

2024

**China National Building Material
Company Limited**

Environmental, Social and Governance (ESG) Report

Stock code: 03323



Materials Create a
Beautiful World

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About the Report

The Report is the 9th *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 2024. 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 Company also discloses key performance indicators as far as possible with supplemental explanations in the Report to set benchmarks for evaluation and facilitating comparisons.

The Report should be read in conjunction with the Company's *2024 Annual Report*. All the governance documents of the Company disclosed on the website of the Stock Exchange (www.hkexnews.hk) are also available on its official website (www.cnbmltd.com) under the "Governance Documents" of "Investor Relations" section for a comprehensive understanding of the Company's relevant information.

Reporting Period

Unless otherwise specified, the Report covers the period from 1 January 2024 to 31 December 2024. 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 Sustainable Development Goals 2030 (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 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 Sustainability Accounting Standards Board ("SASB") standards (Engineering & Construction Services sector)

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 2024*. 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 *2023 Environmental, Social and Governance Report* of the Group.

Assurance of the Report

The 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 2025. 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) 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.cn>).

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 2024 ESG Reports published by the listed companies of the Group (Tianshan Material, Ningxia Building Materials, BNB, China Jushi, Sinoma Science & Technology, Sinoma International) can be obtained on the Group's official website (www.cnbm.com.cn).

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.cn/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.



Chairman's Statement

Time flies, and change is unceasing. In 2024, we have remained steadfast in our commitment to high-quality growth. Rising to challenges with determination, we continue to uphold our mission—“Materials Create a Beautiful World”—by embedding ESG principles into the core of our corporate strategy. Through persistent efforts in green transformation, technological innovation, and corporate responsibility. As we present this report, I would like to extend my sincere gratitude, on behalf of the Board of Directors, to all stakeholders who have consistently supported and contributed to the company's growth.

Driving Development Through Responsibility and Innovation. In 2024, we remained committed to the priorities of the nation, aligning our development closely with the country's strategic direction. **This year**, we leveraging reform and innovation as the fundamental drivers of progress. High-quality development has been our top priority, as we transition from scale- and speed-driven growth to a model emphasizing quality and efficiency. **This year**, we have remained focused on our core business, optimizing our industrial layout while ensuring stable and enhanced growth. We have strengthened both our foundational building materials sector and emerging strategic industries, with flagship projects included in the national “Top 100 Major Projects” initiative. Our industrial presence has expanded in areas such as graphite anodes and industrial coatings. **This year**, we have advanced the deepening and upgrading of state-owned enterprise (SOE) reforms, enhanced long-term incentive mechanisms, enhanced the vitality of enterprise development.

Advancing Sustainability Through Green and Low-Carbon Development. In 2024, we remained steadfast in our commitment to green and low-carbon development, focusing on precise control across the entire production process and efficient resource utilization, making sustainability the foundation of our industry's progress. **This year**, we strengthened carbon reduction at the source, achieving a 2.52% year-on-year decrease in the comprehensive energy consumption per tonne of cement clinker and utilizing 968,100 tonnes of standard coal equivalent in alternative fuels. **This year**, we enhanced carbon reduction during production, launching the world's first zero-carbon fiberglass manufacturing facility, increasing our installed renewable energy capacity by 212%, year-on-year. **This year**, we reinforced end-of-process carbon capture, contributing to diversified green energy development. The world's largest carbon capture project in the cement industry was commissioned, alongside advancements in intelligent and refined energy management, comprehensive resource recycling, and multi-dimensional pollutant reduction. Through aggressive co-processing initiatives and the development of a circular economy, we have established 257 green factories.

Strengthening Social Responsibility and Public Welfare Engagement. In 2024, we have remained deeply committed to social responsibility, fostering a harmonious relationship between corporate operations and societal well-being. **This year**, we ensuring a reliable supply of high-quality building materials to support the smooth execution of major national projects. **This year**, we have prioritized employee rights and development, enhancing training programs, strengthening incentives for technological innovation, and fostering a shared growth model for employees. **This year**, we have actively participated in disaster relief and emergency response efforts, reinforcing our role as a driving force in sustainable social development.

