



CNBM

# 2025 ESG Report

China National Building Material  
Company Limited

Materials Create a Beautiful World



Stock code: 03323



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## About the Report

The Report is the 10<sup>th</sup> ESG Report consecutively published by China National Building Material Company Limited (Stock Code: 3323) and all of its subsidiaries. The Report provides the latest information relating to the progress made by the Group towards achieving sustainable development in 2025. The Report mainly includes environmental, social and governance topics related to the Group's sustainable development and climate-related risks and opportunities which are addressed by the Group's stakeholders, in order to facilitate better understanding of Group's sustainable development concepts, measures and related performance.

The Report mainly covers three business segments of the Group, including basic building materials, new materials and engineering technology service, as well as logistics trade and other businesses. The Report also discloses key performance indicators as far as possible with supplemental explanations to set benchmarks for evaluation and facilitating comparisons.

The Report should be read in conjunction with the Company's *2025 Annual Report*. All the governance documents of the Company disclosed on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) are also available on its official website ([www.cnbmltd.com](http://www.cnbmltd.com)) under the "Governance Documents" of "Investor Service" section for a comprehensive understanding of the Company's relevant information.

### Reporting Period

Unless otherwise specified, the Report covers the period from 1 January 2025 to 31 December 2025. The information presented in the Report includes the Group's specific policies and performance in ESG aspects. Considering the continuity and comparability of the information disclosed, the timeframe of certain contents is adjusted where necessary.

### Reporting Scope

The reporting scope of the Report is determined on the principle of materiality. Unless otherwise specified, the substance of the Report covers all the holding subsidiaries covered by the consolidated financial statements of CNBM, as well as the associated company, China Jushi.

### Reporting Guideline

- United Nations 2030 Sustainable Development Goals (SDGs) and the Ten Principles of the United Nations Global Compact (UNGC)
- The *Environmental, Social and Governance Reporting Code* under Appendix C2 to the "Listing Rules" issued by The Hong Kong Stock Exchange
- The *Reference Indicator System for the ESG Special Report of Listed Companies Controlled by Central Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC")
- The recommended disclosures framework by the Task Force on Climate-Related Financial Disclosures ("TCFD")
- The recommended disclosures framework by the Task Force on Nature-Related Financial Disclosures ("TNFD")
- The Sustainability Accounting Standards Board ("SASB") standards (Construction Materials)

The Report followed the mandatory disclosure requirements and the "comply or explain" provisions in the *ESG Reporting Code* issued by the Stock Exchange and was prepared based on the reporting principles of materiality, quantitative, balance and consistency.

**"Materiality":** During the preparation of this Report, major stakeholders and ESG issues of concern have been identified, and targeted disclosures have been made in this Report according to the importance of their concerns.

**"Quantitative":** The Report presents key performance indicators at the environmental and social levels in the form of quantitative data and makes calculations according to national regulations or industry standards, such as the *General Principles for Calculation of Comprehensive Energy Consumption*, the *Guidelines for Accounting Methods and Reporting Greenhouse Gas Emissions of China's Cement Production Enterprises*, the *Notice on the Report and Verification of Greenhouse Gas Emissions for Some Enterprises in Key Industries from 2023 to 2025*, and the *Annual Development Report of China's Electric Power Industry 2025*. The measurement standards, methods, assumptions and/or calculation tools of the key performance indicators in the Report, as well as the sources of conversion factors used, have been explained in the corresponding positions. Unless otherwise specified, the monetary unit is RMB.

**"Balance":** The Report follows the principle of balance to objectively present the Group's ESG performance and management status.

**"Consistency":** Unless otherwise specified, this Report applies the same statistical method with the *2024 Environmental, Social and Governance Report* of the Group.



## Assurance of the Report

This Report has been authenticated by an independent third-party firm, Ernst & Young Hua Ming LLP, in accordance with the *ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and an authentication report has been issued.

## Confirmation and Approval

The Report was confirmed by the ESG working teams of the Group in March 2026. The Board and the ESG Committee have reviewed, confirmed, and approved the Report, and ensured the Report's content covers the specific policies and performance in key ESG aspects of the Group.

## Publication Form of the Report

The Report is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) in both traditional Chinese and English version. If there is any discrepancy in the content, the traditional Chinese version shall prevail. At the same time, the simplified Chinese version of the Report is available on the Group's official website (<http://www.cnbm.com>).

The Group seeks to improve the transparency of information disclosure. Our subsidiaries also prepared and published ESG reports or sustainability reports based on stakeholders' needs for information. The 2025 Sustainability Reports published by the listed companies of the Group (Tianshan Material, Ningxia Building Materials, BNBK, China Jushi, Sinoma Science & Technology, Sinoma International) are available for access on the Group's official website ([www.cnbm.com/col/col1313](http://www.cnbm.com/col/col1313)).

## Other ESG Information

In addition to the Report, the Group has publicly released a series of ESG policy statements, including the Environmental Policy Statement, the Occupational Health and Safety Policy Statement, the Anti Corruption Policy Statement, the Code of Business Conduct, the Policy Statement of Human Rights, the Supplier Code of Conduct, the Sustainable Supply Chain Management Policy Statement, the Policy Statement on Biodiversity, the Board Diversity Policy Statement, and the Tax Policy Statement, whose details are available on the Group's website. (<http://www.cnbm.com/col/col1407/index.html>)

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



## Feedback on the Report

If you have any comments on the Group's work relating to the ESG report, please contact us by the following email.

Email: [esg@cnbm.com.cn](mailto:esg@cnbm.com.cn)



## Chairman's Statement

As the years pass and new chapters unfold, 2025 marks the convergence point of the successful conclusion of the "14<sup>th</sup> Five-Year Plan" and the launch of the "15<sup>th</sup> Five-Year Plan". In this year, we steadfastly anchored ourselves to the core task of high-quality development, striking a precise balance between steady growth and momentum accumulation. We continuously advanced green transformation and technological innovation, deeply integrating ESG concepts into strategic practices, and marching steadily on the path of fulfilling social responsibilities. At the time of this report's release, on behalf of the Board of Directors, I extend my heartfelt gratitude to all partners who have long cared for and supported our development.



**Zhou Yuxian**

Chairman

Beijing, China

March 30, 2026

**Over the past year, we accelerated our development momentum and solidified our global footprint.** We accelerated the climb of the basic building materials segment toward the mid-to-high end of the value chain, serving numerous national key projects. The application markets for products such as specialty cement continued to expand, while emerging businesses—including calcined spodumene, calcined lepidolite, and co-processing of spent lithium batteries in cement kilns—were launched in an orderly manner. Moreover, we accelerated the optimization of layout in the new materials segment, built the first zero-carbon smart manufacturing base in the global fiberglass industry, achieved major breakthroughs with wind turbine blades in deep-sea applications, and made phased progress in multiple landmark projects. Anchored to the strategic direction of internationalization, we strengthened internal and external coordination and system integration. Our internationalization index continued to rise. Our global market share for cement engineering technology services ranked first worldwide for 17 consecutive years, and our global market share for power generation from cement waste heat continued to lead. Furthermore, our overseas warehouses and building materials retail chain businesses achieved complementary advantages and fostered synergies for development.

**Over the past year, we delivered more fruitful innovation outcomes and enjoyed stronger development momentum.** We achieved breakthroughs in a series of original innovations and core technologies in key fields. We also attained internationally advanced levels in two key areas: high-efficiency melting and refining technology for low-dielectric fiberglass, and high-weatherable heat-insulating and waterproof coating. Phased results were achieved in multiple technologies, including the new internal circulation fluidized calcination technology and intelligent adaptive shaping technology for natural graphite. A number of breakthroughs in core technology in key fields and new materials were showcased at the Exhibition on China's Manufacturing Achievements under 14th Five-Year Plan, demonstrating the "hardcore strength" of the national team in the materials industry. Besides, we accelerated digital transformation, promoting the multiplier effect of data elements across all business scenarios. Our "Find a Car" platform registered over 2.01 million vehicles. Sinoma International released the 2.0 standards for smart mines and smart factories for gypsum board and successfully built the industry's first certified "zero-employee factory". We cumulatively built 107 basic-level smart factories, 33 advanced-level smart factories, and 9 excellence-level smart factories.

**Over the past year, we further advanced our green initiatives, with a more prominent low-carbon development profile.** Our cumulative installed capacity of renewable energy reached 821 MW, the annual comprehensive energy consumption per tonne of cement clinker decreased by 3.78%, the share of cement production lines achieving ultra-low emissions reached 62.61%, and the share of production lines utilizing alternative fuels reached 50.84%, representing increases of 26.02 and 5.84 percentage points, respectively, compared with the end of 2024. Over the year, we processed 85.69 million tonnes of solid waste across 22 types, and established 32 processing centers for our alternative fuel business. We cumulatively built 28 "Zero-waste Factories", 275 "Green Factories", and 161 "Green Mines." In addition, we improved the *Catalogue for Promotion of Green and Low-Carbon Technology Achievements*. The CCUS project of CUCC Qingzhou was selected for the List of the Second Batch of National Green and Low-Carbon Advanced Technology Demonstration Projects. Additionally, the alternative fuel and oxy-fuel combustion projects we contracted in Europe were at the forefront of the industry's low-carbon transition.

**Over the past year, we further consolidated our people-centric foundation and continued to expand our shared development landscape.** We prioritized the protection of employee rights, strengthened employee training and development, and reinforced incentive mechanisms for technological innovation. We continuously improved digital, intelligent work safety management system, and shared development outcomes with our employees. Moreover, we executed key tasks for rural revitalization with high quality, effectively meeting the basic needs of vulnerable groups and coordinating the fundraising of over 60 million yuan in assistance funds. We also supplied high-quality products downstream and transmitted high standards upstream, driving coordinated development across the entire industrial chain.

**Over the past year, we took firm steps to "strengthen roots and forge souls", making corporate governance more effective.** We dynamically optimized the lists of rights and responsibilities for the General Meeting of Shareholders, Board of Directors, and Board of Supervisors. We evaluated the Board's standardization, continuously improving its operational standards. The three-year action plan for SOE reform was successfully concluded with high quality. Furthermore, we strengthened internal supervision and audit, effectively mitigated various risks, and fortified the ideological defense line against corruption. We unwaveringly deepened the fight against corruption, providing a solid guarantee for our high-quality sustainable development. Besides, we implemented share repurchases and increases to tangibly reward shareholders, completing the H share tender offer repurchase for a total amount of approximately HKD 3.392 billion and continuously increasing our shareholding in China Jushi. In addition, we attached great importance to sustainable development, integrating ESG concepts into the corporate mission and the entire process of operation and management. We fully completed the phased objectives of the strategic action plan for sustainable development. We and our listed subsidiaries achieved comprehensive improvements in ESG ratings both domestically and internationally.

The scroll of the times unfurls through forge-ahead progress; the magnificent chapters of history are written through unremitting endeavor. In the new year, we will continue to uphold our corporate mission of "Materials Create a Better World". We aim to lead the construction of a modern materials industry system that is independent, controllable, safe, reliable, and highly competitive. With firmer conviction, more robust measures, and a more pragmatic approach, we will drive our high-quality sustainable development.



# Highlights of CNBM

## ESG Awards (selected)

Ranking 27<sup>th</sup> in the  
"China ESG Listed Companies:  
Central SOEs Pioneer 100" list

Ranking 51<sup>st</sup> in the  
"China ESG Listed Companies  
Pioneer 100" list

S&P CSA Score of 65  
Selected for the S&P Global  
*Sustainability Yearbook (China  
Edition)* for three consecutive years

Wind ESG Rating of AAA  
Selected for the "Wind China's Top  
100 Best ESG Practices of Chinese  
Listed Companies 2025"

## ESG performance

Total GHG emissions  
**158.60 million tonnes** ↓ YoY decrease  
**5%**

Sulfur dioxide emissions  
**4,532 tonnes** ↓ YoY decrease  
**6%**

Nitrogen oxide emissions  
**42,999 tonnes** ↓ YoY decrease  
**13%**

Industrial particulate  
matter emissions  
**4,226 tonnes** ↓ YoY decrease  
**8%**

Comprehensive energy  
consumption intensity  
**871 MWh/ million yuan  
of operating revenue** ↓ YoY decrease  
**3%**

Comprehensive energy consumption per  
tonne of cement clinker  
decreased by **3.78% YoY**

Using self-generated wind and PV power  
**422.9 GWh**

Carbon dioxide emission reduction  
**347.2 thousand tonnes**

Alternative fuel usage  
**1.211 million tonnes**  
(standard coal equivalent)

Carbon dioxide emission reduction  
**3,372.7 thousand tonnes**

Revenue from products with green  
attributes  
**46.2 billion yuan**

Revenue from products promoting social  
green development  
**54.3 billion yuan**

Safety, environmental protection, and  
health inspections  
**48,455 times**

Investment in safety and health  
**1.742 billion yuan**

Hidden hazard rectification rate  
**99.82%**

Participants to occupational health and  
safety training  
**2.12 million person-times**

Employee  
satisfaction across  
all categories  
**>90%**

Overall  
customer  
satisfaction rate  
**96%**

Total charitable contribution  
**68.07 million yuan**



## Board Statement

The Group is committed to practicing the concept of sustainable development. The Board attaches great importance to ESG management and has established an ESG management system in which the Board takes responsibility, the management organizes, all departments cooperate and the subsidiaries are linked upward and downward. The Board regularly listens to and reviews the ESG work progress report of the ESG Committee, and guides the ESG work guidelines; the ESG Committee is mainly responsible for evaluating the Group's corporate governance, environmental and social responsibility management and the risks and opportunities faced, formulating and reviewing the governance, environmental and social responsibility management vision, objectives and strategies, and regularly reporting to the Board on major topics related to ESG work.

The Group attaches great importance to the evaluation of the materiality of ESG issues, optimizes the way of stakeholder engagement, identifies, evaluates, and manages material ESG issues, and compares the differences with the evaluation results in previous years. The specific assessment process and results are detailed in the "Establishing the Foundation of Sustainable Development" section of this Report and reviewed by the Board.

In respect of ESG risk management, the Group has integrated ESG risk management into its daily risk management system. All departments and subsidiaries of the Group identify and prevent significant ESG risks in the daily operation and production process. The ESG Committee regularly reviews such risks and reports the risk management to the Board on a regular basis.

The Group has developed effective strategies to maintain a balance between the Company's environmental and social impact and the achievement of its business objectives to promote sustainable development. The ESG Committee reviews and evaluates the Group's ESG strategy on a regular basis to review and ensure alignment with the Company's development strategy. During the Reporting Period, the Group also established environmental objectives associated with its business operations and reviewed the achievement of the objectives in the previous year. The establishment of objectives and the results of the review are detailed in the "Green Technology Empowers New Quality Productive Forces" of this Report and reviewed and discussed by the Board.

This Report discloses in detail the progress and effectiveness of the Group's 2025 ESG work, which has been reviewed and approved by the Board on March 30, 2026.



## About CNBM

### Company profile

With Parent, BNBMG, CNBM Trading, Cinda and Building Materials Academy as promoters, the Company was converted into a joint stock limited company on 28 March 2005. The Group's H Shares under the initial public offering were listed on the Stock Exchange on 23 March 2006 (Stock Code: 3323).



As of the end of the Reporting Period,  
the Group owned **six** A-share listed  
companies with

**129,594** employees

As a globally leading publicly listed company in the materials sector, CNBM holds significant influence in cement, ready-mix concrete, fiberglass, electronic fabrics, gypsum boards, light steel frames, wind turbine blades, and cement technology equipment engineering and system integration services.

### Business overview

As of December 31, 2025, the Group's business segments and the major operating entities within each segment are as follows:

Business segments	Major operating entities	Direct and indirect equity interest attributable to the Company	Main products and services
Basic building materials	Tianshan Material	81.14%	Cement, ready-mixed concrete, aggregates
	North Cement (entrusted in Tianshan Material)	70%	Cement, ready-mixed concrete, aggregates
	Ningxia Building Materials	49.03%	Cement, ready-mixed concrete, aggregates, digital logistics
New materials	BNBM	37.54%	Gypsum boards, keels, waterproofing systems, coatings
	China Jushi	29.22%	Glass fiber
	Sinoma Science & Technology	60.24%	Glass fiber, wind turbine blades, lithium battery separators, hydrogen energy storage and transportation equipment
	China Composites	100%	Wind turbine blades (equity participation), carbon fiber (equity participation)
	Sinoma Graphite	100%	Refined graphite powder, spherical graphite, and graphite cathode
	Engineering technology service	Sinoma International	41.28%
Logistics, trading and others	CNBM Investment	100%	Overseas warehouses (including overseas chain operations) and centralized procurement supply chain

Note: The environmental and social data disclosed in this report represent the aggregate data of the Group's subsidiaries and are unrelated to equity interest percentages.



## Awards and Recognition

The Group remains firmly committed to practicing sustainable development strategies, receiving widespread acclaim from governmental bodies and organizations at home and abroad across various dimensions. In 2025, the Group was honored with numerous ESG honors and awards, including but not limited to:

**Ranking 27<sup>th</sup>**  
in the "China ESG Listed Companies:  
Central SOEs Pioneer 100" list

**Ranking 51<sup>st</sup>**  
in the "China ESG Listed Companies  
Pioneer 100" list

**A+ ESG Rating from the China Building Materials  
Federation**  
selection as a Typical ESG Practice Case in the  
Building Materials Enterprises

**Grade A**  
in the "2025 China Cement Enterprise ESG  
Rankings" at the website - Ccement.com

**Selected as one of the "2025 Best Practice Cases of  
Sustainable Development by Listed Companies"**  
by the China Association for Public Companies

**"Best ESG" award**  
at the 8<sup>th</sup> China Excellence IR Awards hosted  
by Roadshow China

### International and domestic ESG ratings

**S&P CSA Score of 65**  
Selected for the S&P Global *Sustainability  
Yearbook (China Edition)*

**Wind ESG Rating of AAA**  
selected for the "Wind China's Top 100 Best ESG  
Practices of Chinese Listed Companies 2025"

**Hang Seng Indexes ESG Rating of A-**



# Establishing the Foundation of Sustainable Development

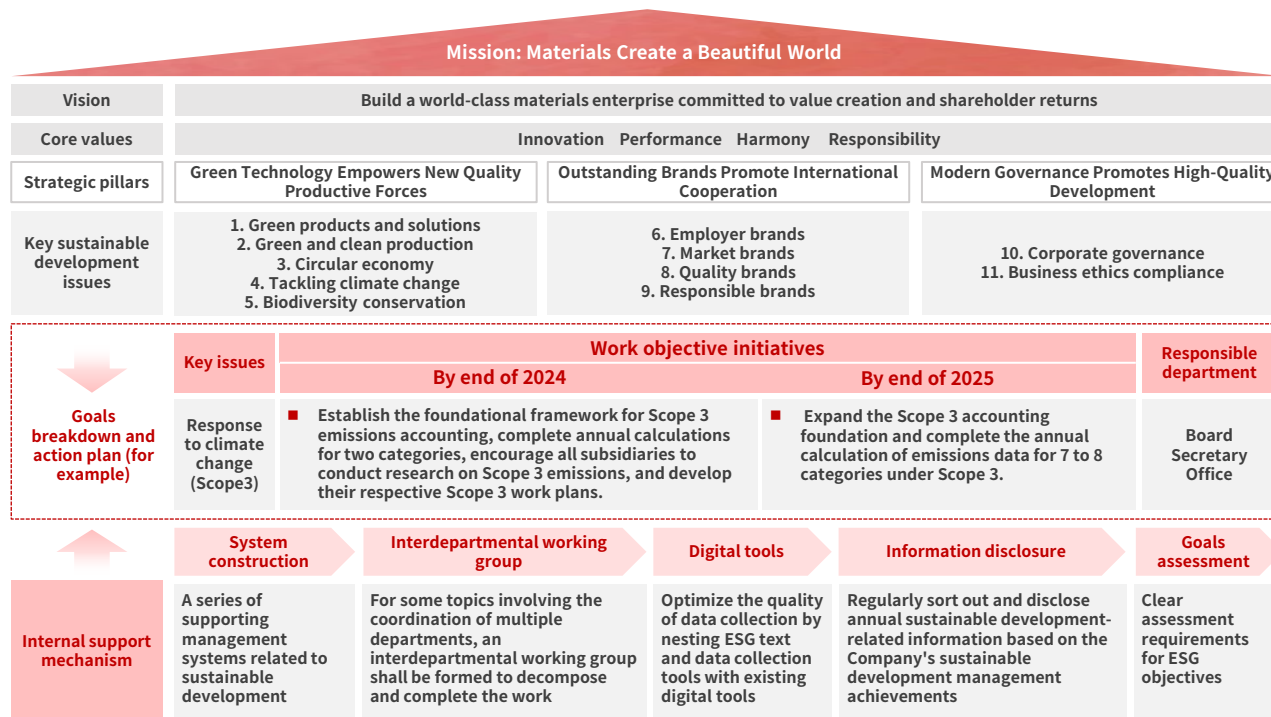
China National Building Material Company Limited formally joined the United Nations Global Compact ("UNGC") on 3 July, 2023. The Group is committed to the Ten Principles of the UNGC based on the United Nations Convention and is committed to integrating the ten principles into the strategic management.

On 31 December 2024, CNBM officially became a signatory corporate member of the United Nations Women ("UN Women"). The Group is committed to abide by the seven principles set out in the *Women's Empowerment Principles* (WEPs), to further deepen the practice of gender equality and women's empowerment, and to contribute to the building of a fairer social environment.

## Sustainability strategy

CNBM collectively advanced the implementation of the "1+N" sustainable development strategy, culminating in a strategic model that encompasses CNBM, along with six listed subsidiaries and two unlisted companies. This strategic framework spans all operational sectors, underpinning our commitment to sustainable growth. At the Group level, we have formulated the "2463" sustainable development strategy, adhering to the core values of "Innovation, Performance, Harmony, and Responsibility" and keeping firmly the corporate mission of "Materials Create a Beautiful World" in mind. By promoting green technology, building a renowned brand, and enhancing modern governance, the Group actively contributes to green transition and the development of emerging industries, aiming to achieve sustainable development for the enterprise, society, and nature. The Group is committed to realizing the corporate vision of "Build a World-class Material Enterprise, Committed to Value Creation and Shareholder Return".

External input	
<b>Policy orientation</b>	<ul style="list-style-type: none"> <li>Grasp the national policy priorities, conduct macro analysis of the external policy environment, and provide policy guidance for the formulation of sustainable development strategies.</li> </ul>
<b>Market development</b>	<ul style="list-style-type: none"> <li>Grasp the market development pattern, continuously track industry trends and market hotspots, and point out the practical direction for the formulation of development strategies.</li> </ul>
<b>Compliance supervision</b>	<ul style="list-style-type: none"> <li>Sort out the key issues under the regulatory compliance requirements related to CNBM, and clarify the key direction of ESG regulation.</li> </ul>
<b>Capital market focus</b>	<ul style="list-style-type: none"> <li>Carry out gap analysis with reference to mainstream ratings in the capital market (such as MSCI, CSA, CDP), diagnose the current situation of the Company's ESG management, and identify key issues of concern for the Company's future sustainable development.</li> </ul>



# Sustainability governance

The Group has established a sound ESG governance structure and policy system, so as to achieve balanced development of the enterprise and society, promote sustainable development.



## ESG governance structure

### At the governance level

The Board is the highest decision-making body for the Group's ESG work and is responsible for the Group's ESG strategy and reporting. The Board regularly receives and reviews reports from the ESG Committee on the progress of ESG efforts, and provides guidance on ESG work direction.

The ESG Committee is a dedicated ESG management committee established under the Board, responsible for overseeing ESG matters and regularly reporting to the Board on significant ESG-related issues. The main responsibilities of the ESG Committee include:

- Studying and formulating the overall ESG management objectives, management strategies and management policies of the Company, including the process of evaluating, prioritizing and managing material ESG-related issues (including climate change, employee safety and health, labor management, waste management and pollutant discharge, information security, business ethics and sustainable supply chain construction).
- Monitoring and reviewing the Company's ESG policies and practices.
- Assessing and defining the risks and opportunities of CNBM and all its subsidiaries in relation to ESG, and ensuring that the Company has set appropriate and effective ESG risk management and internal control systems.
- Reviewing material ESG management issues, including but not limited to reviewing and approving the annual ESG report and reviewing the progress of the annual ESG overall objectives, and explaining the relationship between the relevant objectives and the Company's business.
- Evaluating the way the Company communicates with stakeholders on ESG issues and ensuring that appropriate engagement policies and channels are in place.

### At the executive level

The Group's ESG matters are overall supervised and managed by the Secretary to the Board of Directors. An ESG Working Group has been established, composed of senior management, heads of ESG-related functional departments, and dedicated ESG personnel. Authorized by the Board of Directors, the Working Group assists the ESG Committee in guiding and overseeing the Group's implementation of ESG-related management. Its main responsibilities include:

- Organizing and implementing ESG works, setting up related policies and procedures and report to the ESG Committee for approval;
- Coordinating, Overseeing, and supervising the Group's implementation of ESG works;
- Reviewing the progress of achieving ESG targets and assisting the ESG Committee to review;
- Reporting the ESG management works to the ESG Committee regularly;
- Urging and inspecting the implementation by functional departments related to ESG and specialized personnel in charge of ESG, etc.

### At the operational level

The key responsibilities of ESG-related functional departments and subsidiaries include:

- Establishing and improving the norms and procedures of ESG management.
- Taking charge of collecting, merging and reporting relevant information and materials.
- Taking the responsibility of implementing ESG projects and assisting with the organization of related practical activities.
- Contributing to the advocating and training of ESG and the communication with stakeholders, etc.

### Linking sustainable development indicators with management performance

The Group has established a robust management incentive and remuneration system to link sustainable development indicators with management performance. The Group has developed business performance assessment indicators for the management of CNBM and its subsidiaries, culminating in the signing of the *2025 Business Performance Responsibility Commitment Document* at all organizational levels. This document outlines the individual management performance assessment indicators, veto indicators, performance indicators for departments overseen by management members, and business performance evaluation indicators for the subsidiaries under their responsibility or in which they provide assistance. All these components integrate ESG elements. These elements encompass various topics including safety, environmental protection, energy conservation and emission reduction, dual carbon goals, integrity, privacy protection, employee development, ESG information disclosure, and ESG ratings. Among these, “Energy Conservation and Ecological Environmental Protection” accounts for **10%** of the business performance assessment for all management personnel.

## ESG risk management

The Group integrates ESG risk management into its daily risk management system, and actively carries out special risk identification and assessment in the areas of climate change, environmental protection, technological innovation, production safety, employee growth, social responsibility and business ethics. The work flow of ESG risk identification and assessment carried out by the Group is as follows:

Steps	Specific work content
1	Building ESG risk library around key areas and material issues
2	Assessing ESG risks based on the Group's actual situation and future development
3	Deeply communicating with the Group's stakeholders through multiple channels and in a comprehensive manner to determine the ESG risk level
4	Developing recommendations for the Group's response to ESG risks at current and future stages based on the results of the risk level
5	ESG risk assessment results and response recommendations are reviewed and confirmed by the Board or management, and ESG risk management is integrated into the Group's strategy

### Management incentive clawback mechanism

The Group has established a remuneration clawback mechanism, formulated in accordance with the *Implementation Measures for Pursuing Liability in Cases of Non-compliant Business Operations and Investments*. For management members who violate relevant national laws and regulations, or who fail to perform, or improperly perform their duties resulting in asset losses to the Company, the Group will correspondingly deduct their current performance-based annual salary, or claw back part or all of the previously paid performance-based annual salary and medium- to long-term incentive benefits.



# Stakeholder engagement

The Group identifies the key stakeholders who are related to the Group's operation, keeps communication with them to understand their expectations for, interests in and requirements for the Group's development process and future, and strives to respond and meet the requirements.

## CNBM's stakeholder engagement policy

Overseen by the Board ESG Committee of the Company, this policy aims to provide comprehensive guidance for the Company's interactions with stakeholders throughout its business operations and value chain management:

- **Stakeholder definition:** clearly delineate the scope of communities and local stakeholders affected by the Company's operations, with particular emphasis on including vulnerable groups in the identification process.
- **Engagement strategy:** develop and implement engagement strategies that include local stakeholders, ensuring their voices are effectively represented in the Company's decision-making process.
- **Complaint/appeal mechanism:** establish a transparent and efficient mechanism for handling community complaint/appeal to safeguard the legitimate rights and interests of stakeholders.

For instance, during the preliminary design phase of various projects, the Group will actively engage in public solicitation and extensive collection of opinions from residents in the vicinity of the project site, deeply understand the concerns of the relevant residents, and assist groups facing communication difficulties, such as the elderly and children, ensuring that all stakeholder groups can communicate smoothly with the Company. To ensure a comprehensive evaluation of our projects, we appoint professional environmental assessment institutions to conduct thorough environmental impact assessments. Additionally, we develop mitigation plans designed to minimize any potential adverse effects of the projects on both the surrounding environment and local community.

## To ensure the effective implementation of the policy, the Group has undertaken the following measures:

- **Impact assessment:** Conduct regular impact assessments involving local stakeholders or communities to identify potential risks and opportunities.
- **Communication channels:** Establish clear and convenient communication channels for stakeholders to facilitate information exchange and feedback.
- **Capacity building:** Implement capacity-building initiatives aimed at enhancing stakeholders' abilities to communicate effectively and negotiate with the Group.
- **Regular surveys:** Conduct periodic surveys/reviews to gauge stakeholder satisfaction with the engagement plan and gather suggestions for improvement.
- **Meeting mechanism:** Hold regular meetings with local stakeholders to address emerging issues and explore solutions collaboratively.
- **Complaint tracking:** Develop a complaint tracking system that ensures all complaints are addressed promptly and fairly.
- **Universal application approach:** the stakeholder engagement program is applicable across all local operations of the Group, ensuring consistency and effectiveness in policy implementation.

## Addressing community needs to ensure harmonious project and community development

During the preparation phase of its wind power project, China Jushi proactively convened social stability assessment meetings with key stakeholders, including local village officials, for full consultations regarding cultivated land use and other related matters. Under the coordination of the local government, China Jushi ensured that compensation for land requisition and crop destruction was distributed directly to the affected households. Furthermore, in response to community concerns regarding the operational noise of wind turbines, the Company took active measures by installing serrated trailing edges on the wind turbine blades to effectively reduce noise. This initiative avoided interference with the farming activities and daily lives of surrounding residents, thereby safeguarding environmental safety and community well-being during agricultural operations.



The main stakeholders identified by the Group and the main engagement channels and frequencies are as follows:

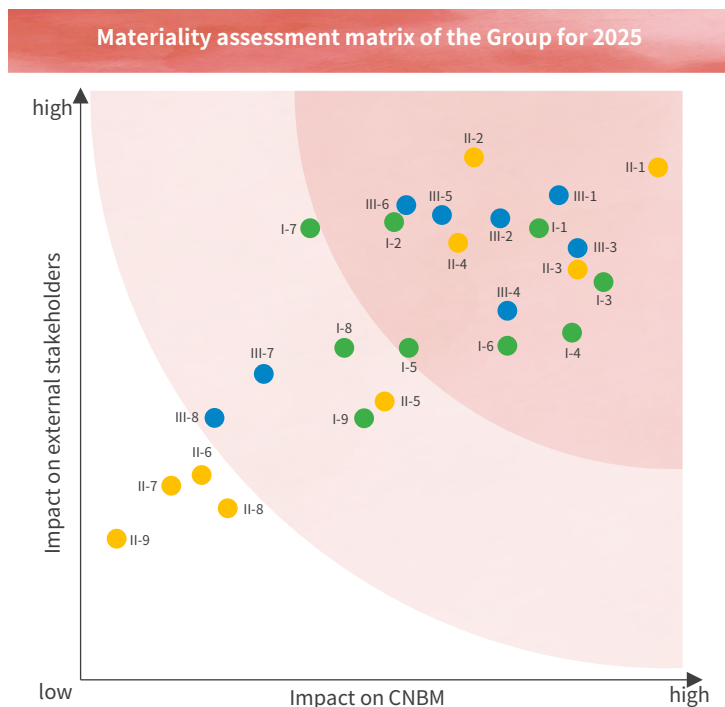
Key stakeholders	Main engagement channels	Frequency	Key stakeholders	Main engagement channels	Frequency
Board members, executive, and employees	<ul style="list-style-type: none"> <li>Employee meeting/forum</li> <li>Employee performance appraisal interview</li> <li>Employee satisfaction survey</li> <li>On-site investigation and research</li> <li>Employee activities</li> <li>Materiality assessment surveys of ESG issues</li> </ul>	Annually/ Regularly/ From time to time	Shareholders/investors	<ul style="list-style-type: none"> <li>General meeting</li> <li>Investor conference</li> <li>Press release/announcement</li> <li>Annual/interim result presentation</li> <li>Analyst seminar</li> <li>Roadshow</li> <li>Corporate Day</li> <li>Materiality assessment surveys of ESG issues</li> </ul>	Annually/ Regularly/ From time to time
Governments/regulatory authorities	<ul style="list-style-type: none"> <li>Telephone/email</li> <li>Meeting and interview</li> <li>Materiality assessment surveys of ESG issues</li> </ul>	Regularly/From time to time	Members of communities/organizations	<ul style="list-style-type: none"> <li>Telephone/email</li> <li>Meeting and interview</li> <li>Materiality assessment surveys of ESG issues</li> </ul>	Regularly/From time to time
Clients	<ul style="list-style-type: none"> <li>Telephone/email</li> <li>Meeting and interview</li> <li>Materiality assessment surveys of ESG issues</li> </ul>	Regularly/From time to time	Media	<ul style="list-style-type: none"> <li>Press release/announcement</li> <li>Media interview</li> <li>Materiality assessment surveys of ESG issues</li> </ul>	Regularly/From time to time
Suppliers/contractors	<ul style="list-style-type: none"> <li>Issuance of invitation for bids on procurement of products/services</li> <li>Inspection and supervision of work</li> <li>Supplier/contractors conference</li> <li>Telephone/email</li> <li>Meeting and interview</li> <li>Materiality assessment surveys of ESG issues</li> </ul>	Regularly/From time to time	Business partners	<ul style="list-style-type: none"> <li>Inspection and supervision of work</li> <li>Telephone/email</li> <li>Meeting and interview</li> <li>Materiality assessment surveys of ESG issues</li> </ul>	Regularly/From time to time

The Group obtains opinions and suggestions from various stakeholders through the above channels, transforms them into practical experience applicable to operation management and business development through analysis and judgment, and summarizes and publicizes them at various meetings, so as to maximize the engagement effect among stakeholders and promote the sustainable development of the Group.

# Materiality assessment

The Group integrates the materiality assessment into the overall risk management process, and conducts the assessment of materiality issues annually, with final review by the Board. In order to identify the ESG issues that were critical to the Group's main stakeholders, the Group, by referring to the standards and guidelines, including the *ESG Reporting Code* issued by the Hong Kong Stock Exchange, *the Reference Indicator System for the ESG Special Report of Listed Companies Controlled by Central Enterprises* issued by SASAC, SASB standards (Construction Materials) and the recommended disclosures framework by TCFD and TNFD. In addition, the ESG issues have been updated by taking into account the regulatory requirements applicable to the Group's listed subsidiaries in their respective jurisdictions. Through methods such as questionnaires, reviews and summaries, and meetings, the Group actively understands and responds to stakeholders' concerns, combines financial importance and the impact of business activities on the environment and society, to assess the materiality of the issues.

Steps	Specific work contents
1	Updating the database of ESG issues and screening out potential ESG material issues
2	Identifying the most relevant ESG issues for the Group
3	Conducting stakeholder surveys in the form of online questionnaire
4	Identifying material issues by drawing a materiality matrix based on the survey results
5	Reviewing by the Board and confirming the results of identification of material issues



Environmental dimension	Social dimension	Governance dimension
I-1 Pollutant emission	II-1 Product and service safety and quality	III-1 Anti-commercial bribery
I-2 Environmental compliance management	II-2 Supply chain security	III-2 Corporate Governance
I-3 Green and low-carbon products / green and low-carbon industrial chain solutions	II-3 Employees	III-3 Legal and regulatory compliance
I-4 Ecological and biodiversity conservation	II-4 Data security and customer privacy protection	III-4 Information disclosure
I-5 Waste management	II-5 Innovation-driven development	III-5 Anti-unfair competition
I-6 Water resource utilization	II-6 Equal treatment of SMEs	III-6 Due diligence
I-7 Circular economy	II-7 Social contribution	III-7 ESG capability building
I-8 Response to climate change	II-8 Rural revitalization	III-8 Stakeholder engagement
I-9 Utilization of energy	II-9 Science and technology ethics	

The Group has analyzed and identified 16 material issues that were of greatest concern to key stakeholders, namely: pollutant emission, environmental compliance management, green and low-carbon products / green and low-carbon industrial chain solutions, ecological and biodiversity conservation, waste management, water resource utilization, product and service safety and quality, supply chain security, employees, data security and customer privacy protection, anti-commercial bribery, corporate governance, legal and regulatory compliance, information disclosure, anti-unfair competition, and due diligence. This Report will focus on the Group's management systems, initiatives, indicators and objectives on these material issues to respond to the information needs of these key stakeholders.

# 01

## Green Technology Empowers New Quality Productive Forces



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# Tackling climate change

Green transition is the fundamental solution to climate change. The Group supports domestic and international efforts and initiatives to mitigate climate change, such as the Paris Agreement and the "dual carbon" goals. It aligns its stance with industry associations, including the World Cement Association (WCA), the Global Cement and Concrete Association (GCCA), and the China Building Materials Federation, in addressing climate change. Guided by deepening supply-side structural reform, the Group, with a focus on enhancing comprehensive resource utilization, is grounded in total quantity control and driven by low-carbon technological innovation. Adhering to the philosophy of "carbon reduction at source, decarbonization during process, end-of-pipe carbon sequestration, and carbon management throughout the entire workflow", it is committed to facilitating the process of global climate governance.



## Our challenges

With the release of the national "14<sup>th</sup> 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*, CNBM, as a leading enterprise in the building materials industry, faces urgent challenges in technological innovation, industrial upgrading, and green transition to address the global impacts of climate change.



## Our responses

- We established a climate change management system. We also set up an ESG Committee under the Board of Directors to oversee climate change matters and identify climate change risks and opportunities.
- We accelerated the development of the work plan for a dual-control system for carbon emissions, and executed the ten key tasks outlined in the *Implementation Plan for Carbon Peaking and Carbon Neutrality Initiatives*.
- We formulated a performance assessment mechanism for carbon emissions and assessed the carbon emission performance of our subsidiaries.
- We focused on value chain decarbonization and conducted inventories and disclosures for 8 categories of Scope 3 GHG emissions.



