and environmental protection. Third parties are engaged to conduct safety and environmental due diligence on potential investment targets.

Fostering environmental awareness

We actively promote the concept of green office. The headquarters and all subsidiaries vigorously promote video conferences and paperless meetings, achieving electronic office operations through the OA system. The collaborative office platform has been comprehensively upgraded to enable full-process online operations, including electronic signatures and online archiving, further reducing office paper demand. In terms of consumables management, we give priority to selecting energy-efficient printers and copiers (Tier 1 energy efficiency), reduce office paper usage, and prioritize the purchase of environmentally friendly paper and ballpoint pens with replaceable refills. In addition, we extend the service life of printing and copying equipment through repairing and reusing, and improve efficiency by adopting full LED lighting and implementing energy efficiency access requirements for energy-consuming equipment. Meanwhile, CBMI Construction extends the concept of green office to project sites by incorporating digital and low-carbon office requirements into overseas project management standards. Through remote collaboration systems, it reduces international business travel and associated carbon emissions, achieving unified green office standards between the headquarters and overseas projects.

We actively promote green initiatives through activities such as tree planting, factory greening, and thematic forums. These efforts foster a shared commitment to ecological protection among our employees, across the industry, and within society. In 2025, leveraging platforms such as the National Energy Conservation Week and Low-Carbon Day, we promoted environmental knowledge, policies, and regulations through corporate WeChat groups, electronic screens, brochures, and environmental slogans. We also organized environmental awareness training sessions and online quizzes during National Energy Conservation Week and Low-Carbon Day to enhance employees' environmental literacy.

In 2025, the Company successfully held the first safety and environmental protection training program for leading executives across all levels of its subsidiaries, establishing the group's first in-house safety and environmental training brand.

Environmental protection training and education programs



Waste sorting



"Zero-Waste Factory" initiatives



Compliant disposal of hazardous waste and emergency management training



VOCs treatment facilities and equipment



Case: Inside our smart factory: utilizing resources efficiently to build a better world

In September 2025, the Kenya Factory of Sinoma Roofing Systems, operated by CBMI Construction, held an open day event under the theme "Inside Our Smart Factory: Utilizing Resources Wisely to Build a Better World." As one of the overseas venues of the 6th "Resource Efficiency Day" global series of events organized by CNBM, the event centered on the core theme of "Driving Change through Innovation and Green Solutions." It showcased our innovative practices in smart manufacturing, environmental protection, and resource efficiency, while strengthening industry-academia-research collaboration with local universities. Through these concrete actions, the event embodied the corporate mission of "Creating a Better World with Materials" and injected green momentum into China-Africa cooperation under the Belt and Road Initiative.



Advancing green production

We strictly comply with the *Environmental Protection Law of the People's Republic of China* and other applicable laws, regulations, and policies on energy conservation and emission reduction. We actively benchmark our environmental practices against world-class enterprises, promoting clean production and green construction. Specifically, we identify, evaluate, and control environmental factors related to our production operations, project construction, and management activities. We also fulfill our primary responsibility for environmental protection, energy conservation and emission reduction. To prevent and mitigate the adverse environmental impacts of our operations, we promote the intensive and efficient use of resources, achieve compliance with emission standards, and continuously improve our production environment, ultimately building an environment-friendly enterprise. Hefei Zhongdu Machinery Co., Ltd., a subsidiary of Sinoma Equipment, was included in the list of provincial "Green Factories," becoming a demonstration benchmark for the green transformation of the equipment manufacturing industry.

Reducing pollutant emissions

During project construction, we strictly comply with laws and regulations such as the *Land Administration Law of the People's Republic of China*, the *Water and Soil Conservation Law of the People's Republic of China*, and the *Regulations on Environmental Protection Management for Construction Projects*. We have also formulated and implemented on-site environmental protection systems, ensuring rigorous compliance with the "Six 100 Percent" management requirements.

The "Six 100 Percent" Requirements

- 100% enclosure of construction sites
- 100% coverage of stacked materials
- 100% washing of vehicles entering and exiting the site
- 100% coverage of bare soil
- 100% wet operation at demolition sites
- 100% enclosed transport of spoil vehicles

100%

Air pollution management

- We strictly comply with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, implement national standards such as the *Integrated Emission Standards of Air Pollutants* and the *Ambient Air Quality Standard* to rigorously control air pollutant emissions.
- We prioritize materials that do not generate air pollutants and low-emission equipment to reduce pollution at the source.
- We formulate sound construction plans and implement measures such as enclosed construction and dust control netting to minimize dust and exhaust emissions.
- We take effective treatment measures for generated exhaust gases, including installing waste gas treatment equipment and innovatively applying integrated drilling rigs, water bag blasting technology, fog cannon wet dust suppression, and intelligent sprinkler systems on both sides of roads within the factory.
- We strengthen the management of transport vehicles to ensure they meet emission standards, and take corresponding measures such as covering, cleaning, and sprinkling water during transportation to reduce dust.
- We store cement and other fine-particle building materials that are prone to fugitive dust in enclosed spaces, and adopt effective measures to prevent dust during use. Excavated soil at construction sites is stockpiled at designated areas and covered to control dust.

Waste management

- **Classified collection and orderly disposal:** We classify and store hazardous waste according to its characteristics, and conduct fixed-point recycling of leftover materials. We stack solid waste in separate areas for metal, wood, soil, and rubber, and handle raw soil and sandstone separately.
- **Standardized storage and compliant transportation:** We set up waste storage facilities and sites in accordance with regulations, and clearly mark the type and danger of waste in storage areas. We ensure waste transportation complies with relevant laws and regulations, strictly implement the approval system for hazardous waste transfer plans and the transfer manifest system, and select qualified transportation companies for waste transportation.
- **Targeted and compliant treatment and disposal:** According to the characteristics of waste and regulatory requirements, we entrust qualified professional companies for regular disposal, and select appropriate treatment methods such as incineration, landfilling, and recycling. In 2025, the disposal rate of self-generated hazardous waste reached 100%.
- **Strict record-keeping and full-process supervision:** We establish a waste disposal record and reporting system, including information such as waste generation volume and treatment methods, and regularly supervise and inspect the compliance of waste disposal to ensure it meets laws, regulations and standards.

Sewage discharge management

- We strictly implement national standards such as the *Standards for Water Quality of Sewage Discharged into Urban Sewers* and the *Integrated Wastewater Discharge Standard*.
- We strengthen the monitoring and management of wastewater discharge, and entrust third-party agencies to conduct regular water quality monitoring to ensure up-to-standard wastewater discharge. We also adopt a quality-based drainage method to classify and treat wastewater of different properties, promoting the re-use of water resources.
- Construction sewage from projects is discharged in accordance with local and client requirements. Domestic sewage is discharged into municipal pipe networks or stored in sewage pools and septic tanks, which are then regularly pumped and treated by professional companies.
- For temporary camps constructed at overseas project sites, we install wastewater collection tanks, sedimentation tanks, and septic tanks. We also engage qualified local wastewater treatment companies for centralized collection and treatment, ensuring compliance with local discharge standards.

During the manufacturing process and mining operations, we adhere to the principles of clean production. In 2025, the Longquan Industrial Park of CDI passed the clean production certification by the Economic Development Zone. Through active implementation of the clean production recommendations put forward by the expert review panel, the Park has enhanced its green production capabilities.

Linyi Guojian Environmental Technology Co., Ltd., Zhongtian Gongkang Environmental Technology Co., Ltd., and Huainan CNBM Tengfeng Environmental Technology Co., Ltd., all subsidiaries of Sinoma International Environment Engineering, as well as Henan Sinoma Environmental Protection Co., Ltd. and Tangshan Sinoma Heavy Machinery Co., Ltd., both subsidiaries of CNBM Equipment Group, have been listed as key pollutant discharge units by their respective local ecological and environmental authorities.

The primary pollutants discharged by these key units include particulate matter, nitrogen oxides, carbon monoxide, sulfur dioxide, volatile organic compounds (VOCs), hydrogen sulfide, ammonia, non-methane hydrocarbons (NMHC), and hydrogen chloride. These emissions are treated using technologies such as denitrification systems for air emissions and VOCs recovery and treatment facilities. In accordance with environmental impact assessment approvals, the key pollutant discharge units have installed discharge outlets in designated areas within their facilities and conduct regular emission monitoring. A total of five exhaust outlets have been installed, located in the incineration workshop, the emergency exhaust treatment system, and the kiln tail. They also proactively cooperate with the supervision of relevant authorities. They have developed environmental self-monitoring plans in accordance with legal requirements, including the *Measures for Self-Monitoring and Information Disclosure by Key State-Monitored Enterprises* and the *Technical Guidelines for Self-Monitoring by Pollutant Discharge Units*. In addition, they have deployed monitoring systems for real-time supervision and prepared emergency response plans for environmental incidents, which have been filed with the relevant local government authorities as required. Pollutant discharge data for these key units are based on disclosures made by the local ecological and environmental authorities. The websites for pollutant discharge information disclosure are as follows:

- **Linyi Guojian Environmental Technology Co., Ltd.**
<http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91371324MA3NFBND6X>
- **Jiangsu Zhongtian Gongkang Environmental Technology Co., Ltd.**
<https://permit.mee.gov.cn/permits/info/kkgkAction?kkgk.action?kkgk:getxxgkContent&dataid=c4b60efa6805449187d195377290d9d5>
- **Huainan CNBM Tengfeng Environmental Technology Co., Ltd.**
<https://39.145.37.16:8081/zhhb/yfplpub.html/#/searchPage?keyword=%E6%B7%AE%E5%8D%97%E4%B9%AD%E5%BB%BA%E6%9D%90&hy=%5B%5D>
- **Henan Sinoma Environmental Protection Co., Ltd.**
<http://222.143.24.250:8247/enplinfo/enpOverview?enterid=91410400755194405B001C&reportYear=2025>
- **Tangshan Sinoma Heavy Machinery Co., Ltd.**
<http://121.29.48.71:8080/#/fill/detail?tenpid=B1067AEC-3AF6-4A20-8FB5-68988B691BA3&year=2025>

Strengthening energy management

We have strengthened our energy management system to enable real-time monitoring and analysis of energy usage, optimize energy distribution and dispatch, and achieve overall consumption reduction. We have established management systems for clean production, energy conservation, and emission reduction, defining clear requirements and strengthening supervision and assessment to ensure the effective implementation of all measures. Regular training and publicity campaigns on energy conservation and emission reduction are conducted to enhance employee engagement and foster a corporate culture that prioritizes energy efficiency and emissions reduction.

We have also increased our investment in the R&D of key technologies for energy conservation and emission reduction, including high-efficiency raw material pretreatment, advanced energy-saving production processes, and intelligent energy management systems. These efforts aim to further improve energy efficiency and reduce carbon emissions from engineering construction and manufacturing activities. Meanwhile, the Project Department has strengthened data collection on energy consumption and carbon emissions, enhanced the management of emissions from operational activities, and improved the quality of energy data reporting.

Examples of energy-saving technical upgrades

Improvements of solar dryers and heat pump drying technologies	➤	Enhancing drying efficiency of biomass feedstock
Development of high-efficiency crushers and screening equipment	➤	Optimizing raw material processing
Development of new eco-friendly additives	➤	Reducing carbon footprint of additives
Upgrading from plasma cutting to laser cutting	➤	Improved operational efficiency
Vanadium Redox Flow Battery Energy Storage System	➤	High safety and long cycle life

Case: YAMAMA Project in Saudi Arabia adopts solar PV power, delivering both environmental and economic benefits

In the relocation and upgrade project of the 10,000-tonne cement production line at YAMAMA in Saudi Arabia, we deployed a 1 MW distributed photovoltaic (PV) system at the construction site, powering construction activities with green electricity. During the construction phase, the system is expected to reduce carbon dioxide emissions by **5,100 tons** and save approximately CNY 2 million in electricity costs, demonstrating how clean energy can enhance both project efficiency and economic performance.

Optimizing the energy structure

We actively promote the adoption of clean energy equipment and accelerate the development of renewable energy projects. Based on regional resource conditions, we strategically deploy solar energy and new energy facilities to increase the share of clean energy in our overall energy consumption, gradually reducing dependence on traditional energy sources and advancing our low-carbon and green transformation.

Leveraging our own expertise in green energy and environmental services, we promote energy-saving renovations in our own office buildings and manufacturing facilities, with a particular focus on rooftop photovoltaic (PV) installations. Our subsidiaries and we have installed PV power generation systems at office buildings and industrial parks, either through self-construction or third-party investment.

As of the end of 2025

Total installed solar PV capacity reached **29.56 MW**, representing a **71.86%** increase compared to the end of the previous year

Initiatives by affiliated enterprises to optimize energy structure in 2025

- The 1 MW PV power station built for Sinoma Overseas' YAMAMA Project in Saudi Arabia generated approximately **1.06** million kWh of electricity in 2025.
- Sinoma (Suzhou) Construction's UQNC project in Iraq installed a 1 MWh PV system with 3 MWh energy storage, representing a total investment of approximately CNY 7.5 million. By the end of December, the system had generated approximately **590,000** kWh of electricity. The project completed an installed capacity of **326** MWp for the year, with an expected annual power generation of **540,000** MWh and an annual CO₂ emission reduction of about **470,000** tons.
- Sinoma (Suzhou) Construction installed 1 MWp of PV panels on the rooftop of the Iraq Industry & Trade Steel Structure Factory, which generated **420,000** kWh in 2025, saving CNY **840,000** in on-site electricity costs.
- Equipment Group launched a rooftop PV retrofit project with an installed capacity of **3.5** MWp, scheduled to be connected to the grid in April 2026. Upon completion, it will generate **3,500** MWh of electricity per year, saving approximately CNY **800,000** in electricity costs.
- The rooftop PV system at the High-End Equipment Intelligent Manufacturing Park of Equipment Group generated **20,379** MWh of electricity in the full year, saving CNY **2.18** million in electricity costs.
- Sinoma International (Nanjing) built a PV power station within its campus with a total installed capacity of **430.92** kWp, achieving self-generation and self-consumption.
- The Nigeria (TORI) project, undertaken as an EPC project by Sinoma International (Nanjing), installed a 0.44 MW PV system with energy storage for self-consumption at the project's temporary facilities. Since becoming operational in February 2025, the system has generated **360,000** kWh of electricity, saving CNY **800,000** in electricity costs.
- Sinoma Cantian (Chongqing) New Materials Co., Ltd. purchased **1.4055** million kWh of green electricity in 2025, reducing costs by CNY **295,300**.

We have promoted the new energy upgrade of mining equipment to achieve emission reduction, carbon reduction and electricity conservation. By actively exploring pilot projects for "net-zero electric mines," we are positioning ourselves at the forefront of emerging green development models. Sinoma Mining has advanced the green and low-carbon transformation of its mining operations through four key initiatives: replacing conventional equipment with new energy alternatives, converting mining trucks from diesel to electric power, implementing energy-saving retrofits, and leveraging ecological restoration for carbon sinks. These efforts have delivered a CO₂ reduction of **35,700** tons, of which **28,500** tons were contributed by the replacement with new energy mining trucks. By the end of 2025, new energy mining trucks had been adopted across **45** projects, with a total of **428** new energy mining trucks put into operation.

Ecosystem conservation

We actively promote the integration of biodiversity risk assessments into our business activities, identifying biodiversity-related risks across multiple dimensions, including our operational sites and surrounding areas, upstream supply chain, and downstream customers.

We have issued the *Biodiversity Statement*, reviewed and approved by the Strategy, Investment and ESG Committee of the Board of Directors. We commit to strictly complying with relevant laws and regulations in the regions where we operate, keeping project development and operation sites away from ecological conservation red lines and ecologically fragile areas, and always conducting environmental protection for new, reconstruction, and expansion projects in accordance with the requirements of the "Three Lines and One List" regulatory framework.