Strengthening Governance as the Foundation, Advancing Strategy for Long-Term Growth. In 2024, we continued to enhance our governance capabilities. **This year**, we reinforced internal supervision and auditing, effectively mitigating various risks while strengthening anti-corruption efforts, firmly advancing the fight against corruption to safeguard the company's high-quality and sustainable development. **This year**, we placed great emphasis on sustainability, integrating ESG principles into our corporate mission and overall business management. The ESG Committee approved the Sustainability Strategy, outlining multiple strategic initiatives. With a “1+N” framework at its core, we systematically implemented top-down sustainability efforts across the company.

Challenges test our resilience, and perseverance defines our success. Standing at a new starting point, we will continue to move forward with confidence and determination. Guided by our mission—“Materials Create a Beautiful World”—we will uphold our firm convictions, implement robust measures, and adopt a pragmatic approach to advancing the company's high-quality, sustainable growth.



Zhou Yuxian

Chairman of the Board
Beijing, China

2025.3.27



Highlights of CNBM

ESG Awards

7 awards including Best Environmental,
Social, and Governance Solution and
Best Board of Directors
by *Institutional Investor*

Best Progress Enterprise in the Industry
by S&P Global

Ranked 37th in the list of
Central Enterprises ESG · Vanguard
100 Index

Ranked 40th in
China ESG Listed Companies Pioneer
Top 100

2024 Best 100 ESG Practices for Chinese
Listed Companies
by Wind

ESG performance

Total greenhouse gas
emissions
167.13 million tonnes

year-on-year
decline

15%

Nitrogen oxide
emissions
49,681 tonnes

year-on-year
decline

21%

Sulphur dioxide
emissions
4,815 tonnes

year-on-year
decline

18%

Industrial particulate
emissions
4,590 tonnes

year-on-year
decline

31%



Energy consumption intensity 901 MW·h/
million yuan of operating revenue

decreased by **9%** year-on-year



Comprehensive energy consumption per
tonne of cement clinker

decreased by **2.5%** year-on-year

Photovoltaic power generation
111,636 MW·h

91,653 tonnes of carbon dioxide
emission reduction

Waste heat generation capacity
5.43 million MW·h

4.46 million tonnes of carbon dioxide
emission reduction

Alternative fuel use equivalent to
968,100 tonnes of standard coal

2.38 million tonnes of carbon dioxide
emission reduction

Revenue from green products

44.8 billion yuan

Revenue from products promoting green social development

44.6 billion yuan

Safety, environmental, health inspections **78,532** times

Hidden danger rectification rate **99.89** %

Safety and health-related investment **1.75** billion yuan

Occupational health and safety training **1.8** million people

The employee satisfaction rate for all categories **> 97.5%**

The customer satisfaction rate across all levels **> 96.0%**

Total public welfare investment

73.99 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 2024 ESG work, which has been reviewed and approved by the Board on March 27, 2025.

Note:

1. The environmental and social data disclosed in this Report is the sum of the data of subsidiary companies, regardless of shareholding proportion.
2. On February 17, 2025, the Company completed its plan to increase its holdings in China Jushi, raising its shareholding to 29.22%.