## Our goals

### 2025 targets (fully achieved):

- Reduce comprehensive energy consumption per tonne of cement clinker by **5%** compared to the 2022 baseline.
- Achieve a proportion of **40%** for clinker production capacity exceeding the energy efficiency benchmark level in the cement industry.
- Sustain a continuous decline in CO<sub>2</sub> emission intensity. Specifically, Tianshan Material plans to reduce average CO<sub>2</sub> emissions per tonne of clinker by **6.24%** and per tonne of cement by **11.10%** compared to 2021.

### 2030 targets:

- Reduce comprehensive energy consumption per tonne of cement clinker by **5%** compared to the 2025 baseline.
- Achieve a proportion of **60%** for clinker production capacity exceeding the energy efficiency benchmark level in the cement industry.
- Sustain a continuous decline in CO<sub>2</sub> emission intensity. Specifically, Tianshan Material plans to reduce the total carbon dioxide emission from clinker by **25.4%** compared to 2025.



## Our achievements

- Comprehensive energy consumption per tonne of cement clinker decreased by **3.78%** year-on-year, and by approximately **10%** compared to 2022.
- The proportion of clinker production capacity exceeding the energy efficiency benchmark level in the cement industry reached **54%**.
- GHG (Scope 1 & 2) emission intensity was **785 tonnes/ million yuan of operating revenue**, a year-on-year decrease of **4.85%**. CO<sub>2</sub> emissions per 10,000 yuan of output value decreased by **4.42%** year-on-year, and CO<sub>2</sub> emissions per tonne of clinker decreased by **1.16%** year-on-year.
- Total Scope 3 GHG emissions (8 categories) amounted to **66.71 million tonnes**.
- Comprehensive energy consumption intensity was **871 MWh/ million yuan of operating revenue**, a year-on-year decrease of **3.33%**. Comprehensive energy consumption per 10,000 yuan of output value decreased by **8.92%** year-on-year.
- Total installed renewable energy capacity reached **821 MW**. Self-consumed wind and PV power generations and cement waste heat were **423GWh** and **5,099GWh** respectively, reducing CO<sub>2</sub> emissions by **0.347 million tonnes** and **3.759 million tonnes** respectively.
- The fuel thermal substitution rate reached **6.5%**, usage of alternative fuels equivalent to **1.211 million tonnes of standard coal**, reduced CO<sub>2</sub> emissions by **3.3727 million tonnes**.



## Governance

Climate change-related matters and topics of the Group are managed by the ESG Working Group, under the guidance, deliberation, and oversight of the ESG Committee under the Board of Directors. For details on the governance structure, please refer to the “Sustainability governance” section of this report. Specifically, the ESG Committee receives reports from the ESG Working Group twice a year. It participates in and deliberates on the identification and assessment of climate change risks and opportunities on a timely basis, and reviews and evaluates the progress of annual climate change targets, while ensuring it possesses the necessary expertise to oversee climate-related matters through regular training.

## Strategy

Climate change impacts the Group across multiple dimensions, including policy/regulation updates, emerging technology application, and market demand change.

### Climate-related risks and opportunities

In 2025, the Group introduced scenario analysis into its climate-related risk and opportunity management for the first time, further enhancing the systematic and forward-looking nature of identification and assessment. On this basis, the Group continues to integrate climate factors into strategic planning, investment decisions, and daily operational management, thereby continuously strengthening strategic adaptability and climate resilience under different climate scenarios.

### List of climate risks and opportunities

With overall consideration to the business model, value chain characteristics, industry development practices, and stakeholder feedback, the Group has reviewed and identified climate-related risks and opportunities. It has clarified their primary distribution within its operations and value chain, developed a list of climate risks and opportunities, and conducted ongoing monitoring and management. We identified a total of 16 categories of climate-related risks and opportunities adapted to the Group's business, comprising 7 types of acute and chronic physical risks, 4 types of transition risks, and 5 types of climate-related opportunities.

Risk and opportunity category	Risk and opportunity code <sup>1</sup>	List of climate risks and opportunities	
Acute physical risks	P1	Extreme precipitation	
	P2	Typhoon	
	P3	Floods	
	P4	Extreme high temperature	
	P5	Snowstorm	
Chronic physical risks	P6	Rise in average temperature	
	P7	Water stress	
Transition risks	T1-1	Policy and law risks	Stricter policy supervision on existing products and services
	T1-2		Pricing of greenhouse gas emissions
	T2	Technical risks	Stricter emission and disclosure requirements
	T3-1	Market risks	Rising prices of raw materials and energy
	T3-2		Increasingly strict market requirements for low-carbon and eco-friendly attributes of products
	T4		Reputation risks

Risk and opportunity category	Risk and opportunity code <sup>1</sup>	List of climate risks and opportunities	
Opportunity	O1-1	Resource efficiency	More efficient production, transportation, and distribution processes
	O1-2		Use of circular technologies to reduce resource consumption
	O2-1	Energy source	Adoption of low-emission or renewable energy
	O2-2		Participation in carbon trading markets
	O2-3	Adoption of new technologies	
	O3-1	Product and service	Development/expansion of low-emission goods and services
	O3-2		Development of climate resilience risk solutions
	O3-3		Development of new products or services through R&D and innovation
	O3-4		Enhancement of business diversification capabilities
	O4-1	Market	Adoption of supportive policy incentives
O4-2	Market demand and initiatives		
O5-1	Resilience	Participation in renewable energy projects and adoption of energy efficiency measures	
O5-2		Energy substitution/diversification	

<sup>1</sup> Acute and chronic physical risks are marked "P", transition risks "T", and opportunities "O".

## Impact on business model and value chain

Considering its business layout and operational characteristics, the Group has analyzed identified climate-related risks and opportunities across three dimensions: own operations, upstream value chain, and downstream value chain. In this regard, it focuses on the impact of these risks and opportunities on its business model and value chain.

Physical risks of climate change						
Risk type	Risk code	Impact on upstream value chain	Impact on own operations	Impact on downstream value chain	Time horizon of impact	Response measures
Acute physical risk	P1	Disruption to raw material extraction and transportation, and supply interruptions	<ul style="list-style-type: none"> <li>■ Temporary suspension of production lines for basic building materials such as cement, with potential damage to plants and equipment</li> <li>■ For the engineering technology services segment, potential delays in project completion schedules, affecting the production and operational plans of clients and owners</li> </ul>	Rising operating costs and disruption to product transportation & delivery due to suspension of downstream construction operations caused by extreme weather	Long-term	<ul style="list-style-type: none"> <li>■ Continuously monitor meteorological warning information for proactive analysis and judgment of potential extreme weather events, and take corresponding preventive and avoidance measures to reduce the exposure of personnel, facilities, and key assets to high-risk situations.</li> </ul>
	P2	Delays in the arrival of overseas raw materials via sea freight, causing short-term increases in import costs	<ul style="list-style-type: none"> <li>■ Potential damage to coastal production bases, leading to production suspension for maintenance</li> <li>■ Increased safety risks for overseas engineering projects, necessitating personnel evacuation and project suspension</li> </ul>	Extended transportation cycles for downstream export orders, and delayed payments of progress payments for international engineering projects.	Long-term	<ul style="list-style-type: none"> <li>■ Analyze typical cases of extreme weather response in recent years in a comprehensive and systematic manner to summarize experience, and formulate physical climate risk response or resilience plans (e.g., emergency response plans for extreme weather) for all types of factories. As of the end of 2025, approximately 56% of the Group's subsidiaries at all levels had established response plans for physical climate risk.</li> </ul>
	P3	Impediments to mining operations, resulting in declining raw material quality and increased procurement costs	<ul style="list-style-type: none"> <li>■ Waterlogging in production bases, causing damage to production equipment and rendering inventory products scrapped due to water immersion</li> <li>■ Increased difficulty in controlling environmental emissions</li> </ul>	Potential increase in reconstruction demands due to damage to engineering projects caused by floods	Long-term	<ul style="list-style-type: none"> <li>■ Continuously advance the maintenance and optimization of infrastructure across various plants to enhance the resilience of drainage, protection, and related facilities against extreme weather events.</li> </ul>
	P4	Tight power supply and upstream power rationing, leading to instability in the supply of raw materials and fuels	<ul style="list-style-type: none"> <li>■ Elevated health risks for employees and reduced efficiency in outdoor operations (e.g., engineering technology services)</li> <li>■ Increased cooling costs for cement production lines</li> </ul>	Slowdown in construction progress within the building industry, and short-term weakness in product demand	Long-term	
	P5	Transportation difficulties for raw materials such as coal and mineral powder in northern regions, driving up energy and raw material costs	<ul style="list-style-type: none"> <li>■ Low temperatures, leading to increased thermal consumption for cement production lines and a rise in unit energy consumption</li> <li>■ Decline in logistics and delivery efficiency at plant areas</li> </ul>	Reduction in winter construction for infrastructure projects, resulting in a short-term decline in product demand	Long-term	

Physical risks of climate change

Risk type	Risk code	Impact on upstream value chain	Impact on own operations	Impact on downstream value chain	Time horizon of impact	Response measures
Chronic physical risks	P6	Reduced efficiency of raw material extraction in specific regions	<ul style="list-style-type: none"> <li>Safety hazards in working environments, particularly reduced efficiency in high-temperature areas and increased welfare costs</li> <li>Decreased stability of energy supply, with increased frequency of summer power rationing, affecting continuous production at plants</li> </ul>	Rising customer demand for green and low-carbon products, leading to market contraction for energy-intensive traditional products	Medium- to long-term	<ul style="list-style-type: none"> <li>Strengthen the management of facility and equipment operations under high-temperature conditions, and optimize ventilation, cooling, and equipment operational schedules to mitigate the potential impacts of persistent high temperatures on personnel safety, equipment stability, and laboratory environments.</li> </ul>
	P7	Restricted water usage for mining in certain areas, leading to decreased stability of raw material supply	<ul style="list-style-type: none"> <li>Potential production cuts due to water rationing policies, as cement production requires significant water consumption</li> <li>Impact on water-quality-sensitive processes in new materials production</li> </ul>	Potential slowdown in overall construction industry demand due to water usage restrictions	Long-term	<ul style="list-style-type: none"> <li>Enhance water management and water efficiency improvement measures; optimize process and auxiliary water usage arrangements; and promote water recycling where feasible to mitigate the impact of water supply fluctuations on daily operations.</li> </ul>

Transition risks of climate change





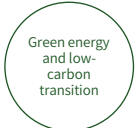





Risk type	Risk code	Impact on upstream value chain	Impact on own operations	Impact on downstream value chain	Time horizon of impact	Response measures <sup>2</sup>
Transition risks	T1-1	Raising environmental compliance standards of suppliers, potentially leading to increased raw material costs and affected supply stability	<ul style="list-style-type: none"> <li>Capital investment required for low-carbon technology innovation and the purchase of renewable energy certificates</li> <li>Shift to energy-saving, eco-friendly and low-carbon business</li> </ul>	Export products face higher carbon barriers, while customer preference for green building materials drives demand growth for low-carbon cement and new building materials.	Long-term	
	T1-2	Pass-through of carbon costs to the upstream, resulting in rising raw material prices	<ul style="list-style-type: none"> <li>Increased government carbon-related levies due to climate change, leading to rising operational costs</li> <li>Need to improve carbon asset management to address cost pressures arising from the national carbon market</li> </ul>		Medium-term	

<sup>2</sup>For details, see the subsection “Strategies and Measures” in this chapter, titled “Ten key tasks for Carbon Peaking and Carbon Neutrality.”

Transition risks of climate change

Risk type	Risk code	Impact on upstream value chain	Impact on own operations	Impact on downstream value chain	Time horizon of impact	Response measures
Transition risks	T2	Suppliers' technical capabilities failing to meet clean technology requirements, and increasing pressure on sustainable supply chain	<ul style="list-style-type: none"> <li>Increased investment required in low-carbon, energy-saving, and environmental protection technologies</li> <li>Increased investment required in clean energy and the circular economy</li> </ul>	presenting R&D challenges for high value-added products such as photovoltaic cement and new wind power materials	Short-term	
	T3-1		<ul style="list-style-type: none"> <li>Need to develop alternative material technologies to reduce the extraction and usage of natural raw materials</li> <li>Adjustment and optimization of the energy structure to enhance energy risk response capabilities</li> </ul>	Significant increase in customer demand for green building materials and low-carbon services	Medium-term	
	T3-2	Rising prices of raw materials and energy, particularly due to increased costs for electricity, coal, and carbon trading	<ul style="list-style-type: none"> <li>Rising downstream customer demands for green products, posing substitution risks to existing products and necessitating the improvement of green product R&amp;D mechanisms to enhance low-carbon and eco-friendly attributes</li> <li>Increased proportion of green procurement and management of environmental risks for supply chain</li> </ul>	Increased weight of environmental scores in bidding processes, reducing the market competitiveness of traditional high-carbon products	Long-term	
	T4	Inclusion of environmental performance in procurement assessments, leading to the gradual phase-out of high-risk suppliers	<ul style="list-style-type: none"> <li>Potential increase in reputational risk if classified as a heavily polluting enterprise or found to be in violation of environmental regulations</li> </ul>	Prioritizing suppliers with strong ESG performance by downstream customers	Medium-term	

Climate change opportunities

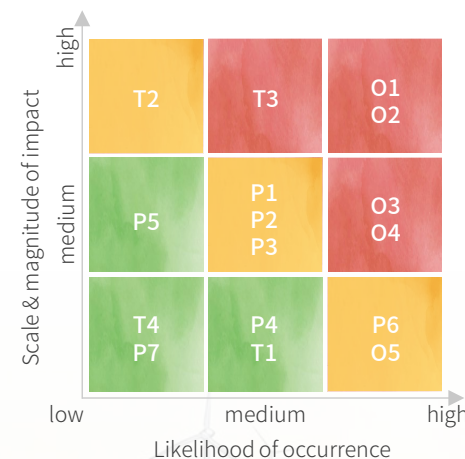
Opportunity code	Impact on upstream value chain	Impact on own operations	Impact on downstream value chain	Time horizon of impact	Response measures
O1-1	Collaborative optimization of the supply chain and improvement of logistics efficiency to jointly reduce energy consumption and costs across the entire chain	<ul style="list-style-type: none"> <li>Need to optimize production processes and technologies to improve production efficiency</li> <li>Alignment with changing market trends to increase revenue</li> </ul>	Improved overall project delivery efficiency, enhancing customer satisfaction	Short-term	 
O1-2	Promote the adoption of circular materials and technologies by suppliers to facilitate the application of renewable resources across the industrial chain	<ul style="list-style-type: none"> <li>Reduce the environmental impact of operations and production</li> <li>Improve resource utilization efficiency</li> </ul>	Meet downstream customer demands for the circular economy and resource conservation, enhancing the green competitiveness of products	Short- to medium-term	 
O2-1	Promote the development of upstream clean energy supply systems and foster cooperation in green electricity, biomass energy, and other areas	<ul style="list-style-type: none"> <li>Reduce operational costs to a certain extent</li> <li>Increased adoption of low-emission or green products, and strategic positioning in green products can generate additional revenue</li> </ul>	Increased use of green energy enhances corporate brand image and meets the carbon footprint requirements of international EPC projects and high-end markets for suppliers	Short-term	
O2-2	Establish collaborative management of supply chain carbon emissions as a foundation for cooperation, and promote the transparency of suppliers' carbon data	<ul style="list-style-type: none"> <li>Secure new profit growth points</li> <li>Promote our own green and low-carbon development</li> </ul>		Long-term	
O2-3	Facilitate the upgrade of upstream equipment and technologies, driving overall energy efficiency improvement and innovation cooperation within the industry	<ul style="list-style-type: none"> <li>Improve energy efficiency and achieve cost savings</li> <li>Establish a first-mover advantage in the industry, enhancing the Group's reputation and social image</li> </ul>		Long-term	
O3-1	Promote the R&D and supply of green raw materials to facilitate the transformation of the supply chain towards a low-carbon product structure	<ul style="list-style-type: none"> <li>Provide low-carbon products or services for downstream customers to respond to market demand, enhance competitiveness, and increase revenue</li> </ul>	Continuously develop low-carbon commodities to enhance the competitiveness of products in terms of green attributes and environmental footprint, thereby generating additional revenue and benefits	Long-term	  
O3-2	Collaborate with suppliers on the R&D of weather-resistant and disaster-resistant materials to enhance supply chain climate resilience	<ul style="list-style-type: none"> <li>Develop new solutions for climate resilience needs to better adapt to market changes, understand market demands, and increase business revenue</li> </ul>		Long-term	

Climate change opportunities					
Opportunity code	Impact on upstream value chain	Impact on own operations	Impact on downstream value chain	Time horizon of impact	Response measures
O3-3	Foster innovative cooperation in upstream new materials and processes to build a collaborative R&D ecosystem	<ul style="list-style-type: none"> <li>Respond to market demand and enhance competitiveness</li> <li>Create new growth points</li> </ul>	Continuously develop low-carbon commodities to enhance the competitiveness of products in terms of green attributes and environmental footprint, thereby generating additional revenue and benefits	Long-term	<ul style="list-style-type: none"> <li>Consolidation and enhancement of carbon sink capacity</li> <li>Enhancement of international green technology and economic &amp; trade cooperation</li> <li>Green and low-carbon technological innovation</li> </ul>
O3-4	Expand supply chain cooperation to renewable energy and carbon sink projects to diversify collaboration models	<ul style="list-style-type: none"> <li>Investments in renewable energy and carbon offset projects, as well as participation in green finance and the issuance of green bonds, may generate new business and revenue growth points</li> </ul>		Long-term	<ul style="list-style-type: none"> <li>Green energy and low-carbon transition</li> <li>Green and low-carbon capacity building</li> </ul>
O4-1	Suppliers meeting green standards gain more market opportunities, enhancing the green level of the supply chain from the source	<ul style="list-style-type: none"> <li>Seize and utilize government incentive policies, such as low-carbon, energy-saving, and emission reduction technology transitions, to secure government subsidies</li> </ul>	The rapid growth of downstream green building and renewable energy markets drives the demand for products such as photovoltaic cement and wind turbine blades, creating new profit growth points	Long-term	<ul style="list-style-type: none"> <li>Green and low-carbon capacity building</li> <li>Enhancement of international green technology and economic &amp; trade cooperation</li> </ul>
O4-2		<ul style="list-style-type: none"> <li>Improve own reputation and social image, leading to increased business demand</li> </ul>		Long-term	
O5-1	Reduce dependence on high-carbon energy and resources	<ul style="list-style-type: none"> <li>Enhance adaptability amidst increasingly stringent external policies and regulatory requirements</li> </ul>	Provide climate-resilient products and solutions to help downstream customers enhance their ability to respond to physical climate risks	Long-term	<ul style="list-style-type: none"> <li>Green energy and low-carbon transition</li> <li>Resource conservation and efficient utilization</li> </ul>
O5-2					

## Prioritization of risks and opportunities

Based on the results of identifying climate risks and opportunities, we assessed the priorities of climate risks and opportunities by evaluating two dimensions: the likelihood of occurrence and the scale & magnitude of impact on the Group's business and value chain. Specifically, we conducted internal surveys to understand the frequency and scale & magnitude of impact of climate-related events and assessed their financial implications. These analyses help us focus on material climate risks and opportunities and formulate targeted response measures.

Matrix for climate change-related risk assessment



# Climate scenario analysis and financial effect assessment

## Current financial effect

The prioritization of risks and opportunities indicates that market risks, along with four opportunities—resource efficiency, energy sources, products and services, and markets—have relatively significant current financial effects on the Group, but do not have material impact on the Group's future assets and liabilities. However, no circumstances have been identified that would result in a material adjustment to the carrying amounts of assets and liabilities in the next reporting year.

Influenced by **market risk** factors, BNBM and Ningxia Building Materials collectively generated a financial effect of over 70 million yuan, which is reflected in relevant items in the Group's financial statements, such as cost of sales and administrative expenses.

■ **BNBM**

To meet market preference for green products, R&D expenses incurred for promoting the transition to green products, along with carbon footprint verification costs, have further compressed profit margins.

■ **Sinoma Science & Technology**

To meet market preference for green products, the additional costs arising from carbon footprint accounting and the establishment of a carbon management system, together with the premium paid for purchasing green electricity, have jointly led to an increase in operating costs.

To capitalize on **opportunities for improving resource efficiency**, Tianshan Material made cumulative structural investments of **over 500 million yuan** in 2025, with a focus on energy conservation, consumption reduction, and resource substitution. These initiatives resulted in short-term cost increases, reflected in relevant items such as cost of sales and administrative expenses in the Group's financial statements; however, through reduced energy consumption, resource recycling, and improved operational efficiency, they will significantly drive down overall costs in the medium to long term.

**Energy-saving equipment upgrade and substitution**

Its subsidiaries invested several ten million yuan to upgrade to fourth-generation grate coolers, reducing clinker electricity consumption by **1 kWh/t** and standard coal consumption by **1.5 kg/t**. Certain subsidiaries upgraded high-efficiency motors and implemented energy-saving retrofits to continuously lower unit energy consumption.

**Clean production and emission control**

Completed 73 SCR retrofits on clinker production lines. While this led to a short-term increase in electricity consumption and labor costs, nitrogen oxides, sulfur dioxide and particulate matter emissions per tonne of cement clinker decreased, delivering long-term environmental and social benefits.

**Comprehensive resource utilization and substitution**

Solid wastes such as contaminated soil, red mud, and gasification slag were actively used to substitute traditional raw materials, effectively lowering the cost of raw meal proportioning. Taking gasification slag as an example, its usage ratio reached **2.75%** in 2025, reducing physical coal consumption by **4.16 kg/t** and saving **3.02 yuan per tonne** in fuel costs, while further driving down raw meal costs.

Sinoma International actively seized opportunities in **global energy transition, products & services, and markets**. By strategically deploying clean energy projects such as photovoltaics and providing downstream clients with low-carbon engineering projects like PV supporting facilities and green power generation, the company secured long-term new profit growth drivers. In 2025, these projects generated cumulative revenue of over **500 million yuan**, which is reflected in the revenue items of the Group's financial statements.

**In 2025**

The company successfully executed the DCC 50MW Supporting PV Project for Cement Plant in Iraq. Following its grid connection and commissioning, the project generated approximately 163 million yuan in new revenue.

**In June 2025**

the Uzbekistan Green Energy Project was launched. Designed with an installed capacity of 360 MWp, the project brought in engineering revenue of over 100 million yuan. It is projected to generate nearly 600 GWh of electricity annually, with a carbon emission reduction of approximately 498,000 tonnes.

Furthermore, the Group aggregated the costs and revenues associated with various climate change risks and opportunities to provide a comprehensive overview of the current financial effect of climate change on the Group.

**4.52 million yuan**

Financial losses arising from climate change risks

Fines for non-compliance with emission standards, costs for purchasing carbon allowances for carbon market compliance, losses from extreme weather-induced shutdowns, and maintenance costs for facility damage caused by extreme weather, etc.

**437.17 million yuan**

Expenditures incurred in responding to climate change risks

Expenditures on energy-saving, consumption-reducing, and carbon-reduction projects necessitated by stringent emission requirements; expenses for enterprise optimization, upgrading, and restructuring; costs for weather-resilient facility retrofits and high-temperature subsidies for employees; expenses for building carbon emission data systems; and capital expenditures for renewable energy facilities, etc.

**1,556.57 million yuan**

Costs incurred to seize climate change opportunities

Expenditures on green technology R&D, costs of issuing green bonds, and costs associated with applying for national energy-saving and low-carbon policy incentives, etc.

**19,485.90 million yuan**

Returns from climate change opportunities

Total revenue from low-carbon cement sales, income derived from supportive policy incentives, and revenue from the sale of surplus carbon quotas, etc.

## Anticipated financial effect



### Physical risks

In 2025, the Group referenced the Shared Socioeconomic Pathways (SSP) of the Intergovernmental Panel on Climate Change (IPCC) and selected the SSP1-2.6 and SSP5-8.5 scenarios to assess potential physical risks. Leveraging a catastrophe risk assessment model built on a professional third-party platform for natural disaster risk assessment, we conducted a comparative assessment of risk exposure levels for five physical risks of climate change across all operating sites under RCP2.6/SSP1 and RCP8.5/SSP5<sup>3</sup> scenarios, using high-precision data and resolution based on the latitude and longitude of all operating entities. We analyzed the potential financial effects of relevant risks on operational models and the value chain across three time horizons: short-term (0-5 years, up to 2030), medium-term (5-15 years, up to 2040), and long-term (15-35 years, up to 2060). The definition of these time horizons aligns with the Group's carbon emission targets for different stages and links to the required operational optimization measures, technology pathway selections, and corresponding capital investment plans for these stages, thereby supporting risk management and resource allocation decisions at different stages.

Based on the analysis results for physical risk scenarios and asset proportion data of **986<sup>4</sup>** operational sites, the Group designated assets or business activities with an analysis result of "Significant" as being susceptible to climate-related physical risks. It was determined that under the RCP 2.6/SSP 1 scenario, the proportion of assets susceptible to climate-related physical risks in the short, medium, and long terms is approximately **4%**, mainly distributed in China's Inner Mongolia, Ningxia, Gansu, Tianjin, as well as Africa and Southeast Asia. Under the RCP 8.5/SSP 5 scenario, the proportion is **73%**, covering the locations of the vast majority of operating entities. At the Group level, the analysis results for physical risk scenarios, weighted by the asset proportions of different operating entities, are detailed in the table below:

Physical risks	Climate scenario					
	RCP 2.6 / SSP 1			RCP 8.5 / SSP 5		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Extreme precipitation	Negligible	Negligible	Minor	Negligible	Minor	Moderate
Typhoon	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible
River flood	Negligible	Negligible	Minor	Negligible	Minor	Moderate
Extreme high temperature	Negligible	Negligible	Negligible	Negligible	Minor	Moderate
Snowstorm	Negligible	Negligible	Minor	Negligible	Minor	Moderate
Rise in average temperature	Minor	Moderate	Moderate	Minor	Moderate	Significant
Water stress	Negligible	Negligible	Negligible	Negligible	Negligible	Minor

Based on the analysis results for physical risk scenarios, the impact of most physical risks on the Group's business is generally controllable in the short and medium terms, though areas requiring attention remain in the long term.

Under the RCP 2.6/SSP1 scenario, the overall impact of physical risks is relatively moderate; however, physical risks associated with rise in average temperature escalate to a moderate level in the long term, and the Group expects to correspondingly increase investment in the protection and maintenance of relevant facilities and operations.

Under the RCP 8.5/SSP5 scenario, as climate change intensifies, physical risks related to extreme precipitation, drought, and rise in average temperatures all exhibit moderate or significant impacts in the long term. The anticipated financial effects primarily manifest as a need for the Group to allocate increased capital in the medium to long term for infrastructure reinforcement, waterproofing and cooling renovations, critical equipment protection, and the enhancement of emergency management capabilities. These expenditures, expected to be mainly operational and maintenance costs, aim to mitigate the potential shock of extreme weather events on asset safety and business continuity, thereby avoiding higher restoration costs and operational losses.

<sup>3</sup>RCP 2.6/SSP1 scenario represents a low greenhouse gas concentration scenario, achieved through the significant emission reductions. The RCP 8.5/SSP5 scenario assumes a fossil fuel-intensive development pathway characterized by a transition toward unsustainability and high radiative forcing emission levels.

<sup>4</sup>Operational sites are defined by the physical boundaries of factories or mines, and a single site may include several interconnected factories or mines. The scope includes 100% of active manufacturing sites under the Group, covering both domestic and overseas operations.



To assess the anticipated financial effect of transition risks and opportunities on the Group's business and value chain under the context of climate change, we adopted the climate change scenarios published by the International Energy Agency (IEA), namely, the Net Zero Emissions (NZE) scenario and the Stated Policies Scenario (STEPS)<sup>5</sup>. Across short-term (0-5 years), medium-term (5-15 years), and long-term (15-35 years) time horizons, and based on IEA public parameters and trend analysis, we conducted a comprehensive assessment of the transition risks and opportunities faced by the Group. This assessment focused on **eight** key parameters, i.e., population CAGR, GDP, fossil fuel demand, crude oil price, thermal coal price, natural gas price, carbon price, and clean energy power generation. We analyzed the potential financial effects of relevant risks on operational models and the value chain to support risk management and resource allocation.

Transition risks and opportunities	Climate scenario					
	IEA NZE 2050			IEA STEPS		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Policy and law risks	Moderate	Moderate	Moderate	Minor	Minor	Moderate
Technical risks	Moderate	Minor	Moderate	Minor	Minor	Moderate
Market risks	Moderate	Minor	Moderate	Moderate	Moderate	Moderate
Reputation risks	Moderate	Moderate	Moderate	Minor	Minor	Moderate
Resource efficiency	Moderate	Minor	Moderate	Moderate	Minor	Moderate
Energy source	Moderate	Minor	Moderate	Moderate	Minor	Moderate
Product and service	Minor	Moderate	Significant	Minor	Minor	Moderate
Market	Minor	Moderate	Moderate	Minor	Minor	Moderate
Resilience	Minor	Moderate	Moderate	Minor	Minor	Moderate

Under the IEA STEPS scenario, the medium- and long-term impacts of various transition risks and opportunities are generally minor to moderate. The financial effect primarily stems from continuous operational and maintenance expenditures required for policy compliance, energy efficiency improvements, process optimization, and energy structure adjustments. While these factors are expected to gradually increase annual costs, they remain within a controllable range.

Under the IEA NZE 2050 scenario, the medium- and long-term impacts of overall risks and opportunities intensify, with the long-term impact of product and service opportunities becoming significantly more pronounced. Consequently, the Group plans to advance investments in the medium to long term, focusing on industrial green transformation, efficient resource utilization, low-carbon technology innovation, supply chain collaboration, capacity building, and international cooperation. While these systematic investments will structurally influence its capital expenditure and asset structure, the Group aims to gradually optimize its overall profit model by continuously increasing low-carbon business revenue and reducing costs in high-emission businesses, thereby enhancing long-term climate resilience and sustainable development capabilities.

<sup>5</sup>IEA NZE 2025 refers to a deep decarbonization scenario aiming for global net-zero emissions by 2050, while IEA STEPS represents an outlook based on the latest policy targets of various countries.

## Strategies and measures

The Group has integrated climate change risk and opportunity management into its corporate strategy. It is accelerating the development of a dual control system for carbon emissions and implementing the "Ten Key Tasks for Carbon Peaking and Carbon Neutrality" to achieve our "dual carbon" goals and advance sustainable development on all fronts.

Key tasks	Selected measures and achievements
 <ul style="list-style-type: none"> <li>■ Promote the optimization of capacity and product structure in the basic building materials segment</li> <li>■ Accelerate industrial development and layout in the new materials segment</li> <li>■ Advance the coordinated development of equipment business in the engineering technology services segment</li> </ul>	<ul style="list-style-type: none"> <li>■ In the basic building materials segment, the Group balanced supply and demand through peak-shifting production, prioritized capacity release for energy efficiency benchmark enterprises, and accelerated the continuous decline of inefficient capacity, thereby reducing energy demand at the source.</li> <li>■ The Group accelerated industrial development and layout in the new materials segment. As of the end of 2025, the cumulative installed capacity of wind turbine blades produced by Sinoma Science &amp; Technology reached 213 GW, helping to reduce carbon dioxide emissions by 8.28 million tonnes during the year.</li> <li>■ Sinoma International established a low-carbon solution system covering the entire cement production process.</li> </ul>
 <ul style="list-style-type: none"> <li>■ Increase the fuel substitution rate</li> <li>■ Expand the utilization of renewable energy</li> <li>■ Promote the clean and efficient utilization of fossil energy</li> </ul>	<ul style="list-style-type: none"> <li>■ A total of 195 alternative fuel production lines have been built cumulatively, achieving an annual fuel thermal substitution rate reached 6.5%, saving 1.211 million tonnes of standard coal. Tianshan Material achieved a fuel substitution rate of 16.5%, with an increase of thermal substitution rate of 3.14 percentage points compared to 2024.</li> <li>■ The Group strengthened the utilization of waste heat and excess pressure. The installed capacity of waste heat power generation in cement enterprises reached 1,771 MW, generating 5.1 million MWh annually, reducing CO<sub>2</sub> emissions by 3.76 million tonnes, and generating economic benefits of 2.2 billion yuan.</li> <li>■ The total annual clean energy consumption (including purchased green power, and self-generated and self-used wind and PV) reached 0.7318 million MWh, and accumulated green certificate electricity purchased from external sources reached 1.231 million MWh. Tianshan Material commissioned 60.75 MW of photovoltaic power generation, bringing the cumulative installed capacity to 227 MW. Photovoltaic power generation stood at 129.94 GWh.</li> <li>■ China Jushi established the world's first zero-carbon intelligent manufacturing base in the fiberglass industry and a supporting 233 MW wind power project. The annual traded electricity volume exceeded 490 GWh, achieving a carbon emission reduction of over 260,000 tonnes.</li> </ul>
 <ul style="list-style-type: none"> <li>■ Promote energy-saving technological transformations in enterprises</li> <li>■ Increase the proportion of low-carbon raw materials used</li> <li>■ Strengthen the utilization of water and land resources</li> </ul>	<ul style="list-style-type: none"> <li>■ A total of 516 energy-saving technology upgrade projects were implemented throughout the year, achieving electricity savings of 100.2 GWh, 460,000 tonnes of standard coal reduction, and 1.01 million tonnes of CO<sub>2</sub> emissions reduction.</li> <li>■ The subsidiaries of the Group in the basic building materials segment recycled industrial solid wastes such as blast furnace coal cinder, fly ash, desulfurization gypsum, phosphogypsum, magnesium slag, coal gangue, and gasification slag for use in cement production. In 2025, Tianshan Material utilized a total of 9.1141 million tonnes of alternative raw materials in cement production, accounting for 3.01% of raw material content, resulting in an annual carbon reduction of 2.2785 million tonnes.</li> <li>■ Chengdu Base under China Jushi promoted low-carbon raw material technology on all fronts, reducing the intake of carbonate raw materials and lowering annual emissions by approximately 11,000 tonnes of carbon dioxide.</li> </ul>
 <ul style="list-style-type: none"> <li>■ Promote the comprehensive utilization of industrial solid waste</li> <li>■ Improve the supply capacity of green building materials</li> <li>■ Strengthen green infrastructure construction</li> </ul>	<ul style="list-style-type: none"> <li>■ The Group utilized a total of 85.69 million tonnes of solid waste, covering 22 types. A total of 54 collaborative waste disposal projects for cement kiln have been commissioned. Throughout the year, a collaborative waste disposal volume was 1.3246 million tonnes, and the comprehensive utilization rate of limestone mines for cement stood at 95.7%.</li> <li>■ China Jushi developed dry powder recycling technology, achieving direct and mixture matching and realizing a 40% reduction in dry powder. All fine yarn production lines and some coarse yarn production lines have achieved 100% dry powder recycling.</li> <li>■ Guided by the construction of "Good Houses", BNBM integrated green performance features such as sound insulation, moisture resistance, mold resistance, zero formaldehyde, and low emissions. It formed green building material solutions covering product systems including gypsum boards, waterproofing materials, coatings, and powder coating.</li> </ul>

Key tasks	Selected measures and achievements
<p> Digital and intelligent upgrade</p> <ul style="list-style-type: none"> <li>■ Build information infrastructure</li> <li>■ Enhance digital and intelligent production</li> <li>■ Develop a carbon management information platform</li> </ul>	<ul style="list-style-type: none"> <li>■ The Group advanced the three governance systems (i.e., digital governance, process governance, and data governance) on all fronts, accelerating the building of group-level digital infrastructure. Ningxia Building Materials completed a National Standard Class A Data Center.</li> <li>■ Tianshan Material built the Factory Intelligent Maturity Model, defining standards and strategies for building digital and intelligent factories by category and level, while simultaneously unifying construction standards for digital mines.</li> <li>■ The Lighthouse Factory of Taishan Fiberglass (Taiyuan), a subsidiary of Sinoma Science &amp; Technology, was successfully commissioned.</li> <li>■ The Group coordinated the integration of carbon emission data from cement enterprises into the carbon management platform, achieving 100% platform coverage.</li> </ul>
<p> Green and low-carbon technological innovation</p> <ul style="list-style-type: none"> <li>■ Increase investment in green and low-carbon technology R&amp;D</li> <li>■ Intensify R&amp;D of core technologies and equipment in key fields</li> </ul>	<ul style="list-style-type: none"> <li>■ The CCUS project of CUCC Qingzhou was selected for the List of National Second Batch of Green and Low-Carbon Advanced Technology Demonstration Projects.</li> <li>■ Sinoma International proactively arranged and completed the development of "New Internal Circulation Fluidized Calcination Technology", driving deep decarbonization and technological advancement in traditional energy-intensive industries such as cement.</li> <li>■ Sinoma International completed the R&amp;D and industrialization of key technologies for low-carbon combustion processes and equipment in cement kilns, enabling a 40% fossil fuel substitution rate.</li> </ul>
<p> Enhanced management of green and low-carbon supply chains</p> <ul style="list-style-type: none"> <li>■ Strengthen the green and low-carbon supply chain system</li> <li>■ Manage and evaluate product carbon footprint data</li> <li>■ Implement green and low-carbon supply chain operations.</li> </ul>	<ul style="list-style-type: none"> <li>■ The Group continuously advanced the digital and low-carbon transition of logistics businesses. The "Find a Car" digital logistics platform optimized transportation processes, reducing fuel consumption and carbon emissions.</li> <li>■ In 2025, the Group initiated the drafting of the Management Measures for Product Carbon Footprint, forming a draft for comments. This aims to gradually establish a management system for product carbon footprint, standardize management requirements, and unlock the carbon reduction potential of products.</li> <li>■ A total of 14 enterprises at all levels passed carbon management system certification, 54 products obtained carbon footprint certification, and 118 cement enterprises passed low-carbon product certification.</li> </ul>
<p> Consolidation and enhancement of carbon sink capacity</p> <ul style="list-style-type: none"> <li>■ End-of-pipe carbon sequestration technology projects</li> <li>■ Enhanced capabilities for re-greening, expanding green coverage, and increasing vegetation</li> </ul>	<ul style="list-style-type: none"> <li>■ Tianshan Material successfully developed a solid waste-based negative-carbon fiber cement flat panel. Carbon dioxide is utilized for the curing of fiber cement flat panels, achieving permanent carbon sequestration with a sequestration rate exceeding 1.5 kg/m<sup>2</sup>.</li> <li>■ Sinoma Mining, a subsidiary of Sinoma International, completed ecological restoration and management of mining areas covering a total area of 1.3346 million m<sup>2</sup> during the year.</li> </ul>
<p> Green and low-carbon capacity building</p> <ul style="list-style-type: none"> <li>■ Establish a comprehensive carbon management system</li> <li>■ Develop a carbon management talent team</li> <li>■ Cultivate a green and low-carbon culture</li> </ul>	<ul style="list-style-type: none"> <li>■ The Group formulated the <i>Work Plan for Accelerating the Construction of the Dual Control System for Carbon Emissions</i>.</li> <li>■ The Group compiled the <i>Work Plan for Participation in the National Carbon Emission Trading Market by CNBM's Cement Enterprises (2024 &amp; 2025)</i>. The cement enterprises successfully fulfilled 2024 compliance obligations.</li> <li>■ China Jushi established a comprehensive green and low-carbon management grid. It encourages employees to apply for internal energy-saving and carbon reduction projects. Rewards are granted at year-end based on target achievement following evaluation and assessment. Furthermore, internal carbon pricing is implemented to incentivize applications for internal raw material-based carbon reduction projects.</li> </ul>
<p> Enhancement of international green technology and economic &amp; trade cooperation</p> <ul style="list-style-type: none"> <li>■ Assist in the joint construction of a green "Belt and Road"</li> <li>■ Strengthen international green technology cooperation</li> <li>■ Promote international green economic and trade cooperation</li> </ul>	<ul style="list-style-type: none"> <li>■ Sinoma International hosted the 3rd SINOMA Cement Green &amp; Intelligent Summit. The event focused on in-depth dialogue and exchanges in areas such as green and low-carbon, digital design, intelligent management, and traditional expansion, contributing to the high-quality development of the global cement industry.</li> </ul>

## Risk management

The Group has integrated the process of identifying, assessing, and managing climate-related risks into the overall corporate risk management system, providing a reference for the Group's strategic planning and business development. During the year, the Group further updated and enhanced the processes for identifying and assessing climate-related risks.