In 2025



All of new investment projects underwent biodiversity risk assessments

Sinoma Mining has developed the *Manual for Ecological and Environmental Compliance in Mining Operations*. In accordance with this manual, it strictly observes ecological conservation redlines throughout the extraction process, obtains legally required approvals for forestland and grassland usage, and rigorously follows land reclamation plans. It also adheres to the principle of concurrent extraction and rehabilitation, requiring timely ecological restoration upon mine closure and strictly prohibiting illegal boundary-crossing extraction. Mine construction and extraction areas, office and living quarters, industrial squares, and waste dumps, along with all associated production and living systems and facilities, must not encroach upon protected areas including ecological protection red lines, basic farmland, and national public welfare forests. In 2025, we fully implemented compliant extraction requirements, with all mining activities conducted within designated areas, achieving zero instances of boundary-crossing extraction throughout the year.

Biodiversity protection measures

- **Avoidance measures:** During the preliminary site selection phase, we assist clients in assessing animal migration routes and evaluating the survival status of terrestrial, freshwater, and marine species to ensure that project sites are located away from biologically sensitive areas. Continuous monitoring of project impacts on surrounding ecosystems is conducted to safeguard ecosystem integrity and biodiversity. For example, during the implementation of the Chizhou CNBM Corridor Project, Sinoma International (Nanjing) and Sinoma Mining designed the project route to pass underneath a river, thereby avoiding direct disruption to the river system and effectively preserving the integrity and stability of the river ecosystem.
- **Mitigation measures:** When project routes must pass through forested areas, tunnel construction is prioritized to minimize damage to forest vegetation. Additionally, we continuously optimize our drilling, blasting, and excavation processes, researching and applying new dust suppression technologies. Soil and water conservation measures are strengthened, including the construction of boundary drainage ditches, slope drainage systems, and standardized sedimentation tanks as designed. Regular desilting is conducted to prevent sediment intrusion into surrounding water bodies. Greening projects are implemented on slopes, roads, spoil dumps and in living quarters, creating a verdant, ecologically harmonious mining environment where humans and nature coexist.
- **Regeneration measures:** During mining operations, we have carried out soil and water conservation and vegetation restoration projects. By planting trees, sowing grass seeds and implementing slope spray-seeding, the green area of mines is expanded. New approaches are actively explored in ecological restoration efforts to enhance the carbon sink capacity of local ecosystems. In 2025, the ecological restoration project at the Shacun Building Materials Factory mining area in Yangxin County, Hubei Province, achieved dual improvements in geological safety and ecological function through systematic rehabilitation. The project innovatively applied external-soil spray-seeding technology, mixing eight drought-tolerant plant species including *Robinia pseudoacacia* and *Medicago sativa*. A dedicated biodiversity conservation zone was established, prioritizing native species to rebuild the ecological chain. Over 27 months, the project cleared 125,000 square meters of hazardous rock, achieved a 95 percent spray-seeding greening rate, and reduced soil erosion by 80 percent. By integrating engineering measures with biological technologies, the project not only eliminated geological disaster risks but also established a multi-layered vegetation system of trees, shrubs, and grasses, fully restoring the ecological function of the mining area. This has provided a demonstration model of "cliff greening and ecological reconstruction" for mine restoration in the middle reaches of the Yangtze River.
- **Restoration measures:** Systematic ecological restoration efforts are carried out across our operations. In 2025, Sinoma Mining undertook **58** ecological restoration projects, including mine revegetation, ecological restoration, and geological disaster remediation. A total of **1.3346** million square meters of mining area underwent ecological restoration and rehabilitation throughout the year, with restored areas expected to achieve an average annual carbon sequestration of **5,300** tons. The restoration of the abandoned mine at Shacun, operated by Yangxin Branch of CBMI Construction Xi'an Engineering, increased forestland area by **29.76** hectares and construction land by **14.12** hectares, transforming a derelict mine into a sustainable and valuable ecological resource.
- **Transformation measures:** Projects are required to continuously monitor the impact of their activities on the surrounding ecological environment to ensure the protection of ecosystems and biodiversity. To strengthen biodiversity protection across our operations, we provide regular ESG training and awareness campaigns on biodiversity conservation to all affiliated enterprises and their employees.



We have cumulatively developed **193** green mines, including **48** certified as national-level green mines

Sinoma Mining continuously advances green mine construction to drive high-quality development. It has developed the *Green Mine Construction Guidelines* to standardize practices and procedures.

The case "Ecological Restoration Empowering Sustainable Mine Development" was selected as one of the best practice among listed companies for sustainable development.

Research initiatives such as "Ecological Restoration Technologies for Arid Mining Areas in Northern China: Research and Demonstration Applications" have effectively addressed issues including severely disturbed and unstable slopes, utilizing carbon sequestration technologies to reconstruct mine ecosystems.

Circular Economy Integration

We are committed to promoting the circular economy, actively exploring the recycling and reuse of resources and further advancing our green development philosophy.

Water recycling and conservation

We strictly comply with national standards, including *the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants* and *the Integrated Wastewater Discharge Standard*. We systematically track and monitor the availability of water resources at our operating locations, and collect real-time information on regulatory changes and water tariff adjustments to assess risks related to water scarcity and policy fluctuations, and adjust our water management strategies accordingly. We clarify water conservation responsibilities and strengthen supervision and inspections. During project design and implementation, we install water-saving devices such as low-flow faucets, flush systems, and showerheads. We also build rainwater collection tanks to reuse rainwater and reduce water consumption during construction. In addition, we install water meters and monitoring facilities to continuously monitor water consumption, promptly detect and repair leaks, and prevent water waste.

In terms of water recycling, we actively promote the development of greywater reuse systems. By constructing rainwater collection tanks and multi-stage sedimentation tanks, we have established a graded treatment system for rainwater, sprinkler water, and car wash wastewater. Multi-stage sedimentation tanks and oil separation tanks are installed to remove suspended solids and grease. Treated greywater that meets relevant standards is preferentially reused for vehicle washing, road sprinkling, dust suppression, and vegetation restoration.

Measures for efficient utilization of water resources

- The Xinjiang hybrid wind power tower project of Sinoma Overseas collects snowmelt for reuse, effectively reducing freshwater consumption. For the PPC project in South Africa, a three-stage sedimentation and water recycling tank has been built for washing operations at the concrete batching plant, which is expected to save approximately **10,000** cubic meters of water annually.
- CBMI Construction Xi'an Engineering Shaoyang County Branch installed wastewater treatment facilities and a recycling system for car-wash water at the mining site, saving a total of **5,800** cubic meters of water throughout the year and directly reducing operating costs by approximately CNY **22,000**.

Resource recycling and reuse

Sinoma International standardizes waste management, strengthens resource recycling and reuse, and promotes the reutilization of waste, providing sustainable sources of raw materials for the industry and supporting the development of a circular economy.

Comprehensive utilization of mining waste

- At the project design stage, we prioritize the use of recyclable or reusable materials to ensure that they can be easily dismantled and reused. We also reduce waste and unnecessary consumption by optimizing construction processes and materials management.
- During ore mining operations, we optimize ore blending by scientifically combining high-grade and low-grade ores to improve the utilization rate of waste rock. Waste rock generated during the mining process is further processed and reused as construction materials, road paving materials, or other valuable resources.
- We recycle and reuse used tires by coating them with reflective paint to create flexible vehicle barriers or by repurposing them into on-site landscape features and safety signage.
- We separate sludge and fine sand generated from sedimentation tanks through solid-liquid separation and reuse them as substrate materials for mine site revegetation, enabling resource recovery.

Construction waste recycling and reuse

- We organize subcontractors of major projects to formulate special plans for on-site construction waste reduction, specifying reduction targets and the division of responsibilities. The plans propose specific measures including source reduction, classified management, on-site treatment, and discharge control, and promote the integrated use of temporary facilities such as roads and site hoardings with permanent facilities.
- We encourage subcontractors of all engineering projects to recycle and reuse construction materials. We also provide interpretation and training for our employees and contractors, and promote digital processing and information-based management to achieve precise material cutting and refined management and reduce material loss.
- We improve the reuse rate of temporary facilities and reusable materials at construction sites, promote the repeated and efficient use of construction materials and equipment, and extend the lifecycle of materials and products.
- During the building design stage, priority is given to the use of high-strength, high-performance, durable, and recyclable materials to ensure easy dismantling and reuse. For example, steel formwork that becomes deformed or twisted during construction can be repaired and reshaped for repeated use, while discarded wooden battens and timber blocks can be extended and repaired for reuse.

Forest resource protection



Our engineering and construction projects involve the use of timber. Surface vegetation needs to be removed during the stripping process of mine construction and mining. Land reclamation involves the purchase of saplings; and timber is used for the support of adits and tunnels as well as the erection of scaffolding. Therefore, we place great importance on the protection of forest resources and sustainable development in our business activities and adopt various measures to avoid damage to forest resources, reduce land exposure, and prevent soil erosion.

● Compliance with laws and regulations

We strictly comply with all laws and regulations related to forest resource protection to ensure that our business activities remain fully compliant.

● Strengthening responsibility and control

When signing contracts with contractors, we clearly specify allowable material loss ratios. For self-operated projects, responsibility agreements for material management are signed with project managers, requiring improvements in construction techniques and processes to enhance material turnover and utilization rates, thereby preventing excessive waste and loss at the source.

● Sustainable procurement policy

We have established a sustainable procurement policy that requires suppliers to provide timber and forest products from legal sources and obtain relevant forest certifications, while encouraging suppliers to use sustainably managed forest resources.

● Supplier compliance audits

We conduct online or on-site audits of suppliers to ensure their compliance with environmental and social responsibility requirements and to prevent activities that may damage forest resources.

● Substitution of timber materials

We consider using steel or aluminum formwork as substitutes for timber formwork, or selecting high-quality timber formwork to increase reuse cycles, thereby avoiding excessive timber consumption.

● Forest resource restoration

We have carried out environmental initiatives such as factory greening and tree planting for mine restoration to protect forest resources and improve the ecological environment.



Case: Green processes for sustainable building materials

Sinoma (Handan) Construction has steadily advanced the industrial production line project for rock fiber boards, using clean electricity as the primary energy source to produce new green building materials that can replace traditional materials such as ceramic tiles and wooden flooring. The production process of this product is environmentally friendly, with no waste residue or wastewater discharge. It is expected to recycle and utilize 47,775 tons of bulk solid waste annually, including 21,277 tons of metallurgical slag and 26,498 tons of tailings (basalt tailings), while producing 50,000 tons of rock fiber boards each year. By reducing the consumption of natural timber, the project significantly lowers carbon emissions and mitigates impacts on land and vegetation.

Packaging simplification and reduction

We advocate simplification and reduction of packaging materials to reduce resource consumption.



- During equipment delivery and material transportation for international engineering projects, we adopt lightweight, reduced, and recyclable packaging strategies to optimize space utilization, and lower energy consumption during transportation.



- We clearly require large equipment to be reinforced with recyclable metal frame packaging. After being transported to project sites, metal materials such as angle steel can be directly reused as auxiliary materials.



- By applying hard film rust preventive oil and protecting machined surfaces, we replace fully enclosed wooden box packaging with frame or pallet packaging for certain products, thereby reducing the use of wooden boxes.



- We procure second-hand containers for use as packaging boxes. After being transported to construction sites, these containers can be reused as storage units for long-term use, enabling multiple uses of a single item.



- Through binding requirements in procurement documents and contractual clauses, we promote the simplification and reduction of packaging materials while ensuring the safety of cargo transportation. We have also formulated special requirements and specifications for sea freight packaging as contractual annexes, requiring suppliers to prioritize the use of green and recyclable packaging materials.



- We support suppliers in recovering delivery packaging, thereby improving packaging utilization efficiency, reducing waste, and promoting green development throughout the industrial chain.

Leading Industrial Progress and Enhancing Overall Value for Mutual Benefit

Enhancing Service Quality

Sustainable Supply Chain



Enhancing Service Quality

We are committed to building a world-class enterprise featuring excellent products, a prestigious brand, leading innovation capabilities and modern corporate governance. We consolidate our brand through quality assurance, drive brand growth by meeting with customer needs, and empower brand building through technological innovation. By fully leveraging our role as an industry leader and our industrial influence, we continuously reinforce the global standing of the SINOMA brand.

Creating excellent products

Delivering premium projects

Upholding the principle of "pursuing excellence and creating classics," we focus on delivering premium projects as we build our a global brand and effectively lead industrial development. Domestically, we have undertaken the construction of the vast majority of cement production capacity. Internationally, we have contracted **373** cement production lines across **91** countries and regions, with continuous delivery of high-quality projects that have won wide acclaim from customers. In 2025, we remained committed to integrity and honoring our commitments, advancing overseas projects with high quality, and ensuring the timely, stable and high-quality delivery of all projects.

In 2025



A total of **10** projects were commissioned, **25** projects obtained Provisional Acceptance Certificates (PAC) and **15** projects received Final Acceptance Certificates (FAC)

In 2025, we have received letters of appreciation and recognition from clients and government authorities in multiple countries, including France, Saudi Arabia, the Philippines, Iraq, Nigeria, Ethiopia, Niger, the United States, and Kazakhstan. These accolades, earned through exceptional contract performance and professional dedication in global engineering services, underscore the **high level of international recognition** we have achieved in project execution, production operations and maintenance, and customer service.





In 2025, the Company received a series of engineering and technical service awards

- CBMI Construction Nigeria was awarded the **"2025 Best World-Class Quality Industrial Engineering Company in Africa"**
- The Nigeria KOGI project, undertaken by CBMI Construction as an EPC contractor, received the **"2025 Nigeria's Highest Engineering Quality Award"**
- Seven projects of Equipment Group won **"2025 Outstanding Engineering Design Awards in the Building Materials Industry"** organized by the China Building Materials Engineering Construction Association, including two first prizes, two second prizes, and three third prizes
- Nigeria New Materials Co., Ltd. has been awarded the prestigious **Africa Housing Awards** for its outstanding contributions to green building materials innovation, the implementation of affordable housing solutions, and localized sustainable development. It has become a highly representative Chinese enterprise among this year's winners.



Case: Signing of Saudi QCC 10,000-tonne-per-day clinker line: a new cornerstone in the Middle East Market

In August 2025, one of our affiliated enterprises, Sinoma International (Nanjing), held a signing ceremony with Saudi-based Qassim Cement Company (QCC) in Buraydah, Qassim Province, for the EPC contract of QCC's 10,000-tonne-per-day clinker production line (Line 4). This project marks a major clinker production line we have secured since our "Return to Saudi Arabia" strategy was initiated. It represents a significant achievement in our active pursuit of international expansion within our core cement business and lays a solid foundation for our continued growth in the cement markets of the Middle East and the broader Arab region.



Case: Successful commissioning of Saudi Jazan Project: setting a new benchmark for project execution in the Middle East

In December 2025, the commissioning ceremony for the SPCC Jazan 5,000-tonne-per-day clinker production line (Line 3) project was held at the site in Jazan, Saudi Arabia. The project was undertaken by Sinoma International (Nanjing) as the EPC contractor, with Sinoma (Handan) Construction responsible for construction. As a benchmark project demonstrating our deep engagement in the Middle East market, the SPCC project embodies the deep trust and cooperation expectations of the client. It represents a strategic move to consolidate our leading position in the Saudi market and expand our business footprint across the Middle East. Since the project commenced, the Sinoma International (Nanjing) team has adhered to the principles of "high standards, high speed, and high quality," overcoming challenges and striving for excellence. This project stands as a testament to our overseas competitiveness and the strength of the Sinoma brand.

Strengthening quality control

Sinoma International places high priority on quality control. By strengthening institutional development, tightening process control, and improving basic management, we have standardized the entire business process and comprehensively improved quality. In 2025, multiple products from Sinoma Equipment received internationally recognized certifications: Electrically integrated products of Hefei Gutai Automation passed both **IEC international certification** and **EU CE certification**; CNBM (Hefei) Machinery & Electricity's chain bucket elevators and steel cord belt elevators received **CE certification**.