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 approximately 139,519 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

The business segments and the major operating entities of each business segment for the Group as of 31 December 2024 are as follows:

Business segments	Major operating entities	Direct and indirect equity interests attributable to the Company	Main products and services
Basic building materials	Tianshan Material	81.14%	Cement, Commercial concrete, Aggregate
	North Cement (Entrusted in Tianshan Material)	70%	Cement, Commercial concrete, Aggregate
	Ningxia Building Materials	49.03%	Cement, Commercial concrete, Aggregate, Digital logistics
New materials	BNBM	37.83%	Gypsum board, Stud, Waterproof system, Coating
	China Jushi	26.99%	Glass fiber
	Sinoma Science & Technology	60.24%	Glass fiber, Wind power blade, Lithium battery separator, Hydrogen energy storage and transportation equipment
	China Composites	100%	Wind power blade (equity participation), Carbon fiber (equity participation)
	Sinoma Graphite	100%	Graphite fine powder, Spherical graphite, Graphite anode material
Engineering technology service	Sinoma International	40.97%	Cement and mining technical equipment and engineering services, Operation & maintenance services
Logistics trade and others	CNBM Investment	100%	Overseas warehouse (including overseas chain stores), Centralized procurement supply chain

Awards and Recognition

The Group always adheres to implementing the strategy of sustainable development and has been recognized by Chinese government and various foreign governments and institutions in many areas. In 2024, the Group received a number of ESG honorable awards, including but not limited to the following:



 **7 awards including Best Environmental, Social, and Governance Solution and Best Board of Directors**
by Institutional Investor 

 **Ranked 40th**
in the China ESG Listed Companies Pioneer Top 100 

 **Best Progress Enterprise in the Industry**
by S&P Global 

 **2024 Best 100 ESG Practices**
for Chinese Listed Companies by Wind 

 **2024 Excellent ESG Cases of Chinese Enterprises**
by China Enterprise Reform and Development Society 

 **Typical ESG Practices in the Building Materials Industry**
by China Building Materials Federation 

 **Ranked 37th**
in the list of Central Enterprises ESG · Vanguard 100 Index 

 **2023 China's Top Runner for Industrial Carbon Peaking**
by China Federation of Industrial Economics 

 **2024 China's 500 Most Valuable Brands**
by World Brand Lab 



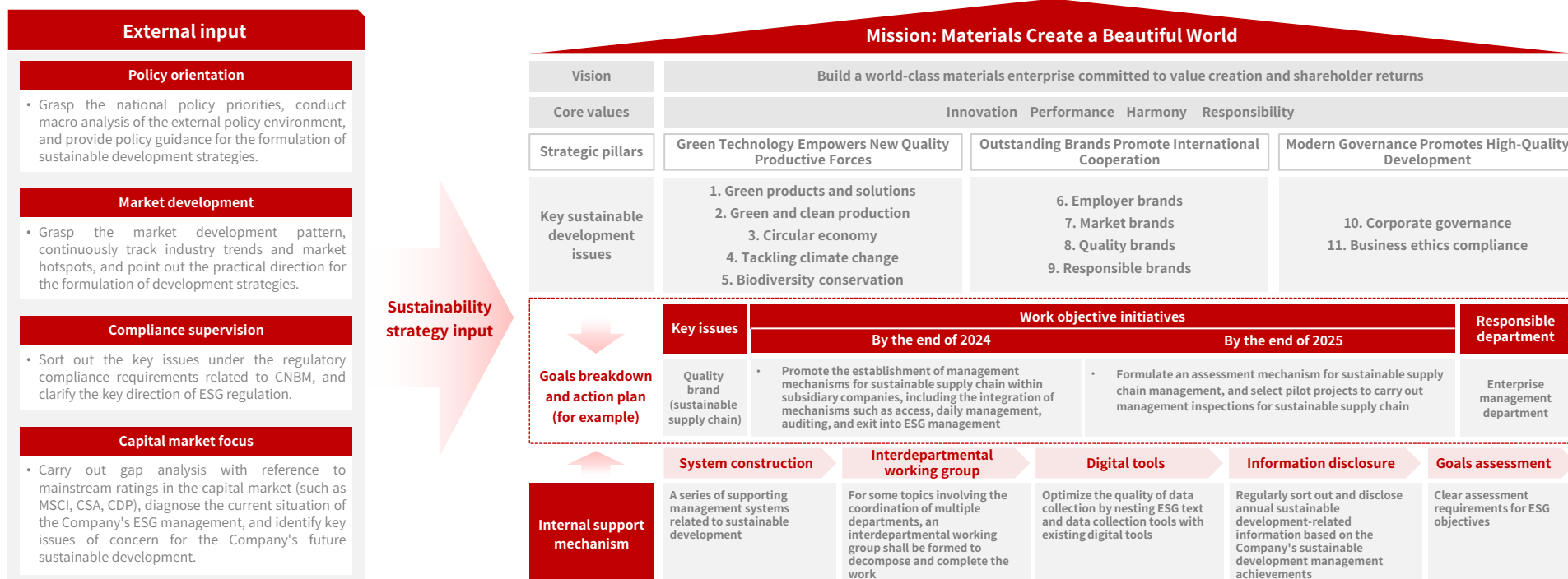
Establishing the Foundation of Sustainable Development