### Developing the list of climate risks and opportunities

In the process of climate-related risk management, the Group has first identified risks and opportunities related to climate change centered around its own business, operational activities, and value chain structure. The identification process has incorporated national climate strategy guidelines, industry development trends, and the global climate change context. Furthermore, by referencing its historical operational performance and feedback from internal and external stakeholders, the Group has reviewed climate-related risks and opportunities on all fronts to form a list of climate risks and opportunities, laying the foundation for subsequent assessment, analysis, and management.

### Prioritizing risks and opportunities

To allocate resources effectively and focus on managing climate-related risks and opportunities that have a significant impact on the Group, we have established corresponding analysis and assessment methodologies. During the assessment process, we have considered the likelihood of climate-related risks and opportunities and their potential impact on the Group's operations and financial performance. Combined with industry-specific analysis and external expert opinions, we have assessed the significance of the impact of risks and opportunities through questionnaires.

### Assessing climate resilience using scenario analysis

With the comprehensive considerations given to the identified climate-related risks and opportunities, we have assessed the climate resilience of the Group's strategy and business model. During the assessment process, we have focused on significant uncertainties arising from differences in the future macro-environment, policy orientations, energy structures, and technological development paths reflected in different climate scenarios. These uncertainties have been covered and reflected through scenario analysis. The Group has dynamically

adjusted its short-term, medium-term, and long-term strategies and business models according to climate change trends. For instance, it prioritized the selection of high-efficiency, low-energy-consumption equipment during equipment selection and renewal, and gradually optimized the energy usage structure to enhance overall climate resilience continuously and progressively.

### Identifying the financial effect of major risks and opportunities

Combining the results of the risk and opportunity prioritization with the impact severity of climate-related risks and opportunities under different scenarios, the Group has conducted a financial effect analysis on major risks and opportunities. It focused on the potential impacts of climate change on capital expenditure, operation and maintenance costs, asset safety, and business continuity over different time horizons, providing support for decision-making regarding resource allocation, investment plans, and risk management.

### Formulating and implementing response strategies and measures

The Group ensures that relevant risks remain within a controllable range through regular assessment and review of climate-related risk levels, promoting the integration of management measures into daily operational activities. Relevant initiatives include setting targets, adjusting strategic planning, continuously monitoring carbon emission levels, tracking and researching changes in policies and regulations, optimizing and investing in energy-saving equipment, conducting regular employee training, and implementing strategies such as risk transfer or risk acceptance. These measures aim to mitigate the potential impact of climate-related risks on the Group's operations and strategic objectives while seizing development opportunities arising from climate change.

## Metrics and targets

In 2025



The Group's Scopes 1, 2 & 3  
greenhouse gas (GHG) emissions were

**149.73** million tonnes

**8.87** million tonnes

**66.71** million tonnes

The Group has incorporated internal carbon pricing into its medium- and long-term sustainability management plans and intends to gradually promote its pilot application across subsidiaries. Currently, China Jushi has implemented internal carbon pricing to incentivize the declaration of internal raw material-based carbon reduction projects. Using 20 yuan per tonne as the baseline price for monthly tracking, the year-end acceptance price is adjusted with reference to regional and national average carbon trading market prices, generating potential carbon price benefits for the company.

## Carbon emissions of value chain — scope 3

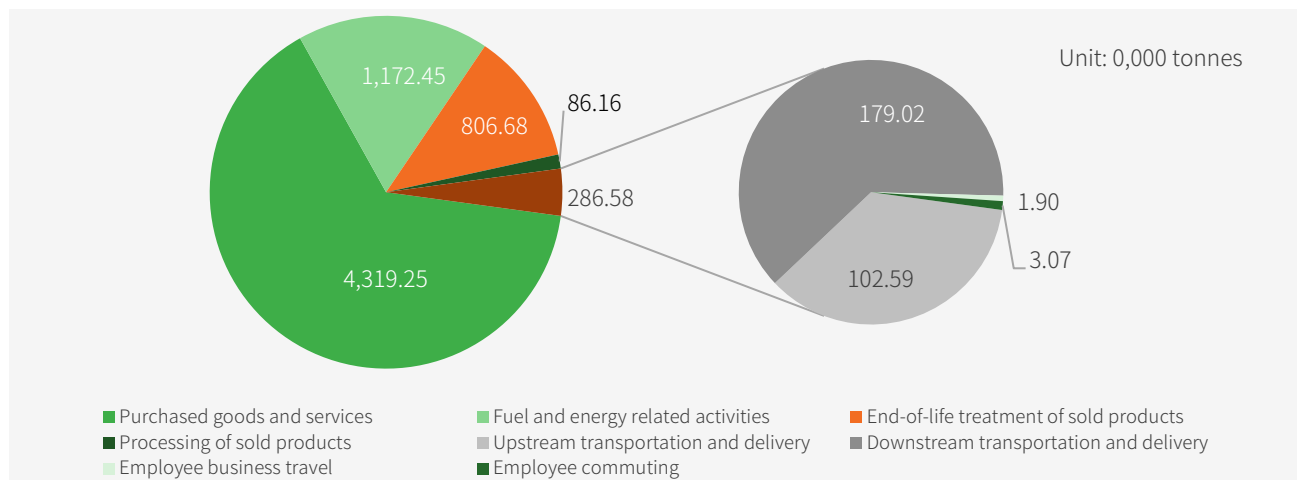
In 2025, adopting the financial control approach and the GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard, the Group conducted an inventory of its Scope 3 GHG emissions. This year, the accounting covered eight categories: employee business travel, employee commuting, purchased goods and services, upstream & downstream transportation and delivery, fuel and energy related activities, processing of sold products, end-of-life treatment of sold products. It encompassed all holding subsidiaries included in consolidated financial statements of CNBM, as well as the associated company - China Jushi.

**65%** Scope 3 emissions from purchased goods and services accounted for 65% of the total. In each business segment, this year's accounting has basically covered all production materials and non-production supplies.

**18%** Scope 3 GHG emissions from fuel and energy related activities accounted for 18% of the total.

**12%** Scope 3 GHG emissions from end-of-life treatment of sold products accounted for 12% of the total, covering the Group's major products, including cement, clinker, ready-mix concrete, aggregates, fiberglass, gypsum board, wind turbine blades, waterproofing membranes, lithium battery separators, carbon fiber, and graphite products.

**4%** Scope 3 GHG emissions from upstream & downstream transportation and distribution accounted for 4% of the total. In addition to covering the transportation and distribution data of the basic building materials segment using Ningxia Building Materials' "Find a Car" platform, transportation data from the new materials and engineering technology services segments have been additionally included compared to the previous year.



Category	Basic building materials segment	New materials segment	Engineering technology services segment	Logistics, trading and others
Purchased goods and services	2,829.92	1,311.67	161.81	15.85
Fuel and energy related activities	1,013.70	155.66	3.04	0.05
Downstream transportation and delivery	120.79	47.37	10.77	0.09
Upstream transportation and delivery	89.30	12.20	1.07	0.02
Employee commuting	1.34	1.34	0.33	0.06
Employee business travel	0.23	0.31	1.33	0.03
Processing of sold products	49.18	36.07	0.91	/
End-of-life treatment of sold products	718.10	78.20	10.38	/

In 2025



**3.78%** year-on-year

The comprehensive energy consumption per tonne of cement clinker decreased by

**9.87%** compared to 2022

Decreased by

**54%**

Coverage of cement clinker production capacity operating at or above energy efficiency benchmark level in the cement industry

**4.85%**

The carbon dioxide emission intensity per million yuan of operating revenue decreased by

**Fully achieving the  
2025 interim targets<sup>6</sup>**

To support global and domestic efforts to mitigate climate change, including the Paris Agreement and China's "dual carbon" goals, the Group has established its 2030 GHG emission targets, which will be achieved through diversified decarbonization pathways, including energy efficiency improvements, bioenergy utilization, carbon capture and storage, and raw material substitution.

**2030 GHG emission targets (Scope 1 & Scope 2)**

A 5% decrease in the comprehensive energy consumption of cement clinker in 2030 compared to the 2025 baseline

60% of clinker production capacity operating at or above the energy efficiency benchmark level of the cement industry by 2030

Sustain a continuous decline in CO<sub>2</sub> emission intensity

**GHG emission target (Scope 3)**

To play a guiding role, the Group will continuously strengthen decarbonization efforts across the value chain through initiatives such as green commuting incentives, remote work strategies, green commuting initiatives, transportation subsidies and rewards, the use of renewable packaging and raw materials, optimized transportation routes, reduced road freight, and vehicle energy transition.

As the subsidiary with the largest share of the Group's GHG emissions (nearly 90%), Tianshan Material has set clear carbon emission targets:

**By 2030**



by 2030, the total carbon dioxide emission from clinker will decrease by

**25.4%** compared to 2025

<sup>6</sup> For the 2025 "dual carbon" goals, please refer to the Group's *Environmental, Social and Governance Report 2024*.

# Creating green products

The Group is accelerating its implementation of the "dual carbon" strategy, exploring opportunities for a low-carbon economy and green development through green and technological innovation, and integrating a green DNA into the entire product lifecycle.



## Our challenges

Against the backdrop of the global green transition and the "dual carbon" strategy, the building materials industry must accelerate the shift from old to new growth drivers, overcome key technological bottlenecks, and transform from traditional building materials to green and low-carbon products. Furthermore, the growing market demand for green and low-carbon products and increasingly stringent regulatory requirements necessitate that the Group integrates green concepts into the entire product lifecycle to adapt to the new market environment and development demands.



## Our responses

- We enhanced innovation management and incentive mechanisms, and established a collaborative innovation model that integrates production and research.
- We advanced the development and transformation of a digital and intelligent system.
- We reduced the resource consumption and environmental impact of our products and services. We actively utilized high-calorific waste as alternative fuel, decreased the consumption of natural minerals and fossil fuels, and developed energy-saving, low-carbon, and green manufacturing processes.
- We promoted the research and development of green products and solutions, and formulated industry standards.
- We advanced the development of benchmark intelligent manufacturing factories, such as "Lighthouse Factory".



## Our achievements

- We have **1** National Key Laboratory, **1** National New Materials Testing and Evaluation Platform, and **4** National Engineering (Technology) Research Centers. A total of **75** national-level projects were implemented throughout the year.
- A total of **107** basic-level and **33** advanced-level smart factories have been built, with **8** recognized as excellence-level factories by the Ministry of Industry and Information Technology (MIIT).
- The *Promotion Catalog for Green and Low-Carbon Technology Achievements of China National Building Material Company Limited (2025 Edition)* was revised and released, selecting 54 green and low-carbon technology achievements across three fields—new technologies, new products, and new equipment—for promotion and application.
- Revenue generated from products with green attributes amounted to approximately **46.2 billion yuan**
- Revenue generated from products that can promote social green development amounted to approximately **54.3 billion yuan**

## Strength in scientific and technological innovation

The building materials manufacturing industry is at a critical juncture of industrial transformation and upgrading, advancing towards high-quality development. The Group has been accelerating the shift from old to new growth drivers for many years, continuously increasing R&D investment, and conducting original and leading-edge scientific & technological research to enhance the quality of building materials and drive the industry forward.

### Innovation system development

The Group continuously refines its "135" scientific and technological innovation management system to enhance its effectiveness, focusing on building a world-class innovation ecosystem for the materials industry. It has revised and improved relevant regulations and systems of CNBM, including the *Science and Technology Work Management System*, the *Management Measures for Scientific Research Projects*, the *Management Measures for Scientific Research Project Approval*, the *Guidelines for the Full Process Management of R&D Activities*, and the *Guidelines for R&D Investment Budgeting*, to ensure the standardized operation of technological R&D, equipment upgrading, and other innovation activities.

The Group actively explores and utilizes three innovation models, i.e., integrated innovation, joint innovation, and inclusive innovation. It has established a five-dimensional mechanism to ensure the application of innovation achievements, building an effective platform for independent innovation and industrialized scientific research achievements, and cultivating high-caliber scientific and technological leaders to enhance its comprehensive innovation capabilities.

### R&D of innovative products

The Group has long been optimizing its product R&D system, actively investing substantial funds in new product development. By leveraging its concentrated industrial advantages, it actively promotes the integration of technological and industrial innovation across its subsidiaries, successfully completing the joint R&D of numerous key products and establishing itself as a source of original technologies for green and low-carbon non-metallic materials.



## Basic building materials segment

The Group actively advanced projects involving R&D management systems, digital scientific research, special cement, and alternative fuels/raw materials, as well as carbon capture initiatives. Throughout the year, it led or participated in the formulation and revision of **13** national standards in the basic building materials sector, maintaining its lead in industry technological development:

- The achievement - "Key Technologies and Applications for Oil and Gas Well Cementing Materials in Extreme Environments" won the First Prize of Science and Technology Award from the Chinese Materials Research Society;
- The CCUS project of CUCC Qingzhou was selected for the List of National Second Batch of Green and Low-Carbon Advanced Technology Demonstration Projects;
- The Group promoted the suspension boiling calcination project for a new-type internal-circulation cement clinker;
- Early-strength and low-heat cement was applied in the Sichuan-Xizang Railway project;
- The application markets for products such as specialty cement continued to expand, while emerging businesses—including calcined spodumene, calcined lepidolite, and co-processing of spent lithium batteries in cement kilns—were launched in an orderly manner.

## Engineering technology services segment

The Group focused its research on novel calcination technologies and advanced low-carbon materials:

- The development of "New Internal Circulation Fluidized Calcination Technology" was proactively arranged and completed, driving deep decarbonization and technological advancement in traditional energy-intensive industries such as cement;
- The Group participated in multiple research projects, including "Key Preparation Technologies and Demonstration Applications for Low Environmental Load, High-Performance Cementitious Materials", and built and commissioned a low-carbon cementitious materials laboratory and testing platform;
- The pilot-scale platform for green, low-carbon, inorganic new materials was selected for the Ministry of Industry and Information Technology's (MIIT) inaugural cultivation list of pilot platforms.

## New materials segment

The Group led and undertook multiple national science and technology major projects and research tasks of core technology in key fields, achieving numerous breakthroughs in original technologies:

- "Low-loss, Low-dielectric Glass Fiber Composition" won the 25<sup>th</sup> China Patent Excellence Award;
- A new generation of low-dielectric glass fiber was applied in mainstream international AI chips;
- The production line for first self-developed 10,000-tonne multi-dimensional intelligent colorful coating completed validation trial production;
- High weather-resistant thermal insulation and waterproof coating reached an internationally advanced level;
- Multiple Type IV hydrogen storage cylinders (35MPa and 70MPa) were developed and demonstrated in vehicle installations, establishing system integration capabilities;
- A series of high-strength lithium battery separators were successfully developed to meet market demand for fast-charging and high-safety batteries.

## Aramid separators achieve breakthrough, successfully overcoming "three hurdles"

In 2025, Sinoma Lithium Separator (a subsidiary of Sinoma Science & Technology) achieved a major breakthrough in key technologies for new coated lithium battery separators. To be specific, the project team developed the formulation, process, and core equipment for aramid-coated separators and established a demonstration production line with an annual capacity of 20 million m<sup>2</sup>. The aramid-coated separators exhibit superior core performance, with a membrane breakage temperature as high as 400°C and excellent puncture resistance. They also possess outstanding durability to ensure long-term stable use, and key indicators such as fast-charging performance are exceptional. These create immense application potential in the two trillion-yuan markets of ultra-fast charging electric vehicles and large-scale energy storage. The completion and operation of this project filled the domestic gap in the industrialized aramid-coated separators, achieving a critical leap for China from "import dependency" to "independent controllability". Currently, the products have successfully passed evaluations by renowned international clients in the industry and received high recognition.

## Coal gangue suspension thermal activation project launches, driving low-carbon transition for a new future

In 2025, Equipment Group (a subsidiary of Sinoma International) successfully held the commissioning ceremony for a coal gangue resource processing and comprehensive utilization line (i.e., a silicon-aluminum based new material production line with an annual capacity of 2 million tonnes) and a Phase 1 industrial pilot line with an annual capacity of 150,000 tonnes in Inner Mongolia. Thanks to Equipment Groups extensive R&D and technological expertise in thermal processing and grinding, the comprehensive energy consumption of the project is reduced by over **20%** compared to traditional bulk calcination processes such as rotary kilns, shaft kilns, and tunnel kilns. This makes a positive contribution to promoting the "resource-oriented, cascade, and high-value" utilization of China's existing coal gangue stockpiles.

## Digital and intelligent transformation

Against the backdrop of the rapid development of the global digital economy, digital transformation has become an indispensable "must-answer question" for long-term development of a company. Leveraging its leading technological advantages, the Group continuously strengthens innovation in digital and intelligent technologies, adhering to the digital transformation vision of "Leading Material Creation with Digitalization".

In 2025, the Group advanced the development of guarantee systems for "digital governance, process governance, and data governance" in all aspects, marking the entry of these three systems into a new operational phase.

### The process management system entered a new stage

The system officially transitioned from "process development" to a new operational phase characterized by "process adaptation, execution, and iteration". This year, the inquiry and pilot verification were completed for 319 process outcomes (Level 4-Level 5) across 9 business domains. A total of 24 Level 1 process architectures now cover all management and business fields, with process development completed for 15 business domains.

### The data governance system was continuously improved

Centered on the "1172" data governance system (1 core framework, 1 management mechanism, 7 types of standards, and 2 supporting platforms), a supporting "1+3+17" data policy system was formulated. Version 1.0 of the data architecture design was completed for 14 business domains, ensuring controllable data sources, clear data flows, and traceable endpoints.

### The digital foundation accelerated its construction progress

The "One Network" initiative achieved efficient interconnection of all branch nodes under the Group via SDWAN technology. The "One Cloud" project met its phased targets, supporting the stable cloud migration of 112 business systems for the headquarters and 30 member enterprises. The data platform began building a data lake. In 2025, Tianshan Material advanced an end-to-end full-process quality optimization pilot. Adopting a "cloud-edge integration" architecture to build an industry large model, it integrated massive production data, scenario resources, and expert experience with the computing power and algorithms of the Numerical Research Institute, steadily advancing development at 8 pilot enterprises. Currently, these 8 enterprises have 100% completed on-site data collection, governance, and edge-side model configuration. The pilot is expected to reduce the comparable cost per tonne of cement by 3-5 yuan for each enterprise, with promotion costs controlled within 1 million yuan per enterprise.

In 2025, the Group enhanced empowerment through "intelligent transformation and digitalization". It compiled the *Gradient Cultivation Plan for Smart Factories* and the *Summary of Smart Manufacturing Capability Maturity Self-Assessment and Basic-Level Factory Review*. It also released 2.0 smart standards for mines and gypsum boards, and organized 234 enterprises for maturity assessments on smart manufacturing capability.



By the end of 2025

The Group had established a cumulative total of **107** basic-level and **33** advanced-level smart factories, with **8** recognized as excellence-level factories by the Ministry of Industry and Information Technology (MIIT).

The industrial large model added value to data in over 140 cement production scenarios, lowering costs by over 2 yuan per tonne.

### Lean digital intelligence empowers an excellence-level smart factory

In September 2025, "Smart Factory with Full-Process Lean Governance for Glass Fiber" of China Jushi Chengdu was selected for the National List of Excellence-level Smart Factories. Guided by lean management, the project integrated industrial Internet, artificial intelligence, and intelligent control technologies to achieve digital and intelligent control over the entire production process. Through the deep integration of IT and OT, it improved production efficiency and lean management levels, and achieved positive results in resource utilization efficiency and the control of carbon emissions per unit of output value, providing a demonstration for the digital and intelligent transformation of the building materials industry.



National Excellence-level Smart Factory Certificate



Robotic arms at the smart manufacturing base of China Jushi Chengdu

### Digital leadership in innovative smart manufacturing, building industry pillars

- Tianshan Material established the *Factory Intelligence Maturity Model*, defining standards and strategies for digital and intelligent construction across factories by classification and grading. Through standardized construction, cost savings exceeded 10 million yuan. Concurrently, it unified the standards for digital mine development and successfully implemented 5 digital mine projects at Tianshan pilot in Henan Province, reducing the average construction cost per mine by over 60% compared to conventional investment standards.
- The Lighthouse Factory of Taishan Fiberglass (Taiyuan), a subsidiary of Sinoma Science & Technology, was successfully commissioned in early 2025. Within the intelligent manufacturing park for high-end equipment, Equipment Group deployed independently developed robots for automated dowel insertion on roller sleeves, achieving automated production for over 80% of clinker conveyor components and reducing labor requirements by more than 50%. Upon reaching full design capacity, the Taiyuan base will be able to meet the incremental demand growth of 12% per year in high-end sectors such as new energy vehicles and 5G base stations, and will serve as a key domestic supplier of core materials for the wind power and renewable energy industries.



## Highlights of digital transformation achievements and best practices across the whole industry chain

### Smart Engineering Construction

#### Intelligent Perception and Measurement Assistant in Construction and Production

Sinoma International (Nanjing) integrated cutting-edge technologies such as 5G+, cloud computing, and large models to create a smart construction perception solution. This solution encompasses full perception across various scenarios, data identification, and business management, significantly reducing project personnel expenses while enhancing personnel management capabilities and fine-grained control.

#### Intelligent Rebar Processing Solution

The Equipment Group (a subsidiary of Sinoma International) developed an intelligent rebar processing system. By integrating five core functions—intelligent design, coding systems, cloud platform management, intelligent control, and automated processing equipment—the system improved production efficiency, reduced production costs, and optimized resource utilization. It also minimized material waste and enhanced processing quality and controllability.

### Smart Mine Management

#### Innovative Application of Digital Twins in Limestone Yard Quality Improvement

Jiangxi Nancheng South Cement (a subsidiary of Tianshan Material) utilized cutting-edge laser scanning and modeling technologies to apply a digital twin for the circular limestone homogenization silo, reducing coal consumption of 0.3 kg/t. Based on an annual cement production of 1 million tonnes, for every 1% reduction in clinker consumption, the cement manufacturing cost decreases by approximately 2 yuan per tonne.

#### SaaS Platform for Full-Process, Closed-Loop, Digital Mines

Sinoma Intelligent Technology (a subsidiary of Sinoma International) developed a SaaS platform for full-process, closed-loop, digital mines. This platform helped reduce equipment and personnel input by 10%, improve the stability of incoming limestone, and lower batching costs. Furthermore, thanks to the "regional unified construction - mine implementation" model, the platform deployment efficiency improved by 50%, while construction and operation and maintenance (O&M) costs were reduced by over 20%.

#### R&D and Application of Unmanned Driving Technology in Open-Pit Mines

Equipment Group (a subsidiary of Sinoma International) innovatively developed a "Vehicle-Road-Cloud Collaborative Unmanned Transportation System". Utilizing unmanned mining trucks equipped with high-precision positioning, multi-sensor fusion perception, and drive-by-wire chassis technology, the system achieved a workforce reduction of over 70% for mine drivers, enhanced safety assurance, and reduced transportation energy consumption by over 10%.

### Smart Cement Production

#### Full-Process Intelligent Control Factory

Jiangxi Shanggao South Cement (a subsidiary of Tianshan Material) was selected for the List of the First Batch of "Digital and Smart Factory" Enterprises (2025) in Jiangxi Province. Its digital transformation reached Level 6, achieving full-process intelligent control. Process self-optimization efficiency improved by 40%, saving over 12,000 tonnes of standard coal annually. Smart logistics boosted raw material receiving efficiency by 35% and increased vehicle turnover rates by 50%.

#### Application of Intelligent Belt Inspection System in Cement Plants

CNBM Smart (a subsidiary of Sinoma International) independently developed an intelligent belt inspection system. Integrating infrared imaging, AI visual recognition, acoustic fingerprint detection, and edge computing, the system adopts an inspection mode of "unattended operation with minimal maintenance". This effectively strengthens operational safety in cement plants while reducing investment and maintenance costs of equipment during the full lifecycle.

#### Application of Big Data Modeling and Optimization in Cement Proportioning

Sichuan Huaying Southwest Cement (a subsidiary of Tianshan Material) designed and developed a big data modeling and optimization system for cement proportioning. It constructed three models: a 28-day clinker strength prediction model, a 28-day cement strength prediction model, and an optimal cement proportioning model. Compared with manual proportioning schemes, the system reduced comprehensive cement costs by approximately 1%, saving 2 yuan per tonne of cement.

### Smart Safety and Environment Management

#### Application of Integrated AI Inspection for Equipment at the Smart Cement Production Line

Huaikan South (a subsidiary of Tianshan Material) planned an integrated video AI inspection system. Through three-layer synergy of "data-analysis-application", the system achieved optimized labor costs, precise resource allocation, and effective safety risk control.

#### Integrated Intelligent Diagnosis Solution for Bag Dust Collectors

Huaikan South (a subsidiary of Tianshan Material) utilized advanced instruments, such as high-precision dust detection sensors and high-frequency pressure sensors, combined with diagnostic algorithms of software, to build an intelligent diagnosis and analysis model for bag dust collectors. This extended the service life for filter bags in a science-based way and reduced the labor costs for on-site inspection of bag dust collectors.

#### R&D and Application of AI Marketing Assistant

BNBM Waterproof (a subsidiary of BNBM) built an internal intelligent application system integrating Generative AI and Interactive AI. This system helped save approximately 272,000 yuan in annual labor costs for writing and editing reports. In terms of data analysis, it reduced the workload for data analysis positions, saving labor costs of approximately 200,000 yuan.

## Green solutions

The Group launched a series of basic building material products, new material products, and engineering technology services with green and low-carbon attributes to promote low-carbon social development, enhancing the effectiveness of contributing to sustainable development for the society. In 2025, the Group revised and published the *Promotion Catalog for Green and Low-Carbon Technology Achievements of China National Building Material Company Limited (2025 Edition)*, selecting and promoting 54 green, low-carbon technology achievements across three fields - new technologies, new products, and new equipment. Its several achievements, including low-carbon cementitious materials, full-oxygen combustion coupled with carbon capture, high-efficiency classified grinding, hydrogen storage cylinders, high-performance fibers, and vacuum insulation panels, were selected for national-level technology promotion catalogues



In 2025

The Group's revenue generated from products with green attributes was approximately **46.2 billion yuan**, accounting for **23%** of total revenue

The revenue generated from products that can drive social green development and contribute to climate change mitigation was approximately **54.3 billion yuan**, accounting for **27%** of total revenue

Product type	Subsidiaries	Product details	Green attributes
Products with green product certification	Tianshan Material	Various models of ordinary Portland cement, composite Portland cement, general cement clinker, and ready-mixed concrete	China's Low-Carbon Product Certificate
		Various models of ready-mixed concrete, wet-mixed mortar, and dry-mixed mortar	China Green Building Material Product Certificate
		Various models of ordinary Portland cement, composite Portland cement, and general cement clinker	Green Design Product Certificate
		Various models of ordinary Portland cement, ready-mixed concrete, aggregates and manufactured sand, masonry cement, and general cement clinker	Green Building Selected Product Certificate
	Ningxia Building Materials	Various models of ordinary Portland cement and general cement clinker	China's Low-Carbon Product Certificate
		Ordinary Portland cement, composite Portland cement, slag Portland cement	Certificate for Limitation of Hazardous Substances in Cement
		Various models of commercial concrete	China Green Building Material Product Certificate
	BNBM	Various models of ordinary paper-faced gypsum board, light steel studs, wall studs, ceiling studs, water-based coatings, waterproof membranes, waterproof coatings, thermal insulation coatings, gypsum plaster, dry-mixed mortar, water-based polyurethane mortar, water-based/solvent-based resin flooring materials	China Green Building Material Product Certificate
	Sinoma Science & Technology	Glass fiber and its products	ISCC PLUS Certificate
		Vacuum insulation panel integrated insulation and decorative panels, high-strength continuous glass fiber fire-resistant integrated insulation and decorative panels	China Green Building Material Product Certificate
China Jushi	Glass fiber and its products	ISCC PLUS Certificate	
	E-glass chopped strand mat (EMC), E-glass woven roving (EWR)	China Green Product Certification Certificate	

Product type	Subsidiaries	Product details	Green attributes
<b>Green products containing recycled materials, using alternative raw materials/fuels, or featuring lower carbon footprints or reduced pollution characteristics</b>	Tianshan Material	Various models of Portland fly-ash cement, ordinary Portland cement, general cement clinker, ready-mixed concrete, wet-mixed concrete, aggregates, and machine-made sand	Use of alternative raw materials or alternative energy
	Ningxia Building Materials	Multiple models of ordinary Portland cement, general cement clinker, composite Portland cement, slag Portland cement, and various models of commercial concrete	Use of alternative raw materials or alternative energy
	BNBM	Gypsum boards, waterproof membranes, and waterproof coatings	Use of alternative raw materials or alternative energy
	China Jushi	Glass fiber	Application of high melting-rate mineral raw materials, high-performance glass fiber formulas, and advanced green production processes, and 100% proportion of green products in total output for six consecutive years
	Sinoma Science & Technology	Glass fiber	Application of high melting-rate mineral raw materials, high-performance glass fiber formulas, and advanced green production processes
	CNBM Investment	Physically modified fly ash	The product footprint report shows a lower carbon footprint
<b>Products applicable to the renewable energy industry, contributing to climate change mitigation</b>	Sinoma International	Engineering, equipment, and O&M services which apply green technologies and obtain green & low-carbon certifications	Reduction of pollutants and carbon emissions during construction, manufacturing, and O&M processes, and minimization of these for clients and owners during equipment usage and cement production line operations
	China Jushi	Glass fiber	Applied in the renewable energy industry
	Sinoma Science & Technology	Fiberglass and its products, wind turbine blades, lithium battery separators, and hydrogen cylinders, wind turbine blade molds, wind turbine blade wedge blocks, wind turbine blade root baffle plates, wind turbine epoxy resin, battery cell compression strips, battery end plates	Applied in renewable energy industries such as wind power, lithium batteries, hydrogen energy, new energy vehicle
	China Composites	Carbon fiber	Widely applied in the energy equipment industry
	Sinoma Graphite	(Natural graphite) refined powder, spherical graphite, and artificial graphite contract manufacturing services	Applied in negative electrode materials for lithium-ion batteries
Sinoma International	Engineering, equipment, and services capable of delivering significant green benefits to third parties (clients, society, communities, etc.)	Provision of alternative fuel processing and supply for cement production lines; supply of smart microgrids, PV EPC, renewable energy development, and wind power hybrid tower products for cement plants and other industries; and contribution to engineering projects with significant emission reduction benefits	

In the realm of product manufacturing, the Group embeds green design at the formulation source, advancing energy-saving, green, low-carbon manufacturing processes. By utilizing industrial waste as raw materials for building materials and high-calorific-value waste as alternative fuels, it effectively curtails the consumption of natural minerals and fossil fuels. Furthermore, it actively pursues green product certifications to forge a green, low-carbon building materials brand.

In 2025, galvanized light steel keels produced by BNBM were awarded the industry's inaugural

### China Green Building Material Product Certificate

serving as a model for the sector's green transformation

#### From "materials" to "intelligence": Sinoma Blade leads wind power equipment upgrades via innovation

Sinoma Blade (a subsidiary of Sinoma Science & Technology) integrates green design throughout its R&D and manufacturing lifecycle while optimizing product performance. To be specific, the company introduced eco-friendly resins and degradable substrates, and through joint research with industry partners, developed China's first set of recyclable wind turbine blades with a diameter exceeding 220 m. The successful delivery and installation of these blades at the Tonghua Wind Farm in Jilin marks a significant breakthrough in full-lifecycle green management within China's wind power sector. Calculations indicate that, for an 8-10MW power unit, this recyclable blade solution can reduce carbon dioxide equivalent emissions by at least 100 tonnes per turbine throughout its lifecycle. This synergy of performance enhancement and carbon footprint reduction underscores the company's commitment to driving green transition through technological innovation.



Strong, tough, and eco-friendly "giant wings" produced by Sinoma Blade

Moreover, the Group leverages innovative new materials in renewable energy, intelligence, and other cutting-edge technology sectors to foster the green and sustainable development of society.

#### By the end of 2025



Sinoma Science & Technology achieved a cumulative wind blade installed capacity of **213 GW**, facilitating an annual carbon dioxide emission reduction of **8.28 million tonnes**, equivalent to reforesting **20,000 mu** (about 3,293 acres) of land. The deployment of its lithium battery separators and hydrogen cylinders further contributed to carbon reductions of approximately **290,000 tonnes** and **70,000 tonnes**, respectively.

#### China Jushi showcases "hardcore" strength at the National 14<sup>th</sup> Five-Year Plan Achievement Exhibition

In December 2025, high-modulus fiberglass products for wind turbine blades, independently developed by China Jushi, were featured as a landmark achievement in the industrial foundation section of the "Forging the Path to National Strength: China's Manufacturing Achievements under the 14<sup>th</sup> Five-Year Plan" exhibition held at the National Museum of China. The exhibited E8 fiberglass is the industry's first ultra-high modulus fiber (>95 GPa) with mass production exceeding 100,000 tonnes. The E9 fiberglass stands as the pinnacle of the global industry, being the only product currently achieving mass production with a modulus exceeding 100 GPa.

Currently, China Jushi supplies **50%** of the global high-modulus fiberglass for wind blades, making an indispensable contribution to the advancement of global clean energy.

In the segment of engineering technology services, Sinoma International accelerates green innovation. Through R&D in key technologies, the company enhances product performance and promotes the application of low-carbon and ultra-low emission technologies in cement production processes. As a result, it has achieved breakthrough progress in the R&D and manufacturing of low-carbon equipment, dedicated to providing clients with environmentally friendly, high-quality products and services.

### Technological innovation drives service upgrades, creating a model for green cement plant retrofitting

- The France SPL project undertaken by CBMI Construction is HOLCIM Group's first global rotary kiln project integrating clay calcination with an existing clinker line. With a **100%** fuel substitution rate, it operates as a "zero fossil fuel" green factory. The facility produces high-quality LC3 cement, cutting annual carbon dioxide emissions by **100,000 tonnes** and

generating **EUR 8.5 million** in carbon reduction revenue. This sets a new milestone for the company in applying low-carbon, eco-friendly, and energy-saving emission reduction technologies in the cement industry.



Panoramic view of the SPL project

- The technical retrofit project for energy conservation and carbon reduction of the No. 1 Line at Xuzhou Zhonglian Cement represents an innovative practice of upgrading from a five-stage to a six-stage preheater system on a domestic 10,000-tonne clinker production line. The core technologies adopted include the six-stage preheater system and TDF calciner independently developed by Tianjin Cement Industry Design & Research Institute (a subsidiary of Sinoma

International), alongside coupled deep self-denitrification and precise SNCR technologies. The project also successfully applied the first domestic 10,000-tonne grade fourth-generation center roller breaking grate cooler, filling a technical gap for domestic coolers of this specification. After the retrofit, the main technical indicators of the production line reached an internationally advanced level. Standard coal consumption for clinker was reduced by approximately **15 kg/t.cl**, saving **43,000**

**tonnes** of standard coal annually and reducing carbon dioxide emissions by **108,000 tonnes**, with pollutant emission concentrations such as nitrogen oxides significantly lowered. The project, which serves as a demonstration for green technical retrofitting in the cement industry, won the First Prize of the National Excellent Engineering Survey and Design Award.

- The world's largest phosphogypsum resource utilization and circular economy demonstration project, built by Sinoma International in Wengfu, Guizhou Province, can annually consume **1.4 million tonnes** of phosphogypsum, and produce **650,000 tonnes** of sulfuric acid and **800,000 tonnes** of cement, while reducing carbon dioxide emissions by approximately

**300,000 tonnes**. It has successfully transformed an environmental burden into an economic resource. Selected for a major "Open Competition, Leadership Appointment" science and technology project by the China Building Materials Federation, the technology is now being promoted to phosphorus chemical enterprises globally.



Phosphogypsum resource utilization and circular economy demonstration project in Wengfu, Guizhou

# Integrating into circular economy

The Group continuously standardizes waste disposal, utilizes resources economically, and intensifies efforts in resource recycling. By promoting the reuse of waste and water resources, it facilitates the enhancement of the circular economy level across the entire industry.



## Our challenges

With the tightening of resource and environmental constraints and the industry's rising requirements for the circular economy, the Group must further standardize waste disposal, increase resource recycling efforts, and promote the reuse of waste and water resources. It is essential to integrate the circular economy philosophy into every aspect of production and operations, overcome technical bottlenecks, and optimize resource allocation.



## Our responses

- We advanced comprehensive resource utilization by applying industrial residues to cement production and clinker calcination.
- We expanded cement kiln co-processing capabilities for municipal waste and other external wastes.
- We promoted the development of "Zero-waste Factories" and certification for circular economy products.
- We adopted active water-saving measures and implemented water recycling initiatives.



## Our goals

- Long-term targets:**
- Maintain a recirculated water utilization rate of over **90%**.
  - Ensure a comprehensive utilization rate of non-hazardous solid waste at no less than **96%**.
  - Achieve **zero discharge** of stripped soil and waste rock from mining operations.
  - Attain **100%** comprehensive recycling and utilization in gypsum board production.
  - Continuously improve the capacity for solid waste consumption.