Institutional guarantee



In accordance with ISO standards, we have established and implemented internal policies including the *Management Manual for Quality, Environment, and Occupational Health and Safety Management Systems*, *Compilation of Procedural Documents for Quality, Environment, and Occupational Health and Safety Management Systems*, and *Procedures for Identification, Evaluation of Laws and Regulations, and Control of Technical Regulations/Standards*, continuously optimizing the quality management system. In 2025, one additional affiliated enterprise obtained ISO 9001 certification, bringing the total number of certified entities to **46**.

Risk management



We integrate risk management principles into every link of product manufacturing and service delivery.

- **In terms of the industry**, we keep abreast of the latest technical and environmental standards in the industry and integrate them into product development and project initiation to address risks and opportunities brought by technological progress and stricter environmental requirements.
- **In terms of products**, through scientific performance measurement and supervision methods such as data collection, data analysis, expert consultation, and evaluation report preparation, we identify impacts and risks in energy consumption, resource utilization, waste discharge, carbon emissions, labor rights, health and safety, and social responsibility during production and use. Proactive improvement measures are developed accordingly to deliver high-quality, low-risk products and services.
- **In terms of implementation**, risk administrators are appointed to promptly identify various risks in daily operations. Risk collection and assessment are conducted based on six categories of influencing factors: finance, legal and regulatory compliance, reputation, customer relationships, operations, and safety, health and environment, along with likelihood of occurrence. Response measures are actively developed and implemented under the dual requirements of systems and performance appraisal.
- **In terms of regional problems**, in our localized operations, we incorporate country-specific risks into product and service supply considerations, with a focus on risks arising from local government environmental and energy-saving policies, personal safety of overseas employees, religious beliefs, and ethnic cultures.

Quality recognition



We continue to advance our **"Five-Star Project"** initiative, striving to develop projects that demonstrate high-level contract performance capability, high-growth economic returns, high-efficiency management, high-standard safety engineering, and comprehensive organizational support.

To strengthen the project manager team, the Company introduced the **Project Manager Points Management Method** for the first time, establishing a quantitative evaluation model based on dimensions such as qualifications, honors, experience, and performance. In accordance with this method, the company completed its first selection of outstanding project managers. After preliminary review by the respective units and final review by headquarters, 60 gold, silver, and bronze project managers were ultimately selected.

Sincere and premium service

We are committed to providing customers with high-quality services. By integrating design and R&D, equipment manufacturing, construction, operation and after-sales services, we have established communication mechanisms with strategic partners including Holcim, CRH, Heidelberg Materials, InterCement, Dangote Cement, EPCC and YAMAMA. Through comprehensive engagement with clients' production needs across the entire lifecycle, we have built a strong brand image defined by reliable contract performance, superior product performance, and excellent service.

Understanding client needs



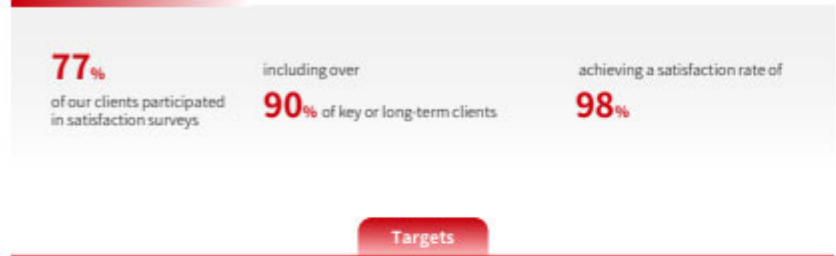
We conduct monthly, quarterly, and annual tracking of contract performance quality and service progress. Regular satisfaction surveys are carried out through questionnaires, phone calls, and interviews, with key clients receiving periodic follow-up visits to assess satisfaction levels regarding products, services, pricing, and delivery timelines, as well as to understand their evolving needs. An integrated after-sales service system has been established to continuously enhance customer satisfaction.

Addressing client complaints



We have established an accessible and efficient complaint handling mechanism with diversified communication channels. Tailored solutions are developed based on client needs, with an efficient client complaint handling process covering classification, investigation and verification, solution development, and follow-up feedback.

In 2025



By 2026



Protecting client privacy



We place high importance on protecting internal and client privacy. Stringent measures are implemented to prevent privacy data breaches, including system access controls, user logs, employee confidentiality clause signing, confidentiality agreement signing, and training on confidentiality rules. Confidentiality obligations, clear responsibilities and liability for breach are specified in contracts with suppliers.

Ensuring information security



Governing Body: the corporate governance body exercises overall oversight of information security. The Chairman, leveraging extensive management experience in this field, takes the lead in formulating the company's digital development strategy. The Board members possess extensive experience in information security management.

Executive Body: the Company has established a cybersecurity leadership structure comprising a steering group and a working group. The Chairman serves as Leader of the Cybersecurity Steering Group, with the President and the Executive in charge of digitalization as Deputy Leaders, and other senior management members as participants. The Leader of the Cybersecurity Working Group is the Executive in charge of digitalization, with the Head of the AI and Digitalization Department as Deputy Leader, and heads of all headquarters departments as members. An information reporting mechanism has also been established, with all relevant personnel are experienced in cybersecurity and information security.

We have revised our *Cybersecurity and Information Security Management Measures*, clarifying procedures for reporting and managing information security incidents. In addition, we strengthen information security through awareness training, improved systems, enhanced measures and risk assessments. Information security training and activities are organized in line with China Cybersecurity Week to ensure the sustained effectiveness of cybersecurity management. Guided by the fundamental principles that accountability rests with those who oversee, operate, and use information systems, and that planning, construction, and operation must be coordinated, we have established a multi-tiered management system with cascading responsibilities. This system covers the headquarters, all secondary subsidiaries, and their affiliated enterprises. Updates and improvements have been made in infrastructure security, protection systems, data lifecycle security management, cloud service and outsourcing risk management, information reporting, and incident emergency response mechanisms. Throughout the year, classified protection certification, cybersecurity intelligence handling, emergency drills and cybersecurity campaigns were carried out to ensure the sustained effectiveness of cybersecurity management.

We have made remarkable progress in building our information security system. Core business systems such as the integrated portal system have obtained Level III Cybersecurity Classified Protection Certification. A systematic security operation and maintenance mechanism has been established, with third-party vulnerability scanning and penetration testing conducted every one to two years and before new systems go live. The *Information System Security Emergency Response Plan* has been developed and is regularly updated to strengthen proactive protection. By strengthening emergency coordination with suppliers, we ensure rapid identification of management and process flaws in the event of security incidents. Violations of security rules will be subject to accountability, with full efforts to ensure business continuity and stable system operation.

Driving industry innovation

We fully implement the national innovation-driven development strategy by increasing investment in R&D and innovation, protecting intellectual property rights, and building innovation platforms to continuously foster new drivers of growth.

Innovation and R&D governance

The Science and Technology Innovation Leadership Group, chaired by the Vice President, takes overall charge of the Company's innovation development and R&D system. It organizes and implements key initiatives including breakthroughs in core technologies, green and low-carbon technology R&D, and digital transformation and upgrading. Throughout strategic planning, industrial upgrading, and project implementation, we continuously monitor market opportunities and competitive risks arising from technological transformation. Under the unified arrangement, all affiliated enterprises collaborate to promote technological innovation and the commercialization of achievements.

Innovation development strategy

In 2025, guided by our science and technology plan and in accordance with the *Interim Measures for Post-Evaluation of Scientific Research Projects*, we explored the establishment of an achievement evaluation system. We actively undertook major national innovation tasks and accelerated implementation of our "open competition" incentive mechanism, with five categories of "open competition" projects under the 14th Five-Year Plan progressing as scheduled. A fifth category of scientific research projects—Special Technology Initiatives for Transformation and Development—was established, with **two** such initiatives successfully launched.

We actively implement incentives for scientific and technological achievements and apply the additional tax deduction policy for R&D investment. Special rewards are granted for achievements receiving the Company's science and technology awards, innovation awards, and patent awards, as well as for authorized invention patents and promulgated standards. Key project implementation teams receive additional performance-based incentives beyond their regular payroll.

We strengthen our strategic orientation toward innovation-driven development, addressing key technological challenges and focusing on breakthroughs in core technologies. Efforts to accelerate the commercialization of research achievements, including fluidized calcination, low-carbon grinding, and hydrogen fuel substitution, have been intensified. The world's first demonstration application of cement oxy-fuel combustion coupled carbon capture technology was officially unveiled, empowering our high-quality development through technological innovation. Sinoma Construction France won the European **"Science and Technology Cooperation and Innovation Award"** for its outstanding performance in cross-border scientific and technological cooperation and innovation.



In 2025, the Company and affiliated enterprises have received a series of science and technology innovation awards

Provincial- and ministerial-level awards:

- Tianjin Cement Industry Design and Research Institute and Sinoma (Suzhou) Construction won the **First Prize of 2025 Hebei Science and Technology Award** for the project "Key Technologies and Applications of Structural Regulation of Non-Metallic Minerals for Preparing Eco-Friendly Functional Materials"
- Tianjin Cement Industry Design & Research Institute won the **Second Prize of 2025 Tianjin Science and Technology Award** for the project "Key Technologies, Equipment and Engineering Application of Advanced Suspension Calcination for Carbon Dual Control in Typical High-Carbon Industries"
- Three technological applications of Tianjin Cement Industry Design & Research Institute won the **2025 Science and Technology Award from China Building Materials Federation**
- CNBM (Hefei) Powder Technology Equipment won the **Third Prize of 2025 Anhui Science and Technology Progress Award** for the project "R&D and Engineering Application of Key Technologies and Equipment for Intelligent Control in Cement Production"

Industrial-level awards:

- Sinoma CDI won the **Second Prize (Comprehensive Category) at the 6th Engineering Construction Industry BIM Competition** for the project "Integrated BIM Application in Design and Construction of the 3-million-tonne Qingfeng Green Energy Silicon-Calcium New Materials," the **First Prize at the 4th "New Urban Construction Cup" International BIM/CIM Application Competition** for "BIM Empowerment: Innovative Practice and Value of Integrated Design and Construction"
- Sinoma CDI won the **Second Prize at the 14th "Innovation Cup" Building Information Modeling Application Competition** for the "Application Achievements of BIM Technology in EPC Projects"
- Tianjin Cement Industry Design & Research Institute won the **Third Prize at the 6th Engineering Construction Industry BIM Competition**, and the **First Prize (BIM Application in Engineering Design) at the 2025 Tianjin Intelligent Construction Technology Innovation Competition** for the project "Comprehensive Whole-Process Application of BIM Forward Design in Building Materials EPC Projects"
- Hefei Cement Research & Design Institute, Tianjin Cement Industry Design & Research Institute, and CNBM (Hefei) Powder Technology Equipment received **two First Prizes and eight Second Prizes in the Science and Technology Progress Category of the 2025 Building Materials Machinery Industry Science and Technology Awards**
- Hefei Cement Research & Design Institute, and CNBM (Hefei) Powder Technology Equipment won the **First Prize at the 2025 Science and Technology Award of China National Building Material Group**. Tianjin Cement Industry Design & Research Institute, and Sinoma Mining Construction and were awarded the **Second Prize at the 2025 Science and Technology Award of China National Building Material Group**

Risk and opportunity management

We have established robust risk management mechanisms for innovation and R&D. We strictly comply with relevant laws and regulations, including the *Patent Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*, and have developed the *Measures for the Administration and Protection of Intellectual Property Rights* and *Measures for the Reward of Scientific and Technological Achievements*. Through these efforts, we actively protect intellectual property rights, systematically mitigate IP-related risks, and continuously cultivate new drivers of growth. Additionally, we develop Intellectual Property Day activities to enhance the awareness of IP protection and risk prevention among all employees, and give full play to the important role of intellectual property in supporting innovation and high-quality development.

In scientific research, innovation and technology application, we strictly comply with international norms and industry standards. We have also actively established and implemented a responsible technology ethics management system to prevent ethical risks arising from the adoption of new technologies.

We also place strong emphasis on identifying opportunities for technological innovation. By establishing industry exchange platforms, we identify key transformation challenges in the current cement engineering and technical service sector. Internal innovation-driven mechanisms, such as the "open competition" initiative, are implemented to accelerate the iteration of new technologies and products, seizing opportunities presented by clean technologies.

In May 2025, we hosted the 3rd Cement Green and Intelligent Development Conference, bringing together industry leaders for in-depth dialogue on green and low-carbon solutions, digital design, intelligent management, and traditional business expansion. These efforts contribute to the high-quality development of the global cement industry and advance the shared goal of building a community with a shared future for mankind.

Science and technology innovation indicators

In 2025

We had **66** ongoing standards projects, including **2** international standards and **32** national standards.

We promulgated **2** international standards, **5** national standards, and **6** industry standards.

We signed **2** special scientific and technological projects for transformation and development

We received **9** science and technology awards at or above the provincial/ministerial level

3 Awards from the Group

We obtained **190** authorized invention patents

Including **13** international patents

2 patents received the Tianjin Patent Excellence Award, demonstrating tangible results in cultivating high-value patents

As of the end of 2025

We had obtained a cumulative total of **3,159** authorized patents and owned a total of **43** high-tech enterprises,

6 national "little giant" enterprises (specialized and sophisticated SMEs that are national leaders in their fields), and **14** provincial "specialized and sophisticated" enterprises

Digital and intelligent engine

In accordance with the *14th Five-Year Digital Strategy Plan of Sinoma International*, we have defined our digital vision: to comprehensively build a digitalized company and become a world-class provider of intelligent solutions for the materials industry.



In 2025, the Company and affiliated enterprises received a series of awards in digital intelligence

Provincial- and ministerial-level awards:

- Sinoma International Equipment's case "AI-Enabled Unmanned Application for the Whole Process of Open-Pit Mining and Transportation" was selected as a typical application case for AI-enabled new-type industrialization and a typical case for IoT-enabled industry development; "IoT-Based Intelligent Application in Building Materials Equipment Manufacturing" was selected as a typical case for IoT-enabled industry development
- CBMI Construction's "R&D and Application of Intelligent Construction Platform" won the Second Prize of the Science and Technology Award of the Hebei High-Tech Enterprise Association

Industrial-level awards:

- Sinoma CDI won the Silver Award at the 6th "Smart Construction Cup" Intelligent Construction Innovation Competition for "BIM Design in Industrial Buildings and BIM Application Analysis in Innovative Building Materials Projects"
- Sinoma (Suzhou) Construction's "Iraq DCC Line 1 & Line 2 Intelligent Project" received the award for Excellent Intelligent Manufacturing Factory in Building Materials Industry as an outstanding achievement in digital transformation of smart manufacturing in 2025
- Tianjin Cement Industry Design & Research Institute received multiple awards for various projects, including: the Gold Award for "New Technologies, New Processes, New Materials, New Equipment" achievements at the China International Concrete Expo; 2025 Building Materials Industry Intelligent Manufacturing and Digital Transformation Innovation Achievements; Building Materials Industry Excellent Solutions; 2025 Building Materials Industry Intelligent Manufacturing and Digital Transformation Innovation Achievements (Building Materials Industry AI Applications); the First Prize in the Technology Development Category of the 19th Building Materials Machinery Industry Technological Innovation Award ("Jingong Intelligent Construction Machinery Cup") 2025; and the First Prize in the AI-Empowered R&D and Design Track of the First Building Materials Industry AI Innovation Application Competition
- Sinoma International (Nanjing) received the Third Prize for three projects at the First Building Materials Industry AI Innovation and Application Competition
- Sinoma International Intelligent Technology was awarded the title of "14th Five-Year Plan Intelligent Manufacturing Pioneer Enterprise" in the cement industry

● In terms of business management enhancement

We focus on our core businesses: engineering services, high-end equipment, digital intelligence, and local operations. By unifying data standards across the entire industrial chain covering R&D, production, supply, sales, and services, we enable integrated value creation from design and construction to operation and management. This approach comprehensively supports our multi-business portfolio and international presence, gradually transforming the Company into a digital and intelligent solutions provider for the materials industry.