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.

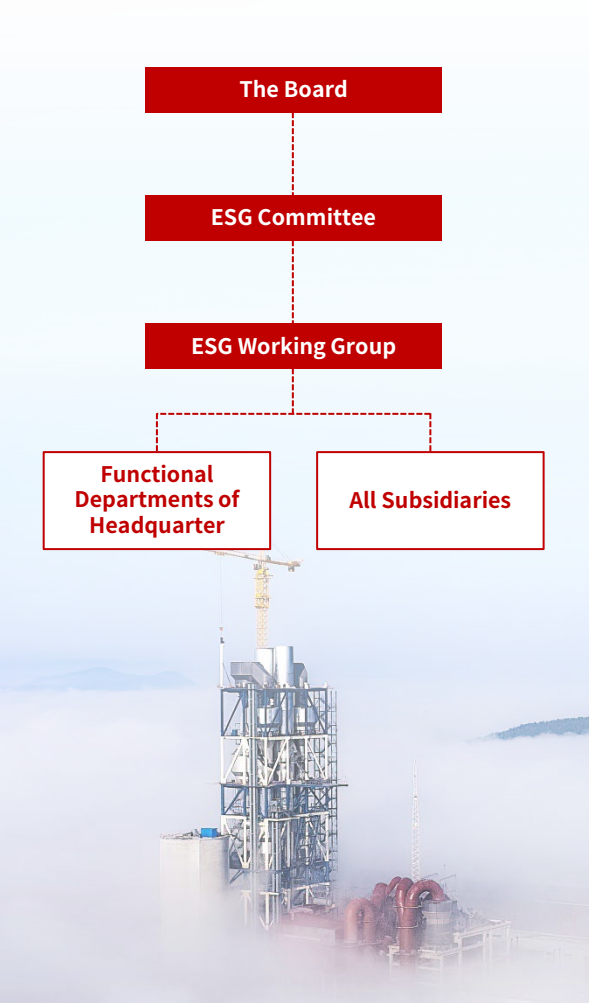
Sustainability strategy

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” .



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

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

The ESG Committee is a professional ESG management committee, which supervises ESG matters and regularly reports to the Board on major topics related to ESG work. 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.


ESG working group is a working group under the ESG Committee, which is authorized by the Board to assist the ESG Committee in guiding and supervising the Group to implement the management of ESG issues. Members of the working group consist of directors of the Board or senior management, functional departments related to ESG, and specialized personnel in charge of ESG works. Its main responsibilities include:

- Organizing and implementing ESG works, setting up related policies and procedures and report to the ESG Committee for approval;
- Coordinating 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.

Functional departments related to ESG and subsidiaries have the responsibilities including:

- 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 salary system to link sustainable development indicators with management performance. The Group has developed business performance assessment indicators for the management of CNBM and its subsidiary companies, and culminating in the signing of the *2024 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 subsidiary companies 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. Notably, the proportion of energy conservation and ecological environment protection within the management performance assessment for all management has been increased from 10% in 2023 to 15% in 2024. 