## Our achievements

- The recirculated water utilization rate reached **94%**.
- The comprehensive utilization rate of non-hazardous solid waste stood at **98%**.
- **Zero discharge** was achieved for stripped soil and waste rock from mining operations.
- **100%** comprehensive recycling was achieved in gypsum board production.
- A total of **85.69 million tonnes** of solid waste (**22** types) was absorbed.
- A cumulative total of **28** "Zero-waste Factories" were established.

## Waste management

The Group identifies the types and quantities of waste generated during operations, formulates solid waste verification plans, and conducts regular verification activities to determine areas with high waste generation. We carry out comprehensive waste assessments covering "source classification, warehouse management, record management, and compliant disposal", achieving 100% compliant management of solid waste while continuously seeking optimization directions for disposal. Besides, we dispose of hazardous and non-hazardous solid waste in compliance with regulations, and standardize solid waste management at production and temporary storage sites. We also install waste identification signs and establish ledgers for classified storage. In addition, we supervise and inspect the implementation of measures to prevent scattering, loss, and leakage during storage and transfer. By actively exploring waste resource utilization possibilities, we implement the principles of "resource utilization, reduction, and harmlessness".

In 2025, the Group absorbed a total of **85.69 million** tonnes of solid waste, covering **22 types**. The comprehensive utilization rate of self-generated non-hazardous solid waste stood at **98%**.

Leveraging the Group's platform, Sinoma International Environmental Engineering (a subsidiary of Sinoma International) collaborated with Sinoma Blade (a subsidiary of Sinoma Science & Technology) to process **5,073 tonnes** of discarded blades for alternative fuel and recycling. Additionally, Ulanqab Zhonglian Cement (a subsidiary of Tianshan Material) disposed of **1,416 tonnes** of desulfurization gypsum generated by Inner Mongolia Hengke New Material Technology (a subsidiary of Sinoma Graphite).

By the end of 2025



28

"Zero-waste Factories" had been built.

## Basic building materials segment

The basic building materials segment of the Group vigorously advances comprehensive resource utilization by incorporating substantial amounts of industrial residues—such as fly ash, tailings, beneficiation powder, sulfuric acid slag, desulfurization gypsum, and carbide slag—into cement production and clinker calcination. High-calorific-value waste is utilized as alternative fuel to boost efficiency. Additionally, the Group expands cement kiln co-processing to treat external solid wastes such as municipal solid waste, as well as sludge, sewage, and hazardous waste. This approach ensures proper waste disposal while curbing coal consumption, harmonizing industrial production with societal needs.

In 2025



The Group had a total of **54** collaborative waste disposal projects for cement kiln in operation

Throughout the year, a collaborative waste disposal volume was **1.3246** million tonnes

and the comprehensive utilization rate of limestone mines for cement stood at **95.7%**

### R&D of solid waste-based negative-carbon fiber cement flat panels, leading industry transformation

The low-carbon innovation team at Suzhou Concrete and Cement Products Research Institute (a subsidiary of Tianshan Material) successfully developed solid waste-based negative-carbon fiber cement flat panels. The core of this technology lies in utilizing 100% solid waste as raw materials and employing CO<sub>2</sub> for the curing of the fiber cement flat panels. This process not only shortens the curing cycle, reduces costs, and lowers energy consumption but also achieves permanent CO<sub>2</sub> sequestration. Through material design and process control, the successful trial production of the flat panels was achieved, ensuring a saturated water flexural strength of >17 MPa and a carbon sequestration amount of >1.5 kg/m<sup>2</sup>. The successful R&D and application of this product provide a green, low-carbon building material choice for the construction industry, promoting its transition towards low-carbon and sustainable development.



## New materials segment

The new materials segment of the Group actively explores solid waste recycling technologies to continuously improve resource utilization efficiency.

### Creating recyclable fiberglass to build a fiberglass industry ecosystem

In 2025, PIR fiberglass launched by China Jushi received broad acclaim from downstream customers at the JEC World in France. The raw materials for this fiberglass product are sourced from "scrap" generated during fiberglass production, which is directly "turned into treasure" through proprietary recycling processes and production controls.

**35%**

The product matches the quality and performance of conventional fiberglass products while delivering a reduction in carbon emissions of

It has also achieved

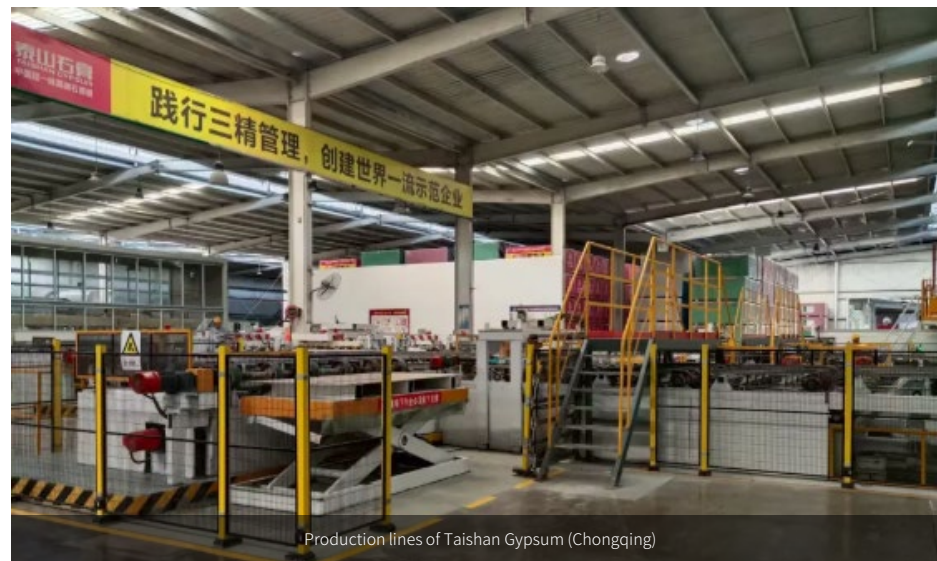
**ISCC**

(International Sustainability & Carbon Certification) certification

### Transformative upgrades of the full production process: solidifying the implementation of green development

Taishan Gypsum (Chongqing) (a subsidiary of BNBM) modified and optimized production equipment and processes across multiple stages, from raw material handling to processing. The company implemented comprehensive utilization of waste slurry, waste board edges, and wet board waste generated during the production of paper-faced gypsum boards. It also actively utilized desulfurization gypsum, a solid waste derived from the treatment of coal combustion exhaust gas in power plants.

To establish efficient environmental protection facilities for coal combustion exhaust gas, the company continuously improved energy utilization efficiency and reduced energy consumption during production by way of energy-saving measures such as waste heat recovery and electricity-saving modifications.



Production lines of Taishan Gypsum (Chongqing)

This initiative utilizes

approximately **200,000**

**tonnes** of desulfurization gypsum annually

Saves

**100** mu (about 16.47

acres) of land for stockpiling

In the first half of 2025, the cumulative unit consumption decreased by

**12.4%** year-on-year

Saving approximately

**800** MWh

of electricity

## Water resources utilization

The Group's water sources comprise surface water, tap water, and recycled water, with all its subsidiaries holding valid water intake permits. In 2025, the Group faced **no constraints** regarding water availability or shortages.

### Assessing water use risks from the perspectives of dependency and impact



#### Dependency

During the project design phase, water intake requirements are fully considered, and local water abundance is investigated to select suitable construction areas. During operations, the current and future availability of water sources is systematically tracked and monitored at the locations. Regulatory changes and water tariff fluctuations are tracked in real-time to assess risks regarding water scarcity, water quality variations, and policy volatility.



#### Impact

During the project design phase, pollutant types and discharge concentrations from production and operation activities are fully considered. With considerations given to factors such as surface water and groundwater flow directions, ecosystem characteristics, and the density of community residents, the impact of production and operation activities on the water intake community is identified, and water use strategies are adjusted in a timely manner. All production-oriented enterprises, which are equipped with wastewater treatment facilities, have obtained pollutant discharge permits and conducted regular monitoring of pollutant emissions.

The Group takes proactive water conservation measures. In production systems, it actively advances the recycling of process water, reclaimed water reuse, and the separation of clean and polluted water. Wastewater undergoes advanced treatment at on-site sewage treatment stations before being reused primarily for vehicle washing, dust suppression in yards, floor washing, road sprinkling, and landscape irrigation, striving for zero discharge of industrial wastewater. Furthermore, sewage is sampled and tested to ensure water quality compliance and to prevent soil and groundwater pollution.

### Tianshan Material leads water conservation innovation, promoting efficient resource utilization

Facing the challenge of water scarcity in the Hami region of Xinjiang, the system of power generation and cooling from cement waste heat at Hami Tianshan Cement (a subsidiary of Tianshan Material) employs air-cooling island technology. Replacing the traditional water cooling mode with air cooling, this system achieves a water-saving rate of 80% to 90%, significantly reducing water consumption at the source. Simultaneously, the company has established a comprehensive circulating water system and sewage treatment facilities, building a closed-loop management system featuring "recycling of production water and resource utilization of wastewater". After being purified to meet standards, production wastewater and domestic sewage are fully reused for greening, road cleaning, and production dust suppression.

This initiative saves over  
**100,000** yuan annually

Achieving true  
"zero discharge" and "zero emission"



Therefore, the company was selected for the  
**List 2025 of Industrial Water Conservation Benchmarks  
and Water-saving Enterprises in Xinjiang Uygur  
Autonomous Region**

# Insisting on green manufacturing

The Group strictly complies with relevant national laws and regulations. It continuously refines its environmental management systems, implements diverse eco-protection measures, and strengthens ecological oversight, dedicating itself to advancing environmental governance and safeguarding the planet.



## Our challenges

Amidst tightening environmental regulations, the Group must sustain investing resources to optimize its environmental management systems. It must ensure full compliance in key areas such as exhaust gas, wastewater, and waste discharge, thereby promoting the low-carbon and green transformation of traditional production processes.



## Our goals

### 2025 targets (fully achieved):

- Nitrogen oxide emission intensity from cement clinker shall not exceed **0.297 kg per tonne**.
- Compliance rate with pollutant discharge permit requirements shall reach **100%**.

### Long-term targets:

- Reduce the emission intensity of nitrogen oxides for cement clinker by **1%** compared to the previous year.
- Achieve a **100%** compliance rate with pollutant discharge permit requirements.



## Our responses

- We signed the *Responsibility Statement for Energy Saving, Carbon Reduction, and Eco-Environmental Protection Assessment* at all levels to consolidate environmental protection responsibilities.
- We carried out environmental protection activities for internal and external stakeholders to enhance environmental awareness.
- We built supporting facilities for the treatment of wastewater, exhaust gas, noise, and solid waste, obtained pollutant discharge permits and conducted regular monitoring of pollutant emissions.
- We established green, clean production management goals and a performance appraisal mechanism.
- We continuously increased the coverage rate of environmental management system certification.
- We advanced the development of benchmark factories such as "Ultra-low Emission Retrofitting" and "Green Factories".



## Our achievements

- The emission intensity of nitrogen oxides for cement clinker was maintained below **0.297 kg per tonne**, representing a year-on-year decrease of over **3%**, while a total emission volume of **42,999 tonnes**, representing a year-on-year decrease of **13%**.
- The compliance rate with pollutant discharge permit requirements reached **100%**.
- The total emission of sulfur dioxide was **4,532 tonnes**, a year-on-year decrease of **6%**.
- The total emission of industrial particulate matter was **4,226 tonnes**, a year-on-year decrease of **8%**.
- **635** subsidiaries at all levels obtained ISO 14001 Environmental Management System certification, accounting for **71.4%**. **350** subsidiaries were certified to ISO 50001 Energy Management System, accounting for **39.4%**.
- We had **275** Green Factories, including **116** National-level Green Factories.



## Improving the management system

The Group consistently implements the concepts of green management and green development. It strictly abides by and executes national laws and regulations regarding environmental protection, pollution prevention, clean production, and energy conservation. It also adheres to norms and standards concerning exhaust gas emissions, greenhouse gas emissions, and sewage and waste discharge that have a material impact on itself. Moreover, it has formulated over ten regulations and rules of CNBM, including the *Eco-Environmental Protection Responsibility System* and the *Measures for Assessment and Management of Energy Conservation and Eco-Environmental Protection*.

The Group has established and continuously improved its environmental management responsibility structure. The Chairman and CEO jointly assume leadership responsibility for environmental protection initiatives. The Vice President overseeing environmental affairs executes overall organization, while other employees at the executive level are responsible for environmental activities within their respective scopes. The department heads, acting as the primary persons responsible for environmental protection in their departments, lead their teams in actively practicing the environmental management system, thereby forming a complete top-down management system. Furthermore, at the beginning of each year, the Group issues environmental protection goals and indicators. It signs the *Responsibility Statement for Energy Saving, Carbon Reduction, and Eco-Environmental Protection Assessment* with its subsidiaries in each segment, clarifies responsibility management and assessment measures in cases of excessive emissions or administrative penalties, and regularly follows up on the goal progress.

### Environmental compliance audit

- The Group requires all its subsidiaries to formulate annual self-monitoring plans and commissions third-party monitoring agencies for environmental monitoring on a quarterly basis. Furthermore, it conducts internal environmental audits covering all operational sites twice a year (i.e., in mid-year and year-end). Through a "four-in-one" inspection mechanism encompassing "inspection, guidance, training, and service", strict checks are conducted on permit management, pollutant discharge permit management, operation of environmental protection equipment, self-monitoring management, fugitive emission control, and solid/hazardous waste management. Its subsidiaries with identified issues are issued rectification notices for potential hazards.
- The Group accepts environmental protection inspections from central and local governments, including both regular inspections and random spot checks. This ensures full coverage of key areas by external environmental inspections annually, covering nearly 100% of the Group's production and operation enterprises at all levels.
- In 2025, the Group continued to advance environmental protection certifications and clean production audits for its subsidiaries. Currently, **635** subsidiaries at all levels obtained ISO 14001 Environmental Management System certification, accounting for **71.4%**. **350** subsidiaries were certified to ISO 50001 Energy Management System, accounting for **39.4%**, with a certification pass rate of **100%**. A total of **323** subsidiaries at all levels applied for and passed clean production audits, accounting for **36.3%**.

### Environmental risk management

- The Group strictly executes safety and environmental protection due diligence procedures for equity investment projects. Professional teams are organized for comprehensive assessments of safety and environmental risks, focusing on potential hazards in work safety and environmental protection, and formulating safety and environmental protection due diligence reports.
- For fixed asset investment projects, the Group conducts in-depth analyses of the ecological environment, resource & energy utilization, and progress toward carbon peaking and carbon neutrality during the project impact analysis. This ensures compliance of projects with environmental protection requirements and mitigates environmental risks.
- The Group encourages suppliers to establish environmental management systems and prioritizes suppliers with environmental management system certification. By signing agreements related to safety and environmental protection, it requires suppliers to comply with national regulations and the Group's ESG management provisions, and to implement requirements for energy saving, water conservation, environmental protection, recycling, and low-carbon operations in their production and business activities.

# Cultivating environmental awareness

The Group implements the green management system and actively publicizes its environmental management activities through media such as WeChat official accounts and official websites. It actively promotes the concept of green office, puts great efforts to advocate video conferencing, and achieves paperless operations through the OA system to reduce paper consumption. It also prioritizes the procurement of green, eco-friendly paper and refillable pens, and extends the service life of printing and lighting equipment through activities such as repair and reuse of old items. Employees are encouraged to enhance environmental awareness through daily actions, such as conserving water and electricity, sorting waste, and opting for green travel, contributing to the Group's sustainable development.

Furthermore, we organize Environmental Protection Day activities and training, coordinating the orderly advancement of green and energy-saving initiatives.

In 2025



Our safety and environmental training totaled

**2.617 million hours,**

covering **89.8%** of employees.

Topics included energy efficiency improvement, waste recycling and reduction, compliant pollutant disposal, and water conservation.

## Company-wide greening initiative supports "dual carbon" goals

From March to April 2025, on the occasion of the 47<sup>th</sup> Arbor Day, CNBM initiated a themed greening action titled "To Building a Green Home, CNBM Supports 'Dual Carbon' Goals" to all subsidiaries at all levels. Its subsidiaries responded actively by organizing employees for extensive afforestation and greening enhancement activities tailored to local conditions, planting various types of trees suitable for the local ecological environment. These actions reinforced the "green" background for the environment, advanced the green development philosophy, and contributed the strength of CNBM to achieving the "dual carbon" goals.

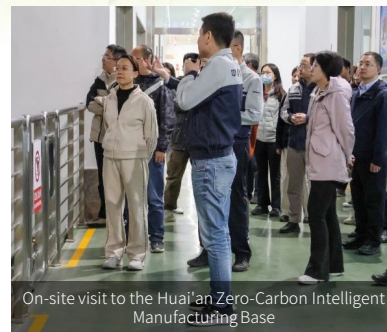
In June 2025, the Group participated in the "Planting for the Three-North Shelterbelt Program — Building an Ecological Dream with Materials, Painting a Green Spring in the Northern Frontiers" tree planting and greening activity organized by its parent company. Volunteers spread wheat straw and fixed straw grids in the Hunshandake Sandy Land. Dense rows of sand barriers were intricately woven into a three-dimensional windbreak and sand-fixing protective net covering 1,330 square meters. 800 newly planted saplings stood upright against the wind, clothing the barren land in green once more.



Site of tree planting and greening activity

## Gaining insights into zero carbon, pioneering innovative practices for green manufacturing

In April 2025, the Group organized employees from its headquarters to visit the Huai'an Zero-Carbon Smart Manufacturing Base under China Jushi for an on-site study tour. Participants gained a close-up understanding of the intelligent processes of the fiberglass production line, as well as green power application, low-carbon production, and zero-carbon recycling modes. Through an immersive experience of the zero-carbon demonstration project, they intuitively witnessed the company's achievements in green & low-carbon development and intelligent manufacturing, further enhancing their understanding and recognition of the green development concept.



On-site visit to the Huai'an Zero-Carbon Intelligent Manufacturing Base

## Safety and environmental protection training enhances responsibility and performance awareness

From July to August 2025, the Safety and Environmental Protection Training for Principals of Member Enterprises of CNBM Group was successfully held at the International and Hong Kong/Macao Training Center of the National Academy of Governance, with 1,032 participants.

The training focused on core content such as duty fulfillment requirements for primary persons in charge, interpretation of safety & environmental protection laws and regulations, development of risk prevention and control systems, improvement of emergency response capabilities, and exchange of management experiences. It invited leaders from competent departments of universities, the Ministry of Emergency Management, the Ministry of Ecology and Environment, the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, and relevant experts to lecture on the latest eco-environmental protection knowledge. The teaching activities include thematic lectures, study seminars, sharing of practical experiences, analysis of warning cases, and closed-book examinations. By virtue of these, the training further enhanced the business capabilities and risk prevention & control levels of the principals of member enterprises in safety and environmental protection.



Safety and Environmental Protection Training for Principals of Member Enterprises of CNBM Group

## Reducing pollution emissions

The Group has formulated internal management measures regarding noise control, sewage treatment, and emission management to ensure that environmental protection indicators are assigned to specific individuals. It has also benchmarked against industry peers and been subjected to comprehensive comparisons among internal companies. By continuously driving improvements in processes, technology, management, and innovation, it has consistently reduced pollutant emissions and energy consumption indicators, leading the industry in voluntary emission reduction. All production-oriented enterprises of the Group have been equipped with environmental protection facilities for treating wastewater, exhaust gas, noise, and solid waste. They have all obtained pollutant discharge permits and conducted regular monitoring of pollutant emissions. Moreover, they have established and improved emergency plans for eco-environmental protection and hazardous chemicals management systems, strengthening the maintenance of energy-saving and environmental protection facilities to ensure their efficient operation.

Business segments	Sources of pollutants	Pollutant disposal measures
<b>Basic building materials segment</b>	Atmospheric pollutants include sulfur dioxide, nitrogen oxides, particulate matter, and volatile organic compounds emitted from cement production lines, as well as dust from mining operations and cement transportation. Wastewater includes industrial cooling water and wastewater generated from production and domestic activities in plant areas.	<ul style="list-style-type: none"> <li>Atmospheric pollutants are treated via exhaust gas treatment process equipment to ensure compliant discharge.</li> <li>Wastewater is deeply treated and reused using circulation treatment facilities and sewage treatment stations. Quarterly sampling and testing of sewage ensure water quality compliance and prevent soil pollution.</li> </ul>
<b>New materials segment</b>	Atmospheric pollutants include sulfur dioxide, nitrogen oxides, particulate matter, and volatile organic compounds emitted from production lines. Wastewater includes production and domestic wastewater from plant areas.	
<b>Engineering technology services segment</b>	Atmospheric pollutants include dust generated during the engineering construction process. Wastewater mainly comprises domestic sewage from construction camps.	<ul style="list-style-type: none"> <li>Clean production and green construction are promoted. Environmental factors involved in production &amp; operations, project construction, and management activities are identified, evaluated, and controlled to prevent and reduce adverse environmental impacts.</li> <li>The incineration of waste, oil, or garbage is strictly prohibited at project sites. Dust suppression or prevention measures are taken in areas where soot is generated.</li> <li>Sewage treatment systems are considered when temporary camps are built. Qualified local contractors are engaged to perform centralized extraction and treatment, eliminating direct discharge into rivers or the natural environment.</li> </ul>

### Comprehensive implementation of clean production to build a multi-dimensional prevention and control system

Jiashan Tianning Southern Cement, a subsidiary of Tianshan Material, implements clean production processes in all aspects. By utilizing high-efficiency dust removal equipment and advanced atomized spray systems, the company has established a stringent environmental defense line, keeping particulate matter emission concentrations far below national standards. In addition, it has constructed a fully enclosed production line, with raw material conveyor galleries covered by translucent glass roofs, cleverly balancing dust control with natural lighting. An intelligent spray network distributed across storage yards and roads has slashed PM10 concentrations by 70% compared to pre-retrofit levels. The factory's green coverage rate exceeds 40%, with trees, shrubs, and lawns weaving a multi-dimensional green carpet for noise reduction and dust prevention. Cooling water for production is efficiently reused via cooling towers, achieving a recycling rate of over 99%. After advanced treatment through grease traps and septic tanks, domestic wastewater is transformed into clear water to nourish the factory's greenery, realizing the recycling of water resources.





In 2025

The Group completed SCR (Selective Catalytic Reduction) retrofits for **77** clinker production lines


Emission intensities per tonne of cement clinker decreased year-on-year for nitrogen oxide **5.17%**

Sulfur dioxide **3%**

Particulate matter **6.57%**

## Reducing energy consumption

The Group strengthens energy management across all its subsidiaries to reduce energy consumption.



**In 2025**

# 350

Subsidiaries at all levels of the Group were certified to ISO 50001 Energy Management System

# 39.4%

Accounting for

A system audit mechanism covering all certified factories was established to ensure the effective operation of the energy management system.

During the reporting period, through a multi-level audit mechanism including third-party audits, routine internal audits, and special audits, we identified issues and formulated improvement plans, continuously enhancing the efficiency of the energy management system.

When reviewing new projects, subsidiaries of the Group prioritize energy consumption indicators, actively applying the most advanced energy-saving and consumption-reducing technologies and equipment. Besides, it regularly analyzes energy usage efficiency and consumption volume to locate high energy consumption areas, continuously exploring opportunities to improve energy efficiency and carrying out energy-saving technological upgrades.

### Coal usage management

The Group enforces standardized management of the indicator assessment and statistical accounting for raw coal entering factories in accordance with statistical accounting and management regulations for raw coal, thereby controlling its total energy consumption. During the reporting period, we promoted the use of coal combustion accelerants and fusion accelerants.

- 3.85% Compared to last year, the standard coal consumption for clinker decreased by
- 1.80% Comprehensive power consumption for clinker decreased by
- 1.68% Process power consumption for cement decreased by

### Building a "Six-Zero" factory to promote clean production and reduce energy consumption

In May 2025, Yunnan Fuyuan Southwest Cement, a subsidiary of Tianshan Material, held an open day during the 2025 "Six-Zero Green Building Materials Day" to showcase the progress of its "Six-Zero Factory". In recent years, through projects such as cement waste heat power generation, photovoltaic power generation, and wind power generation, the company has formed a total installed capacity of approximately 40 MW. It has built the first green power factory with zero purchased electricity in the southwest region, effectively reducing energy consumption and reliance on externally purchased energy during the production process. This provides a practical demonstration for creating a green building material production model characterized by low energy consumption and low emissions.



Open day themed as "Advocating Intelligent Manufacturing in 'Six-Zero' Factories and Building the Future with Green Actions"



# Protecting ecological conservation

With the continuous rise in global attention on the natural environment and biodiversity, the Group increasingly recognizes the close connection between the health of natural ecosystems and its activities in business operations, supply chain system development, and engagement with operational sites and nearby communities. In 2025, aligning with the requirements of the TNFD (Taskforce on Nature-related Financial Disclosures) Framework, the Group identified and disclosed nature-related risks and opportunities arising from its dependence and impact on natural ecosystems. This was conducted across four pillars: governance, strategy, risk and impact management, and metrics and targets.



## Our challenges

The Group is required to conduct rigorous assessments during site selection, layout, and project construction to ensure compliance with ecological protection requirements and to avoid adverse impacts on ecological areas such as natural habitats, wetlands, and forests. Furthermore, ecological restoration for mines and green mine development require sustained resource investment to achieve the goal of "simultaneous mining and rehabilitation", promoting the harmonious integration of industry and the ecological environment.



## Our responses

- We conducted biodiversity assessments in accordance with the TNFD Framework and the LEAP approach.
- We put biodiversity conservation efforts according to the mitigation hierarchy of "Avoidance, Reduction, Regeneration, Restoration, and Transformation."
- We actively advanced green mines and green factories, applying cutting-edge technologies to ecosystem protection activities.



## Our goals

- Long-term targets:**
- Continuously increase the greening ratio of available areas in factory areas of the Group's subsidiaries, and ensure that all mine areas requiring restoration are fully revegetated.



## Our achievements

- The green coverage rate of the available area within the premises of the Group's subsidiaries reached **26%**, and the total land restoration area reached **9,686,339 square meters**.
- A total of **161** green mines were recognized, comprising **41** at the national level and **120** at provincial and other levels.

## Governance

The Group has established an ESG governance system with clear responsibilities and well-defined divisions of labor, continuously improving the multi-level management architecture with the Board of Directors as the highest decision-making body. It integrates nature and biodiversity-related risks into its overall ESG management framework to guide and supervise the formulation, implementation, and evaluation of relevant strategies, providing institutional assurance for its steady operations and sustainable development. For details on governance arrangements, please refer to the "Sustainability governance" section.

## Strategy

The Group's business operations, full product lifecycles, and various stages of the value chain are closely interconnected with the natural ecosystem. We adopt the LEAP (Locate, Evaluate, Assess, Prepare) approach recommended by the TNFD, analyzing across four aspects, namely, location, assessment of impacts and dependencies, evaluation of risks and opportunities, and response actions, to identify and assess nature-related impacts & dependencies, as well as risks & opportunities. By incorporating nature-related considerations into our strategy, we strive to address potential risks and enhance strategic resilience.

## Locate (L)

Referencing the Locate (L) analysis of the LEAP approach, the Group utilized the Integrated Biodiversity Assessment Tool (IBAT)<sup>7</sup> for assessments of 986<sup>8</sup> operational sites distributed across different regions. In this way, it identified the direct and indirect spatial and ecological function relationships between operational sites and surrounding ecosystems. The following presents the details regarding Protected areas<sup>9</sup> and Key Biodiversity Areas (KBAs)<sup>10</sup> within a 50-km radius of the Group's operational sites:

Operational site	Total		Protected areas within a 50-km radius		Key Biodiversity Areas (KBAs) within a 50-km radius		Protected areas and Key Biodiversity Areas (KBAs) within a 50-km radius	
	Mining sites	Manufacturing sites	Mining sites	Manufacturing sites	Mining sites	Manufacturing sites	Mining sites	Manufacturing sites
<b>The Group</b>	105	881	32	258	62	522	24	209
■ <b>Basic building materials segment</b>	103	665	32	189	61	392	24	157
■ <b>New materials segment</b>	1	185	0	56	1	114	0	41
■ <b>Engineering technology services segment</b>	1	31	0	13	0	16	0	11

<sup>7</sup> Developed by the IBAT Alliance (comprising BirdLife International, Conservation International, the International Union for Conservation of Nature, and the UNEP - World Conservation Monitoring Centre), this tool provides access to the world's three major biodiversity databases. It is utilized to assess the proximity of project sites to key areas for endangered species conservation.

<sup>8</sup> Operational sites are defined by the physical boundaries of factories or mines, and a single site may include several interconnected factories or mines. The scope includes all active manufacturing sites under the Group, covering both domestic and overseas operations.

<sup>9</sup> The World Database on Protected Areas (WDPA) serves as the criteria for determination. The WDPA is the most comprehensive global database on terrestrial and marine protected areas, with data sourced from international convention secretariats, national governments, and partner NGOs (non-governmental organizations).

<sup>10</sup> Key Biodiversity Areas (KBAs) are defined as "sites contributing significantly to the persistent global biodiversity", encompassing terrestrial, freshwater, and marine ecosystems.



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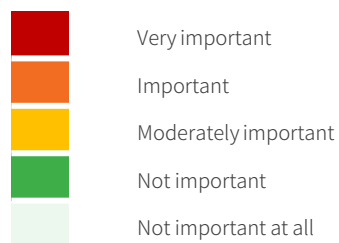
Approximately **98.6%** of the Group's operational sites are located within a 50-km radius of potential habitats or distribution ranges of endangered species, including the Chinese Crested Tern, Oriental Stork, Yellow-breasted Bunting, Baer's Pochard, Hawksbill Turtle, Blue-crowned Laughingthrush, and Chinese Three-striped Box Turtle.

Given that the Group's core business involves mineral resource development and building material production, operational activities inevitably maintain a certain proximity to natural ecosystems. To fulfill ecological protection responsibilities and effectively mitigate potential impacts, we strictly adhere to national and local ecological protection laws & regulations, and control requirements for ecological conservation red line during site selection and construction. Through environmental impact assessments and planning demonstrations, we properly avoid core zones, buffer zones, and other ecologically sensitive areas of nature reserves. During the operational phase, we continuously implement environmental management systems and green mine development requirements. We ensure the standardized management and compliant discharge of pollutants such as wastewater, waste gas, and solid waste, while strengthening whole-process control over indirect ecological impact factors including noise, vibration, dust, and lighting. Simultaneously, we advance green mine development, clean production, and ecological restoration measures to minimize disturbance to surrounding nature reserves and ecosystems.

## Impact and dependency evaluation (E)

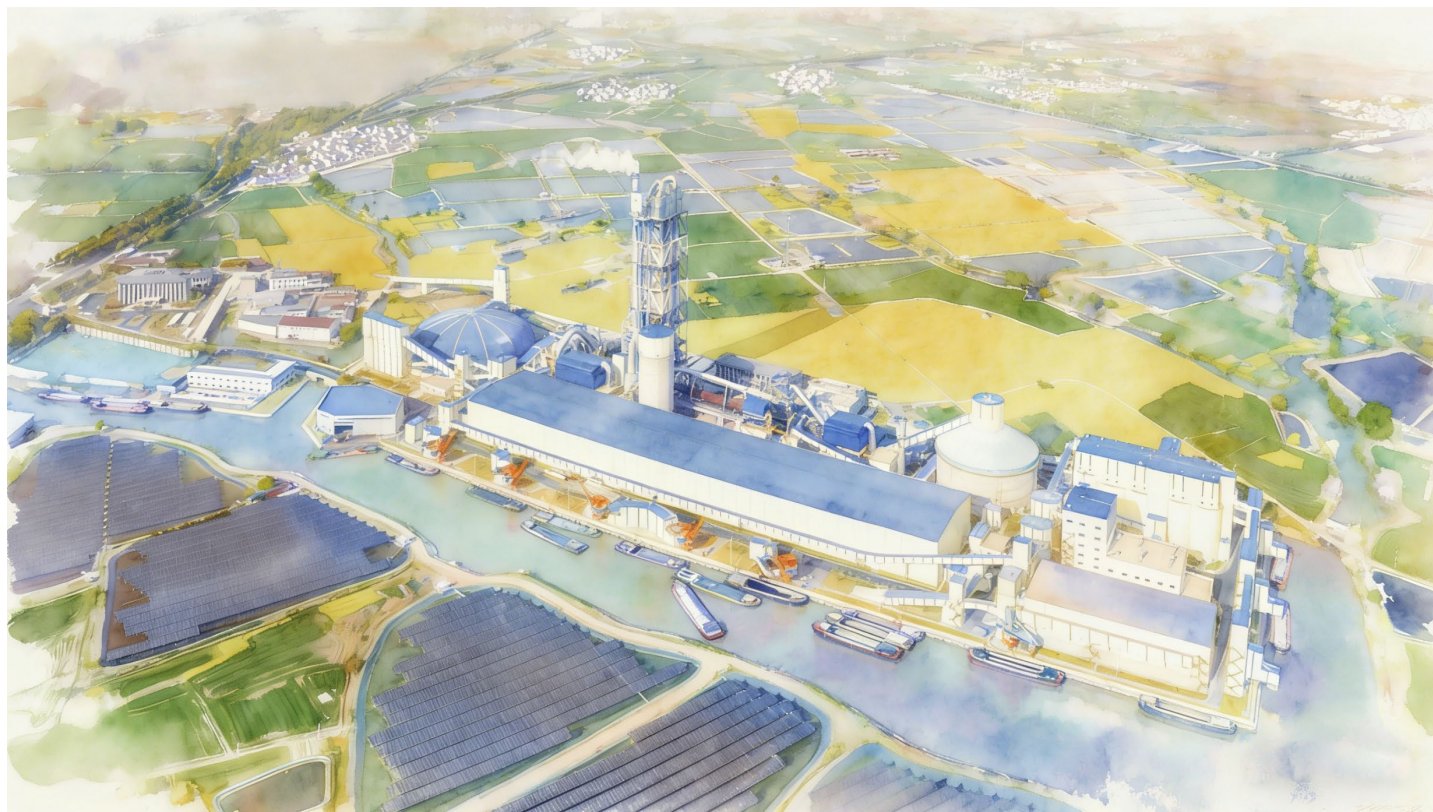
Referring to the ENCORE<sup>11</sup> database, the Group conducted a preliminary analysis of the degree of dependency and potential impacts of its entire scope of business activities on the natural environment. A dedicated biodiversity working group was established to identify the dependencies and impacts associated with natural capital utilization across different business segments through expert seminars and internal exchanges. This initiative provides a reference for subsequently refining management measures regarding nature-related risks and impacts in a targeted manner.

Legend:



<sup>11</sup> Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE), jointly developed by the Natural Capital Finance Alliance (NCFA) and the UN Environment Program - World Conservation Monitoring Centre (UNEP-WCMC), serves as a key tool to assist financial institutions in assessing their dependencies and impacts on nature at the portfolio level.

Dependency / Impact components	Upstream		Middle stream		Downstream	
	Other mining and quarrying	Factory construction	Manufacture of other non-metallic mineral products	Glass product manufacturing	Chemicals manufacturing	Other specialized wholesale
Dependencies	Biomass provisioning services	Green				
	Animal based energy	Green				
	Spiritual, artistic and symbolic services			Red	Red	
	Water supply	Orange	Yellow	Yellow	Yellow	Yellow
	Global climate regulation services					
	Rainfall pattern regulation services (at sub-continental scale)	Red	Red	Green	Yellow	
	Local (micro and meso) climate regulation service	Green			Green	Green
	Air filtration services					
	Soil and sediment retention services	Orange	Orange	Green	Green	Yellow
	Solid waste remediation			Yellow	Yellow	
	Water purification services	Red	Yellow			
	Water flow regulation services	Orange				
	Flood mitigation services				Yellow	Green
	Storm mitigation services	Yellow			Yellow	Green
	Noise attenuation services					
	Dilution by atmosphere and ecosystems	Yellow		Green		Green
	Mediation of sensory impacts	Green				
Biological control						
Impacts	Disturbances	Orange	Red	Yellow	Red	Green
	Area of freshwater use	Orange		Yellow		
	Area of seabed use	Orange				
	Emissions of GHG	Orange	Orange	Orange		Yellow
	Emissions of non-GHG air pollutants	Orange	Green	Orange		Green
	Other abiotic resource extraction	Red				
	Generation and release of solid waste	Green	Yellow	Yellow	Yellow	
	Area of land use	Yellow	Green	Green	Green	Green
	Emissions of toxic pollutants to water and soil	Orange	Orange	Red		Red
	Emissions of nutrient pollutants to water and soil	Orange		Yellow		
	Volume of water use	Yellow	Green	Yellow	Yellow	Yellow
	Introduction of invasive species		Green			



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**In summary, the Group's mining sites involves relatively more significant nature-related potential impacts and dependencies, marking it as a priority area for subsequent nature-related risk and impact management.**

The analysis results indicate that in the upstream mining and factory construction stages, the Group's "Very Important" dependency factors include rainfall pattern regulation and water purification; while impact factors include disturbances and other abiotic resources extraction. During mining and factory construction, activities are highly dependent on the natural ecosystem's capacity to regulate regional water cycles and attenuate water pollutants to mitigate risks of soil erosion and water quality degradation. Simultaneously, construction activities inevitably generate disturbances such as noise and lighting; while land disturbance and extraction activities involve the direct extraction of abiotic natural resources like minerals.

In the midstream manufacturing of cement and other materials, the Group's "Very Important" dependency factors include spiritual, artistic, and symbolic services, and impact factors include

disturbances and discharges of toxic pollutants to water and soil. Manufacturing activities for non-metallic mineral products and glass products are typically highly correlated with regional landscape morphology, community environment, and social identity, creating a significant dependency on the spiritual, artistic, and symbolic values provided by the natural environment. Meanwhile, manufacturing processes for non-metallic mineral products and chemicals inevitably generate disturbances such as noise and lighting, and may involve discharges of heavy metals or chemicals into water bodies and soil, posing potential impacts on ecosystems and biological health.

In the downstream sales stage, the Group does not involve any "Very Important" or "Important" dependency factors.

## Risk and opportunity assessment (A)

Referencing the TNFD-recommended risk and opportunity classification framework, the Group identified and analyzed nature-related risks and opportunities on all fronts, assessing their potential impacts on business operations and the value chain. Adopting the mitigation hierarchy principles of "Avoid, Minimize, Restore, and Regenerate", it developed and took corresponding management measures to promote the effective control of biodiversity-related risks, thereby supporting the long-term stability and sustainable development of its business.