In 2025, we completed construction of our Green Energy Intelligent Operations and Maintenance (O&M) Platform, which has been put into operation, achieving integrated coordination of centralized monitoring, data analysis, and O&M management. Tailored to the operational characteristics of photovoltaic power plants, the platform unifies data standards, integrates monitoring and O&M information systems, and establishes a digital O&M system covering data collection, analysis, and process management. This comprehensively enhances the refined management of our new energy business. By introducing artificial intelligence technologies, the platform progressively enables functions such as intelligent alerting, image recognition, and O&M knowledge management. Through this platform, we have effectively improved O&M efficiency and decision-making support capabilities, enhancing the responsiveness of our new energy business to market changes.



Case: Local deployment of DeepSeek: leading intelligent industrial upgrading

In February 2025, we completed the local deployment of DeepSeek, providing large model applications and opening enterprise knowledge base scenarios to all affiliated enterprises. The local deployment of DeepSeek and the application of knowledge bases represent a significant step toward building an enterprise-wide knowledge repository and enhancing capabilities in scientific research, design, engineering and technical services, and O&M. Looking ahead, we will further consolidate computing resources and expand capacity as needed to meet the demands of researchers and designers for additional versions of large models. This will gradually cover research, validation, and scenario development across fields including engineering design, equipment manufacturing, construction, and production line O&M.

The Sinoma International "Dual Carbon" Digital Platform developed by Sinoma International Equipment has been stably applied across 101 subsidiaries and 329 ongoing projects, covering domestic and overseas engineering, equipment, mining and environmental protection sectors. The platform has standardized carbon accounting, and rolled out functions including data query, one-click chart and report generation. It has addressed difficulties in data aggregation, verification and analysis, as well as low management efficiency, while providing a carrier for data traceability and accumulation. Additionally, features such as automatic aggregation of intelligently collected equipment energy consumption data and multi-source data comparison have been deployed in mining operations, representing a meaningful step toward intelligent monitoring and enhanced data credibility. This platform serves as a critical enabler for the implementation of our "Dual Carbon" action plan.



Case: Sinoma International Equipment develops intelligent platform to drive business transformation

Sinoma International Equipment is actively developing an intelligent service and O&M platform for the full lifecycle of cement equipment, driving its transformation from equipment manufacturer to service provider. The platform integrates remote monitoring, intelligent after-sales service, and a cloud-based spare parts management system, ensuring stable equipment operation while enhancing operational efficiency and market responsiveness. Through the development of an intelligent knowledge platform based on domestic large language models, Sinoma International Equipment has systematically built a knowledge base covering core equipment including kiln systems and vertical mills. Leveraging knowledge graph technology, an intelligent maintenance decision-making system has been developed, capturing historical maintenance experience to form reusable decision rules. These provide data-driven support for product optimization, O&M, and spare parts configuration. Since its application, the platform has demonstrated initial value.



The maintenance decision-making process has been optimized via knowledge graph, reducing the average fault handling time by approximately **20%**. Integrated with the domestic large model, it enables intelligent fault diagnosis and solution recommendation, cutting after-sales service costs by around **10%**. These practices have provided a feasible path for the Company to deepen its service capabilities through digitalization and build new competitive advantages in the existing market.

● In terms of intelligent industrial transformation

We leverage industrial internet platforms and digital technologies to build a premier manufacturing brand, addressing five key aspects: intelligent equipment, automated control, intelligent production, intelligent management, and intelligent ecosystem.

Driven by our globalization strategy, we are deeply engaged in international industrial cooperation through innovative intelligent technologies, demonstrating the significant influence of Chinese expertise and solutions in the field of industrial intelligence. We continuously deliver systematic solutions covering green and low-carbon, and intelligent manufacturing, gaining attention and recognition in key markets worldwide.

In 2025, Shangrao Sinoma, an affiliate of the Equipment Group, was selected as a "Little Lighthouse" enterprise in Jiangxi Province.

Sinoma International Intelligent Technology Co., Ltd. focuses on intelligent factory construction, digital transformation consulting, and equipment manufacturing, offering one-stop services from R&D to production operations and maintenance. Its projects span Southeast Asia, the Middle East, and **28** provinces and cities in China, serving international building materials groups including LafargeHolcim and Heidelberg Materials.

● In August 2025

a promotion and innovation achievement exhibition was held in Jakarta, Indonesia. At the event, we released four scientific and technological innovation achievements, comprehensively presenting innovative solutions that support Indonesia's national development vision to guests including Indonesian government agencies, business partners and investment institutions, and actively expanding cooperation space with regional customers.

● In September 2025

a delegation from the Global Industrial and Energy Foundation visited CBMI Construction. The two sides conducted in-depth exchanges on core topics including the development path of "net-zero emissions" and low-carbon sustainable development in the industry, and carried out multi-dimensional and in-depth discussions on key green development directions across multiple sectors.

● In December 2025

at the Iraq Cement Industry Comprehensive Service Solutions Promotion Conference held in Sulaymaniyah, Sinoma International highlighted its full-cycle integrated services covering consulting, design, construction, operation, renovation, digitalization and green energy supporting solutions, supported by its full industrial chain and localized experience. The Company also shared successful cases of its intelligent operation and maintenance system in Iraq, demonstrating its brand strength.

Sinoma International Intelligent Technology formally signed a strategic cooperation agreement with Korea's cement giant Sampo Cement for the "Cement Mill AI Autonomous Manufacturing Project." This project has been designated as part of the nationally supported "AI Convergence Industry Upgrade Program" under Korea's Ministry of Trade, Industry and Energy, and has received direct funding from Korea's national special budget. Sampo Cement aims to implement Sinoma International Intelligent Technology's comprehensive intelligent manufacturing solutions to progressively achieve full intelligence from edge sensing and platform control to business decision-making, ultimately completing the intelligent upgrade of all production lines within five years and establishing Korea's first "unmanned factory" in the industry.

Sustainable Supply Chain

We have established a transparent, dynamic, and traceable supply chain management system. We integrate the concept of responsible procurement into the whole procurement process, implement supplier management policies and risk control measures, and focus on environmental attributes of procured products and services as well as suppliers' sustainability performance. By building long-term, stable, and sustainable partnerships with suppliers, we promote long-term win-win development with our partners.

Improving supply chain management

In line with our internal management regulations such as the *Supplier Management Measures* and the *Purchase Management Measures*, we have implemented a robust supplier classification management system that categorizes suppliers into four tiers: qualified, potential, unqualified, and blacklisted, each subject to differentiated management measures.

In 2025



We achieved a **100%** adoption rate for our procurement platform.

Supplier admission



We continuously improve our supplier admission mechanism, with our affiliated enterprises integrating ESG into throughout the entire procurement process. In addition, we implement strict supplier evaluation and screening procedures, requiring suppliers to submit the *Supplier Information Registration Form*. Comprehensive information verification, assessments, and scoring are conducted through the Group's procurement platform and third-party professional websites. Suppliers receiving low evaluation scores are subject to thorough due diligence and review to effectively mitigate potential risks in cooperation.

Supplier management



To improve the quality and efficiency of supply chain management, we continue to optimize the supplier classification management system. Through scientific evaluation, suppliers are classified into different tiers, with differentiated management strategies applied based on clearly defined grading criteria. Outstanding suppliers scoring 90-100 points are given priority in cooperation opportunities. For key products, we adopt a multi-supplier mechanism to ensure the security and stability of the supply chain. Through the Group's procurement platform, we dynamically adjust cooperation strategies based on suppliers' overall capabilities and evaluation results, thereby building a high-quality supplier ecosystem.

We strictly comply with laws and regulations such as the *Regulation on Guaranteeing Payments to Small and Medium-sized Enterprises* and have established standardized and transparent supply chain financial settlement procedures. As of the end of the reporting period, the proportion of accounts payable in total assets did not reach the disclosure threshold specified in the *Guidelines*, and no cases of significant overdue payments to small and medium-sized enterprises occurred.

Supplier evaluation



We conduct an annual assessment of all registered suppliers to ensure their compliance with our internal policy, the *Supplier Code of Conduct*. For suppliers that performed contractual obligations during the year, we conduct document reviews and on-site audits covering multiple dimensions, including product quality, environmental performance, work safety, and human rights protection. Suppliers with non-compliant items are required to formulate improvement plans to avoid potential conflicts with ESG requirements.

Each affiliated enterprise has established a differentiated supplier evaluation system based on its business characteristics. During the equipment procurement review stage, we attach particular importance to evaluating suppliers' environmental policies and management systems, and prioritize the procurement of green, and low-carbon products and services. We also conduct annual assessments of registered suppliers, incorporating key indicators such as safety, occupational health, insurance coverage, and wage payment into the supplier evaluation system.

Supplier ESG Assessment Objectives of Sinoma International Intelligent Technology Co., Ltd.



The short-term target

To increase the proportion of suppliers undergoing ESG risk assessments to **30%** of the total suppliers



The long-term target

To achieve **100%** ESG risk assessments coverage for all suppliers

Supplier ESG Assessment Objectives of the Equipment Group

In the 2026 supplier evaluation process, we will further increase the weighty of ESG criteria to promote continuous improvement in suppliers' sustainability capabilities.

Supplier support



We maintain close cooperation with suppliers and provide regular interpretation and training in line with our annual plans, development strategies, and project management requirements. We also organize technical exchange activities on ESG-related topics, including the implementation of dual-carbon goals, health and safety management, and labor risk management.

We actively support our suppliers by organizing technical exchange meetings to improve their professional capabilities and assist them in better understanding the technical requirements of relevant projects. Meanwhile, in line with our future development plans, we interpret our strategic objectives to suppliers and sign strategic and framework agreements with high-quality suppliers capable of long-term supply, thereby supporting their sustainable development.

Supplier exit



We have established a regular supplier assessment mechanism and fully incorporate ESG performance indicators into our annual evaluation system. A supplier selection and exit mechanism has also been established. We closely monitor cases of violating our fundamental ESG requirements, including quality issues, payment disputes, labor risks, and non-compliance with energy-saving and environmental protection standards. Suppliers involved in such cases are required to implement corrective measures, and those that refuse to rectify within the specified timeframe or commit serious violations will be added to the supplier blacklist.

Mitigating supply chain risks

We continue to improve our supply chain ESG risk assessment system. Our affiliated enterprises have formulated specific targets based on their respective development stages. They actively identify environmental and social risks within the supply chain, pay attention to suppliers' ESG performance, and conduct assessments throughout the entire cooperation lifecycle. We integrate ESG requirements into our existing supplier admission mechanism and incorporate ESG criteria into the supplier evaluation system during the cooperation assessment stage, thereby mitigating supply chain risks.

Identification of supplier sustainability risks

We categorize our suppliers into qualified suppliers, potential suppliers, unqualified suppliers and blacklisted suppliers based on their business performance, contractual fulfillment, product quality, and the sustainability risks outlined below.

- **Environmental management:** Whether the supplier has been subject to administrative environmental penalties.
- **Social responsibility:** Whether the supplier has been involved in labor-related legal disputes or has been subject to government penalties due to safety accidents.
- **Corporate governance:** Whether the supplier has been involved in corruption, bribery, conflicts of interest, or other improper competitive practices.
- **Other specific risks:** In certain countries where stricter social responsibility requirements apply to suppliers, suppliers may face higher social risks. In addition, in industries or for specific products whose production processes involve high pollution or high energy consumption, manufacturers may face higher environmental risks.

We prioritize the procurement of green and low-carbon products and services. During the project bidding stage, we evaluate suppliers' environmental policies, environmental management systems, and their performance in resource utilization and waste management, and require products to meet relevant environmental emission standards and energy efficiency ratings. We attach importance to product materials and manufacturing processes, organizing experts to conduct rigorous technical assessments to ensure that selected products demonstrate low energy consumption and low pollution during the production process. During the cooperation, we incorporate subcontractors into our unified management system, clearly defining their safety and environmental protection responsibilities and obligations, and specifying safety and environmental protection access requirements for equipment, construction machinery, and facilities. During the cooperation assessment stage, we regularly monitor and review suppliers' environmental performance to ensure compliance with contractual and environmental regulatory requirements, and work with suppliers to address environmental management issues.

We attach great importance to strengthening the ESG capabilities of our procurement teams, and require our affiliated enterprises to carry out related training and educational activities.

In November 2025, Sinoma International organized a training and promotion meeting for the procurement management system. The meeting focused on three key agendas: interpretation of policies and regulations, dissemination of internal systems, and addressing common issues. It systematically integrated ESG principles and green procurement requirements, comprehensively reviewed core procurement standards and key risk control measures, and laid a solid foundation for future procurement that is compliant, efficient, and sustainable.

Sinoma Chengdu Design & Research Institute organized systematic ESG capacity-building training for its procurement, logistics, inspection, and commissioning and operation teams, promoting the transformation of the procurement team from traditional cost control toward sustainable supply chain management.

Sinoma International Intelligent Technology Co., Ltd. organized dedicated ESG training and sustainability awareness sessions for its procurement department, clarifying the green procurement strategy and enhancing the team's professional capabilities.

Supply chain integrity supervision and audits

- We strengthen supplier integrity supervision and focus on preventive measures by requiring all suppliers to submit an Integrity Commitment Letter during the admission process to our online procurement platform.
- We have established a parallel mechanism whereby procurement contracts are executed alongside integrity agreements. For every procurement contract signed with suppliers, a separate *Procurement and Subcontracting Integrity Agreement* is also signed, achieving a **100%** coverage rate. These agreements include contact channels for supervision and reporting, thereby reinforcing ethical conduct throughout the procurement process.
- Our affiliated enterprises are also required to focus on strengthening procurement compliance and digital management. They have conducted supervision and inspections of key business processes such as procurement and bidding to identify procedural gaps and potential integrity risks.
- We also regularly conduct special integrity inspections of procurement and outsourcing activities across our affiliated enterprises through methods such as telephone interviews.
- We supervise and urge relevant functional departments to strengthen supplier admission and evaluation management and improve management controls. Annual comprehensive evaluations are conducted for suppliers, and those that violate the provisions of the Integrity Agreement are subject to differentiated measures based on the severity of the violation, including score deductions, warnings, suspension of transactions, and inclusion on the supplier blacklist.
- The affiliated enterprises will periodically dispatch working groups to project sites to conduct in-depth evaluations of the effectiveness of supplier integrity management through on-site inspections, face-to-face interviews, and document reviews.
- We conduct integrity interviews with personnel in key procurement positions on a periodic or ad hoc basis, organize meetings on procurement compliance management and raising awareness of integrity risks, and provide regular training on integrity, compliance, and risk prevention.
- We conduct supplier follow-up visits or supplier forums on a periodic or ad hoc basis to communicate with suppliers and understand the integrity performance of our personnel during business interactions, thereby promoting joint integrity building with suppliers.
- In 2025, the rate of affiliated enterprises that conducted or received supplier-related special inspections, on-site inspections, and follow-up meetings reached **100%**.

Safeguarding supply chain stability

We attach great importance to the security and stability of our supply chain and have established a multi-dimensional risk identification and response mechanism, maintaining continuous monitoring of external factors such as wars, geopolitical developments, international relations, and sanctions.

- We actively expand our supplier base each year and establish multi-location warehousing systems to prevent supply disruption risks and ensure continuity of supply.
- We adopt a primary-and-backup supplier strategy for key products and closely monitor market developments to avoid supply chain disruption.
- We make comprehensive arrangements for suppliers' delivery schedules, formulate detailed shipping plans for projects in key regions, and maintain close communication with relevant parties including suppliers, freight forwarders, ports, and shipping companies. In addition, we closely monitor transportation risks such as shipping routes and prepare multiple shipping options to ensure that goods are delivered safely and on time to designated destinations.