Management incentive clawback mechanism

The Group has established a remuneration clawback mechanism. In cases where management members violate relevant national laws and regulations, or cause asset losses to the Company due to negligence or improper execution of their duties, the Group reserves the right to deduct their current performance-based annual salary accordingly. Additionally, the Group may recover part or all of any previously paid performance-based annual salary and long-term incentive benefits.

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

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 regularly conduct 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.

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

Key stakeholders	Main engagement channels	Frequency
Board members, executives, and employees 	Employee meeting/forum	Annually/Regularly /From time to time
	Employee performance appraisal interview	
	Employee satisfaction survey	
	On-site investigation and research	
	Employee activities	
	Materiality assessment surveys of ESG issues	
Governments/regulatory authorities 	Telephone/email	Regularly/From time to time
	Meeting and interview	
	Materiality assessment surveys of ESG issues	
Clients 	Telephone/email	Regularly/From time to time
	Meeting and interview	
	Materiality assessment surveys of ESG issues	
Suppliers/contractors 	Issuance of invitation for bids on procurement of products/services	Regularly/From time to time
	Inspection and supervision of work	
	Supplier/contractors conference	
	Telephone/email	
	Meeting and interview	
	Materiality assessment surveys of ESG issues	

Key stakeholders	Main engagement channels	Frequency
Shareholders/investors 	General meeting	Annually/Regularly /From time to time
	Investor conference	
	Press release/announcement	
	Annual/interim result presentation	
	Analyst seminar	
	Roadshow	
	Corporate Day	
	Materiality assessment surveys of ESG issues	
Members of communities /organizations 	Telephone/email	Regularly/From time to time
	Meeting and interview	
	Materiality assessment surveys of ESG issues	
Media 	Press release/announcement	Regularly/From time to time
	Media interview	
	Materiality assessment surveys of ESG issues	
Business partners 	Inspection and supervision of work	Regularly/From time to time
	Telephone/email	
	Meeting and interview	
	Materiality assessment surveys of ESG issues	

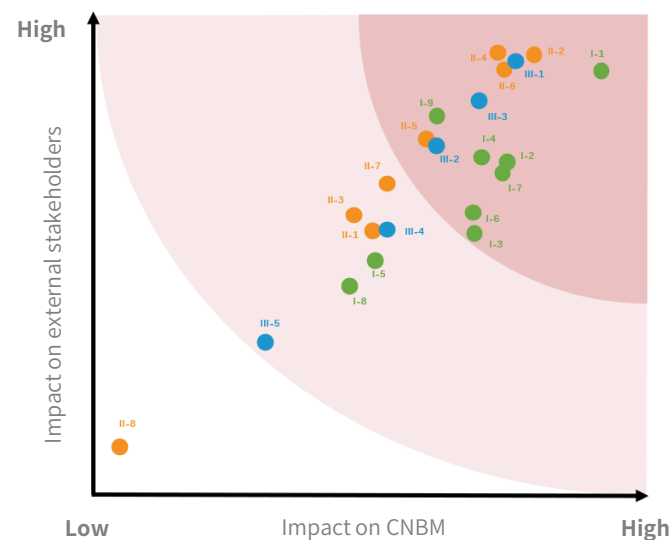
The Group obtains opinions and suggestions from various stakeholders through the above channels, transforms them into practical experience applicable to operation management and business development through analysis and judgment, and summarizes and publicizes them at various meetings, so as to maximize 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, during the preparation of the Report, the Group, by referring to the standards and guidelines, including the ESG Reporting Code issued by the Stock Exchange, the Reference Indicator System for the ESG Special Report of Listed Companies Controlled by Central Enterprises issued by SASAC, SASB standards (Engineering & Construction Services sector) and recommended disclosure framework by TCFD, through questionnaires, reviews and summaries, and meetings, 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