Type	Risk	Impact on own operations and the value chain			Countermeasures
		Upstream	Direct operation	Downstream	
Acute physical risk	Dam failure or waste liquid spillage at tailings ponds/solid waste dumps	<ul style="list-style-type: none"> <li>■ Pollution of ecosystems along the supply chain</li> <li>■ Pollution of ecosystems along the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>■ Large-scale contamination of soil and water bodies</li> <li>■ Damage to employee safety and health</li> </ul>	<ul style="list-style-type: none"> <li>■ Further spread of ecological pollution, affecting public health</li> <li>■ Impact on product supply and customer reputation</li> </ul>	<ul style="list-style-type: none"> <li>■ Formulate business continuity plans, establish an emergency response system, and construct emergency facility systems.</li> <li>■ Refine the supply chain network and optimize the implementation of raw material reserve mechanisms.</li> <li>■ Ensure the provision of sufficient labor protection and emergency supplies.</li> </ul>
	Slope collapse at quarries (triggered by rainstorms/typhoons)				
	Leakage during chemicals/fuel transportation or storage				
	Pollutant overflow from factory sites due to floods/extreme weather				
Chronic physical risks	Atmospheric dust and sedimentation	Blasting dust, water abstraction, and wastewater discharge in upstream mining, along with metal element residues in raw material production, affect surrounding vegetation and soil quality in the long-term. This further leads to long-term land degradation, weakens soil and water conservation functions, and reduces upstream supply capacity.	Continuous emissions of dust/acid gases from cement kilns and grinding stations, coupled with water abstraction and inadequate wastewater treatment at owned factories and mining areas, result in the long-term deposition of dust and solid waste in surrounding soils. This may cause wetland degradation and a reduction in freshwater species, altering soil biological communities. Consequently, this leads to a decline in the ecosystem's capacity to regulate erosion and store carbon, as well as water shortages for own operations.	Settled pollutants can diffuse into downstream farmlands/communities, and reduce crop yields, available water, and biodiversity in the long term, thereby affecting customers and society as a whole.	<ul style="list-style-type: none"> <li>■ Continuously improve dust removal and pollution prevention devices at mines and production facilities.</li> <li>■ Optimize factory layout and production management to reduce the risk of pollutant diffusion.</li> <li>■ Upgrade water abstraction management and wastewater treatment facilities, and promote water conservation and recycling.</li> <li>■ Coordinate water demand across upstream and downstream sectors, and strengthen communication with local governments and communities to mitigate impacts on downstream water security.</li> <li>■ Conduct soil monitoring and remediation to mitigate surrounding soil risks.</li> <li>■ Advance the green mine development and vegetation restoration in factory areas.</li> </ul>
	Water abstraction and pollution				
	Accumulation of soil and sediment contamination				
	Decline in ecosystem services				

Type	Risk	Impact on own operations and the value chain			Countermeasures
		Upstream	Direct operation	Downstream	
Transition risks	Policy risks	Non-compliance by suppliers regarding ecological protection, mining permits, and emission standards may lead to increased raw material costs or restricted supply.	Own mining, production, and emission activities must comply with ecological and biodiversity regulations; otherwise, we will face penalties, production suspensions, or mandatory remediation.	Customers require adherence to policies and standards during procurement, and failure to meet these policies and standards may result in a loss of market share.	<ul style="list-style-type: none"> <li>■ Implement supplier admission and assessment mechanisms to monitor their compliance with ecological protection, mining permits, and emission regulations.</li> <li>■ Continuously track regulatory requirements related to ecology and biodiversity, strengthen compliance management and environmental controls, and prevent risks of penalties, production suspensions, or mandatory remediation.</li> </ul>
	Market risks	Raw material suppliers may exit traditional businesses due to shifting market preferences toward green materials, leading to increased procurement costs.	Traditional products with high environmental impact, such as cement, may gradually lose market share to low-carbon, eco-friendly alternatives.	Customers in the real estate and infrastructure sectors may favor green building materials, leading to declining demand for non-green products.	<ul style="list-style-type: none"> <li>■ Monitor changes in the raw material market and supplier structure, and appropriately expand diversified procurement channels.</li> <li>■ Advance the portfolio of low-carbon, green, and eco-friendly products to gradually reduce dependence on products with high environmental impact.</li> <li>■ Optimize product structure and service solutions in response to evolving customer demands for green products.</li> </ul>
	Technical risks	Failure by suppliers to adopt eco-friendly mining and transportation technologies will increase the supply chain's ecological footprint.	Failure to timely apply new technologies—such as green mining, low-dust kilns, and collaborative solid waste disposal—may result in obsolescence or loss of competitiveness.	Customer demand for green building material solutions continues to rise.	<ul style="list-style-type: none"> <li>■ Guide suppliers to gradually adopt mining and transportation methods with a lower ecological footprint.</li> <li>■ Continuously monitor advancements in clean technologies and promote the application of suitable technologies in production and operation.</li> <li>■ Strengthen technical reserves and solution development centered on green building materials and circular utilization needs.</li> </ul>
	Reputation risks	Environmental damage incidents involving suppliers may propagate along the industrial chain, leading to reputational damage.	Ecological damage in mining areas, community conflicts, and species extinction can directly impact the Group's reputation.	Customers and the public may reduce acceptance of the Group's products due to negative news, and capital market investors may withdraw investment.	<ul style="list-style-type: none"> <li>■ Strengthen supervision of suppliers' environmental and ecological performance.</li> <li>■ Reinforce ecological protection, community engagement, and environmental management in mining areas.</li> <li>■ Address concerns of the public and customers in a timely manner through information disclosure and stakeholder engagement.</li> </ul>
	Responsibility risks	If suppliers cause ecological damage, the Group may be held accountable as a jointly liable party.	If owned facilities are sued for ecological damage, huge compensation and remediation costs may be incurred.	If products cause ecological damage during the use or disposal stages, the enterprise may face legal liabilities.	<ul style="list-style-type: none"> <li>■ Specify environmental and ecological liability requirements within supply chain management.</li> <li>■ Strictly implement environmental and ecological protection requirements, strengthen risk prevention and control, and reduce potential legal disputes and remediation costs.</li> <li>■ Focus on the ecological impact of the product life cycle, and reduce potential legal liabilities during use and disposal stages through design and management.</li> </ul>

Opportunity	Impact on own operations and the value chain	Measures to seize opportunities
Market	Capture the growing market demand for low-carbon and eco-friendly building materials by developing green building material products.	<ul style="list-style-type: none"> <li>■ Drive suppliers to gradually provide raw materials that meet ecological and environmental requirements.</li> <li>■ Seize opportunities from growing market demand by developing green, low-carbon, and eco-friendly building material products.</li> </ul>
Resource efficiency	Reduce ecological burden and costs through energy efficiency improvements and waste resource utilization, thereby benefiting downstream customers with products that utilize resources efficiently, and lowering energy consumption in the building life-cycle.	<ul style="list-style-type: none"> <li>■ Guide suppliers to improve raw material utilization efficiency.</li> <li>■ Reduce ecological burden and optimize production costs through energy efficiency improvements and waste resource utilization.</li> </ul>
Product and service	Develop eco-friendly cement, products capable of promoting social green development, and new energy materials to expand new businesses and provide customers with holistic green building material solutions.	<ul style="list-style-type: none"> <li>■ Promote the transformation of the supply chain toward more environmentally friendly raw materials and processes.</li> <li>■ Develop eco-friendly building materials, new energy materials, and related products to expand green business spaces.</li> </ul>
Capital flows and financing	Obtain funding through green bonds and sustainable finance to support ecological restoration and green transformation.	<ul style="list-style-type: none"> <li>■ Explore green bonds and sustainable financial instruments to facilitate the implementation of the Group's green projects.</li> </ul>
Reputational capital	Enhance trust among customers, investors, and communities, fostering long-term cooperative relationships.	<ul style="list-style-type: none"> <li>■ Enhance corporate reputation and social influence through continuous disclosure of ecological protection and restoration practices.</li> </ul>
Sustainable use of natural resources	Reduce dependence on natural resources through circular economy models.	<ul style="list-style-type: none"> <li>■ Promote sustainable mining and land restoration among suppliers to ensure the long-term stable supply of raw materials.</li> <li>■ Strengthen the application of circular economy models, such as collaborative disposal of hazardous waste and utilization of industrial by-products.</li> </ul>
Ecosystem protection, restoration, and regeneration	Launch vegetation restoration and wetland protection projects around mining areas and factories to create demonstration effects, support green building and ecological restoration projects, and generate new profit growth points.	<ul style="list-style-type: none"> <li>■ Collaboratively promote ecological restoration in mining areas, and launch vegetation restoration and ecological protection projects around mining areas and factories.</li> <li>■ Explore service models for ecological restoration projects.</li> </ul>

## Our actions (P)

Building upon the identification and assessment of biodiversity risks, the Group continuously improves its biodiversity management and action preparedness system, leveraging existing management mechanisms and practical experience. Centered on nature- and biodiversity-related risks and impacts, it has gradually established and are advancing a systematic management framework encompassing "Avoidance, Reduction, Regeneration, Transformation, and Restoration". Through institutional development, management measures, and capacity enhancement, it provides a unified management basis for subsequent specific projects and practical actions.

### Avoidance

The Group strictly implements the ecological conservation red line policy. Prior to business activities, it identifies biodiversity-related risks across multiple dimensions, including operational sites and surrounding areas, upstream supply chains, and downstream customers, ensuring that 100% of factories and projects undergo biodiversity risk assessments. Furthermore, it focuses on the impact of mineral resource extraction in the basic building materials sector on vegetation in mining areas, as well as the potential impacts of fuel consumption and exhaust emissions from cement operations on the local natural environment and natural resources. It also ensures that all its production and operation activities comply with ecological conservation red line requirements, thereby avoiding irreversible adverse impacts on biodiversity at the source.

### Reduction

During project site selection and layout, the Group conducts rigorous demonstrations of site plans, assessing animal migration routes and the habitat distribution of terrestrial, riverine, and marine organisms on all fronts to ensure that projects are located away from critical biological habitats. Throughout project construction and operation, it minimizes adverse impacts on the surrounding ecological environment and communities, and reduces interference and pressure on biodiversity by taking measures such as protecting natural habitats, wetlands, forests, wildlife corridors, and agricultural land.

### Regeneration

For resource development businesses, the Group synchronously implements water & soil conservation and vegetation reconstruction projects during the mining process. Through measures such as tree planting, grass seeding, and slope spray-seeding, it gradually restores and enhances the ecological functions of mining areas and increases their green coverage. Building on this foundation, it supports R&D and demonstration projects oriented toward carbon sequestration and ecosystem reconstruction, exploring technological means to promote the regeneration and optimization of mining area ecosystems.

### Transformation

The Group respects and responds to the *Convention on Biological Diversity* and strictly abides by its published *Biodiversity Statement*, clearly communicating its commitments and stance on biodiversity conservation to the public. Simultaneously, it continuously cultivates ESG awareness and disseminates requirements across all levels of the subsidiaries. It integrates biodiversity conservation into the corporate sustainable development strategy, strengthening the ecological protection awareness of employees and subsidiaries through training and communication activities. It also drives continuous monitoring of the environmental impact of operational activities and enhances biodiversity management capabilities with rational management and effective measures.

### Restoration

The Group continuously improves mining planning and operational management systems for mining areas. It strictly complies with the *Green Mine Convention* and internal documents such as the *Interim Measures for Eco-Environment Protection of Mines*, the *Mine Land Reclamation Plan*, and the *Geological Environmental Protection and Ecological Governance & Restoration Plan for Mines*. It prioritizes the greening and landscaping of mining areas and their surroundings, promoting the harmonious coexistence of industrial activities and the surrounding ecological environment. In this way, a solid institutional and managerial foundation is laid for the implementation of future systematic ecological restoration projects.

### Bypassing ecological conservation red lines, safeguarding nature's baseline

The mineral product transport corridor, auxiliary to the 40-million-tonne-per-year aggregate production base project of CNBM Chizhou New Materials (a subsidiary of Tianshan Material), was required to cross the Qiupu River, a tributary of the Yangtze River. However, the relevant area is located within the core zone of a national aquatic resource reserve and involves provincial-level ecological conservation red lines, indicating high ecological sensitivity. Building upon existing mechanisms for identifying biodiversity risks and controlling ecological conservation red lines, the company proactively abandoned the conventional bridge scheme during the preliminary demonstration phase. Instead, an additional investment of approximately 50 million yuan was made to adopt the shield tunnelling method to traverse the ecological conservation red line area.

**1,121.9**m

The shield tunnel under Qiupu River spans 1,121.9 m in length. This approach effectively avoids the construction of in-water structures within the core zone of the aquatic resource reserve, significantly reducing impacts on the habitat and migration of Qiupu River-specific fish species and other aquatic organisms.



Mineral product transport corridor built by CNBM Chizhou New Materials

### Promoting mine restoration, improving the ecological environment

In alignment with national requirements for ecological progress and green mine development, Sichuan Guoda Cement (a subsidiary of Tianshan Material) has continuously advanced ecological restoration and standardized management at the Wulongdong Limestone Mine (where limestone is used for cement production). The company has invested approximately 10 million yuan in slope greening and ecological governance, ensuring a cumulative greening area of about 153,700 m<sup>2</sup>. This has achieved full coverage of all reclaimable areas, increasing the vegetation coverage rate in the mining area by over 40%.

Through systematic ecological restoration, the soil and water loss control rate in the mining area has reached 95%, and the sediment concentration in surface runoff has decreased by approximately 60%. A stable vegetation structure dominated by arbors, shrubs, and herbs has gradually formed, providing habitats for local species and increasing biological diversity by about 20% compared to pre-restoration levels. Furthermore, a digital mine management system has been introduced for continuous monitoring of the environment, water quality, and slope stability, thereby enhancing the long-term stability of ecological protection and biodiversity management in the mining area.



Wulongdong Limestone Mine



In 2025



The Group achieved a  
mine restoration area of

**969** hectares

Built **41** national-level  
green mines

**120** provincial and other  
level green mines

## Risk and impact management

Adhering to the overall risk management framework, the Group integrates nature-related topics into a unified control system, coordinating the identification, assessment, and response to nature-related risks and opportunities at the Group level. Focusing on key areas of nature-related risk exposure, the Group collaborates with subsidiaries and value chain partners to advance hierarchical management actions—encompassing "Avoidance, Reduction, Restoration, Regeneration, and Transformation"—in accordance with the "mitigation hierarchy" principle. It continuously improves the nature-related risk management mechanism covering the entire value chain, aiming to enhance the overall resilience and green competitiveness of the industrial system.

## Metrics and targets

In 2025, the Group conducted biodiversity risk assessments for 986 operational sites, covering a total area of 156.08 million square meters. This achieved 100% coverage of active sites with actual manufacturing activities within the Group's system, both domestically and overseas.

105 operational sites which involve mining operations are identified as sites with ecological protection priority due to their direct and significant impact on ecosystems. It is committed to the long-term goal of "all mine areas requiring restoration are fully revegetated" to promote a net positive impact on biodiversity resources.

In the future, we plan to further extend the assessment scope to upstream product supply and downstream product usage. Based on risk exposure levels and data maturity across different business segments, we will phase in deeper identification of nature-related risks and opportunities of the value chain. Furthermore, we will integrate analysis results into risk management and operational decision-making, laying the foundation for future nature-related response measures and action plans covering the value chain.

# 02

## Outstanding Brands Promote International Cooperation



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# Guaranteeing quality excellence and casting a quality brand

Remaining committed to quality first and quality supremacy, CNBM integrates the concept of "Safeguarding the Common Health of Humanity and the Planet" into the whole-process management system of products and services to promote the green and sustainable development of the industrial chain.



## Our challenges

With intensified market competition and increasing demand of consumers for high-quality products, the Group needs to further improve its quality management system to ensure end-to-end quality control from production to delivery, and continuously optimize customers' experience to enhance brand trust. Additionally, the complexity of the supply chain has increased the difficulty of quality management. The Group needs to promote supply chain transparency and sustainability to reduce the risk of its supply chain in quality, stability, and ESG.



## Our responses

- We defined the responsibilities and authorities of all quality-related personnel, established whole-process product quality-related documents and policies, and expanded the scope of quality certification.
- We established a comprehensive customer service system and regularly surveyed customer satisfaction
- We placed high importance on protection of customers' privacy, established and improved a cybersecurity system, and set up a cybersecurity leadership group.
- We issued the *Code of Conduct for Suppliers* and the *Sustainable Supply Chain Management Policy Statement*, increased the proportion of ESG-related performance indicators in procurement processes, and established and improved an ESG assessment and supervision mechanism for suppliers.
- We conducted capacity building activities for suppliers and exchanged industry trends and best practices with suppliers. We also set green and low-carbon targets for suppliers, and assisted suppliers in improving their performance in ESG.



## Our achievements

- **140** production-oriented enterprises were newly certified by the ISO 9001 Quality Management System over five years, bringing the cumulative total to **613** enterprises.
- Our multiple subsidiaries won awards at the 8<sup>th</sup> QC Group Achievement Presentation Competition for Central State-owned Enterprises.
- Customer satisfaction reached **95.9%**.
- We received a total of **371** complaints regarding products and services, all of which have been properly responded to and resolved at a **100%** rate.

# Quality management

In strict compliance with relevant laws, regulations and policies such as the *Law of the People's Republic of China on Product Quality* and the *Provisions on the Supervision and Administration of the Fulfillment of Primary Quality and Safety Responsibilities by Manufacturers of Industrial Products*, and subject to the *Quality Management Measures of China National Building Material Group Co., Ltd.*, the Group clarifies the responsibilities and authorities of quality-related personnel, and provides direction and approaches for quality management in subsidiaries. Its subsidiaries also actively establish whole-process product quality control mechanisms, conduct regular sampling inspections of products, and analyze various performance indicators of samples to ensure the quality of sold products meets standards. In cases involving recalls of non-conforming products after sales, etc., the Group responds immediately by promptly recording key details including customers' complaints, product batches, and sales timelines and collaborating with the quality control department and the technical team to accurately identify the source of issues. Meanwhile, the Group sends recall notifications to all potentially affected users and partners through multiple channels. Strict processing and disposal procedures are implemented for recalled non-conforming products. Furthermore, the Group conducts extensive activities such as quality improvement initiatives, quality breakthrough projects, quality diagnostics, and quality enhancement teams to elevate quality competitiveness in all aspects.

## Risk management concepts are integrated into every stage of product manufacturing and service delivery processes.

### At the industry level

The Group maintains constant vigilance regarding the latest technological and environmental standards in the sector, incorporating them into product development and service project initiation phases to address risks or opportunities arising from technological advancements and heightened environmental requirements in the industry.

### At the product level

The Group identifies impacts and risks related to energy consumption, resource utilization, waste discharge, carbon emissions, labor rights, health and safety, and social responsibility during product production and usage through scientific performance indicator measurement and monitoring methods including data collection, data analysis, expert consultation, and assessment report preparation, and formulates corresponding improvement measures to deliver high-quality, low-risk products and services.

### At the regional level

During localized operations, the Group incorporates specific country risks into product and service supply considerations, with particular focus on risks stemming from environmental and energy-saving policies issued by local governments, personal safety of overseas employees, religious beliefs, and ethnic cultures.

In 2025, multiple subsidiaries of the Group won awards at the 8<sup>th</sup> QC Group Achievement Presentation Competition for Central State-owned Enterprises, with projects including "Reducing Waste Rate of Asphalt Coil Products" by BNBM Waterproof Chengdu Company (a subsidiary of BNBM) and "Development of Automatic Welding Repair Machine for Chopper Roller Shafts" by China Jushi both winning first prizes.

**Serving local development with excellent quality to promote high-quality development**

In 2025, Sanshi Materials (a subsidiary of Tianshan Material) rigorously ensured product quality while optimizing full-cycle project services, with multiple participating projects put on the 2025 Major Project List for the "Thousand Major Projects, Trillion Yuan Investments" Initiative of Zhejiang Province, covering areas such as public facilities, technological innovation, and infrastructure, enhancing economic momentum through quality and efficiency improvements in project construction.



Pinghu Minghu Innovation and Culture Park Project



Reconstruction Project of Nanbei Lake Interchange on Hangzhou-Pudong Expressway

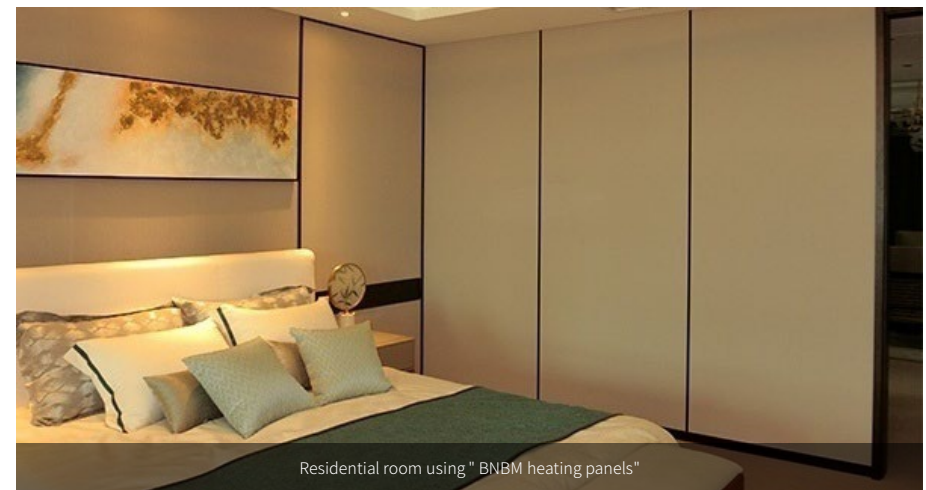
**BNBM matrix demonstrates strength, linking industries to create premium residences**

In 2025, BNBM Dragon Brand, Taishan Gypsum (Chongqing), Dream Brand, BNBM Waterproof, BNBM Coating, and Carpoly, which are subsidiaries of BNBM, were respectively recognized as "2025 Top 500 Preferred Suppliers for Comprehensive Strength in Real Estate Supply Chain" in categories such as gypsum boards, waterproof materials, and coatings. These enterprises were also included in the "5A Supplier" database of the Supply Chain Big Data Center of China Real Estate Association. In November, BNBM led 10 subsidiaries of the Group to showcase 47 new materials at the "Good House" Technology Exhibition of the Ministry of Housing and Urban-Rural Development, presenting multiple innovative products and application solutions featuring "health, safety, green, and high quality" to promote the application of "good materials" throughout the building lifecycle.

**"2025 Top 500 Preferred Suppliers for Comprehensive Strength in Real Estate Supply Chain"**

BNBM Dragon Brand, Taishan Gypsum, Dream Brand, BNBM Waterproof, BNBM Coating, and Carpoly

These enterprises were also included in the **"5A Supplier"** database of the Supply Chain Big Data Center of China Real Estate Association



Residential room using "BNBM heating panels"

## Customer service

Highly valuing customer satisfaction, the Group continuously improves its customer service system based on customers' demands to enhance customer satisfaction and strengthen brand trust.

As part of their ongoing efforts to advance customer service system development, subsidiaries of the Group have established regulations including the *Detailed Management Rules for Customer Complaint Handling*, the *User Visit and Symposium Management Standards*, the *Customer Satisfaction Management Measures*, and the *After-Sales Service Management Policy*, defining complaint channels and resolution timelines while establishing after-sales systems such as after-sales service business groups to provide superior many-to-one after-sales support. They regularly survey customer satisfaction, and promptly rectify the deficiencies and issue identified in the surveys to enhance customer satisfaction.

Regarding privacy protection and information security, the Group strictly complies with relevant laws and regulations such as the *Personal Information Protection Law of the People's Republic of China*. Each subsidiary has established policies and regulations including the *Customer Records Management Measures*, the *Confidentiality Management Policy*, the *Management Policy for Use of Classified Information Systems and Equipment*, and the *Confidentiality Management Manual*. These stipulate that employees handling classified information must sign confidentiality agreements with the Group and keep in strict confidence customers' personal data to effectively protect both the Group's and customers' privacy and commercial secrets.

Attaching great importance to cybersecurity, the Group has established and improved a cybersecurity system, resolutely preventing major cybersecurity risks and curbing major cybersecurity incidents to enhance cybersecurity assurance capabilities. The Group has formulated rules and regulations such as the *Cybersecurity Emergency Response Plan*, the *Cybersecurity Management Measures*, and the *Cybersecurity and Information Work Management System* of CNBM. It has appointed a Chief Data Officer and established a leadership team with the Chairman, the CEO, and senior executives as core members, as well as a working group composed of heads of the Digital Management Center and other departments, and relevant staff.

In 2025



The Group received a total of  
**371** complaints regarding  
products and services

With **100**% of these  
complaints properly addressed  
and resolved

Achieving an overall  
customer satisfaction  
rate of **95.9**%

### To improve information security management, the Group took the following measures

- The Group required all employees to conscientiously implement the cybersecurity responsibility system and clarified channels and procedures for employees to report information security issues.
- The Group defined cybersecurity incident management processes, required its subsidiaries to promptly assess and handle cybersecurity alerts and notifications and immediately report major or above cybersecurity incidents, and urged them to self-inspect cybersecurity and take protective measures. Meanwhile, a cybersecurity emergency budget management process was established to assess and warn against risks for entire closed-loop handling.
- In accordance with the *Cybersecurity Emergency Response Plan*, upon receiving reports of information security issues, the Group rapidly identified the source and nature of the breach, and disconnected the information network equipment and physical links affecting system security and stability. Besides, it tracked and traced the source IP address or other network user information, and promptly restored compromised information to ensure business continuity.
- The Group implemented third-party information security control requirements. Its subsidiaries signed privacy protection or data security agreements with suppliers based on the nature of purchased goods or services, setting forth information security requirements to prevent privacy leakage incidents.
- The Group conducted external independent audits of the information system of the headquarters, and completed Level 3 classified protection filing and evaluation, covering information security testing, third-party vulnerability scanning, and remediation. In the year, the Group performed cybersecurity inspections and internal audits including vulnerability analysis, based on classified protection evaluations and received risk alerts.

### To enhance employees' cybersecurity awareness, the Group took the following measures.

- The Group organized the 2025 National Cybersecurity Awareness Week activities, mobilized employees to participate, and held diverse and content-rich thematic activities.
- The Group held a cybersecurity awareness training and special action mobilization meeting which the Group's leaders, employees, and digital transformation task force members attended, involving over one hundred people.
- The Group's subsidiaries continuously strengthened all employees' cybersecurity awareness in various forms, including distribution of cybersecurity knowledge brochures, themed education on the Cybersecurity Law, cybersecurity attack and defense drills, phishing email tests, and cybersecurity knowledge quizzes.
- The Group organized **one** training session on the cybersecurity supervision platform of State-owned Assets Supervision and Administration Commission for all levels, and participated in the "Switch-off Lecture" of the Ministry of Public Security **11 times**.

**In 2025, the Group had no major information security incidents or customer privacy breaches.**

## Responsible supply

Committed to building a transparent, dynamic, and traceable supply chain management system, the Group requires all subsidiaries to stipulate codes of conduct for suppliers in their regulations, integrates ESG concepts throughout the procurement process, and focuses on the green attributes of purchased products and services, and suppliers' sustainable development performance in areas such as employees' occupational health and safety and anti-corruption management, striving to achieve continuous win-win development with its partners.

## Improving supply chain management

In accordance with rules and regulations such as the *Procurement Management Measures of China National Building Material Company Limited*, the Group has established a graded supplier management system, management process, performance evaluation management system, and supplier resource management platform in the principle of "centralized management, dynamic assessment, and selecting the best while eliminating the inferior". Its subsidiaries must adjust their supply chain management systems based on their business characteristics, continuously standardizing procedures for procurement planning, supplier qualification, supplier assessment, and supplier management by classification to ensure the compliance and effectiveness of supply chain management.

### Supplier qualification

The Group sets principled regulations for supplier qualification mechanisms and organizes its subsidiaries to establish comprehensive qualification mechanisms, adopting different approaches to review and qualify suppliers based on material and service categories. Comprehensive evaluations consider suppliers' business qualifications, operational scale, organizational structure, trade security, tax-related and penalty-related public sentiment, tax credit ratings, upstream and downstream relationships, and the presence of anti-corruption regulations, while ensuring suppliers possess quality, safety, environmental certifications and other production and operation permits to fully avoid potential risks.

### Supplier management by classification

To implement dynamic management throughout the supply chain lifecycle and continuously optimize supplier mix and management quality and efficiency, the Group assesses suppliers' importance across multiple dimensions, including governance structure, operational status, supply capacity, reputation evaluation, cooperation history, and ESG performance, as well as external factors like geopolitics, international relations, industry characteristics, and special product risks, and manage them by classification accordingly.

## Supplier assessment

During cooperation, the Group requires its subsidiaries to continuously monitor suppliers' production and operations and assess the suppliers based on their own management needs regularly or irregularly. The assessment focuses on suppliers' corporate qualifications, supply performance, after-sales services, as well as ESG factors such as safety management system development, pollutant emissions and waste management, and anti-corruption compliance, ensuring suppliers' alignment with subsidiaries' codes of conduct for suppliers. Evaluations are based on the performance of qualified suppliers during the assessment period and directly influence the revision of the supplier list, thereby achieving dynamic management of the list.

### Supplier assessment and management initiatives of subsidiaries

#### Tianshan Material

Incorporates ESG performance as a key consideration in supplier selection and performance evaluation, and regularly reviews suppliers in respect of ESG as part of its efforts to strengthen supply chain risk management. It regularly assesses and screens all cooperative suppliers based on procurement regions, methods, material categories, and contractual agreements, with varying frequencies and approaches. Key indicators include delivery timelines, product quality, service quality, supplier cooperation level, and prices/costs. Besides, it has established a monthly assessment mechanism for packaging bag suppliers and a closed-loop quality management and feedback system of PDCA<sup>12</sup>, using the results to adjust the monthly procurement plan. It also provides ESG training and technical support for suppliers to ensure supply chain stability and sustainability.

#### Sinoma Science & Technology

Prioritizes suppliers with reliable quality, sound operations and reputation, environmental friendliness, and scientific management. It conducts annual on-site audits for: suppliers of newly certified materials/models introduced as needed; suppliers involved in major quality incidents in the previous year; suppliers ranking top five in quality complaint frequency in the previous year; suppliers with comprehensive performance evaluation scores **below 60 points**; and suppliers that have not been subjected to on-site audits for over **2 years**. The audit scope includes system operations, design and development, production processes, customer service, traceability measurement, continuous improvement, and environmental health & safety. The company requires suppliers to rectify non-conformities and submit verification documents within stipulated timelines.

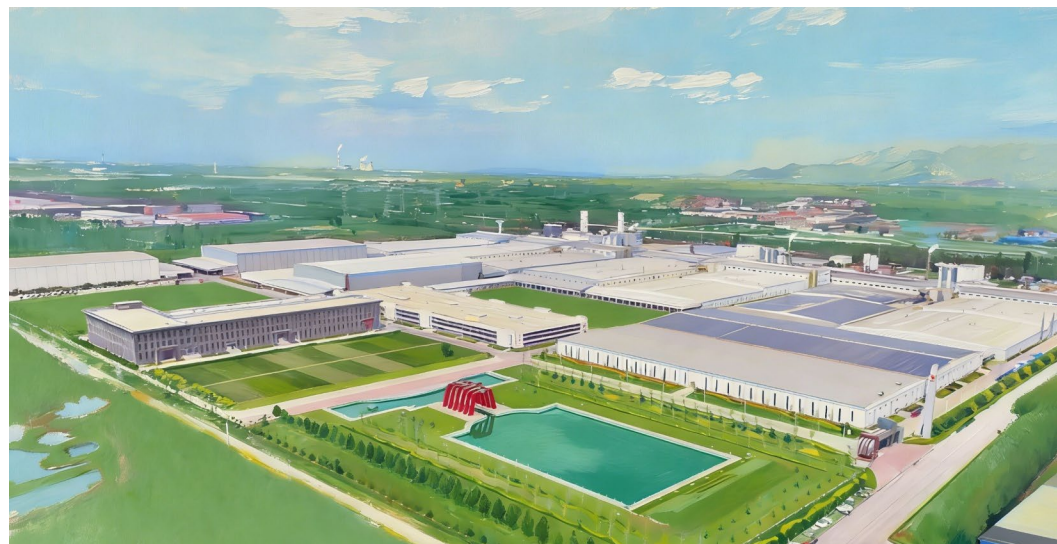
<sup>12</sup> PDCA cycle: Plan, Do, Check, and Act

## Integration of sustainability principles

The Group places high importance on suppliers' ESG performance, with the Board of Directors overseeing the implementation of sustainable supply chain initiatives. It rigorously manages environmental and social risks across the supply chain to build a high-quality sustainable supply system.

### Risk identification

Committed to comprehensively enhancing risk assessment awareness in environmental, social, and governance aspects of the supply chain, the Group adopts differentiated cooperation priorities and strategies. Based on a supplier risk assessment framework, subsidiaries holistically evaluate suppliers' environmental impact and social responsibility risks across multiple dimensions including operational performance, product quality, and delivery efficiency. They promptly communicate identified risk points with suppliers to demand corrective actions, while providing necessary support through enhanced dialogue and cooperative projects, effectively mitigating ESG risks and jointly building a robust and sustainable supply chain ecosystem.



### Identification and assessment of environmental and social risks of suppliers

#### Environmental management

Whether suppliers are subjected to environmental administrative penalties

#### Social responsibility performance

Whether there are labor or other legal disputes, and whether any safety incidents have occurred resulting in penalties from government authorities

#### Corporate governance

Whether there are instances of corruption, bribery, conflicts of interest, or unfair competition practices

#### Specific risks

If laws and regulations in some countries impose stricter environmental and social responsibility requirements on suppliers, they may be put at higher social risks; Some industries or the production processes of specific goods may involve high pollution or high energy consumption, thus exposing their manufacturers to higher environmental risks

### For suppliers with a "high risk related to sustainability"

#### Evaluation

Conduct comprehensive evaluations to understand the severity and scope of influence of their issues

#### Rectification

Require them to formulate rectification plans and supervise the rectification process

#### Investigation

Perform in-depth investigations to identify the causes and root problems

#### Assessment

Conduct assessments on rectification progress to ensure effectiveness

#### Review

Commission third-party institutions to conduct thorough audits to ensure authenticity and objectivity

#### Elimination

Consider terminating partnerships with high-risk suppliers demonstrating inadequate rectification outcomes

Meanwhile, the Group requires all subsidiaries to strengthen supply chain risk control and emergency management, clarifying risks during supplier qualification, classification, and audit. It establishes supplier profiles and updates them based on regular reviews of suppliers. It also develops diversified procurement channels, maintains safety stock levels, and implements periodic inventory checks and updates to mitigate risks of raw material and finished product supply disruptions. Moreover, it gradually increases the proportion of green procurement, prioritizing materials certified with renewable, biodegradable, or other eco-friendly credentials. It improves the ESG evaluation mechanism for material suppliers, incorporating ESG requirements into bidding and negotiation processes to guide suppliers in conducting carbon footprint verifications. Furthermore, it establishes information-sharing mechanisms with suppliers, logistics providers, and other partners to promptly communicate market changes, production plans, and logistics updates. It develops detailed contingency plans, and organizes regular emergency drills and training sessions to safeguard supply chain security and stability in all aspects.

## Integrity orientation

The Group implements a fair, open, and just transparent procurement model, enforcing stringent procurement management policies and supplier qualification procedures. Suppliers must possess anti-corruption policies and implement corresponding measures; while failure to meet compliance management standards will result in disqualification.

### Supply chain anti-corruption management practices

All departments and subsidiaries of the Group issue integrity notifications, execute integrity commitments, or include integrity clauses in contracts when signing contracts with suppliers. These provisions explicitly prohibit partners from providing benefits or convenience to the Group's employees, their relatives, or associated persons.

The Group has established a zero-tolerance policy for integrity violations. Suppliers involved in such incidents will be disqualified from bidding and included in a blacklist.

Subsidiaries of the Group supervise and inspect anti-corruption efforts in their supply chains according to local conditions. They regularly evaluate all suppliers' integrity performance, and develop, optimize and strictly implement integrity audit and investigation plans that are comprehensively reviewed by professional third-party auditors. Unannounced spot checks of suppliers are conducted through phone follow-ups, questionnaires, and contract reviews to ensure suppliers comply with anti-corruption policies, implement effective internal controls and supervision mechanisms, and avoid any improper benefits or kickbacks in business transactions.

During the reporting period, the Group's integrity notifications, integrity commitments, or integrity contracts covered

100%

Subsidiaries conducted or accepted integrity-focused inspections, on-site audits, or interview-based follow-ups related to suppliers.

## Responsible procurement

The Group issued the *Code of Conduct for Suppliers* to advocate responsible procurement, requiring suppliers to provide support and make a commitment in four areas, namely, Safety & Health, Employees & Communities, Environment & Climate Change, and Management & Compliance.

### Code of Conduct for Suppliers

Suppliers shall continuously improve their health and safety performance, and support, respect and protect human rights. They shall respect employees' freedom of association and prohibit all forms of modern slavery. They shall also provide good working conditions and reasonable remuneration for their employees, and eliminate all forms of discrimination and harassment. Besides, they shall strive to reduce energy consumption to address climate change, and enhance resource efficiency. They shall explore the possibilities of waste recycling, reduce water consumption and pollutant emissions, and protect land and forest resources to conserve natural ecology and biodiversity. Moreover, they shall strictly prohibit any form of corruption, criminal inducement, extortion, embezzlement, etc.

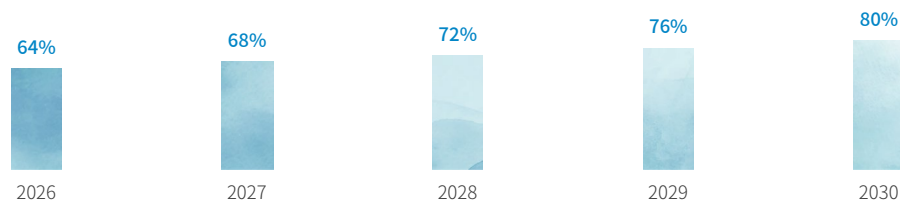
The Group actively integrates ESG requirements into its existing supplier qualification mechanism, prioritizing suppliers with strong ESG performance. The Company explicitly incorporates ESG requirements into the scoring criteria of its tendering documents, with ESG-related indicators accounting for **5%** bonus points in general tendering documents. Multiple subsidiaries allocate **10%-20%** of total evaluation scores to ESG-related indicators in their general tendering documents, granting ESG performance equal importance to commercial and quality factors.

Its subsidiaries assess all registered suppliers every year to ensure alignment with the *Code of Conduct for Suppliers*. Suppliers with transaction records during the year undergo document reviews and on-site audits as appropriate. High attention is given to violations of minimum ESG requirements, including quality issues, payment disputes, labor risks, non-compliant pollutant emissions, and production and operation failing energy conservation and environmental standards. Affected suppliers are required to rectify within specified timelines. Those refusing to rectify within specified timelines or with severe violations are put on a warning list to ensure supply chain stability.