Embracing the Mission of the Times and Jointly Pursuing Global Development with Responsibility

Green and Low-Carbon Products

Addressing Climate Change

Improving People's Livelihood and Well-being

Green and Low-Carbon Products

As a global leader in the industry of cement engineering equipment and services, Sinoma International undertakes the critical mission of steering the industry's transition towards green and low-carbon development. The Company is dedicated to providing clients with eco-friendly products and services of exceptional quality. Leveraging its globally leading cement technology and equipment service system with independent intellectual property rights, the Company actively formulates a low-carbon development technology roadmap for the entire cement industry chain. This commitment helps to continuously enhance the benefits of the industry's carbon reduction and improve environmental performance.

The Company seizes opportunities in clean technology, making green intelligence its core development strategy and translating this philosophy into its products and services.

Screening Principles	Green Products	Among them:
<p> Principle 1: Application of green technology</p>	<p>Value: Reducing pollutants and carbon emissions during construction, manufacturing and operation; decreasing pollutants and carbon emissions for customers and owners during equipment usage and cement production line operations.</p> <p>In 2025, revenue from green products reached CNY 9.788 billion</p> <p>accounting for 19.73% of the Company's total revenue.</p>	<p>Products that promote green development in society</p> <p>Value: It provides products that promote waste recycling, reduce fossil energy use in the industry and society, facilitate energy structure transformation, and lower carbon emissions, ultimately promoting green social development and mitigating global climate change.</p> <p>In 2025, revenue from products promoting social green development reached CNY 8.589 billion.</p>
<p> Principle 2: Obtaining low-carbon certification</p>		
<p> Principle 3: Providing significant green benefits to third parties (customers, society, communities, etc.)</p>		

In 2025



The Company's green R&D investment reached CNY **1.816** billion



the Company invested CNY **209** million in green energy and environmental protection sectors, focusing on distributed new energy projects and alternative fuel processing centers to support society's green and low-carbon development.

Developing Low-Carbon Equipment

Sinoma International continuously advances the application of low-carbon and ultra-low emission technologies in cement production processes, achieving breakthrough progress in low-carbon equipment R&D and manufacturing. A series of significant accomplishments have been made in energy substitution, resource recycling, energy storage applications, green building materials and intelligent optimization, forming a comprehensive low-carbon solution system covering the entire cement production process to create green value for customers.

2025

- R&D and industrialization of key technologies for cement kiln low-carbon combustion processes and equipment, replacing 40% of fossil fuels
- Industrial demonstration of complete sets of technologies and equipment for producing acid and co-producing cement from new-type industrial by-product gypsum
- Demonstrated application of a vanadium flow battery energy storage system for cement production
- Ultra-high prefabricated wind-hybrid tower structure system awarded First Prize in First Prize for Technological Development in the CNBM Technological Innovation Award.
- Successfully developed and implemented intelligent optimization control system for cement clinker calcination in waste co-processing



Case: Vanadium redox flow battery launched, empowering green cement manufacturing

Sinoma Overseas successfully developed a large-capacity, long-life vanadium redox flow battery energy storage system tailored for green cement manufacturing scenarios. Through breakthroughs in core technologies including 250kW modular design, integrated control, and high-efficiency standardized testing, the system completed a 250kW/1MWh demonstration in the high-end equipment manufacturing industrial park. Over its lifecycle, each system can reduce nearly **2,900** tons of CO₂ emissions, with annual discharge capacity of approximately 500,000 kWh, providing reliable peak-shaving and emergency backup power services for the industrial park.

The Company reduces carbon emissions from equipment manufacturing through external resource collaboration, a carbon management system and digital transformation. It actively participates in low-carbon product certification to enhance the transparency of its products' carbon footprint assessments. The Equipment Group established a digital carbon management platform, enabling automated collection of group-wide, regional and plant-level carbon emission data through digital means. Covering **42** core operational indicators including production and quality, it eliminates efficiency bottlenecks and error risks associated with manual reporting, helping customers better understand carbon emissions related to products and improving equipment manufacturing toward greener, smarter and more efficient development. By the end of 2025, the carbon management digital platform had connected more than **200** enterprises cumulatively.

Researches on Low-Carbon Technologies

Sinoma International vigorously develops green technologies, conducts extensive R&D and applies carbon reduction solutions, and develops carbon capture and utilization technologies. Focusing on energy-saving and carbon-reduction breakthroughs in "alternative fuels," "clay calcination," and "oxy-fuel combustion," it fortifies the technological foundation for the cement industry's low-carbon development.

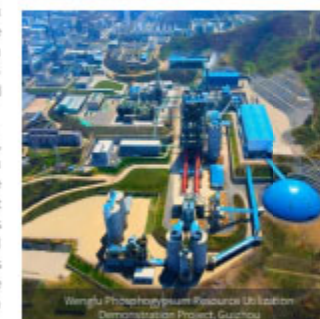
- Qingzhou CCUS Project was selected into the second batch of national demonstration projects of advanced green and low-carbon technologies, marking a major breakthrough in China's green and low-carbon transformation of energy-intensive industries.
- Sinoma International (Nanjing) advanced the Jiangsu Provincial Major Scientific and Technological Achievement Application Project, developing and industrializing key technologies for low-carbon combustion processes and equipment in cement kilns that replace 40% of fossil fuels, achieving over 10% reduction in total CO₂ emissions from cement production compared to using fossil fuels exclusively. All R&D tasks of the project have been successfully completed, with all indicators meeting expected standards. The relevant technological achievements have been implemented in multiple projects, including An Bai in Vietnam and Gezhouba Jingmen.
- The Equipment Group actively promotes the development and application of online carbon emission monitoring technology in the cement industry. It has deployed a pilot project of online carbon emission monitoring for the Ministry of Ecology and Environment at Changshan South Cement. Within this project, the Group conducted systematic comparative research on flow velocity monitoring technologies based on different principles and performed a comparative analysis of carbon monitoring and carbon accounting methodologies for the cement industry. The project's performance in data accuracy and stability has been recognized by the General Station.
- The Iraq DCC Cement Production Intelligent Operation and Maintenance Platform, constructed and operated by CBMI Construction (Suzhou) and designed by Sinoma International Intelligent Technology Co., Ltd., deployed servers and production dashboard systems. It launched AI-powered energy consumption optimization and remote operation functions, enabling energy consumption monitoring and intelligent optimization for key equipment like cement mills. They completed multi-tenant adaptation of the platform, optimization of operational logic, and upgrading of the energy consumption module, enabling real-time monitoring of energy consumption and carbon emissions, and achieving an average annual energy cost saving of CNY 6 million.
- The key preparation technology for activated aluminosilicate cementitious materials for cement, independently developed by CBMI Construction, has been successfully included in the national recommended catalogue.
- The building materials industry standard *Engineering Technical Code for Wet Flue Gas Desulfurization of High-Sulfur Flue Gas from Cement Kilns*, compiled with the participation of Sinoma (Suzhou) Construction, has been officially implemented.



Case: Transforming white pollution into "urban minerals," unlocking new green growth space

Facing the challenge of reutilizing over 820 million tons of phosphogypsum accumulated in China, with an annual increase of approximately 80 million tons, the Company leveraged its proprietary engineering capabilities to successfully develop a comprehensive solution for "phosphogypsum decomposition into acid and co-production of cement." This solution transforms industrial solid waste into sulfuric acid and cement, truly achieving "waste-to-resource recycling and symbiotic circulation."

The world's largest phosphogypsum resource recycling demonstration project, completed in Wengfu, Guizhou, can consume 1.4 million tons of phosphogypsum annually, producing 650,000 tons of sulfuric acid and 800,000 tons of cement while reducing carbon dioxide emissions by approximately **300,000** tons. This project successfully transforms an environmental burden into economic resources. This technology has been successfully registered as a project in the major scientific and technological research program "Open competition" of the China Building Materials Federation. It has thus been elevated to strategic level in the national effort to promote green development in the industry and is currently being recommended for application to phosphorus chemical enterprises both in China and overseas.



Case: Developing an intelligent carbon monitoring and optimization system to empower cement industry's low-carbon transition

Sinoma International's project "Research and Application of a Digital Intelligence-Based Carbon Monitoring, Assessment and Optimization System," systematically studies key technologies for precise carbon emission measurement, low-carbon dispatch and assessment optimization in the cement industry. It aims to develop high-precision, highly reliable online carbon emission monitoring and measurement technologies. By developing a cross-coupling verification technology integrating CEMS data based on machine learning and material balance algorithms, precise CO₂ emission measurement can be achieved. The project further develops high-value industrial intelligent products serving the goals of peaking CO₂ emissions before 2030 and achieving carbon neutrality before 2060 in the cement industry. The project explores the construction of a digital and transparent technical system for supervising the quality of online monitoring data. Its ultimate objective is to establish an integrated intelligent carbon monitoring and management system that combines carbon emissions measurement and optimization functions. This system will enable low-carbon dispatch optimization for regional companies, providing precise decision-making support for cement enterprises in controlling carbon emissions.

Providing Low-Carbon Services

Sinoma International is accelerating the green energy and environmental protection business, developing platforms for the green energy industry and for alternative fuel combustion testing, aiming to facilitate the energy transition for global clients and other industrial and commercial users. The Company generated green energy and environmental protection revenue of CNY 4.81 billion for the year.

Sinoma Overseas established a green energy and environmental protection industrial platform, including five business lines: wind and solar EPC, wind power hybrid towers, smart microgrids, new energy development and new energy storage, with a total construction scale of 5.5 GW. It has cumulatively served 21 smart microgrid and energy storage projects for basic building materials and new materials enterprises, with a construction scale of 129 MW.

- 17 microgrid projects under Tianshan Materials distributed photovoltaic power generation project constructed by Sinoma Overseas have completed the grid connection and commissioning with a total capacity of 50MW, achieving an annual power generation of 55.6 million kWh and reducing CO₂ emissions by approximately 55,300 tons per year.
- The distributed photovoltaic power generation project at the Southwest Cement Plant in Lijiang Old Town, currently under construction by Sinoma Overseas, has a total installed capacity of 4.6 MWp. The project maximizes resource utilization by constructing on idle rooftops, vacant land and slopes within the plant area. Operating under the "self-generation for self-consumption with surplus electricity fed into the grid" model, the project is expected to generate 6.48 million kWh annually, reducing CO₂ emissions by approximately 695 tons per year after commissioning.
- The Sinoma Construction Portugal green retrofit project reduces CO₂ emissions by approximately 21% annually.

Sinoma Environment is building an industrial chain platform of alternative fuels, establishing an integrated "collection, storage, processing, transportation and utilization" system that converts municipal solid waste, textile waste, and scrap tires into alternative fuels for cement production lines, significantly reducing carbon emissions across the industrial chain.

By the end of 2025



Sinoma Environment operated **18** alternative fuel processing centers

an annual production capacity of **2.25** million tons

Case: Integrated Solid Waste Management Practice: Creating a Green Model for "Zero-Waste Cities"

The Chengdu Building Materials Institute implemented a comprehensive "zero-waste city" solution in Wu'an City, Hebei Province. Leveraging two key technological pathways, namely co-processing in cement kilns and the circular utilization of bulk industrial solid waste in building materials, it has achieved 100% harmless treatment of municipal solid waste, sewage sludge, medical waste, and hazardous industrial waste, with an annual total processing capacity reaching 20 million tons. The solution includes planned projects for the comprehensive utilization of 13 million tons/year of industrial waste, 3 million tons/year of silicon-calcium-based new materials, and 2 million tons/year of construction waste treatment. By synergistically utilizing large-volume solid wastes such as steel slag, construction debris, and coal gangue, the project enables large-scale production of green building materials. This model has significantly improved regional resource recycling rates. Not only has it supported Wu'an City in being approved as a national-level circular economy pilot, but it has also been successfully selected as a national exemplary case of a "zero-waste enterprise." It provides a replicable demonstration pathway for the green transformation of the traditional building materials industry and strongly advances the development of a green, low-carbon circular economy system.



Target for the reception, disposal and recycling of external solid waste

This year

the Company processed and utilized **1.07** million tons of external solid waste, achieving the target of **2.35** million tons/year in 2025 for external solid waste utilization and disposal capacity

By 2026

The Company plans to reach the utilization and disposal capacity of **2.75** million tons/year of external solid waste.

Building Low-Carbon Factories

Sinoma International leverages its low-carbon technological advantages to provide global clients with high-quality green engineering services, accelerating their decarbonization processes to address increasing global energy-saving and carbon-reduction pressures. To date, the Company has successfully established a new generation of world-class green and intelligent demonstration projects, including Huakan South Cement, Wuzhong Saima and the France K6 Project. It has also implemented emission reduction benchmark projects such as the Energy Saving, Emission Reduction and Carbon Reduction Technical Transformation Project at the No. 1 Production Line of Xuzhou Zhonglian.

Case: Energy efficiency revolution of 10,000 t/d: setting an industry green benchmark

Xuzhou Zhonglian Cement Co., Ltd. has implemented an energy-saving, emission-reduction, and carbon-reduction technical transformation project at its production frontline. As an innovative practice for China's first 10,000 t/d clinker production line to upgrade its preheater system from a five-stage to a six-stage design, the core technologies include the six-stage preheater system independently developed by Tianjin Cement Industry Design & Research Institute Co., Ltd. (TCDRI), the TDF (Tyre Derived Fuel) precalciner, and a coupled technology combining deep self-denitration with precise SNCR. The project has also successfully applied the first domestic 10,000 t/d fourth-generation grate cooler with a middle roller crusher, filling the technological gap for domestically produced coolers of this specification. After the transformation, the main technical indicators of the production line have reached internationally advanced levels. The standard coal consumption for clinker has been reduced by approximately 15 kg/t.cl, saving 43,000 tons of standard coal annually. This has led to a reduction of 108,000 tons in carbon dioxide emissions and a significant decrease in the concentration of pollutants such as nitrogen oxides. This project has become a model for green technological transformation in the cement industry and was awarded the First Prize in the National Outstanding Engineering Survey and Design Awards.

Addressing Climate Change

Sinoma International actively implements the national "14th Five-Year Plan," the goals of "Carbon peaking by 2030 and carbon neutrality by 2060," and the *Implementation Plan for Carbon Peaking in the Building Materials Industry*. Adhering to the *Company's Comprehensive Risk Management System* and following the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), it proactively identifies operational risks potentially brought about by climate change and vigorously pursues green innovation and R&D. Through these efforts, the Company provides professional support to help the industry address the impacts of climate risks and contributes to society's low-carbon transition.

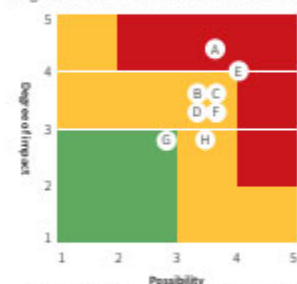
Climate Change Management

Sinoma International has formulated and implemented the requirements of the *Company's Rules for the Implementation of the Strategy, Investment and ESG Committee of the Board of Directors*, thereby defining the supervision and management responsibilities for climate-related matters. The Strategy, Investment and ESG Committee has overall responsibility for the Company's climate change-related affairs. This includes identifying climate-related risks and opportunities, reviewing the Company's sustainable development goals, and monitoring the implementation of objectives and strategies. The Committee reviews climate change-related matters annually and reports its findings to the Board of Directors.

The Ecological and Environmental Protection Leading Group, chaired by the Company's Chairman and President, has full responsibility for the Company's ecological civilization initiatives. It organizes the implementation of all tasks related to carbon peaking and carbon neutrality, maintaining constant attention to the risks and opportunities presented by climate change throughout the processes of strategy formulation, corporate development and project execution. Under the Company's leadership, affiliated enterprises have established their own leading groups to address climate change issues through cross-disciplinary collaboration.