2024 Materiality Matrix of the Group



Environmental	Social	Governance
I -1 Emission management	II -1 Human resource management	III-1 Anti-corruption
I -2 Upgrading solid waste utilization	II -2 Occupational health and safety of employees	III-2 Anti-unfair competition
I -3 Greenhouse gas emission and management	II -3 Employee career development and training	III-3 Compliance
I -4 Energy use and efficiency	II -4 Child labor and forced labor	III-4 Corporate information disclosure
I -5 Promoting raw material substitution	II -5 Supply chain environment and social risks	III-5 ESG special training
I -6 Use and efficiency of water resources	II -6 Product and service quality	
I -7 Ecological environment protection and biodiversity conservation	II -7 Scientific research investment and innovation	
I -8 Tackling climate change	II -8 Community investment and participation	
I -9 Green products		

The Group has analyzed and identified 14 material issues that were of greatest concern to key stakeholders. 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.

Green Technology Empowers New Quality Productive Forces



Tackling climate change

Green transformation represents the fundamental solution to the challenge of climate change. The Group supports international and domestic efforts and initiatives aimed at mitigating climate change, including the Paris Agreement and the "dual carbon" targets. We align our efforts with industry associations like the World Cement Association (WCA), the Global Cement and Concrete Association (GCCA), and China Building Materials Federation in addressing the climate change. The Group prioritizes deepening supply-side structural reform as its central strategy, considers total volume control as the foundational element, view the enhancement of comprehensive resource utilization as a critical objective, and leverage low-carbon technology innovation as the driving force. The Group adheres to a systematic approach focusing on four key areas: reducing carbon emission reduction at source, minimizing carbon emissions during process, enhancing carbon sequestration at the end of the lifecycle and implementing comprehensive carbon management throughout all stages. This strategy contributes significantly to global climate governance efforts.



Our challenges

With the release of the "14th Five-Year Plan" of the PRC, the goal of carbon peaking by 2030 and carbon neutrality by 2060, the *Implementation Plan for Carbon Peaking in the Building Materials Industry and other documents*, CNBM, as a leading enterprise in the high-energy consumption and high-emission industry, is urgently facing challenges such as technological innovation, industrial upgrading and green transformation to cope with the global impact of climate change.



Our responses

- Establishing a climate change management system, setting up the Board ESG Committee to take charge of climate change issues, and systematically identifying climate change risks and opportunities
- Implement the ten key tasks of the *Carbon Peak and Carbon Neutrality Action Plan*
- Formulating a performance appraisal mechanism for carbon emissions to assess the carbon emissions of the companies in the corresponding sector
- Focusing on value chain decarbonization and conduct the first Scope 3 greenhouse gas inventory and disclosure across six categories



Our goals

- Taking 2022 as the benchmark, the comprehensive energy consumption of cement clinker per tonne in 2025 is expected to decrease by **5%**
- In 2025, the proportion of clinker production capacity above the benchmark level of energy efficiency in cement industry is expected to reach **40%**
- The carbon dioxide emission intensity continues to decrease. Wherein, Tianshan Material is expected to achieve a **6.24%** reduction in average carbon dioxide emissions per tonne of clinker by 2025 compared to 2021; the average carbon dioxide emissions per tonne of cement is expected to decrease by **11.10%** compared to 2021



Our achievements

- The comprehensive energy consumption per tonne of cement clinker decreased by **2.52%** year-on-year, and by **6.33%** compared to 2022
- The proportion of clinker production capacity above the benchmark level of energy efficiency in cement industry reached **34.50%**
- The greenhouse gas (Scope 1 and Scope 2) emission intensity was **825** tonnes per million yuan of operating revenue, a year-on-year decrease of **4%**
- 53.26** million tonnes of Greenhouse gas emissions (Scope 3, including 6 categories)
- Comprehensive energy consumption intensity of **901** MW · h/million yuan of operating revenue, a year-on-year decrease of **9%**
- Total new energy installed capacity of **633** MW, self-powered wind, photovoltaic and waste heat power generation of **82,199**, **111,636** and **5,430,229** MW · h, reducing CO₂ of **67,486**, **91,653** and **4,458,218** tonnes
- The use of alternative fuel equivalent to **968,100** tonnes of standard coal, reducing CO₂ of **2.38** million tonnes