### China Jushi advances green supply chain transformation

China Jushi actively promotes green and low-carbon improvements among suppliers. It requires suppliers to complete the *Green and Low-Carbon Questionnaire for Suppliers* during qualification, followed by comprehensive green and low-carbon capability assessments by the audit team of the company to determine their green and low-carbon attributes. Suppliers failing to meet standards are required to develop green and low-carbon capability enhancement plans, accelerate the development of carbon emission control measures, and complete rectification within deadlines. For cooperative suppliers, the audit team conducts on-site reviews in due time, providing knowledge and skill support in energy conservation and carbon reduction to help both new and existing suppliers achieve their own carbon peaking and neutrality targets.

In 2025, China Jushi achieved a green and low-carbon compliance rate of 60.49% among its suppliers, along a green initiative implementation rate of 42.75%. The completion rate for supplier carbon footprint assessments stood at 30.19%, while 60% of suppliers published ESG reports.



Green and low-carbon compliance rate targets of China Jushi for suppliers from 2026 to 2030

The Group advocates for green procurement and progressively increases the proportion of green procurement. During the procurement of raw materials, priority is given to products with green and low-carbon production processes, energy-saving and environmental protection features, and low environmental impact, and to suppliers that have obtained certifications such as Environmental Management System, Quality Management System, Occupational Health and Safety Management System, Energy Management System, and Green Products. The Group purchases clean energy, promoting the use of non-fossil energy sources such as alternative energy, urban waste, and biomass energy. Suppliers are encouraged to fully consider factors such as energy conservation, water conservation, environmental protection, circularity, low carbon, and regeneration in product design and manufacturing, and are advised to prioritize clean energy transportation methods. The Group promotes bare packaging, simplifies the outer packaging of bulk products, uses renewable packaging materials whenever possible, and reduces packaging waste while ensuring product quality and transportation safety.

## Capability building

The Group encourages its subsidiaries to promote ESG-related certifications and training for suppliers, providing them with ESG management improvement suggestions. Through measures such as information sharing, two-way communication, high-level consultations, incentives, and assistance, the subsidiaries can share with their suppliers market news, policies and regulations, industry trends, and ESG best practices, helping them adjust their business strategies in a timely manner. In the year, China Jushi regularly surveyed and updated the ESG compliance status of its suppliers and developed supplier improvement plans. Through technical exchanges and assistance, the company promoted the enhancement of ESG among its suppliers, reflected these in annual and quarterly assessments, and used dynamic control measures corresponding to assessment results to drive improvements in suppliers' sustainability levels.

In 2025, the Group continued to conduct Scope 3 greenhouse gas accounting, thereby guiding suppliers to conduct their own carbon footprint verifications and extending carbon management requirements to the supply chain.

Additionally, we strongly support subsidiaries in providing specialized ESG-related training and communicating sustainable knowledge to procurement department employees, clarifying green procurement strategies and enhancing their understanding of market regulation requirements.

### Tianshan Material organizes a training session on sustainable supply chain management to strengthen the management foundation of supply chain sustainability

On May 26, 2025, Tianshan Material successfully held the 2025 training session on sustainable supply chain management themed with "ESG Empowers the Supply Chain for a Sustainable Future". The training was delivered through a combined format—on-site participation, video conferencing, and live streaming—involving supply chain management personnel at all levels, including some suppliers. The training content covered supply chain sustainability risk identification, control strategies, and industry benchmark practices, with analysis and practical explanations based on typical ESG risk cases of the supply chain in the global building material industry. This training significantly enhanced participants' professional knowledge and practical capabilities in sustainable supply chain management, laying a solid foundation for the company to build a collaborative, transparent, and responsible sustainable supply chain ecosystem.



Scene of 2025 training session of Tianshan Material on sustainable supply chain management

# Caring for employee development and building an employer brand

Guided by a people-oriented approach, the Group strives to safeguard the legitimate rights and interests of employees, and provide them with a healthy and safe working environment as well as a comfortable and convenient living environment. Upholding a talent-driven strategy, it employs multiple measures to attract and cultivate talent, and actively builds a broad career development platform for employees, enabling the workforce to share in the fruits of development.



## Our challenges

Intensified market competition and talent mobility require the Group to further improve talent recruitment and cultivation mechanisms, providing employees with a broader career development platform. Employees' rising expectations for working environment and career development drive the Group to continuously optimize working conditions, improve welfare systems, and safeguard employees' health and safety, so as to enhance their sense of well-being and belonging.

## Our responses

- We implemented the work safety responsibility system for all employees, with the inspections at **72 enterprises** and management-oriented headquarters.
- We developed specialized safety management tools. Anzhitong was launched in **694 companies**. We organized exchange activities on the use of intelligent work safety management systems.
- We strictly complied with employees' legitimate rights and interests regarding employment, dismissal, promotion, working hours, etc., and established relevant internal management policies.
- We conducted regular self-assessment activities on human rights risks, ensured equal employment rights for employees, and established diversified reporting channels.
- We promoted the employee stock ownership plan and steadily increased the coverage of the equity incentive mechanism.
- We established a multi-channel employee training system.
- We surveyed employees' satisfaction every year.

## Our goals

### Long-term targets:

- Domestic: No more than **7** work safety liability accidents, severe injury rate per thousand employees of less than **0.8‰**.
- Overseas: No more than **5** work safety liability accidents, **0** major work safety accidents.

Note: the above targets include contractors.

## Our achievements

- Domestic: **2** work safety liability accidents (minor injuries), with a serious injury rate per thousand employees of **0‰**.
- Overseas: **0** work safety liability accidents, **0** major work safety accidents.
- No significant accidents for **5 consecutive years**, and no new occupational disease cases identified.
- Safety and health-related investments amounted to **1.742 billion yuan**.
- A total of **637 subsidiaries** at all levels obtained ISO 45001 Occupational Health and Safety Management System certification, accounting for **over 71.7%**.
- Occupational health and safety training involved **2.12 million participants**.
- Satisfaction rates across all employee categories exceeded **90%**.
- **100%** of our employees received performance-linked variable compensation.
- **234 enterprises** implemented medium-to-long-term incentives, involving **5,846 individuals**.

## People-oriented approach

Regarding employees as its most valuable asset, the Group strives to establish a fair and equitable employment mechanism and continuously improves science-based talent retention, promotion, and development systems. It also designs a benefit system that spans employees' entire career lifecycles to comprehensively safeguard their professional development and workplace experience, thereby enhancing their sense of well-being and belonging.

## Standardized employment

The Group strictly complies with laws and regulations concerning compensation and termination, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination, anti-harassment, and other benefits. It has formulated internal rules and regulations such as the *Employee Management Measures* and the *Leave and Attendance Measures for Employees*, clearly defining management processes for employee recruitment, termination, position transfers, working hours, contract operations, etc., to protect the legitimate interests of both the Company and employees.

### Compliant employment

The Group adheres to the principles of fair competition and merit-based selection in recruitment and employment processes. It has established and implemented a standardized personnel management system. During recruitment, inquiries into candidates' privacy are prohibited. Dedicated personnel and locations are assigned to safeguard recruitment information and records, with strict procedures established for file access and circulation to prevent privacy breaches.

We reasonably regulate termination practices. Different scenarios, including unilateral termination by employees, unilateral termination by the company, and termination upon mutual agreement, are subject to the compliance procedures outlined in the *Special Compliance Management Guidelines - Employment*. Over the past three years, the Group had no large-scale layoffs or other controversial incidents. Should labor disputes occur, the Group will address employee labor disputes, communication, arbitration, and related matters through the trade union to safeguard employees' legitimate rights and interests.

### Prevention of forced labor and child labor

The Group strictly verifies the identity information of job applicants during the recruitment process to prevent the hiring of child labor. Any instance of child labor employment found will be promptly addressed in accordance with laws and regulations. No violations related to forced labor or child labor occurred within the Group during the reporting year.

### Leave and attendance management

The Group has established the *Working Hours, Rest, Leave and Absence Management Policy for Employees*, clearly specifying employees' working hours and their entitlement to annual leave and various other leave types. We actively guide and ensure employees enjoy paid annual leave in accordance with regulations, protecting their rights to rest and leave. Besides, we strictly monitor employees' working hours and manage overtime work through a system, ensuring all overtime hours are accurately recorded and compensated according to law. Under special circumstances such as extreme weather, employees are provided with options for flexible working hours and remote work. Additionally, we attach great importance to the physical and mental health of our employees, providing free annual health check-ups, hosting monthly "Health Hut" on-site consultation activities at the headquarters, and offering psychological counseling services along with regular mental health training courses to help employees alleviate work pressure. Besides, we organize diverse cultural, sports, and educational activities to foster a positive and uplifting work atmosphere.



## Compensation and benefits

The Group has established a rational and comprehensive compensation management system and benefit framework, optimizing and standardizing corporate compensation management to ensure that compensation levels align with the Group's overall development and the national economic development.

### Performance-linked compensation mechanism

The Group provides employees with competitive compensation, regularly assessing employees' income, striving to ensure that wages for all employees meeting their living requirements.

The Group continuously improves its performance assessment system and implements differentiated salary increase strategies based on performance outcomes, closely linking all employees' contributions with their career development, and establishing different performance assessment criteria for different positions. Performance assessment results serve as the primary basis for individuals' appointments, promotions, demotions, salary distribution, and position adjustments.

**100%** of the Group's employees receive variable compensation tied to performance, with the performance-linked portion constituting no less than **60%** of the management's salaries, **30-40%** for mid-level employees, and **10-30%** for general staff.

Goal-oriented assessment	The assessment is based on the completion rates of performance indicators and goals at the company, department, project, and individual levels.	
Team performance assessment		
Multi-dimensional performance assessment	The design of incentive-based compensation modules such as floating wages and bonuses is directly linked to employees' job responsibilities, work capabilities, job performance, overall department performance, as well as business ethics factors including teamwork capabilities, integrity in professional conduct, privacy protection, and information security.	Quarterly or annually
Agile dialogue	Through regular monthly or weekly meetings at companies of all levels and their departments, continuous communication is maintained. After evaluation results are announced, department heads conduct one-on-one performance interviews with employees to gain in-depth understanding of their work situations, solicit feedback, and provide improvement suggestions and development guidance.	Anytime

### Employee incentive mechanisms

The Group distributes year-end bonuses, performance bonuses, and contribution bonuses based on employees' performance assessment results. We also consider implementing long-term equity incentive plans for core key employees at appropriate times, fully utilizing incentive tools from the medium-to-long-term incentive toolkit to motivate employees' initiative and creativity. For the CEO, factors influencing incentives primarily include profit, accounts receivable and inventory control, energy conservation and ecological environmental protection, R&D expense intensity, and overall labor productivity.

In 2025, a total of **234 companies** implemented medium-to-long-term incentives.

Notably, Sinoma International implemented a restricted stock incentive plan covering the company's directors, senior executives, core management personnel, and core key personnel. In this plan, the initial grant in 2022 was made to **194 individuals**, with **46.55 million shares** granted; the reserved grant in 2023 was made to **70 individuals**, with **9.81 million shares** granted. BNBM implemented a restricted stock incentive plan covering the company's directors, senior executives, and core key personnel. In this plan, the initial grant in 2025 was made to **332 individuals**, with **10.88 million shares** granted; the reserved grant was made to **66 individuals**, with **1.85 million shares** granted.

### Various benefits

The Group provides various benefits for its employees, making timely and full contributions to all statutory social insurances and housing provident funds. It has also established supplementary benefit mechanisms including enterprise annuities, supplementary medical insurance, and personal accident insurance to assist employees in accumulating sufficient funds for retirement, thereby building a multi-tiered pension and medical security system.

<b>100%</b> Endowment insurance	<b>100%</b> Housing provident fund
<b>100%</b> Unemployment insurance	<b>100%</b> Medical insurance
<b>100%</b> Work-related injury insurance	<b>100%</b> Maternity insurance
<b>39.3%</b> Enterprise annuity	
<b>39.0%</b> Supplementary insurance (e.g., commercial medical insurance)	

In 2025, the Group provided financial assistance or awards for the schooling of **609** children of employees in need, offered aid to **202** employees suffering from critical illnesses, and visited or supported **3,270** employees with special circumstances or in difficulty, with a total expenditure of **4.07 million yuan**. It held and organized the participation in **6,415** employee activities, involving **222,929 participants**.

## Strengthening the enterprise through talent development

The Group prioritizes talent utilization and is deeply committed to talent cultivation. We have established a multi-channel career system for employees, including management, professional, and support sequences, continuously improving the full-chain management mechanism for talent selection, cultivation, management, and utilization. Adopting a model of "internal training as the main approach supplemented by external training", we provide a mentoring mechanism combining internal tutor guidance and external expert coaching. We encourage employees to share experiences and enhance skills through cross-departmental collaborative teamwork models. We have also formulated relevant rules and regulations such as the *Employee Training Management Measures*, establishing a multi-channel, multi-form, hierarchical, and focused employee development training platform to help employees enhance their personal value.

Training and development mechanism	Orientation training for new employees	Professional skill training	Safety and environmental protection training	Management culture training	Self-directed training	Qualification enhancement
Implementation content	Organize unified pre-job training	Provide job knowledge and skill training by professional category according to the company's development plan and departmental needs	Launch comprehensive centralized briefings on safety and environmental protection, pre-shift meetings, themed activities on work safety, and safety and environmental emergency drills	Provide irregular training on compliance management, risk control, leadership development, etc., and carry out training activities covering anti-discrimination, anti-harassment, and other content conducive to employees safeguarding their rights at workplace, advocating for a workplace culture of anti-discrimination and anti-harassment	Encourage employees to participate in various educational and training activities on their own initiative without affecting their own work, and provide support and guarantees in terms of work time, training investment, and incentive mechanisms for employees' continued education, re-training, and continuous learning	Our subsidiaries establish certificate support and academic advancement plans for internal employees based on their own needs. Several subsidiaries possess independent accreditation qualifications for vocational skill levels and professional technical titles. Employees are encouraged to apply for external certifications of skill levels and technical titles, with partial subsidies and reimbursements provided
Scope of application	100% new employees	100% full-time employees	100% full-time employees and contractor employees	100% full-time employees	100% full-time employees	100% full-time employees

### Deepening university-enterprise cooperation to retain local talent

Ningxia Saima Kejin Concrete, a subsidiary of Ningxia Building Materials, established an internship and training base with the School of Materials Science and Engineering at North Minzu University, and closely collaborated with institutions such as North Minzu University and South China University of Technology to cultivate and recruit outstanding concrete professionals. The company successively recruited several university graduates, contributing to talent retention in the region. In line with the principle of "advantage complementation and resource sharing", the enterprise and educational institutions will deeply leverage their respective employment and entrepreneurship resources, and broaden channels for talent recruitment, building a "new paradigm" for high-quality employment and entrepreneurship.



Scene of discussion over university-enterprise cooperation

### CTG focuses on talent development to solidify the foundation for development

In 2025, CTG, a subsidiary of Sinoma Science & Technology, concentrated on building core talent echelons and implemented multiple measures to foster a high-level, specialized workforce, thereby strengthening the talent foundation for the enterprise's high-quality development. During its implementation of the key talent cultivation program "Project No. 1", the company used the competency model as a benchmark to precisely select 10 key talents covering fields such as business management and technological leadership, and tailored Individual Development Plans (IDPs) for them. It deepened industry-academia collaborative education by establishing a professor studio with the University of Jinan and jointly launching an on-the-job master program for the Materials Engineering and Science major to systematically cultivate professionals. A "Technical Trainee" program was introduced for newly recruited university graduates to solidify the growth foundation for young talents.



Opening ceremony of master's degree program with equivalent educational background between University of Jinan and CTG

### Sinoma Intelligent Technology launches training on digitalization and intelligence to develop core competitiveness for transformation

As a supporter and service provider for low-carbon and intelligent transformation in the cement industry, Sinoma International provides targeted skill training to employees affected by industrial changes, helping them master new skills in green and intelligent fields. These initiatives aim to ensure workers can adapt to technological iterations in the industry, minimizing employment impacts caused by industrial upgrading.

As of October 2025, Sinoma Intelligent Technology, a subsidiary of Sinoma International, had organized four training sessions on digitalization and intelligence, cumulatively involving 198 participants. The training was delivered in a teaching model of "theoretical instruction + case analysis + group discussion", with the core logic of digital and intelligent transformation thoroughly interpreted, and industry practices, and corporate implementation pathways discussed. The training effectively enhanced the digital technology awareness and application capabilities of engineering technicians, and strengthened communication and collaboration among digital intelligence business personnel, laying a solid foundation for fostering new momentum in the company's digital and intelligent transformation.



Training of Sinoma Intelligent Technology on digitalization and intelligence

# Safety in action

The Group is committed to providing every employee with a safe, healthy, and harmonious working environment by strengthening the work safety system, implementing work safety measures, and enhancing safety training for and awareness of employees, thereby achieving the Group's safe, steady, and sustainable development.



# Strengthening the system

The Group strictly complies with safety and occupational health laws and regulations including the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and management systems such as the *Work Safety Responsibility System for All Employees*, the *Management Measures for Safety Risk Control by Classification*, the *Management Measures for Supervision of Occupational Health at Worksite*, and the *Management Measures for Emergency Response*. These documents clarify basic work safety principles, organizational structures, responsibility assignments, and management requirements, and define processes for preventing and responding to work safety accidents, controlling, mitigating, and eliminating their hazards and impacts, as well as incident penalty and accountability mechanisms.

The Group established an occupational health and safety management system supervised by the Board of Directors, with the CEO bearing overall responsibility and the executive management handling operations. A Work Safety Committee with the Chairman and the CEO serving as two directors was formed to implement the decisions of State Council on work safety, national work safety policies, laws, regulations and standards, and specific plans and requirements from superior departments. As the overall responsible person, the CEO directly participates in and oversees the Group's health and safety initiatives to ensure effective operation of the management system. At the headquarters level, the Group implemented hidden hazard investigation/rectification and full-level inspection mechanisms. It publicly released the *Occupational Health and Safety Policy Statement* approved by the Board of Directors, applicable to subsidiaries of the Group at all levels and contractors. Work safety responsibility agreements were signed at every level with subsidiaries, linking work safety performance to rewards and penalties for management at all levels, including the Group CEO, ensuring clear responsibilities and effective measures.

## Building safety together

The Group implements root-cause rectification campaigns and thunderbolt actions. We consistently adopt prevention-focused work safety initiatives, enhancing hidden hazard investigation/rectification and full-level inspection mechanisms to establish a dynamic clearance system for major accident risks. By developing tiered priority action plans, we quantitatively break down hazard investigation and control targets to ensure effective integration and implementation of all safety risk management measures.



In the year, the Group participated in the formulation of the industry safety standards *Safety Specification for Plasterboard Manufacture* and *Safety Specification for Carbon Material and Graphite Production* promulgated by the Ministry of Emergency Management for implementation. We continuously improved the construction of supporting facilities for dust prevention, toxic gas control, noise reduction and emergency management, as well as first-aid equipment management, provided high-quality and reliable labor protection articles, and organized regular health check-ups for employees. Meanwhile, we established comprehensive procedures for work injury, occupational health, disease, and incident investigation. Through standardized reporting and root cause analysis processes, we continually enhanced preventive measures, striving to create a safer and healthier working environment for employees.

Additionally, the Group implemented an intelligent safety management system across all levels of production-oriented enterprises, with Anzhitong launched in a total of **694** enterprises. We issued the *Safety Management Measures for Related Parties*, integrating contractors' employees and other related parties into a unified occupational health management system. Using the intelligent safety management system, we conducted unified verification of personnel information, developed annual training plans for contractors' employees and other related parties, and signed the work safety responsibility agreements to clarify safety standards and responsibilities.

To strengthen overseas safety, the Group assessed safety risks of **263** overseas projects throughout the year, issued **15** safety warning notifications, and inspected the safety and security of **9** overseas projects through videos. We guided the CNBM Zambia Industrial Park to steadily advance the pilot project of the security evaluation system and established an assessment and evaluation mechanism for the safety and occupational health of related parties.

## Strengthening training

The Group carried out safety culture development activities at all levels, enhancing employees' safety awareness and capabilities through various training and drills such as first-aid knowledge and skill training, fire emergency evacuation drills, and psychological counseling for overseas staff. It also formulated relevant rules and regulations including the Management Measures for Safety Training, updated the Warning Cases of Work Safety Accidents, and urged its subsidiaries to thoroughly learn from safety issues.

In the reporting year, we invited the Industrial and Trade Division of the National Emergency Rescue Center for Work Safety to conduct research on emergency rescue efforts and team building to comprehensively review the current status of work safety emergency rescue efforts and optimize team development pathways, providing solid support for enhancing overall emergency capabilities.



# Human rights protection

Following internationally recognized human rights policies outlined in the *UN Universal Declaration of Human Rights*, *International Human Rights Covenants*, and core conventions of the International Labour Organization, the Group issued the *Special Compliance Management Guidelines - Employment* and the *Compliance Manual*, and signed the *UN Women's Empowerment Principles*. We are committed to creating a diverse, inclusive, and equitable working environment, ensuring all employees enjoy fair opportunities throughout their career lifecycle including recruitment, promotion, compensation, and benefits.

## Human rights risk management

To identify, prevent, and address potential human rights risks, the Group regularly conducts self-inspections of human rights risks and corrective actions across all levels, including self-correction on timely payment of migrant workers' wages. We monitor whether our business activities, suppliers, partners, and joint ventures involve human rights risks related to groups such as women, children, labor dispatch workers, and migrant workers. In the year, no potential human rights issues were identified, and no incidents violating requirements for equal opportunity, diversity, or non-discrimination occurred.

## Protection of women's rights

The Group respects and legally protects female employees' special rights, strictly complying with the *Labor Law of the People's Republic of China*, the *Special Rules on the Labor Protection of Female Employees*, and relevant local policies. We implement paid maternity-related leave arrangements, with female employees entitled to no less than 98 days of paid maternity leave and male employees entitled to no less than 15 days of paid paternity leave. These policies cover **100%** of our employees. Additionally, nursing mothers with infants under one year old are granted **two 30-minute** breastfeeding breaks per day. employees with children under three years old receive **five** working days of annual childcare leave.

Equal treatment in promotion,  
training, benefits, and compensation

Diverse care activities for  
female employees

Dedicated breastfeeding rooms, breastfeeding  
leave, childcare leave, nursing leave

Exclusive festival  
gift packages

## Equality and diversity

Upholding principles of fair employment and non-discrimination, we respect and value differences in employees' nationality, ethnicity, gender, age, and cultural background. We implement reasonable preventive measures, complaint handling, investigation, and resolution procedures to strictly eliminate any form of employment discrimination, fostering an equal and inclusive working atmosphere for all employees. Every year, we monitor and analyze the gender pay gap among employees, ensuring the implementation of the principle of equal pay for equal work through dynamic analysis to safeguard fair compensation for both male and female employees under equivalent conditions.

We actively fulfill our social responsibilities by formulating and implementing targeted recruitment plans and establishing school-enterprise cooperative talent cultivation mechanisms, as part of our efforts to support the employment and development of key groups such as ethnic minorities, persons with disabilities, and laborers from impoverished regions.

## Fostering a harmonious workplace

We maintain a zero-tolerance policy towards workplace discrimination and harassment, providing employees with multiple reporting channels including hotlines and dedicated email addresses to ensure convenient and safe reporting of issues. Upon receiving reports, the Group strictly follows the provisions of the *Compliance Manual* to promptly initiate investigations and disciplinary actions. Where harm is caused to involved parties, the Group will compensate in accordance with the law to effectively protect employees' legitimate rights and interests. The *Headquarters Employee Management Measures (Revised)* stipulate disciplinary actions against employees violating social ethics and professional standards, including warnings, demerits, demotions, dismissals, and contract termination based on severity, accompanied by corresponding financial penalties under the compensation policy.

## Human rights management of suppliers

Beyond safeguarding our own employees' rights, the Group mandates suppliers to protect their workers' legal rights. This is ensured through clauses in contracts that explicitly require suppliers to provide documentation of social insurance contributions and details on insurance coverage and types, set clear age requirements for laborers, strictly guarantee the timely payment of wages for migrant workers, establish detailed provisions on commercial insurance for migrant workers, and equip employees with compliant protective supplies.

### Democratic management of employees

The Group established open communication channels, emphasizing a trade union-centered engagement system, achieving 90.8% trade union membership coverage across all employee levels. We fully respect employees' rights to information and supervision through a democratic management mechanism centered on the Workers' Congress (Staff and Workers' Representative Congress), of which meetings are regularly convened to collect proposals and get to know employees' suggestions regarding work environment, compensation, benefits, and career development. In 2025, the Group surveyed the satisfaction of all employees via online questionnaires, gathering feedback from employees at all levels on work experience, internal motivation, happiness level, and job stress.

**In 2025** 

Survey results indicated satisfaction rates all exceeding **90%** when employees are categorized by gender, ethnicity, position level, and age group.

Percentage of satisfied employees by gender <sup>13</sup>	male employees	92.6%
	female employees	92.4%
Percentage of satisfied employees by ethnic group	Han employees	92.1%
	Minority employees	96.3%
Percentage of satisfied employees by job level	senior employees	98.9%
	middle-level employees	97.9%
	general employees	92.3%
Percentage of satisfied employees by age	employees under 30 years old	92.8%
	employees 30 to 50 years old	92.4%
	employees over 50 years old	90.5%

<sup>13</sup> "Satisfied" refers to respondents who select "Slightly Satisfied," "Satisfied," or "Very Satisfied" in the satisfaction survey.

### CEO's frontline engagement to comprehensively understand employees' needs

In May 2025, during the Dialogue Session of China Jushi between the CEO and Employees, the company CEO engaged with 27 employees from production and operation positions to discuss corporate development strategies and operational initiatives. Employee representatives actively proposed suggestions regarding digital AI transformation, technological innovation, supply chain security, quality enhancement, lean management, team building, and logistical support. China Jushi has conducted such dialogue for 16 consecutive years.



### Multinational synchronized celebration of International Women's Day

Sinoma International organized a celebration themed with "Her Story, Her Wish", establishing real-time connections with seven international branches in Egypt, Nigeria, France, Vietnam, Russia, UAE, and Philippines to simultaneously host the International Women's Day event at China headquarters and overseas locations. The branches meticulously planned diverse activities including the miniature landscape DIY workshop, health lecture, specialized medical check-up, and thematic fruit-picking event, achieving comprehensive care coverage for female employees.



# Undertaking social responsibility and building a responsible brand

With a global vision and benchmarking against world-class enterprises, the Group consistently upholds the three win-win cooperation principles of "contributing to local development, cooperating with local enterprises, and serving local residents". It integrates an inclusive culture, attitude and philosophy into the development in jurisdictions where it operates, promoting the building of a community with a shared future for mankind.



## Our challenges

Against the backdrop of global operations and under the Belt and Road Initiative, the Group needs to overcome cultural differences and geographical diversity to fit into local societies and support the development of countries along the routes, advancing the building of a community with a shared future for mankind. In supporting rural revitalization, it needs to address the complexity of resource allocation and project implementation to ensure targeted delivery of assistance funds and projects, thereby consolidating poverty alleviation achievements.

## Our responses

- We implemented assistance initiatives from such aspects as cadre selection and dispatch, employment support, environmental improvement, and capital investment.
- We implemented the principle of local employment to promote employment of local people, and conducted training on management, technical skills, languages, and other areas.
- We adopted policies of local procurement to drive socio-economic development in jurisdictions where we operate and support local infrastructure construction.
- We conducted cultural development activities in overseas jurisdictions where we operate.
- We continuously advanced work related to national key social responsibility projects.

## Our achievements

- A total amount of **68.07 million yuan** was invested in public welfare programs.
- **53 assistance** projects were implemented.
- **61.08 million yuan** was invested in assistance for rural revitalization.
- We had **8,204 employee volunteers** with a total of **15,545 volunteer hours**.
- We participated in or supported **169 activities** protecting the rights and interests of women, children, or persons with disabilities.

## Rural revitalization

The Group strengthens its responsibility commitment, proceeds with key tasks to support rural revitalization with high quality guaranteed, and practically addresses the basic needs of people in straitened circumstances, promoting continuous safeguarding and improvement of people's livelihoods. In 2025, the Group organized **56** volunteers to implement the Colorful Classroom program, and dispatched **59** targeted assistance cadres to townships, contributing to consolidating and expanding poverty alleviation achievements while advancing rural revitalization in all respects.

### Our "Colorful Promise" with the children

The Group proactively mobilizes youth league organizations of its subsidiaries and young volunteers to participate in the "Shanjian" Colorful Classroom program. In August 2025, 56 volunteers from 20 subsidiaries created unforgettable summer memories with over 450 children across 14 teaching sites in 5 targeted assistance counties. Volunteers introduced materials like gypsum boards, fiberglass, and lithium membranes into classrooms, designing innovative "Material Feature Lessons" that broadened children's horizons and planted the seed of "Materials Create a Beautiful World" in their hearts.



Unforgettable summer memories from "Shanjian" Colorful Classroom program

## Fulfillment of responsibilities overseas

The Group has established a new model for global resource allocation through premium building materials, advanced technologies, and mature expertise, supporting the development of countries under Belt and Road Initiative, with significant progress in community investments including employment promotion, talent cultivation, cultural exchange, infrastructure construction, and livelihood improvement.

### Promoting local employment

The Group advocates local recruitment and promotes local employment, committed to advancing socioeconomic development in project host communities worldwide.

#### The Group's outstanding practices in local employment promotion

BNBM

**1,000** person-times

Through coordinated advancement of local recruitment and business operation, the company provided direct and indirect employment opportunities for local communities in Tanzania

China Jushi

over **98%**

Jushi Egypt has achieved employee localization rate

over **90%**

Jushi USA Fiberglass maintains employee localization rate

**76%**

with local mid-level managers

over **600**

generating indirect local jobs while effectively boosting local employment, community development, and industrial economy

over **3,000**

creating indirect local jobs

## Empowering talent development

The Group deepens localized operations and cultivates local talent through continuous support for career development of employees in project locations and comprehensive training in management, technical skills, and languages, significantly enhancing local employees' professional skills and comprehensive professional abilities.

### Sinoma (Suzhou) Indonesia implements mentor system to cultivate local talent

Sinoma (Suzhou) Indonesia, a subsidiary of Sinoma International, strengthened the "talent cultivation bond" by implementing a "mentor system". Senior employees paired with local young employees to impart both professional skills and corporate values, building a talent pool of versatile talents for overseas operations. Through practical process teaching and targeted training by classification, the company has promoted over 60 local employees to team leader positions. With more than 800 Indonesian employees, the localization rate exceeds 80%.

### From mentorship to 21-day target capacity attainment - A breakthrough in localization practice by BNBK Central Asia

145 local people were employed for the project of BNBK Central Asia (a subsidiary of BNBK) in Uzbekistan, representing a localization rate of 83.82%. The company implemented mentorship programs and technical/skill training to strengthen local talent development and drive local socioeconomic development. In 2025, the company established a technical task force during the project construction phase, innovatively implementing a mixed-operation model of "Chinese core members + local trainees". This approach involved decomposing key processes into standardized operational "toolkits", compiling multilingual illustrated manuals, conducting shift-based equipment commissioning and process optimization, and carrying out repeated trials and data analysis. These efforts resulted in achieving a new record of only 21 days from trial production to production acceptance.

## Promoting cultural exchanges

The Group enhance mutual learning and people-to-people bonds by organizing cross-cultural integration activities and cultural promotion initiatives. These efforts facilitated harmonious coexistence between Chinese and foreign employees, provided substantial support for local cultural and educational development, and built a bridge of friendship.

### Sowing cultural seeds in foreign soil to create a cross-border "green bond"

The team of CBMI Construction (a subsidiary of Sinoma International) in Nigeria, taught local residents vegetable planting techniques. By fully applying the Chinese traditional wisdom of "adapting to local conditions and intensive cultivation", they transcended national boundaries to share knowledge, further strengthening bilateral relations. "The Chinese taught us drip irrigation technology. With the same seeds, we now harvest 30% more!" remarked a foreign employee. Despite differences in skin color and language, the shared experience of tending the land forged deep friendships. "The days we spent picking vegetables and cooking together felt just like family."



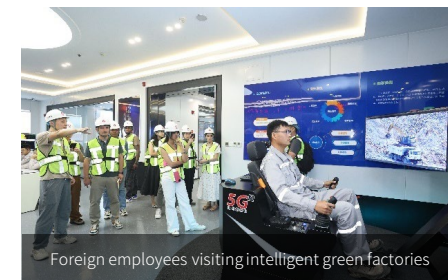
Vegetable garden at the project site in Nigeria

### World Youth Materials Tour creates a new pattern of diverse and inclusive international cooperation

Eight overseas employees from Egypt, Uzbekistan, Nigeria, Ethiopia, and Papua New Guinea, along with two foreign youth from overseas universities and four Chinese youth gathered in China for the "World Youth Materials Tour" event. The foreign youth visited museums, the Summer Palace, and other sites, experiencing traditional Chinese culture and appreciating the charm of intangible cultural heritage such as Peking Opera, Sichuan Opera face, acrobatics, and Jingdong Drum performances. They visited benchmark enterprises in China's building materials industry, embarking on an industrial exploration journey to understand the Company's strengths in intelligent and green development, and gained firsthand experience of the Company's practices in new materials, renewable energy, social responsibility, and sustainable development.



Foreign employees experiencing traditional Chinese culture



Foreign employees visiting intelligent green factories

## Developing infrastructure

The Group remains committed to working hand in hand with local governments, enterprises, suppliers, financial institutions, and other partners to establish long-term cooperative relationships, enhance upstream and downstream collaboration within the industrial chain, and effectively foster growth in related industries such as manufacturing, construction, and transportation. Furthermore, the Group actively implements a community investment strategy, channeling development resources into infrastructure projects to build more reliable and livable environments for local residents.

### Solar-storage project in New Zealand empowers local community, creating an energy hub for community

In response to global renewable energy photovoltaic market trends, CNBM Investment and its subsidiaries proactively adjusted their business strategies, transforming from a single product distributor to a small and medium-sized commercial and industrial system service provider. As part of such efforts, its subsidiary China National Building Material International New Zealand successfully implemented the first shared energy storage project in the community—the Marae Integrated Solar-Storage System. In the project, the marae was equipped with a 50kW photovoltaic power generation system and a 100kWh battery energy storage system, and an intelligent power-sharing mechanism enables flexible and adjustable power distribution solutions for surrounding residential communities. The system allows dynamic adjustment of power supply scale based on actual community electricity demand, while also providing reliable emergency power support to residents during floods and other emergencies, making the marae an energy hub for community security.



Marae as a shared energy storage project in the community

## Enhancing people's livelihood and well-being

While deeply integrating into and promoting the local economic development, the Group remains committed to fulfilling its social responsibilities and effectively improving people's livelihood and well-being, which has earned widespread acclaim and profound trust from the local public.

### Safeguarding children's beautiful home and building a warm bridge between two nations

For five consecutive years, BNBM PNG Limited, a subsidiary of CNBM Investment has partnered with local orphanages in Papua New Guinea to support children's education, visiting and assisting nearly 500 children in need. It donated school bags, household appliances, food, and other supplies to orphanage children, helping improve the quality of life for children in need and safeguarding their innocent smiles. From material assistance to emotional companionship, from educational support to daily care, these efforts not only brought warmth and hope to PNG children but also built a bridge connecting the hearts of the Chinese and Papua New Guinean people.



BNBM PNG Limited visiting and assisting children in need

### Nine years of dedication: sustained educational support

At the end of 2025, CNBMI Zambia once again visited Nachitete Primary School to donate supplies, including uniforms, cultural and creative products embodying the "Shanjian Culture" (a corporate culture emphasizing wisdom in resource utilization and commitment to construction), as well as daily necessities. This marked the ninth consecutive year since 2016 that the company has provided charitable support for this local school. The company funded a comprehensive renovation of the school, significantly improving its teaching environment. Over nine years, the company has continuously supported local education development through various forms such as construction assistance, material donations, and public welfare classes.



Visit of CNBMI Zambia to Nachitete Primary School

## Social contribution

Upholding the principle of "taking from the society and giving back to the society", the Group actively fulfills its social responsibilities, committed to creating long-term value for the society. The Group has formulated rules and regulations such as the *Management Measures for Corporate External Donation* to strictly standardize donation activities. Subsidiaries actively participate in public welfare initiatives by establishing annual donation budgets and providing guarantees and support for various public welfare and volunteer programs in terms of organizational structure, operational mechanisms, scheduling, financial support, and communication. Under the leadership of trade unions and Communist Youth League organizations, companies at all levels have launched a series of volunteer projects including empowering disadvantaged groups, emergency disaster relief, and volunteer teaching programs.

In 2025



16.4 billion yuan

the Group paid taxes in accordance with the law, contributing to local economic development

Furthermore, in compliance with tax policies issued by the Ministry of Finance of the People's Republic of China and the State Taxation Administration, we pledge to observe tax laws and regulations in countries where we operate, not to transfer created value to low-tax jurisdictions, and not to use confidential jurisdictions or so-called "tax havens" for tax avoidance.

In 2025



53

The Group conducted assistance projects

38

established entrepreneurial internship bases

488

provided internship positions for students

78

volunteer organizations and groups

8,204

volunteers

15,545

contributed hours of volunteer service

169

participated in or supported activities protecting the rights of women, children, or persons with disabilities

### United efforts to aid disaster-hit areas

In January 2025, a 6.8-magnitude earthquake struck Tingri County, Shigatse City, Tibet, causing significant casualties and widespread building collapses. Lhatse Branch of Sinoma Tianjin Mine Engineering (a subsidiary of Sinoma International) promptly mobilized resources to assist government agencies in transporting and distributing over 20 relief tents, and inspecting over 80 damaged houses, while donating one generator, 2 sets of night lighting equipment, 4 sets of heating equipment, and power cords to support affected residents.

In February 2025, a sudden landslide struck Jinping Village, Mu'ai Town, Junlian County, Yibin City, Sichuan Province. Sichuan Junlian Southwest Cement, a subsidiary of Tianshan Material, immediately mobilized resources to the disaster-hit area, assigning persons to procure 300 military coats, 300 raincoats, and 300 boxes of instant food. The company also responded to local government rescue requests by deploying personnel to frontline relief operations, contributing to the disaster relief.



## Upholding responsible marketing and establishing a market brand

The Group has established a global marketing network with responsibilities at its core, integrating sustainable development concepts into product marketing, promotion, expansion, and consumption processes. Through concrete actions, we fulfill corporate social responsibilities, striving to build an outstanding market brand.