Climate Response Strategy

Sinoma International integrates climate change as a key topic into its sustainable development strategy, integrating climate-related considerations into all aspects of the Company's decision-making, production, operations and daily management. This integration aims to contribute to mitigating global warming and to support the timely achievement of the goals of peaking CO₂ emissions before 2030 and achieving carbon neutrality before 2060. The impact of climate change on the Company covers multiple dimensions, including the evolution of policies and regulations, the application of emerging technologies and structural shifts in market demand. Based on the potential impact and likelihood of occurrence, the Company classifies climate risks through a classification system. Concurrently, it formulates precisely targeted control measures to ensure the relevance and effectiveness of its risk response.



In the climate risk matrix, different-colored squares represent different levels of climate risks, and different control methods are adopted for different levels of climate risks:

- For red zones:**
Ensure avoiding and mitigating risks and prioritize the implementation of all preventive measures.
- For orange zones:**
Rigorously control all risks and develop supplementary control measures.
- For green zones:**
Maintain close monitoring without introducing additional control measures.

- A: Stricter regulatory compliance requirements.
- B: Industry transformation trends.
- C: Emerging low-carbon technologies.
- D: Price fluctuations of the carbon market.
- E: Shortage of raw materials and energy.
- F: Increasingly stringent environmental standards.
- G: Extreme weather events.
- H: Increasing frequency of heatwaves and cold spells.

In response to the short-term, medium-term and long-term impacts of climate change, we have formulated targeted response plans and measures to avoid and adapt to the adverse effects brought about by climate change, and to seize the opportunities presented by it.

Climate Change-Related Risks				
Risk Type	Climate Change-Related Risks	Potential impact on the Company	Timeframe	Response Measures
Transition Risks				
Policy and Legislation	Stricter regulatory compliance requirements	Failure to standardize information disclosure may result in heightened compliance penalties imposed by governmental or regulatory authorities.	Mid-term	<ul style="list-style-type: none"> Always keep abreast of the latest relevant laws, regulations, supervisory requirements and national goals of the country and the operation location. Develop corresponding plans and measures based on the newly introduced or updated requirements and goals.
Market				
	Industry transformation trends	Pressured by the global trend toward carbon reduction, customers in the cement industry are facing both transformational pressures and restrictive policies, which is forcing the Company to accelerate R&D in new low-carbon technologies.	Mid-term	<ul style="list-style-type: none"> Track industry trends, analyze the advantages and disadvantages of emerging technologies introduced by new market entrants, and assess substitution risks to existing products and technologies. Implement environmental technologies, including waste heat recovery power generation, comprehensive energy-saving and consumption-reduction retrofits, and the adoption of clean energy sources.
	Emerging low-carbon technologies	New market entrants intensify technological competition, increasing competitive pressure on the Company.	Mid-term	
	Shortage of raw materials and energy	<ul style="list-style-type: none"> Water scarcity leads to difficulties in water sourcing and increases corporate water costs. Rising fuel prices lead to increased project costs and reduced profitability. 	Mid-term	
Technology				
	Increasingly stringent environmental standards	The Company needs to increase investment in clean technologies, leading to rising operating costs.	Short-term	<ul style="list-style-type: none"> Accelerate the development of green factories and green mines, and enhance R&D and application of green and clean technologies.
Physical risks				
Acute				
	Extreme weather events	Strong winds, high temperatures, extreme cold and geological subsidence all affect the project schedule, construction safety, and the completed cement production lines.	Long-term	<ul style="list-style-type: none"> Conduct comprehensive analysis of typical cases in responding to extreme weather in recent years and develop contingency plans.
Chronic				
	Increasing frequency of heatwaves and cold spells	<ul style="list-style-type: none"> Increased safety hazards in the employee working environment, necessitating greater investment in employee health and safety. Declining stability of energy supply necessitates optimization of the energy structure. Mismatch between vegetation selection/maintenance for mines and local climate conditions in mining areas increases operational costs. 	Long-term	<ul style="list-style-type: none"> Continuously monitor relevant climate change trends and adjust work arrangements promptly to mitigate occupational safety hazards.

Climate Change-Related Opportunities			
Opportunity Type	Climate Change-Related Opportunities	Potential Impact on the Company	Timeframe
Products and services	Innovation and technology R&D	Respond to market demand by developing renewable energy, carbon capture and other technologies to enhance corporate adaptability and competitiveness	Mid-term
	Increase low-emission goods and services	Provide low-carbon products or services to the market to increase revenue	Mid-term
Energy source	Adopt low-emission or renewable energy	Reduce operating costs. Leveraging green service initiatives to increase operational income	Long-term



Dual Carbon Action Plan

In accordance with the "Guidance on Promoting High-Quality Development of Central Enterprises and Advancing Carbon Peak and Carbon Neutrality Work" of the State-owned Assets Supervision and Administration Commission (SASAC) and the "Carbon Peak and Carbon Neutrality Implementation Plan" of China National Building Material Co., Ltd., the Company has formulated the Carbon Peak and Carbon Neutrality Implementation Plan of Sinoma International Engineering Co., Ltd. This document defines the timeline and roadmap for achieving carbon peak and carbon neutrality, playing a leading and exemplary role in fulfilling national and group-level dual carbon goals.

Establish and improve the carbon management system

Enhance data statistics on energy consumption and carbon emissions, actively participate in low-carbon product certification, and improve the transparency of the Company's product carbon footprint assessment.

Accelerate the electrification of mining equipment and facilities

Adhere to the strategies of large-scale, specialized, new energy and intelligent equipment, and orderly promote the optimization and efficient utilization of energy. Actively promote the electrification of new energy mining vehicles and non-road mobile machinery, and conduct cost-benefit and carbon-reduction analyses for the use of new energy vehicles.

Accelerate the transformation of the energy structure for production and daily life

Actively promote the application of oil-to-electricity conversion technology, actively encourage and support qualified units to strengthen the construction of photovoltaic power generation and wind power, and continuously improve the energy structure and enhance energy utilization efficiency. Proactively explore energy storage technologies to address the intermittency of renewable energy and ensure the stability of energy supply.

Improve the energy conservation and emission reduction incentive mechanism

Establish and improve the incentive mechanism for energy conservation and emission reduction, and give commendation and rewards to the departments and individuals who have made outstanding contributions in energy conservation and emission reduction efforts, so as to stimulate the enthusiasm and initiative of employees. Additionally, strengthen the evaluation and supervision of the implementation effects of energy conservation and emission reduction measures to ensure the effective implementation of all measures, and promptly rectify any non-compliant situations.

Increase investment in technological research and development to enhance the carbon-reduction benefits of the industry

Further strengthen cooperation with universities and research institutions to develop and manufacture low-carbon equipment, promote the application of low-carbon and ultra-low emission technologies in cement production processes, develop carbon capture and utilization technologies, focus on breakthroughs in energy-saving and carbon-reduction technologies in three domains: "alternative fuels," "clay calcination," and "oxy-fuel combustion," build green factories, and provide global clients with high-quality green and low-carbon engineering services to accelerate their decarbonization process.

Strengthen policy research and international cooperation

Closely monitor changes in domestic and international policies and regulations, especially policy dynamics such as the Carbon Border Adjustment Mechanism (CBAM) in developed countries and regions like the European Union (EU). Enhance research and interpretation of policies, prepare response strategies in advance, reasonably adjust corporate development strategies and production models, and reduce the impact of policy risks on the enterprise. Actively participate in international cooperation projects, strengthen technical exchanges and cooperation with international peers, introduce advanced low-carbon technologies and management experience, and promote international development.

Promote the coordinated development of the industrial chain

Strengthen communication and collaboration with upstream and downstream enterprises to jointly build a green and low-carbon industrial chain. In the raw material procurement process, prioritize environmentally friendly and low-carbon suppliers. In the product sales process, guide customers to adopt low-carbon usage and maintenance methods. Through industrial chain collaboration, we achieve resource sharing and complementary advantages, jointly promoting the green development of the entire industry.

Climate Risk Management

Sinoma International attaches great importance to climate risk management. Through the following processes, it conducts the identification and assessment of climate change-related risks and opportunities, providing references for the Company's strategic planning and business development.

- ▶ Establish a risk database incorporating climate risks and opportunities based on business/product characteristics, identifying climate change impacts on corporate finance, production, assets, the supply chain and personnel.
- ▶ Complete the Major Risk Assessment Results Form to identify and evaluate climate-related risks based on impact and likelihood, analyzing their risk levels.
- ▶ Develop a risk heatmap using impact severity and likelihood as axes based on assessment results, defining corresponding control measures for different coordinate zones.
- ▶ Fill out the Major Risk Control Form, clearly define the main and auxiliary responsible departments for major risks, formulate risk management strategies and solutions, and submit them to the responsible person for approval.

Climate-related metrics and targets

Long-term target



By 2030

The Company will be able to provide clients with

"zero-emission mining and zero-emission cement"
solutions

Note: "Zero-emission" refers to zero purchased electricity, zero fossil fuels, zero primary resources, zero carbon emissions and zero waste discharge.

2025 Targets	Completion	Future goals
Reduce the Company's carbon emission in Scope 1 and Scope 2 by 2%; decrease energy consumption per CNY 10,000 revenue by 2%.	Achieved	Scope 1 and Scope 2 carbon emission intensity to continue declining
100% of the Company's manufacturing enterprises and newly invested production/operation projects have extreme weather contingency plans.	Achieved	-
The proportion of R&D investment in green and low-carbon technologies to output value reaches 3.66%.	Achieved	R&D investment in green and low-carbon technologies as a percentage of output value to exceed 3.7%

Improving People's Livelihood and Well-being



Sinoma International establishes a global vision, demonstrates the responsibility of a central state-owned enterprise, gives back to society through concrete actions, and engages in public welfare and charitable activities, actively supports rural revitalization, continuously provides overseas assistance, and contributes to building a community with a shared future for mankind.

Enhancing Economic Contributions

While pursuing its own stable operation and development, Sinoma International remains committed to giving back to society by continuously improving investment efficiency, consolidating cost-competitive advantages, enhancing overall economic benefits, and striving to achieve a balance between economic growth and social responsibility.

The Company strictly complies with laws and regulations in all countries where it operates and actively fulfills tax obligations. Furthermore, in accordance with the tax policies issued by the Ministry of Finance of the People's Republic of China and the State Taxation Administration, the Company pledges to conduct transfer pricing based on the principle of fair transactions, refraining from transferring the created value to low-tax jurisdictions. It also commits not to use confidential jurisdictions or so-called "tax havens" for tax avoidance.

In 2025



The Company paid CNY **2.236** billion in taxes, contributing to the economic development of its host countries and regions.

Commitment to Public Welfare and Charity

Sinoma International actively participates in social welfare initiatives, contributes to the Group's "Shanjian Charity" fund, encourages employee involvement in volunteer activities, and regularly carries out charitable donations, disaster relief, emergency assistance and project support, giving back to society through tangible actions.

Case: Active participation in earthquake relief to fulfill social responsibility

In March 2025, a 7.9-magnitude earthquake struck Myanmar, causing significant casualties and property damage. The Myanmar subsidiary of Sinoma Handan immediately organized engineering machinery vehicles to assist rescue operations and donated relief supplies including drinking water and food to the Yangon Disaster Management Department, helping the people of Myanmar overcome the crisis and demonstrating corporate responsibility and commitment.



Handan Sinoma Employees Assisting Rescue Efforts in Myanmar

Sinoma International attaches great high importance to reputation and operational risk management in public welfare activities, establishing a systematic, full-process risk prevention and control mechanism. Based on prudent assessments of the political and social environment of the countries and regions where its projects are located, the Company proactively identifies potential external risks. When organizing employee participation in volunteer activities, the Company always prioritizes personnel safety, formulating and strictly implementing safety plans. Regarding the critical steps in the donation process, a dedicated supervision mechanism has been established to ensure that the fund flow is transparent, compliant and traceable. Through multi-layered safeguards and focused controls, we are committed to achieving secure, transparent and efficient charitable activities, continuously upholding the Company's responsible corporate image.

In 2025



The Company has donated
CNY **5.0832** million
to the "Shanjian Charity" Fund and various social organizations



Participating in or supporting
10 activities protecting the rights of women, children or persons with disabilities



With
1,737 employee volunteers



Contributing
6,514 service hours

Boosting Rural Revitalization

Sinoma International conscientiously implements the national *Implementation Measures for the Rural Revitalization Responsibility System*, fully complies with the Group's work requirements for contributing to rural revitalization, and has established a dedicated task force for rural revitalization assistance. Focusing on key areas such as "rural revitalization, industrial development, project construction, social welfare, and consumption-driven assistance," the Company supports its paired assistance county, Yongshan County in Yunnan Province, in consolidating and expanding the achievements of poverty alleviation while effectively linking them with rural revitalization. In doing so, it earnestly fulfills its social responsibility as a central state-owned enterprise.

By 2025



Total investment in rural revitalization initiatives has reached
CNY **5.013** million

Sinoma International's assistance record

- ▶ Relying on the "Hebao Dan" platform, the Company conducted targeted procurement of specialty agricultural products from Yongshan County, Yunnan Province, with a total procurement value worthing CNY **194,000**, thereby supporting local farmers' income growth through market-oriented means.
- ▶ The Equipment Group continues its paired assistance to Caiying Village, Funan County, Anhui Province, by dispatching a First Secretary to the village as a resident liaison officer. Through its paired assistance program in Caiying Village, Funan County, Anhui Province, the Company procured agricultural products worth CNY 210,000 and distributed educational grants totaling CNY **13,000** to 13 local students who were admitted to universities.
- ▶ The Company continuously carried out the "Golden Autumn Financial Aid" and "Fulfilling Tiny Wishes" activities. In 2024 and 2025, it provided financial support to **31** newly admitted university students, fulfilled the "tiny wishes" of **56** students in need, and delivered caring gifts to **60** left-behind children.
- ▶ In collaboration with universities, the Company launched the "Xingzhi School" initiative to provide educational care services.



Case: "Shanjian" colorful classroom: "Tiny Light" illuminates childhood

The Youth League Committee of Sinoma International actively responded to the Group's call by organizing 10 young volunteers from its headquarters, Chengdu Design & Research Institute of Building Materials Industry Co., Ltd., and Sinoma Mining Construction Co., Ltd., to carry out the "Shanjian" Colorful Classroom activity at Hongguang School in Yongshan County, Yunnan Province. The volunteer team, focusing on the growth needs of left-behind children and leveraging the Company's characteristics, meticulously designed a series of courses covering areas such as growth guidance, engineering science popularization, intangible cultural heritage preservation, safety protection and scientific enlightenment.

▶ In the aspect of growth guidance

The team carried out the "Tiny Light Project" for two consecutive years, taking the first ID photos and growth record photos for the children. This initiative established a precious visual archive for left-behind children and uses photography to bridge the distance with their faraway families.

▶ In the aspect of engineering science outreach

Volunteers used the example of the El-Ferdan Double-Wing Swing Railway Bridge over the Suez Canal in Egypt, a project constructed by the Company, to explain the construction story and technical principles behind this world-class megaproject, vividly conveying the spirit of craftsmanship and Chinese ingenuity.

▶ In the aspect of intangible cultural heritage preservation

Children experienced the charming craftsmanship of traditional skills through hands-on activities such as sugar painting, ancient tie-dyeing, and bamboo weaving.

▶ In the aspect of scientific enlightenment

The volunteers conducted safety education covering transportation, food and psychology through interactive games and experiments. They guided the children in assembling airplane models and completing small scientific experiments like "invisible ink," planting seeds of exploration and innovation in their young minds.

Through diverse and enriching courses, along with warm and attentive companionship, this activity brought knowledge, broadened horizons and delivered care to children in the mountainous region, forging deep bonds of friendship with them.