### Our challenges

During its going global, the Group must address cultural differences, market diversity, and complex international regulations to implement responsibility-driven marketing concepts. Meanwhile, with the advancement of the Belt and Road Initiative, the Group needs to establish rapid response mechanisms in overseas markets, enhance brand influence, and meet international high-end market demands for green building materials and sustainable products. Additionally, challenges exist in promoting green building materials and protecting intellectual property rights, requiring intensified promotional efforts and improved IP management systems.



### Our responses

- We comprehensively advanced brand development and training programs to build an outstanding central state-owned enterprise brand.
- We hosted international events including supplier conferences and strategic cooperation alliances.
- We improved overseas market compliance management.
- We actively organized and participated in the promotion campaign of green building materials in rural areas to guide green consumption upgrades.
- We expanded green application scenarios for products to empower the global green transition.
- We conducted intellectual property awareness campaigns.



### Our achievements

- **2,505** patent applications were filed (including **1,505** invention patents and **154** international patents).
- **1,554** patents were authorized (including **782** invention patents and **105** international patents).
- A total of **17,458** valid patents were obtained (including **5,424** invention patents).
- A total of **1,482** software copyrights were successfully registered.

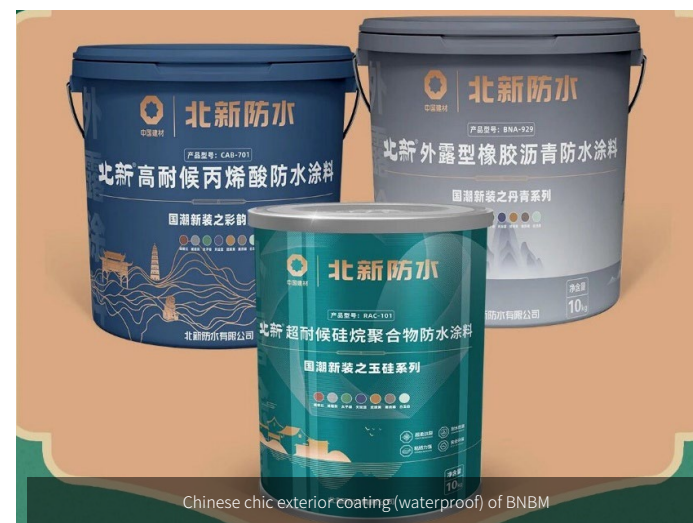
## Building a marketing network

The Group has deeply implemented an international development strategy, continuously improved its global marketing network layout, and established a highly efficient collaborative response mechanism that integrates R&D, production and sales. It closely tracks global market trends and actively expands high-end market spaces. Leveraging strong technical capabilities and an exceptional service system, it proactively leads customer demand upgrades. Through diversified approaches such as deepening strategic cooperation alliances, participating in industry discussions and standard setting, showing at international professional exhibitions, establishing overseas warehouses, and entering international building materials supermarkets, we organized the 2025 Brand Conference and Training Session to share our brand-building experience and plans, boosting the presence of our brand worldwide in all aspects.

### Brand growth journey of BNBM

Upholding the principle of "value-driven operation and brand-powered growth", BNBM pioneered a journey of innovation and global development for independent brands through its "Competitive Edge Strategy". It successfully built Dragon Brand and Taishan—China's leading independent brands excelling in quality, technology, service, scale, and efficiency—while owning multiple renowned brands including Yuwang, Shuyang, Dream Brand, Beacon Brand, Carpoly, and Daqiao.

Through the dual-drive model of "new construction + mergers & acquisitions", the company has established a production base network covering multiple countries across four key regions, namely, Africa, Southeast Asia, Central Asia, and Europe & the Mediterranean. In August 2025, BNBM (Thailand) held the grand opening ceremony and marketing promotion event for its gypsum board production line with an annual capacity of 40 million square meters, further expanding into the Southeast Asian market.



## Guiding green consumption

The Group actively implements sustainable development concepts, focusing on advanced technologies and innovative models at home and abroad to continuously optimize the environmental performance of products throughout their life cycles. It strives to enhance product energy efficiency and eco-friendliness while fostering and guiding sustainable consumption behaviors. As an advocate and promoter of green consumption, the Group actively responds to the national initiative of "Promotion of Green Building Materials in Rural Areas". Through multimedia platforms, outdoor advertising channels, and other means, it systematically promotes eco-friendly products and discloses environmental risk information on products to enhance consumers' environmental awareness and support green choices.

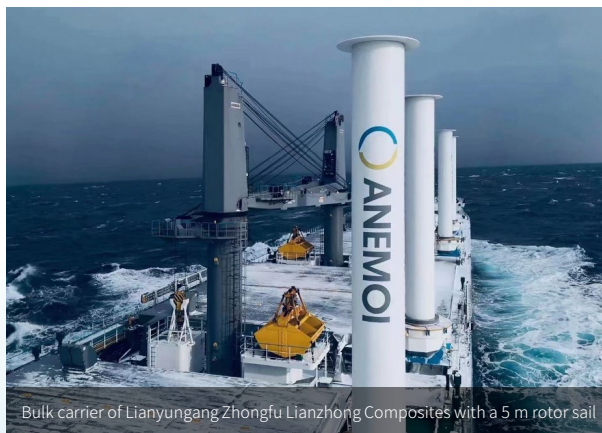
In product packaging, the Group continuously advances the application of recyclable materials and collaborates with professional recycling agencies to effectively incorporate them into waste resource utilization systems, thereby promoting the circular use of packaging materials. Through the dual-drive approach of product innovation and consumer guidance, it is committed to creating a closed loop of green consumption, empowering low-carbon lifestyles, and contributing corporate strength to building a resource-conserving and environmentally friendly society.

## Protecting intellectual property

The Group strictly complies with the *Patent Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. Centering on IP protection, transformation and utilization, and information confidentiality, it has established an IP and brand management system specific to the building material industry based on internal control systems and risk management requirements. The Group has formulated rules and regulations including the *Patent Management Measures* and the *Trademark Management Measures* to strengthen legal protection of IP rights and enhance IP management capabilities in R&D, production, and operational activities.

### 5 m rotor sail solution of Lianyungang Zhongfu Lianzhong Composites helps shipping clients achieve green and low-carbon navigation

Lianyungang Zhongfu Lianzhong Composites, a subsidiary of Sinoma Science & Technology, independently developed the 5 m rotor sail using "bundled dry-wet layered winding technology". Leveraging the Magnus effect to convert crosswinds into propulsion, it achieves coordination of high strength and toughness, lightweight design, and precision in the 35 m-high cylinder. This innovation received "Domestic and International Pioneering" certification in Jiangsu Province. The sail occupies only 1/3 of the deck space compared to traditional sails, not affecting loading/unloading operations; and the rotation speed is adjustable to cope with harsh wind conditions, with the rate of fuel saving of over 15%. In practical vessel applications, 642 tonnes of fuel and 2,058 tonnes of carbon emissions are saved annually-equivalent to planting 114,000 trees-providing shipping clients with an efficient and feasible green emission reduction pathway.



Bulk carrier of Lianyungang Zhongfu Lianzhong Composites with a 5 m rotor sail

### Successful IP Awareness Week enhances IP awareness

As the Group's innovation-driven and internationalization strategies deepen, the role of intellectual property as a strategic resource for corporate development and core element for international competitiveness becomes increasingly prominent. On May 29, CNBM successfully launched its 2025 "Science & Technology Week and Intellectual Property Awareness Week". The IP-themed day event themed with "Enhancing Management of IP and R&D Activities" features online training for all levels of technical staff. The sessions covered high-value patent cultivation, protection and utilization, and end-to-end management of R&D investments and projects, guiding scientific personnel to elevate IP awareness and management proficiency.

# 05

## Modern Governance Promotes High-Quality Development



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## Compliance, internal control and risk management

The Group places great emphasis on and actively promotes compliance management, risk management, and internal supervision. It has established and continuously improved a collaborative mechanism integrating legal affairs, compliance, internal control, and risk management to ensure its high-quality and sustainable development. It complies with all relevant laws, regulations, and rules pertaining to corporate compliance and operations, including the *Company Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Measures for the Compliance Management of Central State-Owned Enterprises*, and the *Anti-Money Laundering Law of the People's Republic of China*. Additionally, drawing on industry best practices and the internationally recognized COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework for risk management, and tailored to its specific circumstances, it has formulated policies and systems such as the *Compliance Management System*, the *Compliance Manual*, the *Internal Control System*, and the *Management Measures for Internal Control System Evaluation*. These provide guidance and norms for compliance control across all its subsidiaries.



### Our challenges

We must navigate a complex and ever-changing landscape of domestic and international laws and regulations to ensure all our operating activities are legal and compliant. At the same time, we need to adapt to the internationally recognized COSO framework for risk management and refine our internal control system based on our specific business characteristics. As our business expands globally, we are also imperative to strengthen the deep integration of compliance management with operational activities and enhance our ability to govern the enterprise in accordance with the law, in order to meet growing market and regulatory pressures.



### Our responses

- We deepened the development of the compliance management system and actively carried out certification and supervision for the compliance management system.
- We issued and dynamically updated the "1+2+N" internal control manual, and conducted compliance system evaluations and risk management reviews for our subsidiaries.
- We established a systematic and effective risk management system.
- We established an intelligent risk management information platform and conducted user training.
- We performed annual risk identification and assessment activities.
- We integrated risk management performance into the operational performance appraisal system.



### Our achievements

- The GB/T 35770-2022 / ISO 37301:2021 Compliance Management System certification remains valid. We have become the first enterprise in the building materials industry to pass the assessment for both the international and national standards ("dual certification") in the field of "compliance management for holding companies".
- We conducted **142** internal control system supervision, evaluation and audit projects, and continued to implement full coverage of internal control supervision and evaluation within three years.

## Strengthening compliance management

The Group continues to deepen the development of its compliance management system on all fronts, fostering closer integration between compliance management and business operations. This has resulted in a compliance management system characterized by clearer division of responsibilities, smoother operational mechanisms, and a stronger culture of compliance, thereby effectively enhancing its ability to govern the enterprise in accordance with the law.

In 2025, the Group persisted in advancing its compliance management system in all aspects. It organized comprehensive compliance evaluations and conducted internal and external effectiveness reviews of the compliance system to ensure its effective operation and continuous improvement. The GB/T 35770-2022 / ISO 37301:2021 Compliance Management System certification issued by SGS-CSTC Standards Technical Services remains valid. As the first enterprise in the building materials industry to pass the assessment for both the international and national standards ("dual certification") in the field of "compliance management for holding companies", this milestone signifies that compliance management of the Group has met both national and international standard requirements.



### Organizational structure and system development

- **Board of Directors:** The Board plays the role of setting strategy, making decisions, and preventing risks. It reviews and approves major financial decisions, significant projects, and risk management strategies, ensuring comprehensive risk control throughout the entire chain from strategy formulation to execution. This guarantees the Group's steady operation within a legal and compliant framework, safeguarding the long-term interests of shareholders.
- **The Management:** The Management plays the role of planning operations, executing tasks, and strengthening management. Based on the strategic objectives set by the Board, the Management translates them into annual business plans and specific work tasks, and organizes and implements the Group's daily operations. They regularly report on the Group's operational status to the Board and provide timely feedback on issues encountered during strategy execution, enabling the Board to make necessary adjustments.
- **Audit Committee:** The Audit Committee plays the role of executing rigorous supervision, promoting checks and balances, and controlling risks. As the core supervision body within the listed company's governance structure, it leverages its independence and professional expertise to establish a three-dimensional supervision network covering finance, internal control, and compliance.



### Policy and mechanism development

- The Group continuously and dynamically identifies stakeholder needs and expectations, clarifies compliance obligations, and assesses compliance risks.
- The Group updates the *Compliance Manual* and relevant compliance governance policies on a real-time basis.
- The Group continuously promotes the coordinated operation of mechanisms including compliance due diligence, compliance review, compliance risk identification and assessment, compliance risk feedback, and compliance reporting, investigation, and rectification.
- The Group advances the efficient operation of a closed-loop system for comprehensive compliance management and supervision.

## Enhancing internal control

The Group has established a robust internal control system covering the internal control environment, risk assessment, internal control procedures, information and communication, and internal control supervision and evaluation. By implementing internal control activities covering all operational aspects, it ensures the effective execution of internal monitoring across governance structure, quality management, work safety, environmental management, and human resources policies.

In 2025, the Group continued to refine its rules and regulations, optimized its control processes, and deepened the development of its synergistic "four-in-one" system integrating risk management, internal control, compliance, and legal affairs. It organized the dynamic update of the "1+2+N" internal control manual (comprising **1** general manual for synergistic management, **2** manuals for risk management and compliance, and **16** manuals for specific business modules), thereby enhancing and consolidating the internal control policy system. Furthermore, it conducted compliance system evaluations and risk management reviews for its subsidiaries, optimized process management in key areas, and improved internal control and governance effectiveness to build a sustainable competitive advantage.

The Group diligently advanced the supervision of its internal control system, strictly implemented control procedures across all operational links, and collected, processed, and disseminated relevant information to ensure the truthfulness, accuracy, and completeness of accounting information, information on social responsibility performance, and data related to safety and environmental management. At the same time, it regularly conducted self-assessments on the effectiveness of its internal controls, issued internal control self-assessment reports, and systematically reviewed any deficiencies or shortcomings identified in the establishment and execution of the internal control system.

In 2025



The Group launched **142** supervision evaluations and audits for internal control systems, covering 460 companies across all tiers within the Group.

## Adopting closed-loop risk management

The Group has established a systematic and effective risk management system. It employs a "three lines of defense" model. To be specific, business and functional departments form the first line, responsible for daily risk management; specialized departments such as the Legal & Compliance Department act as the second line, conducting ongoing risk monitoring; and departments including the Discipline Inspection Committee, Audit Department, and Inspection Department serve as the third line, ensuring risk supervision and accountability. These three lines of defense operate in a coordinated manner, forming a closed-loop mechanism covering risk identification & assessment, analysis & prevention, early warning & monitoring, and response & accountability. They report independently to the Management and the Board of Directors. The execution of risk management processes and the effectiveness of specific risk controls are integrated into the performance appraisal indicators for senior executives, as well as employees in risk management departments and departments primarily responsible for risks. Personnel with special contributions to risk control are rewarded through recognition programs.

### Identification & assessment

At the beginning of each year, the Group identifies and assesses risks. Focusing on five key areas including strategic risk, financial risk, market risk, operational risk, and legal risk, it identifies risk sources, potential risk events, their causes, and potential consequences. It determines risk appetite and tolerance levels. Employees at all levels are encouraged to report risks they identify in their daily work. Besides, the Group establishes a risk register and an indicator system, and employs a combination of methods such as questionnaires, analysis, and discussions for both quantitative and qualitative assessments.

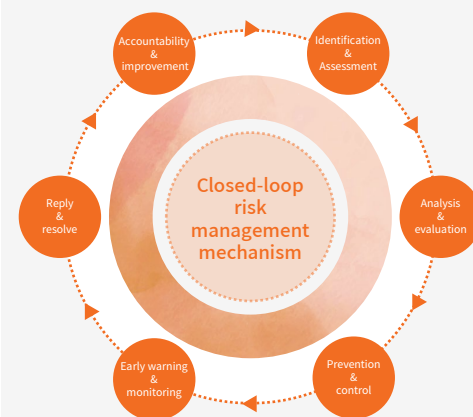
### Analysis and prevention & control

Based on the risk assessment results, the Group analyzes and evaluates major risks, defines prevention and control objectives and responsible departments, and formulates practical, specific prevention and control measures. This culminates in an annual risk assessment report, which also includes a summary of the risk prevention and control efforts from the previous year.

### Early warning & monitoring

In daily production and operation management, the Group develops detailed risk control guidelines and management measures tailored to actual conditions to monitor risk changes. In 2025, the Group used an intelligent risk control information platform. This platform facilitates quarterly data reporting, risk categorization monitoring, and major risk event monitoring. The Group dynamically set **over 90** monitoring indicators and pre-set warning thresholds, enabling real-time push of early warning information to relevant departments. Building upon the existing processes of risk identification, analysis, evaluation, response, and reporting, this platform introduces online data entry and establishes data analysis dashboards, further refining the risk monitoring indicator system and early warning mechanism.

### Closed-loop risk management mechanism



### Response & accountability

The Group implements risk prevention and control measures. Accountability mechanisms are enforced for personnel who fail to follow procedures for the timely handling of major risk events as required. Continuous monitoring and improvement efforts are maintained. The Group conducts extensive training on risk identification and management.

#### For Board members

Regular annual training on risk management is provided for non-executive directors. The Group organized trainings to all directors this year, namely *HKEX Corporate Governance Code Updates and Interpretation of New ESG Regulations and Directors' Responsibilities for Hong Kong Listed Companies, Key Compliance Requirements, and Latest Regulatory Developments*. The content covers core topics including the latest regulatory updates, risk management and internal controls, revisions to the Corporate Governance Code, and ESG disclosure rules. This initiative aims to strengthen the compliance awareness and effectiveness of directors and supervisors in performing their duties, and to provide strong support for optimizing corporate governance and enhancing risk prevention and control.

#### For employees in risk management and primary risk departments

- In April 2025, the Group organized the participation of legal personnel at all levels in the "Rule of Law Training Week". The training content included interpretations of the new version of the *Company Law of the People's Republic of China*, standardized Board operations, response to and avoidance of safety and environmental violations, accounts receivable litigation and responses, labor litigation and responses, and the current status of litigation management.
- In September 2025, the Group organized training on "New Trends and Responses in Chinese Enterprises' Overseas Investments," introducing the latest trends and practical experience in overseas investment and risk and compliance management.
- In October 2025, the Group organized a specialized training on enforcement practice to enhance the professional capabilities of legal and compliance personnel in member enterprises regarding civil litigation enforcement.

## Integrity system and cultural building

The Group strictly adheres to all laws, regulations, and Party discipline rules pertaining to anti-corruption and integrity. Referring to the ISO 37001 Anti-Bribery Management System standard, it encourages all stakeholders, including employees, clients, partners, suppliers, and contractors, to report any conduct that violates standards of business ethics. Besides, it has established a series of anti-corruption management measures, detailed whistleblowing rules & procedures, and clear provisions for whistleblower protection, all of which apply to all employees, clients, partners, suppliers, and contractors.



### Our challenges

As our business expands internationally, we must navigate complex laws and regulations across different countries and regions to ensure that all operations are legal and compliant, while also meeting the requirements of international standards. At the same time, we need to further improve our internal management systems and strengthen our integrity culture to prevent integrity-related risks.



### Our responses

- We signed the *Integrity and Self-Discipline Commitment Letter for Leaders* with relevant employees, and the *Commitment Letter for Compliance with Rules and Discipline* with new hires.
- We improved systems and management measures related to integrity development and conflicts of interest.
- We maintained open and accessible whistleblowing channels, established dedicated reporting email addresses, and protected whistleblowers' privacy.
- We conducted regular inspections of Party conduct and integrity, audits, special inspections, and daily integrity supervisions and inspections.
- We reviewed suppliers' compliance with anti-corruption policies and required all our subsidiaries to formulate anti-corruption policies applicable to all suppliers, along with corresponding checks.
- We conducted preventive integrity communications and awareness training, including the use of case studies to illustrate risks and consequences. The scope of these initiatives was extended to cover all employees, part-time staff, and contractors.



### Our achievements

- No major corruption-related risks were identified after risk assessments.
- Anti-corruption training covered **100%** of directors, employees, and contractors.

## Integrity system development

In 2025, CNBM signed **23** *Integrity and Self-Discipline Commitment Letters for Leaders* with mid-level managers under its management authority. These commitments include provisions for upholding integrity in professional conduct, serving as a mechanism to ensure compliance with rules and discipline. Additionally, it signed *Commitment Letters for Compliance with Rules and Discipline* with new employees, covering matters such as refraining from unlawful acts and truthfully reporting personal significant matters, thereby reinforcing adherence to applicable laws, regulations, and corporate policies. For department heads and above, integrity and self-discipline performance constitute a key component of their comprehensive performance evaluation, which is conducted through a multi-dimensional assessment involving input from superiors, peers, and subordinates. As stipulated in the *Employee Management Measures for Headquarters*, employees found to have engaged in integrity-related violations or conduct contrary to social ethics and professional standards are subject to disciplinary sanctions based on the severity of the case, including warnings, demerits, demotion, removal from office, or termination of employment contracts, as well as corresponding financial penalties in accordance with the remuneration system.

The Group adheres to the *Provisions on Prohibiting Business Relations Between Relatives and Other Specific Associates of Enterprise Leaders and the Group*. These provisions restrict relatives and other specific associates of mid-level and senior leaders and managers from establishing business relations with the Group as defined within the provisions, engaging in horizontal competition, or committing other acts that harm the interests of the Group. Leaders involved in the decision-making process concerning any business relationship with such parties must recuse themselves. Any existing circumstances must be proactively reported and rectified within a specified timeframe, thereby concretely reinforcing its commitment to integrity and anti-corruption.

## Integrity supervision mechanism

### In terms of integrity-related whistleblowing and complaints

The Group publicly discloses its dedicated reporting email address on the official website. Through various communication channels including training sessions, agreements, and interpretation and implementation campaigns, it ensures that employees and other stakeholders are fully informed of the available reporting mechanisms, thereby maintaining unimpeded access to these channels. Employees are authorized to report, via email, telephone, or postal mail, any conduct that violates business ethics or employee codes of conduct, particularly in contexts such as bidding processes, personnel promotions, and internal inspections.

The Group strictly complies with the *Work Rules of the Discipline Inspection Organs of the Communist Party of China on Supervision and Enforcement* and the *Work Rules of Discipline Inspection and Supervision Organs on Handling Accusations and Reports*. It accepts reports submitted anonymously, by real name or in signed form. Under no circumstances does it privately retain, disclose, or disseminate information pertaining to case leads, investigation progress, or the identities of involved parties or reporters. Stringent confidentiality requirements are enforced. To be specific, the names (or entity names), workplaces, addresses, and other identifying details of whistleblowers, along with the content of their reports, are kept strictly confidential. It is strictly forbidden to transfer reporting materials or disclose reporter information to the organizations or individuals being reported against. Unauthorized verification of reporters' handwriting, IP addresses, or other identifying data is prohibited, ensuring the safety of whistleblowers. Furthermore, all work conducted by disciplinary inspection departments related to petitions and reports must be processed and transmitted exclusively via CD-ROM or paper documents, rather than through public networks or internal local area networks, preventing information leaks in a strict standard. Retaliation against whistleblowers is strictly forbidden.

Upon receipt of a whistleblowing report, the Group initiates an independent investigation and follow-up procedures, strictly adhering to recusal requirements. When a petition or report is received by the disciplinary committee's case review office, it is assigned to the corresponding disciplinary committee for handling in accordance with the management authority. Following the issuance of preliminary disposition recommendations by the case review office, the supervision and enforcement office of the relevant disciplinary committee independently conducts the investigation, prepares an investigation report, and subsequently transfers the case back to the case review office for formal review. This process ensures that every report is acknowledged, addressed, and properly resolved.



### In terms of integrity supervision and inspection

The Group has established the CNBM Coordination Group for Party Conduct, Integrity, and Anti-Corruption. It developed the *Guidelines for Identifying and Mitigating Integrity Risk Points (Trial)* to identify potential integrity vulnerabilities and formulate corresponding preventive measures. Internal coordination within the working group has been strengthened, and the collaborative functioning of the comprehensive supervision system has begun to yield tangible results.

The Group conducts annual audits, specialized inspections, and ongoing integrity supervision focused on Party conduct and integrity on a regular basis, advancing these efforts on all fronts.

### Anti-corruption audits

- In accordance with the *Measures for the Management of Accountability Audits*, the Group conducts audits on the main heads based on management authority and ownership structures, ensuring that each is audited at least once during their tenure. These audits explicitly assess the fulfillment of responsibilities for upholding Party conduct and integrity, as well as compliance with integrity-related professional conduct requirements in economic activities. During the year, a total of **388** audits were completed.
- The Group conducts inspections across its subsidiaries to identify and rectify integrity-related issues, thereby strengthening supervision and management. In 2025, the Group carried out cross-tier inspections on **2 subsidiaries**, specialized inspections on **3 subsidiaries** at the operational level, a rectification evaluation and assessment for **1 subsidiary**, and a follow-up inspection on the rectification efforts of **1 subsidiary**, successfully fulfilling the annual inspection plan. CNBMG aims to achieve full coverage of inspections over all its second-tier subsidiaries by the end of 2027.
- To strengthen and enhance the relevance, effectiveness, and rigor of compliance management and risk control reviews across the Group and its subsidiaries with respect to overseas entities, and to ensure that overseas compliance and risk control inspections are conducted in a systematic, standardized, and sustainable manner. In 2025, drawing on practical experience, the Group issued the *Guidelines for Overseas Compliance and Risk Control Inspection Work* and conducted on-site compliance and risk control inspections, covering **19 overseas member entities** and project offices across **8 countries**.

## Maintenance of integrity and ethical conduct

The Group has diversified its approaches and methods to conduct comprehensive and multi-faceted integrity initiatives, including preventive communications, awareness training based on case studies, and formal integrity training, thereby strengthening the development of an integrity culture. In 2025, guided by the *Code of Business Ethics* and *Anti-Corruption Policy*, it delivered anti-corruption training to all members of its governance and management teams, full-time and part-time employees, and contractors. This training was conducted through various channels, including online and offline sessions, meetings, contractual agreements, and interpretation and implementation campaigns.

In 2025



100%

The Group achieved anti-corruption training coverage for directors

100%

Coverage for employees  
(including both full-time and part-time staff)

100%

Coverage for contractors

### Integrity culture initiatives in 2025

- Publication of **12 issues** of the Disciplinary Inspection Briefing.
- Integrated use of the Group's official WeChat account, OA platform, and WeChat Party branch groups to conduct timely integrity communications around holidays. A total of **24** WeChat articles were published, with a cumulative readership of **3,182**.
- Organization of leaders and employees in key areas to participate in awareness training meetings and conferences on Party conduct and integrity, ensuring that the training content reached employees across all tiers of the Group.
- Promotion of the "Monthly/Quarterly Talks on Party Conduct and Integrity" initiative led by disciplinary committee secretaries in enterprises with established disciplinary committees, with a total of **7,438** such sessions conducted across all tiers.
- Screening of **2,626 sessions** of integrity awareness videos across all tiers, and organization of **682 visits** for employees to integrity education bases.
- **607** integrity training sessions for new employees across all tiers, and **1,809 pre-appointment** integrity talks for newly appointed leaders.



# ESG Performance Table<sup>14</sup>

## Environmental data

Key performance indicators	Unit	2025	2024
Total emission of nitrogen oxides (NO <sub>x</sub> ) <sup>15</sup>	tonnes	42,999	49,681
Total emission of sulfur dioxide (SO <sub>2</sub> )	tonnes	4,532	4,815
Total emission of industrial particulate matter	tonnes	4,226	4,590
Total direct mercury emissions	tonnes	2	3
Total emission of volatile organic compounds (VOCs)	tonnes	144	184
Proportion of companies meeting noise level standards	%	100	100
Total greenhouse gas emissions <sup>16</sup>	tonnes of CO <sub>2</sub> e	158,596,286	167,129,803
Direct greenhouse gas emissions (Scope 1)	tonnes of CO <sub>2</sub> e	149,729,301	157,353,306
Indirect greenhouse gas emissions (Scope 2)	tonnes of CO <sub>2</sub> e	8,866,985	9,776,496
Greenhouse gas emissions from basic building materials segment	tonnes of CO <sub>2</sub> e	149,331,747	158,144,387
Greenhouse gas emissions from new materials segment	tonnes of CO <sub>2</sub> e	8,590,122	8,237,303
Greenhouse gas emissions from engineering technology service segment	tonnes of CO <sub>2</sub> e	674,417	748,113
Greenhouse gas emissions (Scope 3) <sup>17</sup>	tonnes of CO <sub>2</sub> e	66,711,161	53,261,489
Greenhouse gas emissions intensity (scope 1 and scope 2)	tonnes of CO <sub>2</sub> e/million yuan of operating revenue	785	825
The generation of self-produced hazardous solid waste <sup>18</sup>	tonnes	29,124	11,438
The intensity of self-produced hazardous solid waste generation	tonnes/million yuan of operating revenue	0.14	0.06
The generation of self-produced non-hazardous solid waste <sup>19</sup>	tonnes	795,333	9,895,827
The intensity of self-produced non-hazardous solid waste generation	tonnes/million yuan of operating revenue	3.94	48.87
Comprehensive utilization rate of non-hazardous solid waste	%	97.85	96.72
Total acceptance and disposal of incoming solid waste	tonnes	85,687,992	88,319,578
Total acceptance and disposal of incoming solid waste divided by the disposal method	Landfill	tonnes	0
	Incineration for power generation	tonnes	344
	Incineration without power generation	tonnes	327,595
Total acceptance and disposal of incoming solid waste divided by types	Other <sup>20</sup>	tonnes	85,360,053
	Industrial waste	tonnes	83,598,603
	Domestic waste	tonnes	256,313

<sup>14</sup>All non-calculated data for the 2025 reporting period in this report were collected and aggregated through the ESG data indicator system on a tier-by-tier basis. The operating revenue used to calculate intensity metrics includes that of China Jushi.

<sup>15</sup>The emissions of nitrogen oxides, sulfur dioxide, industrial particulate matter, and volatile organic compounds are derived from the project's monitoring and estimation data.

<sup>16</sup>The total greenhouse gas emissions include only Scope 1 and Scope 2 emissions. The greenhouse gas measurement scope covers all subsidiaries under CNBM's consolidated financial statements, as well as the joint venture China Jushi. The statistical methods and emission factors are referenced from the *General Principles for Comprehensive Energy Consumption Calculation, Corporate Greenhouse Gas Emission Accounting and Reporting Guidelines for the Cement Industry, Greenhouse Gas Emission Accounting Method and Reporting Guidelines for Industrial Enterprises in Other Industries (Trial), Corporate Greenhouse Gas Emission Accounting and Reporting Guidelines for Power Generation Facilities*, and the *Notice on Reporting and Verification of Greenhouse Gas Emissions for Certain Key Industries from 2023-2025*. And Scope 2 greenhouse gas emissions were calculated using the location-based method.

Calculation method: Greenhouse gas emissions from a specific business activity = Data of the activity × Emission factor

The main sources of CNBM's greenhouse gas emissions (Scope 1) include: (1) emissions from fossil fuel combustion in the production process, and (2) industrial process emissions from limestone calcination during the cement clinker production stage. The main sources of greenhouse gas emissions (Scope 2) include emissions from purchased electricity and heat, such as those used in office buildings, factories, and new energy vehicles.

<sup>17</sup>In 2025, the Group conducted accounting for eight Scope 3 categories. Compared with the previous year, two additional categories were included, resulting in an expanded accounting boundary and a corresponding increase in total Scope 3 emissions. For detailed in the "Tackling climate change – Metrics and targets" section of this report..

<sup>18</sup>This year, the significant increase in production volume of Sinoma Lithium Separators, a subsidiary of Sinoma Science & Technology, led to a substantial rise in the amount of waste oil-contaminated battery separator generated. In addition, the Group undertook a significant volume of cement equipment renovations this year, which led to an increase in the amount of kiln dust outsourced for disposal.

<sup>19</sup>The Group's primary source of non-hazardous waste was earthwork generated from mining operations. The majority of this non-hazardous waste was already disposed of by 2024, and the ground surface around the mine has been paved. As a result, the generation of non-hazardous waste decreased significantly in 2025.

<sup>20</sup>Refers to the reuse and disposal of solid waste, such as using it as raw materials or processing it into alternative fuels.

Key performance indicators		Unit	2025	2024
Total acceptance and disposal of incoming solid waste divided by types	Hazardous waste	tonnes	359,436	158,937
	Other	tonnes	1,473,640	2,016,375
Total wastewater discharge	Industrial wastewater	tonnes	11,701,051	12,586,581
	Domestic wastewater	tonnes	2,455,638	1,245,028
Wastewater pollutant discharge	Chemical oxygen demand (COD) <sup>21</sup>	tonnes	982	627
	Ammonia nitrogen	tonnes	26	20
Direct energy consumption <sup>22</sup>		MW · h	150,833,693	158,255,821
Direct energy consumption	Coal consumption	MW · h	128,329,043	143,883,462
	Natural gas consumption	MW · h	7,630,125	7,029,802
	Other energy consumption	MW · h	14,874,525	7,342,557
Indirect energy consumption		MW · h	25,062,007	24,147,381
Indirect energy consumption	Electricity consumption	MW · h	23,338,588	23,066,672
	Purchased electricity	MW · h	17,816,678	17,442,609
	Purchased grid electricity	MW · h	17,507,736	16,393,430
	Purchased green electricity	MW · h	308,942	1,049,179
	Self-generated electricity consumption	MW · h	5,521,910	5,624,064
	Self-generated wind and PV power consumption <sup>23</sup>	MW · h	422,898	193,835
	Equivalent to greenhouse gas emission reductions	tonnes of CO <sub>2</sub> e	347,200	159,139
	Equivalent to nitrogen oxides (NO <sub>x</sub> ) emission reductions	tonnes	56	26
	Equivalent to sulfur dioxide (SO <sub>2</sub> ) emission reductions	tonnes	35	16
	Equivalent to soot emission reductions	tonnes	7	3
	Waste heat power generation consumption	MW · h	5,099,012	5,430,229
Equivalent to greenhouse gas emission reductions	tonnes of CO <sub>2</sub> e	3,759,079	4,458,218	
Equivalent to nitrogen oxides (NO <sub>x</sub> ) emission reductions	tonnes	609	722	

<sup>21</sup> This year, the significant increase in production volume of Sinoma Lithium Separators, a subsidiary of Sinoma Science & Technology, led to a rise in wastewater pollutant discharge.

<sup>22</sup> Calculated based on the *General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020)*.

<sup>23</sup> This year, the consumption of wind and photovoltaic power generated and self-consumed has been consolidated into the statistics, and the data for the previous year has been restated accordingly.

Key performance indicators		Unit	2025	2024
Indirect energy consumption	Equivalent to sulfur dioxide (SO <sub>2</sub> ) emission reductions	tonnes	380	451
	Equivalent to soot emission reductions	tonnes	78	92
Comprehensive energy consumption	Purchased heat	MW·h	1,723,419	1,080,708
		MW·h	175,895,700	182,403,202
Comprehensive energy consumption intensity		MW·h/million yuan of operating revenue	871	901
Amount of energy expenditures		RMB' 0,000 yuan	1,719,659	1,626,898
Alternative fuel usage		tonnes	3,675,236	2,986,278
Alternative fuel usage	Urban waste	tonnes	272,158	282,611
	Biomass	tonnes	525,887	115,594
	Industrial waste	tonnes	1,801,273	1,981,161
	Other	tonnes	1,075,918	606,912
Alternative raw material usage <sup>24</sup>		' 0,000 tonnes	978	1,456
Total circulating water <sup>25</sup>		tonnes	1,670,014,289	1,269,460,070
Circulating water utilization rate		%	94	92
Water withdrawal		tonnes	105,868,133	108,770,218
Water withdrawal	Tap water	tonnes	31,377,793	30,981,620
	Groundwater	tonnes	20,639,024	21,632,979
	Surface water	tonnes	52,261,294	54,097,900
	Other <sup>26</sup>	tonnes	1,590,022	2,057,718
Total water withdrawals in high-stress areas <sup>27</sup>		tonnes	6,305,385	5,317,869
Water withdrawal intensity		tonnes/million yuan of operating revenue	524	537
Total amount of water discharged		tonnes	14,156,689	13,831,609
The amount of water discharged by the place of discharge	Discharge to surface fresh water (wetland water, river water, lake water, etc.)	tonnes	4,138,452	5,026,374
	Discharge to a third-party discharge site	tonnes	10,162,447	8,805,235
Total water consumption		tonnes	91,711,444	94,938,609

<sup>24</sup> Due to an overall decrease in production output this year, the amount of alternative raw materials used has correspondingly decreased.

<sup>25</sup> Total circulating water = single-cycle water amount × number of cycles, circulating water utilization rate = total circulating water / (total circulating water + water withdrawal).

<sup>26</sup> Including seawater, rainwater harvesting, desalinated water, and reclaimed water.

<sup>27</sup> According to the WRI Aqueduct water risk map, regions with high water stress primarily include Zhengzhou/Xinxiang in Henan Province, Xinjiang, and Gansu in China. In 2025, water consumption in these regions increased, primarily due to higher demand for landscaping irrigation.

Key performance indicators		Unit	2025	2024
Cement packing bag <sup>28</sup>		piece	955,829,675	1,016,699,137
Recyclable cement packaging bags		piece	925,280,475	982,589,558
Consumption of non-renewable materials		tonnes	257,290,281	274,894,147
Consumption of toxic and hazardous materials <sup>29</sup>		tonnes	344,365	217,580
Material consumption intensity		tonnes/million yuan of operating revenue	1,276	1,359
Area of all manufacturing and operating units		m <sup>2</sup>	156,078,089	125,052,181
Area for which biodiversity risk assessments have been conducted		m <sup>2</sup>	156,078,089	84,384,801
Area for which a biodiversity conservation plan has been established due to high biodiversity risk		m <sup>2</sup>	4,306,801	/
Restored land area		m <sup>2</sup>	9,686,339	10,148,627
Area of all production and operating units		unit	986	885
Number of areas for which biodiversity risk assessments have been conducted		unit	986	457
Number of areas for which a biodiversity conservation plan has been established due to high biodiversity risk		unit	210	/
Amount of environmental investment		RMB' 0,000 yuan	236,198	196,435
Amount of environmental savings		RMB' 0,000 yuan	41,696	60,406
Number of environment-related ISO certifications	Number of ISO14001 certifications	unit	635	650
	Number of ISO50001 certifications	unit	350	322
	Number of other certifications (e.g. ISO 14064 and domestic certifications, etc.)	unit	116	79
Operating income from products with inherently green attributes		RMB' 0,000 yuan	4,624,340	4,477,465
Operating income from obtaining various types of green certified products that have obtained "China Low Carbon Product Certification", "China Green Building Materials Certification", etc.		RMB' 0,000 yuan	3,101,454	3,074,459
Operating income of cement products that have obtained the "China Low Carbon Product Certification"		RMB' 0,000 yuan	1,926,121	2,384,117
Operating income of concrete products that have obtained the "China Green Building Materials Certification"		RMB' 0,000 yuan	565,847	258,318
Operating revenue from products in favor of the green development of society		RMB' 0,000 yuan	5,433,695	4,462,626
Number of national green factories <sup>30</sup>		unit	116	167
Number of provincial green factories		unit	61	69
Number of green factories of other levels		unit	98	21
Number of national green mines		unit	41	42
Number of provincial green mines		unit	115	110
Number of green mines of other levels		unit	5	1
Climate change risks and opportunities	Number of stock of enterprises with climate risk response/adaptation plans (e.g. extreme weather contingency plans) in place	unit	497	514
	Number of enterprises under construction with climate risk response/adaptation plans (e.g. extreme weather contingency plans) in place	unit	164	119

<sup>28</sup> Based on the Group's business characteristics, cement packaging bag usage is calculated on "piece".

<sup>29</sup> This year, the increase in resin production volume of Beijing Composite Materials, a subsidiary of Sinoma Science & Technology, led to a rise in raw material consumption. In addition, the data for the previous year has been restated due to a change in the statistical scope.

<sup>30</sup> This year, the statistical scope for national and provincial green factories has been adjusted to include only those designated by the Ministry of Industry and Information Technology, while green factories selected by the Cement Association are now uniformly classified under other levels.

## Social data

Key performance indicators	Unit	2025	2024
Total number of employees	person	129,594	139,519
Total number of employees by gender	Male	100,987	107,439
	Numbers of male in STEM <sup>31</sup>	17,531	16,095
	Female	28,607	32,080
	Numbers of female in STEM	3,434	2,808
Total number of employees by ethnic group	Han	118,511	128,019
	Minority	11,083	11,500
	Senior <sup>32</sup>	1,683	1,867
Total number of employees by job level	Number of female	143	278
	Number of female in the business sector	29	49
	Number of male	1,560	1,589
	Number of male in the business sector	332	346
	Minority	75	48
	Mid-level <sup>33</sup>	7,731	7,918
	Number of female	1,188	1,121
	Number of female in the business sector	167	356
	Number of male	6,543	6,797
	Number of male in the business sector	1,870	1,945
Total number of employees by employment type	Minority	794	314
	General employees	120,180	129,734
	Long-term <sup>34</sup>	127,123	127,767
Total number of employees by age	Short-term <sup>35</sup>	2,471	11,752
	Under 30 years old	20,247	20,341
	30 to 50 years old	83,913	93,744
Total number of employees by region	Over 50 years old	25,434	25,434
	Mainland China	120,938	132,941
	Region of Hong Kong, Macao and Taiwan	12	7
	Overseas	8,644	6,571
Employee turnover rate by gender <sup>36</sup>	Male	5.3	4.1
	Female	10.3	7.7

<sup>31</sup> Refers to personnel engaged in STEM (Science, Technology, Engineering, and Mathematics).

<sup>32</sup> Senior employees refer to executives in the Group and its subsidiaries.

<sup>33</sup> Middle-level employees refer to department heads in the Group and its subsidiaries.

<sup>34</sup> Long-term employees refer to those with contracts lasting more than one year, including contracts lasting one year (excluding), three years, five years, or with no fixed term.

<sup>35</sup> Short-term employees refer to those with contracts lasting one year or less.

<sup>36</sup> Due to a decline in overall industry profits this year, the number of employees leaving of their own accord has risen compared with previous years.

Key performance indicators		Unit	2025	2024
Voluntary turnover rate by gender	Male	%	5.1	4.0
	Female	%	10.3	7.7
Employee turnover rate by age	Under 30 years old	%	11.5	9.6
	30 to 50 years old	%	5.2	3.9
	Over 50 years old	%	6.3	5.1
Voluntary turnover rate by age	Under 30 years old	%	11.5	9.5
	30 to 50 years old	%	5.0	3.8
	Over 50 years old	%	6.3	5.1
Employee turnover rate by region	Mainland China	%	6.0	4.6
	Region of Hong Kong, Macao and Taiwan	%	8.3	0.0
	Overseas	%	11.9	12.1
Voluntary turnover rate by region	Mainland China	%	6.0	4.5
	Region of Hong Kong, Macao and Taiwan	%	8.3	0.0
	Overseas	%	10.6	12.0
Employee turnover rate by job level	Senior employees	%	2.7	1.4
	Middle-level employees	%	3.2	1.9
	General employees	%	6.6	5.2
Voluntary turnover rate by job level	Senior employees	%	2.1	1.4
	Middle-level employees	%	2.6	1.9
	General employees	%	6.6	5.1
Number of newly hired employees		person	11,577	8,781
Male		person	9,284	5,941
Female		person	2,293	2,840
Under 30 years old		person	6,544	6,448
30 to 50 years old		person	4,917	1,923
Over 50 years old		person	116	410
Senior employees		person	21	32
Middle-level employees		person	84	471
General employees		person	11,472	8,278

Key performance indicators		Unit	2025	2024
Han		person	9,805	8,535
Minority		person	1,772	246
Number of internal transfers or internal application		person	5,553	4,730
Rate of internal transfers or internal application		%	32	35
Received complaints on violations of employee's legitimate rights and interest		case	0	0
Received complaints on discrimination against applicants and employees		case	0	0
Number of cases involving suspected child labor and forced labor		case	0	0
Number of visits to comfort special employees and help employees in difficulty		person-times	3,270	3,124
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	609	788
Number of visits to help critically ill employees		person-times	202	319
Total expenditure on condolences to special employees and assistance to employees in difficulty		RMB' 0,000 yuan	407	387
Total expenditure on helping children of employees in difficulty to attend school or rewarding employees' children for attending school		RMB' 0,000 yuan	89	112
Total expenditure on helping critically ill employees		RMB' 0,000 yuan	97	160
Number of employee activities organized and participated in		times	6,415	4,781
Number of participation in various events organized by relevant industry associations (at provincial level or above)		times	479	510
Number of employees participated in various activities		person-times	222,929	198,854
Total number of employees participated in satisfaction survey		person	58,863	8,625
Percentage of employees participated in satisfaction survey		%	45	6
Number of employees for whom the Group pays supplementary medical insurance and other types of insurance other than five insurances		person	50,528	53,259
Number of employees joining the labor union		person	117,626	125,721

Key performance indicators	Unit	2025	2024	
Percentage of employees joining the labor union	%	90.8	90.1	
Number of employees signing collective agreements	person	107,193	108,618	
Percentage of employees signing collective agreements	%	82.7	77.9	
Number of employee representatives	person	13,617	10,810	
Percentage of employee representatives	%	10.5	7.8	
Work-related fatalities	person	0	0	
Fatality rate per thousand	‰	0	0	
Percentage of zero-fatality project	%	100	100	
Lost Time Injury Frequency Rate (LTIFR) for millions of hours of employees	-	0.01	0.02	
Number of work-related fatalities of contractors	person	0	0	
Lost Time Injury Frequency Rate (LTIFR) for millions of hours of contractors employees	-	0.00	0.02	
Number of reported silicosis cases	case	0	0	
Person-times of employees participated in occupational health and safety training	person-times	2,120,701	1,800,155	
Number of safety and occupational health inspections conducted	times	48,455	78,532	
Number of hidden hazard investigation	unit	410,186	381,511	
Rectification rate of hidden hazard investigated	%	99.82	99.89	
Number of emergency drills, fire drills and other exercises conducted	person-times	195,972	128,007	
Amount of safety and health related expenditure	RMB' 0,000 yuan	174,197	174,898	
Number of companies certified to ISO 45001 occupational health and safety management system <sup>37</sup>	unit	637	673	
Percentage of employees participated in safety and environmental training	Senior	%	92.2	78.3
	Middle-level	%	83.9	79.4
	General	%	90.2	93.2
Percentage of employees participated in skills-based business training	Senior	%	68.9	60.5
	Middle-level	%	80.5	71.1
	General	%	87.0	94.0
Percentage of employees participated in management training (including compliance training)	Senior	%	97.3	80.1
	Middle-level	%	91.2	80.7
	General	%	57.1	48.9

<sup>37</sup> This year, the number of companies decreased due to shutdowns or mergers of companies within the Group.

Key performance indicators	Unit	2025	2024	
Percentage of employees participated in all types of training	Male	%	95.2	95.2
	Female	%	93.6	82.3
	Under 30 years old	%	93.1	93.2
	30 to 50 years old	%	95.2	91.3
	Over 50 years old	%	95.2	94.9
	Han	%	94.9	92.2
	Minority	%	94.1	92.5
	Senior	%	98.1	90.7
	Middle-level	%	97.9	94.9
	General	%	94.6	92.1
Total hours of safety and environmental training	Total hours of all employees	hour	5,718,595	4,268,235
	Total hours of safety and environmental training	hour	2,617,074	1,978,504
	Total hours of skills-based business training	hour	2,235,570	1,728,901
	Total hours of management training	hour	865,951	560,829
Training hours per capita (all types of training)	Male	hour	47	33
	Female	hour	45	34
	Under 30 years old	hour	54	40
	30 to 50 years old	hour	46	35
	Over 50 years old	hour	43	23
	Han	hour	46	33
	Minority	hour	51	39
	Senior	hour	78	63
	Middle-level	hour	60	45
	General	hour	45	32
All employees	hour	47	33	
Total training cost	RMB' 0,000 yuan	8,518	4,574	
Number of suppliers who have established long-term cooperation with the Group	In total	unit	32,678	33,797
	Mainland China	unit	31,158	33,115
	Region of Hong Kong, Macao and Taiwan	unit	70	46
	Overseas	unit	1,450	636
The costs of products or service procured from suppliers with whom the Group has established long-term cooperation	RMB' 0,000 yuan	12,225,593	10,247,645	

Key performance indicators		Unit	2025	2024
Number of suppliers that have been screened and controlled for environmental and social risks by the Group	In total	unit	23,139	23,366
	Mainland China	unit	21,670	23,027
	Region of Hong Kong, Macao and Taiwan	unit	61	32
	Overseas	unit	1,408	307
The costs of products or service procured from suppliers mentioned above	RMB' 0,000 yuan		10,297,845	12,758,220
Among the suppliers that have been screened for environmental and social risks and controlled for long-term cooperation by the Group, the number of suppliers assessed to have significant negative impacts	unit		43	381
Number of suppliers with whom corrective measures/improvement plans have been agreed upon	unit		3	17
Number of suppliers excluded	unit		35	37
Number of suppliers participating in supplier training and capacity enhancement among suppliers that have established long-term cooperation with the Group	unit		7,042	5,657
Number of suppliers screened and controlled for environmental and social risks by the Group	unit		5,512	4,878
Number of ESG training sessions for suppliers or ESG training exchange sessions with suppliers	times		1,107	969
Number of all suppliers not in long-term co-operation	unit		12,149	10,302
Number of suppliers screened and controlled for environmental and social risks by the Group	unit		9,185	8,121
Number of suppliers certified by systems such as quality, occupational health and safety, environment or energy management	unit		17,254	17,383
Percentage of products subject to recall for safety and health reasons	%		0.00	0.01
Litigation cases involving the safety and health of products and services	case		0	0
Totaling complaints about products and services	case		371	343
Number of complaints properly responded to and dealt with	case		371	343
Percentage of complaints properly responded to and dealt with	%		100	100
Number of patents	Number of annual patent applications	case	2,505	2,669
	Number of invention patents	case	1,505	1,513
	Number of annual authorized patents	case	1,554	1,891
	Number of invention patents	case	782	742
	Cumulative number of valid patents	case	17,458	16,649
	Number of invention patents	case	5,424	4,626
Cumulative number of successful software copyright registrations	case		1,482	1,547

Key performance indicators		Unit	2025	2024
Number of cases of suspected infringement of intellectual property rights by products and services	case		0	0
Number of complaints due to disclosure of customer information	case		0	0
Total number of clients	unit		67,591	53,800
Number of clients participating in satisfaction surveys	unit		28,089	11,905
Number of clients whose survey results were satisfactory	unit		26,946	11,431
Percentage of clients participating in satisfaction surveys	%		41.6	22.1
Percentage of customer satisfaction	%		95.9	96.0
R&D investment	RMB million yuan		7,509	7,835
R&D investment in green and low-carbon technologies	RMB million yuan		7,083	/
Percentage of R&D investment in operating revenue	%		3.7	3.9
Number of R&D staff	person		16,255	17,142
Number of academicians	person		9	/
Number of standards prepared or revised under the auspices of and with the participation of	unit		91	30
Number of corruption cases initiated and concluded against companies and employees	case		0	1
Number of anti-corruption training sessions held and organized	times		8,565	8,101
Coverage of directors in anti-corruption training	%		100	100
Coverage of employees in anti-corruption training	%		100	100
Person times of all directors of the Group who have participated in anti-corruption training	person-times		7,313	8,146
Person times of all other employees of the Group and all subsidiaries who have participated in anti-corruption training	person-times		283,632	303,259
Number of cases in which employees violated the Group's code of conduct (Corruption or bribery)	case		0	0
Number of cases in which employees violated the Group's code of conduct (Discrimination or harassment)	case		0	0
Number of cases in which employees violated the Group's code of conduct (Customer privacy data)	case		0	0
Number of cases in which employees violated the Group's code of conduct (Conflict of interest)	case		0	0
Number of cases in which employees violated the Group's code of conduct (Money laundering or insider trading)	case		0	0
Amount of taxes paid	RMB' 0,000 yuan		1,643,111	1,537,672
Amount of public charity investment (including material donations)	RMB' 0,000 yuan		6,807	7,399
Donations to targeted support areas (Rural revitalization category)	RMB' 0,000 yuan		6,108	6,160
Donations for education (School support)	RMB' 0,000 yuan		101	190
Donations to disaster areas	RMB' 0,000 yuan		47	47
Other	RMB' 0,000 yuan		551	1,002

# Independent Limited Assurance Report



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## Independent Limited Assurance Report

Ernst & Young Hua Ming (2026) No.70043890\_A01  
China National Building Material Company Limited

### Board of Directors of China National Building Material Company Limited:

#### Scope

We have been engaged by China National Building Material Company Limited to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on China National Building Material Company Limited's ("China Building") specified information below ("the Subject Matter") as of and for the year ended 31 December 2025 in the 2025 Environmental, Social and Governance Report ("ESG Report").

#### The Subject Matter

- Total coal consumption
- Total electricity consumption
- Total sulfur dioxide emissions
- Total nitrogen oxides emissions
- Industrial waste intake
- Total water withdrawal
- Total amount of public welfare input (including material donation)
- Employee coverage of anti-corruption (anti-commercial bribery) training held and organized
- Cumulative number of factories certified with occupational health and safety management system
- Waste heat generation
- Total mercury emissions
- Total particulate matter emissions
- Greenhouse Gas Scope 1 emissions
- Greenhouse Gas Scope 2 emissions
- The number of suppliers that have established long-term cooperation
- Total water withdrawals in high-stress areas
- Work-related fatalities
- Lost Time Injury Frequency Rate (LTIFR) for millions of hours of employees
- Photovoltaic power generation consumption
- Total amount of water discharged

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the ESG Report, and accordingly, we do not express a conclusion on this information.

#### Criteria applied by China Building

In preparing the Subject Matter, China Building applied the Environmental, Social and Governance Reporting Code issued by the Stock Exchange of Hong Kong Limited (HKEx) and the criteria as defined and disclosed in the ESG Report ("Criteria").

#### Management's responsibilities

China Building's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with the criteria above, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, so that such it is free from material misstatement due to fraud or error.

#### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)") and the *International Standard on Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"), and the terms of reference for this engagement as agreed with China Building on 14 February 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



## Independent Limited Assurance Report (Continued)

Ernst & Young Hua Ming (2026) No.70043890\_A01  
China National Building Material Company Limited

#### Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. The Green House Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

#### Our procedures included:

- 1) Conducted interviews with personnel to understand the business and reporting process
- 2) Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- 3) Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- 4) Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified
- 5) Tested, on a sample basis, underlying source information to check the accuracy of the data; and
- 6) Other procedures deemed necessary

#### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Subject Matter as of and for the year ended 31 December 2025, in order for it to be in accordance with (or based on) the Criteria.



# Index

## Index table of the Hong Kong Stock Exchange's *ESG Reporting Code*

### Part B: Mandatory Disclosure Requirements

Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: materiality, quantitative, consistency.	About the Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report

### Part C: "Comply or explain" Provisions

#### A. Environmental

A1: Emissions		
	General Disclosure – Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Integrating into circular economy, insisting on green manufacturing
A1.1	The types of emissions and respective emissions data.	ESG Performance Table-Environmental data
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Performance Table-Environmental data
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Performance Table-Environmental data
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Insisting on green manufacturing

### Part C: "Comply or explain" Provisions

A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Integrating into circular economy
A2 Use of Resources		
	General Disclosure: Policies on efficient use of resources, including energy, water and other raw materials. Note: Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.	Tackling climate change, creating green products, integrating into circular economy, and insisting on green manufacturing
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG Performance Table-Environmental data
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Performance Table-Environmental data
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Tackling climate change
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Integrating into circular economy
A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	ESG Performance Table-Environmental data
A3 The Environment and Natural Resources		
	General Disclosure : Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Insisting on green manufacturing, protecting ecological conservation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting ecological conservation

**Part C: "Comply or explain" Provisions**

<b>B. Social</b>		
<b>B1 Employment</b>		
	General Disclosure - Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Caring for employee development and building an employer brand
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Performance Table-Social data
B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Performance Table-Social data
<b>B2 Health and Safety</b>		
	General Disclosure – Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Caring for employee development and building an employer brand
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Caring for employee development and building an employer brand ESG Performance Table-Social data
B2.2	Lost days due to work injury.	Caring for employee development and building an employer brand ESG Performance Table-Social data
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Caring for employee development and building an employer brand
<b>B3 Development and Training</b>		
	General Disclosure : Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Caring for employee development and building an employer brand
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Performance Table-Social data
B3.2	The average training hours completed per employee by gender and employee category.	ESG Performance Table-Social data

**Part C: "Comply or explain" Provisions**

<b>B4 Labor Standards</b>		
	General Disclosure: relating to preventing child and forced labor (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Caring for employee development and building an employer brand
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Caring for employee development and building an employer brand
B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for employee development and building an employer brand
<b>B5 Supply Chain Management</b>		
	General Disclosure: Policies on managing environmental and social risks of the supply chain	Guaranteeing quality excellence and casting a quality brand
B5.1	Number of suppliers by geographical region.	ESG Performance Table-Social data
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Guaranteeing quality excellence and casting a quality brand
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Guaranteeing quality excellence and casting a quality brand
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Guaranteeing quality excellence and casting a quality brand
<b>B6 Product Responsibility</b>		
	General Disclosure – Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Guaranteeing quality excellence and casting a quality brand Upholding responsible marketing and establishing a market brand
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	ESG Performance Table-Social data
B6.2	Number of products and service related complaints received and how they are dealt with.	Guaranteeing quality excellence and casting a quality brand ESG Performance Table-Social data
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Upholding responsible marketing and establishing a market brand
B6.4	Description of quality assurance process and recall procedures.	Guaranteeing quality excellence and casting a quality brand
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Guaranteeing quality excellence and casting a quality brand

**Part C: "Comply or explain" Provisions**

<b>B. Social</b>		
<b>B7 Anti-corruption</b>		
	General Disclosure: relating to bribery, extortion, fraud and money laundering (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Integrity system and cultural building
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Integrity system and cultural building ESG Performance Table-Social data
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Integrity system and cultural building
B7.3	Description of anti-corruption training provided to directors and staff.	Integrity system and cultural building
<b>B8 Community Investment</b>		
	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration communities' interests.	Undertaking social responsibility and building a responsible brand
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Undertaking social responsibility and building a responsible brand
B8.2	Resources contributed (e.g. money or time) to the focus areas.	Undertaking social responsibility and building a responsible brand ESG Performance Table-Social data

**Part D: Climate-related Disclosures**

<b>Governance</b>		
	Disclose information about the governance body or individual responsible for overseeing climate-related risks and opportunities, including how their skills and competencies are determined, how and how frequently they are informed about risks and opportunities, how these factors are considered in decision-making, how they oversee the establishment and progress toward related targets, as well as the role of management in these processes and how they are integrated with internal functions	Tackling climate change- Governance
<b>Strategy -Business Model and Value Chain</b>		
	Describe the current and anticipated impacts of climate-related risks and opportunities on the business model and value chain, and identify the areas of concentration.	Tackling climate change- Strategy
<b>Strategy - Strategy and Decision-Making</b>		
	Disclose the strategies and plans for addressing climate-related risks and opportunities, including changes to the business model, adaptation or mitigation efforts, transition plans, approaches to achieving climate goals, as well as resource allocation plans and progress made on previously announced initiatives.	Tackling climate change- Strategy

**Part D: Climate-related Disclosures**

<b>Strategy -Financial Position, Financial Performance, and Cash Flows</b>		
	Disclose the current and expected financial effects of climate-related risks and opportunities on the issuer's financial position, financial performance, and cash flows during the reporting period.	Tackling climate change- Strategy (Based on the reasonable and supportable information that is available to the Group without undue cost or effort during the reporting period, the Group provides qualitative disclosures only in relation to the anticipated financial effects)
<b>Strategy -Climate Resilience</b>		
	Disclose the company's assessment of its climate-related risks and opportunities, as well as the conduct of climate-related scenario analysis.	Tackling climate change- Strategy
<b>Risk Management</b>		
	Disclose the processes and policies used to identify, assess, prioritize, and continuously monitor climate-related risks and opportunities, as well as how these risks and opportunities are integrated into the company's overall risk management framework.	Tackling climate change -Risk management
<b>Metrics and Targets - Greenhouse Gas Emissions</b>		
	Disclose the total absolute greenhouse gas emissions within Scope 1, Scope 2, and Scope 3 for the reporting period, explain the measurement approach, inputs, assumptions, and reasons for any changes, and specify Scope 2 emissions by location-based criteria and the categories included in Scope 3.	Tackling climate change -Metrics and Targets ESG Performance Table-Environmental data
<b>Climate - related Targets</b>		
	Disclose climate-related qualitative and quantitative targets, including the metrics set, purposes, scope of application, time periods, base years, interim targets, types of targets, and their alignment with international agreements; disclose the methodology for setting and reviewing targets, the key performance indicators used to monitor progress, and the analysis of target performance and trends; for greenhouse gas emission targets, specify the greenhouse gases covered, emission scopes included, and whether the target is expressed in terms of gross or net emissions.	Tackling climate change- Strategy Tackling climate change -Metrics and Targets (Based on the reasonable and supportable information that is available to the Group without undue cost or effort during the reporting period, the Group analyses and discloses only the proportion of assets or business activities exposed to physical climate-related risks) (The intensity targets set by the Group and the absolute targets set by Tianshan Material have not been subject to third-party verification and do not involve the use of carbon credits to offset their carbon emissions.)

SASB Standard (Construction Materials) index table

Topic	Accounting Metric	Unit	Corresponding Reporting Location
Greenhouse Gas Emissions	Direct Greenhouse Gas Emissions (Scope 1), and percentage of emissions covered by emissions regulation limits	metric tonnes (t)CO <sub>2</sub> -e	ESG Performance Table-Environmental data
	Discussion of long-term and short-term strategies or plans to manage direct greenhouse gas emissions, emissions reduction targets, and analysis of performance against those targets	-	Tackling climate change
Air Quality	Air emissions of NOx	tonnes	ESG Performance Table-Environmental data
	Air emissions of SOx	tonnes	ESG Performance Table-Environmental data
	Air emissions of particulate matter (PM10)	tonnes	ESG Performance Table-Environmental data
	Air emissions of dioxins/furans	tonnes	-
	Air emissions of volatile organic compounds (VOCs)	tonnes	ESG Performance Table-Environmental data
	Air emissions of polycyclic aromatic hydrocarbons (PAHs)	tonnes	-
Energy Management	Total energy consumed	MW·h	ESG Performance Table-Environmental data
	Percentage grid electricity	%	ESG Performance Table-Environmental data
	Percentage alternative	%	ESG Performance Table-Environmental data
	Percentage renewable	%	ESG Performance Table-Environmental data
Water Management	Total fresh water withdrawn	m <sup>3</sup>	ESG Performance Table-Environmental data
	Total fresh water withdrawn	%	ESG Performance Table-Environmental data
	Percentage in regions with High or Extremely High Baseline Water Stress	%	ESG Performance Table-Environmental data
Waste Management	Amount of waste generated	tonnes	ESG Performance Table-Environmental data
	Percentage hazardous	%	ESG Performance Table-Environmental data
	Percentage recycled	%	ESG Performance Table-Environmental data
Biodiversity Impacts	Description of environmental management policies and practices for active sites	-	Protecting ecological conservation
	Terrestrial acreage disturbed	m <sup>2</sup>	ESG Performance Table-Environmental data
	Percentage of impacted area restored	%	ESG Performance Table-Environmental data
Workforce Health & Safety	Total recordable incident rate (TRIR)	-	-
	Near-miss frequency rate (NMFR) for full-time employees	-	-
	Near-miss frequency rate (NMFR) for contract employee	-	-
	Number of reported cases of silicosis	case	ESG Performance Table-Social data

Topic	Accounting Metric	Unit	Corresponding Reporting Location
Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	%	-
	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	RMB' 0,000 yuan, %	Creating green products
Pricing Integrity & Transparency	Total amount of monetary losses related to price manipulation and anti-competitive activities	RMB' 0,000 yuan	-

Index to the Reference Indicator System for the ESG Special Report of Listed Companies Controlled by Central Enterprises

Topic	Description	Corresponding Reporting Location
E. Environmental		
E.1 Resource consumption		
E.1.1 Water resources	Including: Fresh water consumption; circulating water consumption; proportion of circulating water consumption; water consumption intensity	ESG Performance Table-Environmental data
	Including: Non-renewable material consumption; consumption of toxic and hazardous materials; material consumption intensity	ESG Performance Table-Environmental data
E.1.2 Materials	Including: Fossil energy consumption; non-fossil energy consumption; Proportion of non-fossil energy utilization; total energy consumption; energy consumption intensity	ESG Performance Table-Environmental data
	Including: Packaging material usage; reduction of packaging materials through packaging lightweight	Integrating into circular economy ESG Performance Table-Environmental data
E.2 Pollution control		
E.2.1 Waste water	Including: Discharge of waste water up to the standards; waste water management and emission reduction measures; waste water discharge; waste water pollutant discharge; discharge concentration of waste water pollutants	Integrating into circular economy Insisting on green manufacturing ESG Performance Table-Environmental data
	Including: Emissions of waste water up to the standards; emissions of waste gas pollutants; emission concentration of waste gas pollutants	Insisting on green manufacturing ESG Performance Table-Environmental data

Topic	Description	Corresponding Reporting Location
E. Environmental		
E.2 Pollution control		
E.2.3 Solid waste	Including: Compliant solid waste disposal; general industrial solid waste management; general industrial solid waste disposal; hazardous waste management; hazardous waste disposal	Integrating into circular economy ESG Performance Table- Environmental data
E.3 Climate change		
E.3.1 Greenhouse gas emissions	Including: Sources and types of greenhouse gases; greenhouse gas emission management; Scope 1 emissions; Scope 2 emissions; Scope 3 emissions; greenhouse gas emission intensity	Tackling climate change ESG Performance Table- Environmental data
E.3.2 Emission reduction management	Including: Greenhouse gas emission reduction management; greenhouse gas emission reduction	Tackling climate change ESG Performance Table- Environmental data
E.3.3 Environmental equity transactions	Including: Trading in the market for carbon emissions; trading in the market for energy, water pollution and emission permits; trading in the green power market	Tackling climate change
E.3.4 Climate risk management	Description of the Company's strategy and management system for climate risk management	Tackling climate change
E.4 Biodiversity		
E.4.1 Impacts of manufacturing, services and products on biodiversity	Description of the impacts of the Company's production activities, services and products on biodiversity	Protecting ecological conservation
E.5 Resource and environmental management system policies		
E.5.1 Formulation of low carbon development goals and strategic measures	Description of strategies, management systems and specific measures of the Company to achieve green, low-carbon and high-quality development, talent cultivation, as well as publicity and promotion	Creating green products Upholding responsible marketing and establishing a market brand
E.5.2 Resource management measures	Including: Water resource consumption management; material use management; energy use and energy saving management	Tackling climate change Integrating into circular economy
E.5.3 Energy saving and carbon reduction statistical monitoring and assessment reward and punishment system	Description of the Company's specific systems and measures in monitoring, measurement, statistics and reporting, as well as the assessment in terms of energy saving and carbon reduction, including the original records and statistical co-accounting systems, and the establishment of a system for reward, punishment and incentive	Tackling climate change

Topic	Description	Corresponding Reporting Location
E. Environmental		
E.5 Resource and environmental management system policies		
E.5.4 Green actions and measures	Including: Clean production; green technology innovation and recycling; green building transformation; green office and operation; green procurement and green supply chain management; environmental protection public welfare activities	Insisting on green manufacturing
E.5.5 Green and low carbon certifications	Including: Environmental management system certification; green and low-carbon enterprise certification; certification of green and low carbon products and services	Creating green products Insisting on green manufacturing
E.5.6 Environmental compliance	Including: Emergency plan for environmental emergencies; violations of laws and regulations in the field of environment	Insisting on green manufacturing
S Social		
S1 Employee rights and interests		
S1.1 Staff recruitment and employment	Including: Corporate recruitment policy and implementation; staff structure; avoidance of child or forced labor	Caring for employee development and building an employer brand
S1.2 Employee remuneration and benefits	Including: remuneration philosophy and policy; working hours, leaves and holidays; remuneration and welfare guarantee; democratic management of employees	Caring for employee development and building an employer brand
S1.3 Employee health and safety	Including: Employee occupational health and safety management; employee safety risk prevention and control; response to safety accidents and work-related injuries; staff care and help	Caring for employee development and building an employer brand
S1.4 Staff development and training	Including: Employee motivation and promotion policies; staff education and training; staff career planning and post change support	Caring for employee development and building an employer brand
S1.5 Employee satisfaction	Including: Employee satisfaction survey; labor disputes; employee turnover	Caring for employee development and building an employer brand ESG Performance Table-Social data
S2 Product and service management		
S2.1 Product safety and quality	Including: Production standard management policies and measures; quality management; product recall and withdrawal; negative product or service events	Guaranteeing quality excellence and casting a quality brand

Topic	Description	Corresponding Reporting Location
S Social		
S2 Product and service management		
S2.2 Customer service and rights	Including: Customer satisfaction; customer complaints and handling; customer information and privacy protection	Guaranteeing quality excellence and casting a quality brand, ESG Performance Table-Social data
S2.3 Innovative development	Including: Research and development and innovation management system; research and development investment; innovation accomplishments; intellectual property protection	Creating green products Upholding responsible marketing and establishing a market brand
S3 Supply chain security and management		
S3.1 Supplier management	Including: Supplier selection and management; number and distribution of suppliers	Guaranteeing quality excellence and casting a quality brand ESG Performance Table-Social data
S3.2 Supply chain management	Including: Supply chain management policies and measures; supply chain security assurance and emergency plan; significant risks and impacts (supply chain)	Guaranteeing quality excellence and casting a quality brand
S4 Social contribution		
S4.1 Tax payment	Description of the Company's policies and measures on tax payment and amounts	Undertaking social responsibility and building a responsible brand
S4.2 Prosperity with the community	Including: Policies and measures in building local community; contribution to and impact on local community	Undertaking social responsibility and building a responsible brand
S4.3 Social welfare activities	Including: Policies and measures for participating in social welfare activities; the input and effectiveness of participating in social welfare activities; barrier-free environment construction	Undertaking social responsibility and building a responsible brand
S4.4 National strategic response	Including: Industrial transformation; rural revitalization and regional coordinated development; the belt and road and overseas responsibilities; industry characteristics and other social responsibility performance	Undertaking social responsibility and building a responsible brand
G1 Governance policy and organizational structure		
G1.1 Governance policies and processes	Including: Governance strategy formulation; governance strategy monitoring process; governance strategy approval and review process; leadership of the Party building	Compliance, internal control and risk management

Topic	Description	Corresponding Reporting Location
G1 Governance policy and organizational structure		
G1.2 Organizational structure and functions	Including: Ownership duties; organizational structure and functions of the board of directors, the board of supervisors and management; appointment procedures and composition of the board of directors, the board of supervisors and management	Board Statement
G1.3 Remuneration management	Including: Remuneration plan for directors and supervisors; transparency of board remuneration; rationality of management remuneration	Caring for employee development and building an employer brand
G2 Standardized governance		
G2.1 Internal control	Including: Internal audit; Internal control structures, mechanisms and processes	Compliance, internal control and risk management
G2.2 Integrity building	Including: Integrity building system standard; effectiveness of integrity building measures;	Integrity system and cultural building
G2.3 Fair competition	Including: Fair competition system regulations; effectiveness of fair competition measures	—
G3 Investor relations management and shareholder equity		
G3.1 Investor relations management	Including: Investor relations management strategy; investor communication; construction of investor relations management department	Materiality assessment
G3.2 Shareholders' equity	Including: The shareholders' (major) meeting; shareholder communication; shareholders' rights to information, and participation in decision-making	Please refer to CNBM 2025 Annual Report
G3.3 Creditors' equity	Including: Credit information; bond market performance	Please refer to CNBM 2025 Annual Report
G4 Transparency of information disclosure		
G4.1 Information disclosure system	Including: Financial information disclosure; non-financial information disclosure	About the Report
G4.2 Quality of information disclosure	Regular monitoring, audit and evaluation of all disclosures	Independent Limited Assurance Report
G5 Compliant operations and risk management		
G5.1 Compliant operations	Including: Compliant operation system; compliance system construction; specific process of compliance review	Compliance, internal control and risk management
G5.2 Risk management	Including: Risk identification and early warning; risk control and tracking; risk reporting and management	Compliance, internal control and risk management

## Index to the Ten Principles of the UN Global Compact

Scope	The Ten Principles of the UN Global Compact	Corresponding Reporting Location
Human Rights	Support and respect the protection of internationally proclaimed human rights	Caring for employee development and building an employer brand
	Make sure that they are not complicit in human rights abuses	Caring for employee development and building an employer brand
Labour Rights and Interests	Uphold the freedom of association and the effective recognition of the right to collective bargaining	Caring for employee development and building an employer brand
	The elimination of all forms of forced and compulsory labour	Caring for employee development and building an employer brand
	The effective abolition of child labour	Caring for employee development and building an employer brand
	The elimination of discrimination in respect of employment and occupation	Caring for employee development and building an employer brand
Environmental Protection	Support a precautionary approach to environmental challenges	Tackling climate change
	Undertake initiatives to promote greater environmental responsibility	Creating green products Insisting on green manufacturing Protecting ecological conservation
	Encourage the development and diffusion of environmentally friendly technologies	Creating green products
Implementation of the Anti-Corruption Principle	Work against corruption in all its forms, including extortion and bribery	Integrity system and cultural building

## Definitions

In the Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“CNBM”, “Company”	China National Building Material Company Limited
“Group”	The Company and, except where the context otherwise requires, all its subsidiaries
“Parent”, “CNBMG”	China National Building Material Group Co., Ltd.
“BNBMG”	Beijing New Building Material (Group) Co., Ltd
“Building Materials Academy”	China Building Materials Academy Co., Ltd.
“CNBM Trading”	China National Building Material Import and Export Co., Ltd.
“Cinda”	China Cinda Asset Management Co., Ltd.
“ESG”	Environmental, Social and Governance
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time.
“Tianshan Material”	Tianshan Material Co., Ltd.
“CUCC Qingzhou”	China United Cement Qingzhou Co., Ltd.

“Sanshi Material”	Zhejiang Sanshi South New Material Co., Ltd
“Huaikan South”	Huzhou Huaikan South Cement Company Limited
“South Cement”	South Cement Company Limited
“North Cement”	North Cement Company Limited
“CNBM New Materials”	CNBM New Materials Co., LTD.
“Ningxia Building Materials”	Ningxia Building Materials Group Co., Ltd.
“BNBM”	Beijing New Building Material Public Limited Company
“Taishan Gypsum”	Taishan Gypsum Co., Ltd.
“Dream Brand”	Dream Brand New Materials Co., Ltd
“Carpoly”	Carpoly Chemical Group Co., Ltd.
“BNBM Central Asia”	BNBM Building Materials Central Asia LLC
“BNBM Waterproof”	BNBM Waterproof Co., Ltd.
“BNBM Coating”	BNBM Coating Co., Ltd.
“China Jushi”	China Jushi Co., Ltd.
“Jushi Egypt”	Jushi Egypt for Fiberglass Industry S.A.E
“Sinoma Science & Technology”	Sinoma Science & Technology Co., Ltd.
“CTG”	Taishan Fiberglass Inc
“Taishan Glass Fibre (Taiyuan)”	Taishan Fiberglass (Taiyuan) Inc
“Sinoma Blade”	Sinoma Wind Power Blade Co., Ltd.
“Sinoma Lithium Separator”	Sinoma Lithium Battery Separator Co., Ltd.
“China Composites”	China Composites Group Corporation Limited
“Sinoma Graphite”	Sinoma Graphite New Materials Co., Ltd.
“Sinoma International”	Sinoma International Engineering Co., Ltd.
“Sinoma International (Nanjing)”	Sinoma International Engineering Co., Ltd. (Nanjing)
“CNBM Smart”	CNBM Smart Industry Technology CO., LTD.
“Equipment Group”	China Sinoma Equipment Group Company
“Sinoma Intelligent Technology”	Sinoma International Intelligent Technology Co., Ltd.
“Sinoma Mining”	Sinoma Mine Construction Co., Ltd.
“Sinoma Suzhou”	Sinoma (Suzhou) Construction Co., Ltd.
“CNBM Investment”	CNBM Investment Company Limited
“CBMI Construction”	CBMI Construction Co., Ltd.

# Feedback

Thank you for reading the 2025 ESG Report of CNBM. To better meet your needs and provide you with more valuable information, we expect you to fill the feedback form with valuable opinions and suggestions and send it to [esg@cnbm.com.cn](mailto:esg@cnbm.com.cn).

1. Which of the following stakeholders do you belong to:

- |                                                                 |                                                 |                                            |
|-----------------------------------------------------------------|-------------------------------------------------|--------------------------------------------|
| <input type="checkbox"/> Government and regulatory institutions | <input type="checkbox"/> Shareholders/Investors | <input type="checkbox"/> Employees         |
| <input type="checkbox"/> Clients                                | <input type="checkbox"/> Suppliers/Contractors  | <input type="checkbox"/> Business Partners |
| <input type="checkbox"/> Members of communities/organizations   | <input type="checkbox"/> Media                  | <input type="checkbox"/> Others            |

2. Your comments on the Report:

- Poor       Average       Good       Very Good

3. Your comments on CNBM's fulfillment of social responsibility for stakeholders:

- Poor       Average       Good       Very Good

4. Do you think the Report reflects the influence of CNBM's fulfillment of social responsibilities on environment and society:

- No       Average       Yes

5. Do you think the information disclosed in the Report is complete:

- No       Average       Yes

6. Do you think the content and format of the Report is clear and understandable:

- No       Average       Yes

7. Other opinions and suggestions on improving and enhancing CNBM's fulfilment of social responsibilities and the Report:

Thanks for your concern of and support to CNBM!



CNBM WeChat Official Account

China National Building Material Company Limited

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