Advancing overseas responsibility fulfillment

Sinoma International continuously promotes regional coordinated development, implements the Belt and Road Initiative, and adheres to the development principle of "extensive consultation, joint contribution and shared benefits." The Company remains committed to "contributing to local economic development, cooperating amicably with local enterprises and serving the local people," fostering the global integration of technology, talent and culture. It supports the economic and social development of project locations and works jointly to build a community with a shared future for mankind.



Deepening engagement with the community

Sinoma International regularly communicates with local communities in the areas where it operates, gaining an in-depth understanding of their needs. By precisely implementing targeted measures to address local development challenges, the Company helps improve the quality of life for community residents. The overseas subsidiary of CDI actively fostered positive interactions with local officials and residents by establishing "Company Open Day" events. Additionally, it formulated relevant policies including: prioritizing local employment, providing skills training and improving community employment rates as well as collaborating with local suppliers to reduce logistics costs while supporting the local economy, thereby effectively enhancing in-depth cooperation with local communities.

Case: Cultivating in the desert to bridge cultural divides, implementing green practices to deepen local bonds

In fulfillment of its corporate social responsibility, South Africa Regional Company of CBMI Construction launched a public welfare donation initiative in the communities surrounding the SAE Project. Following preliminary research that revealed a shortage of teaching and sports resources in local schools, the company strategically provided schoolbags, stationery, footballs, skipping ropes, and other supplies to tangibly improve students' conditions for learning and physical exercise. This initiative not only delivered care and warmth to children in the community but also deepened the amicable relationship between the enterprise and the community. Looking ahead, the company will continue to promote the high-quality development of its projects and actively explore diverse forms of public welfare to achieve mutually beneficial, win-win development with the local community.



Promoting cultural integration

Sinoma International fully supports local cultural development and is dedicated to promoting Chinese culture and facilitating international cultural exchanges. For years, CDI has consistently respected local customs and dietary culture, organically integrating corporate values with local traditions. During major traditional local festivals such as Eid al-Adha and Eid al-Fitr, the Company carried out employee care activities for local employees and set up Muslim canteens in all project camps, thereby strengthening Egyptian employees' sense of belonging and identification with the Company.

Case: Exchanging traditional culture, weaving bonds of friendship

In 2025, CDI's Egypt Branch and Saudi Arabia Branch hosted the "Resource Efficiency Day" open event themed "Innovation-Driven · Green Empowerment." Over 200 local employees and family members attended the event. Through corporate videos, on-site presentations, and facility tours, they gained an in-depth understanding of the Company's practical applications and innovative achievements in intelligent manufacturing and environmental protection. They also gained a profound appreciation for the unique charm of Chinese culture through participation in activities featuring traditional Chinese cultural elements and engaging in interactive games.

Case: Celebrating festivals together to promote cultural integration

The Nigerian subsidiary of Sinoma (Suzhou) Construction Co., Ltd. specially organized a cultural experience session at the "Chinese Workshop," celebrating the festival together through the unique approach of cultural integration. Under the guidance of instructors, Chinese and international employees crafted traditional sachets. The ingenious combination of silk fabric, mugwort spices, and Chinese knotting techniques allowed participants to immerse themselves in the charm of Chinese culture. These handcrafted sachets, brimming with cultural characteristics, became heartfelt tokens of cross-cultural exchange. Local employees expressed that sachet-making was not only an artistic creation but also helped them understand the wisdom of Chinese people conveying blessings through every stitch.

Fostering a fertile environment for talents

While providing high-quality engineering and technical services to its clients, Sinoma International places great emphasis on the development of human resources in its project locations. It is committed to creating employment opportunities in these areas and promoting the long-term local economic development.

Case: Advancing technological and cultural integration to co-build a talent ecosystem for the Belt and Road Initiative

The 6th International Training Course on Large-Scale Modern Cement Production Technology, organized by the Equipment Group, was successfully concluded in Tianjin. A total of 19 trainees from six countries, including Pakistan and Myanmar, completed the program. The international training program had been successfully held for five sessions since 2016. It aims to promote scientific, technological and cultural exchanges along the Belt and Road Initiative, and to impart advanced and applicable technologies in the cement industry. Through continuous technical transmission and experience sharing, it strives to deepen the integration of technology, talent and culture in the global cement industry, promote the improvement of technological levels and the cultivation of talent in cement industries of developing countries, and effectively support the sustainable development of the local economies of project sites. It contributes professional expertise to the building of a community with a shared future for mankind.

The Company encourages local employment, addressing regional job needs



Case: Implementing local capacity building to establish talent support for overseas development

The overseas subsidiaries of CDI continue to deepen their localized operations by actively organizing and conducting a series of training programs focused on enhancing job skills and providing pre-job training for new employees. In 2025, these initiatives covered approximately 200 local employees across various projects and departments. The training system encompasses corporate culture, safety production, legal regulations and occupational health. Through flexible and diverse formats, it effectively improves local employees' professional skills and comprehensive competencies. This initiative not only creates clear career progression paths for local staff but also strengthens talent stability and sustainable development capabilities for the Company's overseas projects, achieving mutually beneficial development for both the enterprise and local communities.

Outlook

Time flows ceaselessly like a river, and our journey unfolds with grandeur like a rainbow.

2026 marks the inaugural year of the 15th Five-Year Plan and a critical milestone in our pursuit of a "World-Class Service Provider in the Materials Industry." Standing at this new starting point, we embrace our renewed mission with proactive actions, making the "1324" Sustainable Development Strategy a core practice integrated into our core operations. In the practice of serving the national strategy and global sustainability, we will continue to write a new chapter of high-quality development.

Guided by the principle of "One Core, Three Values, Two Main Lines, and Four Goals," we integrate the essence of sustainable development into the very fabric of our corporate identity. Internally, we continuously strengthen the foundation for sustainable development. With modernized governance as our cornerstone, we ensure compliance and integrity become conscious behaviors in our actions. We foster an environment where employee growth resonates in harmony with corporate development, and we integrate clean production and green operations throughout every project and every process. Externally, we are fully committed to serving global sustainable development. We empower our clients' transformation through green and low-carbon technologies and digital intelligent solutions. We unite our partners by fostering a transparent and sustainable supply chain ecosystem. We contribute our professional expertise to the fight against climate change and fulfill our responsibilities as a central enterprise in the joint pursuit of the Belt and Road Initiative.

Our initial aspiration remains firm, and our mission is always on our shoulders. On the new canvas of 2026, we will steadfastly uphold our corporate mission of "Promoting green and intelligent development and serve a better world." On the journey to become a world-class service provider, we will progress steadily and surely, contributing even greater wisdom and strength to the green and sustainable development of the global cement industry.



ESG key performance

Environmental data

Key performance indicators	Unit	2025
Total emission of nitrogen oxides (NOx)	tons	0.24
Total emission of sulphur dioxide (SO ₂)	tons	0.06
Emissions of industrial particulate matter	tons	3.76
Total emission of Volatile Organic Compounds (VOCs)	tons	39.23
Total greenhouse gas emissions ¹	tons of CO ₂ e	770,300.66
Direct greenhouse gas emissions (Scope 1)	tons of CO ₂ e	611,425.03
Indirect greenhouse gas emissions (Scope 2)	tons of CO ₂ e	158,875.63
Greenhouse gas emissions from engineering services	tons of CO ₂ e	91,489.37
Greenhouse gas emissions from equipment manufacturing operations	tons of CO ₂ e	38,603.52
Greenhouse gas emissions from operation and maintenance services	tons of CO ₂ e	625,762.36
Greenhouse gas emissions from other operations	tons of CO ₂ e	14,445.40
Greenhouse gas emission intensity	tons of CO ₂ e/million yuan (revenue)	15.53
Amount of self-produced hazardous solid waste	tons	5,411.00
Intensity of self-produced hazardous solid waste	tons of CO ₂ e/million yuan (revenue)	0.11
Amount of self-produced non-hazardous solid waste	tons	4,903.99
Intensity of self-produced non-hazardous solid waste	tons of CO ₂ e/million yuan (revenue)	0.10
Comprehensive utilization amount of self-produced non-hazardous solid waste	tons	3,483.91
Among them: comprehensive utilization amount in previous year	tons	3.00

¹ This year, the statistical scope for the mining sector has been adjusted, and the greenhouse gas emissions from crushing and maintenance services are no longer included in the statistics. The calculation of greenhouse gas data, depending on the industry of the company's subsidiaries, refers to a series of guidelines such as the *Guidelines for GHG Emission Accounting and Reporting Methods for Industrial Enterprises in Other Sectors* issued by the National Development and Reform Commission, as well as the relevant conversion factors provided in the *Notice on Completing GHG Emission Reporting and Verification for Enterprises in Certain Key Industries (2023-2025)*. All measurements are expressed in tons of CO₂ equivalent.

Key performance indicators	Unit	2025	
Comprehensive utilization rate of self-produced non-hazardous solid waste	%	70.98	
Total amount of incoming solid waste consumption and disposal	tons	1,074,617.18	
Total amount of incoming solid waste consumption and disposal by type ²	Industrial waste	tons	980,500.00
	Household waste	tons	0
	Hazardous waste	tons	26,147.45
	Other ³	tons	94,117.18
Timber certification	Total volume of timber purchased by the company	10,000 m ³	1.64
	Among them: amount of certified	10,000 m ³	0.14
	Among them: amount of non-certified	10,000 m ³	1.51
Total amount of materials used in the construction process	Timber	10,000 m ³	2.85
	The proportion of recycled wood ⁴	%	9.83
	Steel	10,000 tons	40.47
	The proportion of recycled steel ⁵	%	3.59
	Concrete	10,000 m ³	150.88
	The proportion of recycled concrete	%	6.50
	Aggregate	10,000 m ³	51.74
	The proportion of recycled aggregate	%	7.40
	Asphalt	10,000 tons	1.54
	The proportion of recycled asphalt	%	26.04
Cement	10,000 tons	46.89	

² The Company's method for treating and disposing of external solid waste involves the production of alternative fuel products and co-processing in cement kilns.

³ Refer to fuels derived from industrial waste (e.g., discarded textiles, plastics, industrial residues), municipal waste, and agricultural/forestry waste that possess calorific value (combustibility), falling outside the aforementioned three waste categories. These fuels are widely used in cement kilns and thermal power plants (including biomass power plants) to replace fossil fuels (coal), thereby reducing carbon emissions and fossil energy consumption.

⁴ "Recycled wood" includes wooden packaging materials recovered from equipment transportation and reused, as well as wooden formwork and timber reused during construction processes.

⁵ "Recycled steel" refers to reused steel structures fabricated on-site, scrap materials from non-standard equipment and components, steel packaging materials from equipment transportation, and recycled steel scaffolding and formwork used during construction.

Key performance indicators		Unit	2025
Total amount of materials used in the construction process	The proportion of recycled cement ⁴	%	9.43
	Other materials	10,000 tons	5.20
	The proportion of recycled other materials	%	9.89
Direct energy consumption ⁷		MW·h	2,302,342.81
Natural gas consumption		MW·h	26,250.36
Petrol consumption		MW·h	20,393.72
Diesel consumption		MW·h	2,205,371.21
Other energy consumption ⁸		MW·h	50,327.52
Indirect energy consumption		MW·h	279,227.97
Purchased heat consumption		MW·h	1,708.08
Electricity consumption		MW·h	277,519.89
Purchased electricity consumption		MW·h	276,959.57
Purchased conventional grid electricity consumption		MW·h	263,291.11
Purchased green electricity consumption		MW·h	13,668.47
Self-generated electricity consumption		MW·h	560.32
Self-generated wind electricity consumption		MW·h	16.40
Equivalent to greenhouse gas emission reductions		tons of CO ₂ e	13.46
Photovoltaic power generation consumption		MW·h	543.92
Equivalent to greenhouse gas emission reductions		tons of CO ₂ e	446.56
Comprehensive energy consumption ⁹		MW·h	2,581,570.79
Comprehensive energy consumption intensity		MW·h/million yuan (revenue)	52.15

⁴ "Recycled concrete, aggregates, asphalt, and cement" refers to these materials produced using recycled materials as substitutes for virgin raw materials.

⁷ Calculations are performed according to the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020) standard.

⁸ The statistical scope for "other energy consumption" in the current year includes liquefied natural gas (LNG) and liquefied petroleum gas (LPG), while the previous year's scope additionally included diesel and gasoline.

⁹ Energy consumption data includes all energy used by the Company's domestic and overseas operations.

Key performance indicators		Unit	2025
Consumption of non-renewable materials		tons	189,085.86
Material consumption intensity		tons/million yuan (revenue)	3.85
Amount of energy expenditures		CNY 10,000	105,379.34
Water withdrawal ¹⁰		tons	1,471,524.79
Tap water		tons	938,058.49
Groundwater		tons	142,313.10
Surface water		tons	387,837.00
Other		tons	3,716.20
Water withdrawal intensity		tons/million yuan (revenue)	29.68
Total amount of water discharged		tons	567,402.18
Total water consumption		tons	904,522.61
Among them: total circulating water		tons	219,800.00
Circulating water utilization rate		%	24.30
Amount of environmental investment		CNY 10,000	4,941.34
	Revenue from products with inherent green attributes	CNY 10,000	119,520.75
Green product	Among them: Revenue from Products with various green certifications, including but not limited to "China Low Carbon Product Certification," "Green Building Material Product Certification," etc.	CNY 10,000	5,302.76
	Revenue from products that can contribute to the greening of society	CNY 10,000	858,928.32

¹⁰ Water resource consumption data includes all water usage from the Company's domestic and overseas operations.

Key performance indicators	Unit	2025	
Number of national green factories owned	unit	2	
Number of provincial green factories owned	unit	4	
Number of national green factories constructed	unit	9	
Number of provincial green factories constructed	unit	5	
Number of green factories of other levels constructed	unit	1	
Number of national green mines constructed	unit	48	
Number of provincial green mines constructed	unit	144	
Number of green mines of other levels constructed	unit	1	
Number of buildings constructed/managed/owned by the Company	unit	440	
Number of green buildings constructed/managed/owned by the Company	unit	12	
Area of all manufacturing and operating units	m ²	2,447,441.28	
Area for which biodiversity risk assessments have been conducted	m ²	103,484.00	
Number of sites for all production operations (i.e., factories, mines, project sites, etc.)	unit	149	
Area for which biodiversity risk assessments have been conducted	unit	6	
Number of ISO14001 certifications	unit	44	
Number of ISO50001 certifications	unit	7	
	Number of stock of enterprises with climate risk response/adaptation plans (e.g. extreme weather contingency plans) in place	unit	18
Climate change risks and opportunities	Annual financial impact of risks	CNY 10,000	214.08
	Annual expenditures arising from risk response measures	CNY 10,000	963.49
	Annual costs of capturing climate change opportunities	CNY 10,000	20,942.16
	Annual revenue from climate change opportunities	CNY 10,000	120,157.15

Social data

Key performance indicators	Unit	2025	
Total number of employees	person	15,201	
Total number of employees by gender	Male employees	person	12,024
	Male employees in STEM work	person	6,918
	Female employees	person	3,177
Total number of employees by ethnic group	Female employees in STEM work	person	1,375
	Han employees	person	13,230
	Minority employees	person	1,971
Total number of employees by job level	Senior management employees	person	176
	Female employees	person	12
	Female employees in operational positions	person	4
	Male employees	person	164
	Male employees in operational positions	person	98
	Minority employees	person	5
	Middle-level employees	person	1,535
	Female employees	person	268
	Female employees in operational positions	person	50
	Male employees	person	1,267
Total number of employees by type of employment	Male employees in operational positions	person	972
	Minority employees	person	57
	General employees	person	13,491
	Long-term employees	person	13,387
	Short-term employees	person	1,814

Key performance indicators		Unit	2025
Total number of employees by age	Under 30 years old	person	3,288
	30 to 50 years old	person	8,673
	Over 50 years old	person	3,240
Total number of employees by region	Mainland China	person	12,077
	Region of Hong Kong, Macao and Taiwan	person	0
	Overseas	person	3,124
Employee turnover rate by gender	Male	%	5.02
	Female	%	4.34
Employee turnover rate by age	Under 30 years old	%	6.75
	30 to 50 years old	%	2.96
	Over 50 years old	%	8.12
Employee turnover rate by region	Mainland China	%	6.00
	Region of Hong Kong, Macao and Taiwan	%	0
	Overseas	%	0.51
Employee turnover rate by job level	Senior employees	%	3.41
	Middle-level employees	%	1.69
	General employees	%	5.26
Voluntary turnover rate by job level	Senior employees	%	2.27
	Middle-level employees	%	1.30
	General employees	%	4.58
Voluntary turnover rate by gender	Male	%	4.22
	Female	%	4.22
Voluntary turnover rate by age	Under 30 years old	%	5.72
	30 to 50 years old	%	2.33
	Over 50 years old	%	7.78

Key performance indicators		Unit	2025
Voluntary turnover rate by region	Mainland China	%	5.18
	Region of Hong Kong, Macao and Taiwan	%	0
	Overseas	%	0.51
Number of newly hired employees	person	761	
Number of newly hired employees by gender	Male	person	629
	Female	person	132
Number of newly hired employees by age	Under 30 years old	person	578
	30 to 50 years old	person	178
	Over 50 years old	person	5
Number of newly hired employees by job level	Senior employees	person	2
	Middle-level employees	person	5
	General employees	person	754
Number of newly hired employees by ethnic group	Han	person	744
	Minority	person	17
Number of internal transfers or internal applications	person	1,159	
Rate of internal transfers or internal applications	%	60.36	
Received complaints on violations of employees' legitimate rights and interests	case	0	
Received complaints on discrimination against applicants and employees	case	0	
Number of visits to support special employees and assist employees in difficulty	person-times	797	
Number of employees who were helped to send their children in difficulty to school or who were rewarded for sending their children to school	person-times	15	
Number of visits to help critically ill employees	person-times	79	
Total expenditure on condolences to special employees and assistance to employees in difficulty	CNY 10,000	52.96	
Total expenditure on helping children of employees in difficulty to attend school or rewarding employees' children for attending school	CNY 10,000	0.43	
Total expenditure on helping critically ill employees	CNY 10,000	26.30	

Key performance indicators	Unit	2025
Number of employee activities were organized and participated in	times	598
Number of participation in various events organized by relevant industry associations (at provincial level or above)	times	48
Number of employees participated in various activities	person-times	38,946
Total number of employees participated in satisfaction survey	person	8,866
Percentage of total number of employees	%	58.33
Percentage of satisfaction by gender	Male	98.52
	Female	98.20
Percentage of satisfaction by age	Under 30 years old	98.61
	30 to 50 years old	98.83
	Over 50 years old	98.27
Percentage of satisfaction by ethnic group	Han	98.23
	Minority	98.28
Percentage of satisfaction by job level	Senior employees	100.00
	Middle-level employees	98.82
	General employees	98.33
Number of employees for whom the Group contributes an enterprise annuity	person	9,430
Number of employees for whom the Group pays supplementary medical insurance and other types of insurance other than five insurances	person	10,847
Number of employees joining the labor union	person	13,341
Percentage of employees joining the labor union	%	87.76
Number of employees signing collective agreements	person	6,940
Percentage of employees signing collective agreements	%	45.65
Number of employee representatives	person	1,172
Percentage of employee representatives	%	7.71
Work-related fatalities	person	0
Death rate per thousand	%	0
Number of zero-fatality projects	%	100

Key performance indicators	Unit	2025
Lost Time Injury Frequency Rate (LTIFR) for millions of hours of employees	-	0
Number of working days lost due to work-related injuries	day	0
Lost Time Injury Frequency Rate (LTIFR) for millions of hours of contractors employees	-	0
Person-times of employees participated in occupational health and safety training	person-times	607,143
Number of safety, environmental and health inspections conducted	times	6,492
Number of hidden dangers investigation	unit	62,702
Among them: number of hidden dangers for which rectification has been completed	unit	62,680
Rectification rate of hidden danger investigation	%	99.96
Number of emergency drills, fire drills and other exercises conducted	person-times	50,861
Amount of safety and health related expenditure	CNY 10,000	56,620.23
Number of factories certified to ISO 45001 occupational health and safety management system	unit	44
Percentage of employees participated in all types of training by age	Male	96.34
	Female	81.33
Percentage of employees participated in all types of training by age	Under 30 years old	93.52
	30 to 50 years old	95.84
	Over 50 years old	85.83
Percentage of employees participated in all types of training by ethnic group	Han	94.88
	Minority	81.94
Percentage of employees participated in all types of training by job level	Senior employees	98.30
	Middle-level employees	98.96
	General employees	92.48

Key performance indicators	Unit	2025	
Percentage of employees participated in safety and environmental training by level	Senior	%	76.70
	Middle-level	%	59.09
	General	%	62.40
Percentage of employees participated in skills-based business training by level	Senior	%	65.34
	Middle-level	%	68.47
	General	%	77.32
Percentage of employees participated in management training (including compliance training) by level	Senior	%	100.00
	Middle-level	%	89.71
	General	%	50.19
Total hours of training by person-time	hour	1,462,621.60	
Total hours of safety and environmental training	hour	550,453.64	
Total hours of skills-based business training	hour	652,928.62	
Total hours of management training	hour	259,239.34	
Average hours of training by gender	Male	hour	102.46
	Female	hour	106.69
Average hours of training by age	Under 30 years old	hour	102.56
	30 to 50 years old	hour	102.20
	Over 50 years old	hour	107.07
Average hours of training by ethnic group	Han	hour	104.59
	Minority	hour	92.66
Average hours of training by level	Senior	hour	141.16
	Middle-level	hour	104.32
	General	hour	102.58
Training hours per capita (all types of training)	hour	103.23	
Total training cost	CNY	14,964,825	
Number of cases involving suspected child labor and forced labor	case	0	

Key performance indicators	Unit	2025	
Number of suppliers who have established long-term cooperation with the Company	Total	unit	9,204
	Mainland China	unit	9,095
	Region of Hong Kong, Macao and Taiwan	unit	24
	Overseas	unit	85
The costs of products or service procured from suppliers with whom the Company has established long-term cooperation	CNY 10,000	3,219,157.93	
Number of suppliers that have been screened and controlled for environmental and social risks by the Company	Total	unit	7,428
	Mainland China	unit	7,321
	Region of Hong Kong, Macao and Taiwan	unit	23
	Overseas	unit	84
The costs of suppliers screened and controlled for environmental and social risks by the Company	CNY 10,000	2,690,141.26	
Among the suppliers that have been screened for environmental and social risks and controlled for long-term cooperation by the Company, the number of suppliers assessed to have significant negative impacts	Total	unit	14
	Number of suppliers with whom corrective measures/improvement plans have been agreed upon	unit	0
Number of suppliers participating in supplier training and capacity enhancement among suppliers that have established long-term cooperation with the Company	Number of suppliers excluded	unit	14
	Total	unit	3,413
Number of ESG training sessions for suppliers or ESG training exchange sessions with suppliers	Number of suppliers screened and controlled for environmental and social risks by the Company	unit	2,261
	Number of suppliers certified by systems such as quality, occupational health and safety, environment or energy management	times	800
Number of all suppliers not in long-term co-operation	Number of suppliers screened and controlled for environmental and social risks by the Company	unit	7,562
	Total	unit	2,856
Percentage of products subject to recall for safety and health reasons	%	0	
Litigation cases involving the safety and health of products and services	case	0	
Totalling complaints about products and services	case	0	

Key performance indicators	Unit	2025
Number of complaints properly responded to and dealt with	case	0
Number of cases of suspected infringement of intellectual property rights by products and services	case	0
Number of complaints due to disclosure of customer information	case	0
Total number of clients	unit	3,663
Number of clients participating in satisfaction surveys	unit	2,831
Number of clients whose survey results were satisfactory	unit	2,796
Percentage of clients whose survey results were satisfactory	%	77.29
Percentage of customer satisfaction	%	98.76
Number of annual patent applications	case	428
Number of invention patents	case	279
Number of annual authorized patents	case	330
Number of invention patents	case	190
Cumulative number of valid patents	case	3,159
Number of invention patents	case	1,065
Cumulative number of successful software copyright registrations	case	952
R&D investment	CNY million	1,815.59
Percentage of R&D investment in operatin revenue	%	3.66
Number of R&D staff	person	3,687
Number of standards prepared or revised under the auspices of and with the participation of	unit	13
Number of anti-corruption training sessions held and organized	times	331
Number of directors attending anti-commercial bribery and anti-corruption trainings	person-times	437
Number of employees attending anti-commercial bribery and anti-corruption training (excluding directors)	person-times	29,091
Coverage of directors in anti-corruption training	%	100
Coverage of employees in anti-corruption training	%	100
Number of cases in which employees violated the Group's code of conduct (Corruption or bribery)	case	0
Number of cases in which employees violated the Group's code of conduct (Discrimination or harassment)	case	0

Key performance indicators	Unit	2025
Number of cases in which employees violated the Group's code of conduct (Customer privacy data)	case	0
Number of cases in which employees violated the Group's code of conduct (Conflict of interest)	case	0
Number of cases in which employees violated the Group's code of conduct (Money laundering or insider trading)	case	0
Amount of taxes paid	CNY 10,000	229,616.47
Amount of public charity investment 24 (including material donations)	CNY 10,000	508.32
Donations to targeted support areas (Rural revitalization category)	CNY 10,000	501.30
Other	CNY 10,000	7.02
Number of support projects	unit	1
Number of special scholarship programs established	unit	1
Number of institutions involved in scholarships	unit	6
Total scholarships	CNY 10,000	15
Number of students receiving scholarships	person	60
Number of entrepreneurship training bases	unit	9
Availability of internships for current students	unit	56
Number of established volunteer organizations or groups	unit	8
Number of volunteers among employees	person	1,737
Number of hours of volunteer activities	hour	6,514
Amount of corporate support for volunteer activities	CNY 10,000	2.37
Number of activities involving or supporting the protection of the rights and interests of women, children or persons with disabilities	times	10

Indicator indexes



Table of Content	Sustainability Reporting Standards (GRI Standards)	Guidelines No. 14 for Self-Regulation of Listed Companies - Sustainability Report (Trial)	Reference Indicator System for the ESG Special Report of Listed Companies Controlled by Central Enterprises
About this report	GRI 4-2-1, 2-2, 2-3	1-6	G4.1.2
Chairman's speech	/	/	/
About Sinoma International	GRI 2-1, 2-6	/	/
Sustainable development management	GRI 2-9, 2-14, 2-16, 2-22, 2-29, 3-1, 3-2, 3-3	1-9, 2-11, 2-12, 2-18, 5-1-51, 5-1-53	G1.3.3, E5.1.1, G1.2.2, G3.2.2
Special topic	The 14th Five-Year Plan: A New Chapter in Our Sustainable Development /	/	/
Consolidating Governance Foundations to Ensure Steady and Healthy Operations for Development	Strengthening Governance Foundations	GRI 2-9, 2-10, 2-12	5-1-51 G1.1.1-G1.1.2, G1.2.2, G3.1.1-3.1.2, G3.2.1-3.2.2
	Compliance and Integrity in Operations	GRI 2-27, 205-1, 205-2	5-2-54, 5-2-55, 5-2-56 G2.1.1-2.1.2, G2.2.1-2.2.2, G2.3.1-2.3.2, G5.1.1-5.1.3, G5.2.1-5.2.3
	Safeguarding Employee Rights and Interests	GRI 2-23, 2-25, 2-26, 2-30, 201-3, 202-1, 202-2, 401-2, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-10, 404-2, 404-3, 405-1, 406-1	4-4-49, 4-4-50 S1.1.1, S1.1.3, S1.2.1-1.2.4, S1.3.1-S1.3.4, S1.4.1-1.4.3, S1.5.1, S2.1.1
Pursuing Sustainability through Green and Eco-Friendly Development	Green and Clean Production	GRI 302-4, 302-5, 303-2, 304-2, 304-3	3-2-29, 3-2-30, 3-2-32, 3-2-33, 5-1-52 E2.1.1-2.1.2, E2.2.1, E2.3.1-2.3.5, E4.1.1, E5.2.3, E5.4.1, E5.4.2, E5.4.3, E5.4.4, E5.4.6, E5.5.1, E5.6.1, E5.6.2
	Circular Economy Integration	GRI 303-1, 306-1, 306-2, 306-3, 306-4, 306-5,	3-3-34, 3-3-37 E1.4.2, E5.2.1

Table of Content	Sustainability Reporting Standards (GRI Standards)	Guidelines No. 14 for Self-Regulation of Listed Companies - Sustainability Report (Trial)	Reference Indicator System for the ESG Special Report of Listed Companies Controlled by Central Enterprises
Leading Industrial Progress and Enhancing Overall Value for Mutual Benefit	Enhancing Service Quality	GRI 2-28, 417-1	4-2-41, 4-2-42, 4-3-43, 4-3-44, 4-3-47, 4-3-48 S2.1.2, S2.2.1-2.2.3, S2.3.1-2.3.4
	Sustainable Supply Chain	GRI 308-1, 308-2, 414-1, 414-2	4-3-44, 4-3-45, 4-3-46 E5.4.5, S3.1.1, S3.2.1-3.2.3
Embracing the Mission of the Times and Jointly Pursuing Global Development with Responsibility	Green and low-carbon products	GRI 305-5	3-1-20, 3-1-28 E3.2.2, E5.5.3, S4.4.1
	Addressing Climate Change	GRI 201-2, 305-5	2-11, 2-12, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 3-1-20, 3-1-21, 3-1-22, 3-1-23, 3-1-27 E3.1.2, E3.2.1-3.2.2, E3.4.1, E5.1.1, E5.3.1
	Improving People's Livelihood and Well-being	GRI 203-1, 203-2, 207-1, 413-1	4-1-38, 4-1-39, 4-1-40 S4.1.1, S4.2.1-4.2.2, S4.3.1-4.3.2, S4.4.2-4.4.4
Appendix	ESG key performance	GRI 2-7, 2-8, 201-1, 205-3, 206-1, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 303-3, 303-4, 303-5, 304-1, 305-1, 305-2, 305-4, 305-7, 401-1, 403-9, 404-1, 405-2, 418-1	3-1-24, 3-1-25, 3-1-26, 3-2-31, 3-3-35, 3-3-36, 4-4-50 E1.1.1-1.1.4, E1.2.1-1.2.3, E1.3.1-1.3.5, E1.4.1, E2.1.3-2.1.4, E2.2.2, E2.3.2-2.3.5, E3.1.3-3.1.4, E3.1.6, S1.1.2, S1.4.3, S1.5.3, S2.3.2, S3.1.2, S4.1.1
	Indicator indexes	GRI 1-3	6-57 /
Feedback form	/	/	/

Feedback form

Dear readers,

Thank you very much for reading this report. Your opinions and suggestions are an important basis for us to continuously promote the ESG governance, practice, and reporting. We look forward to your reply!

Selective questions (please tick ✓ at the appropriate location)

1. Please evaluate the degree of impact of Sinoma International on the economy, society, and environment reflected in this report:

Very good Good General Poor

2. Please evaluate the extent to which this report responds to and discloses issues of concern to stakeholders:

Very good Good General Poor

3. Please evaluate the clarity, accuracy, and completeness of the information, indicators, and data disclosed in this report:

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4. Please evaluate the readability of this report:

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5. Please give a comprehensive evaluation of this report:

Very good Good General Poor

Open Questions

1. What aspect of this report are you most satisfied with?

2. What further information would you like to learn?

3. Do you have any suggestions for our future reports?

If it is convenient, please tell us your information:?

Full name: Occupation:

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