Governance

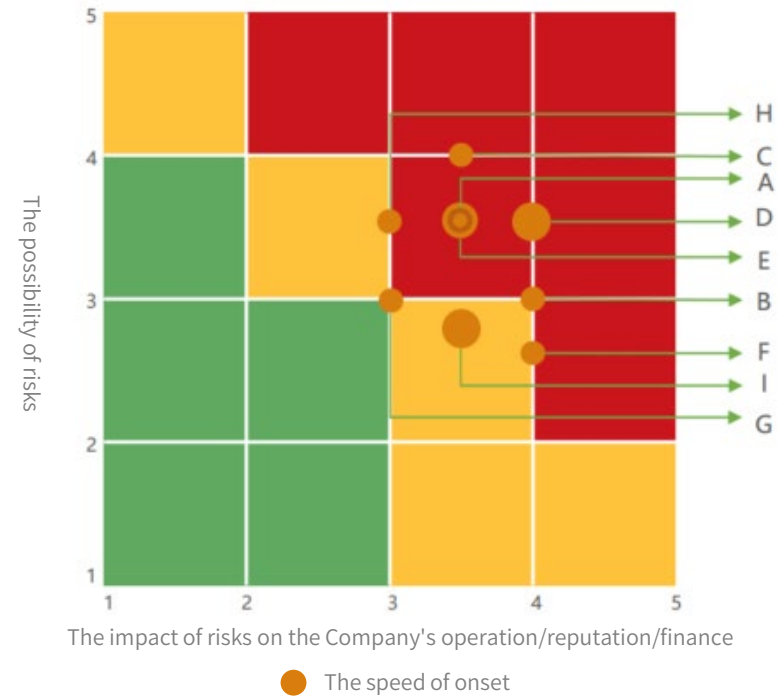
The ESG Working Group is responsible for the Group's climate change-related issues, which are also guided, reviewed, and monitored by the ESG Committee. For details of the management structure, please refer to the "Sustainability governance" section. The ESG Committee is debriefed on climate-related issues by the ESG working group and participates and reviews in the identification and assessment of climate change related risks and opportunities based on actual business requirements. The ESG Committee also discusses and reviews the progress of targets related to climate change issues on an annual basis.

Strategy

The Group's exposure to climate change involves a wide range of areas, including the update of policies and regulations, the application of emerging technologies and the changes in market demand. The Group prioritizes climate risks according to their impact, likelihood of occurrence and speed of onset, and develops effective and efficient management measures.



Matrix of Risk Related to Climate Change












A: Stricter policies and supervision on existing products and services
B: Pricing of greenhouse gas emissions
C: More stringent emission and disclosure requirements
D: Rising prices of raw materials and energy
E: Market requirements for low-carbon environmental protection attributes of products are becoming increasingly stringent

F: Reputational damage due to business practices
G: Extreme weather such as floods and typhoons
H: Increasingly hot and cold weather
I: Increasing concern from stakeholders about corporate's negative news


In the above climate-related risk matrix, blocks with different colors represent climate-related risks in different levels, and the different sizes of the dots represent the velocity of happening of these risks, where the larger size indicates that the corresponding risk will happen in a shorter term of time.

The Group has adopted targeted plans and measures to deal with the short-term, medium-term and long-term impacts of climate change to avoid and adapt to adverse impacts brought by climate change and seize opportunities of climate change.

Climate change physical risk				
Category of risks	Climate change-related risks	Potential impacts of the risks on the Group	Time frame of impact	Response measures taken by the Group
Acute	Extreme weather such as floods and typhoons	<ul style="list-style-type: none"> Due to the increase in operating costs caused by the suspension of downstream construction operations due to extreme weather, the Group needs to plan in advance to deal with extreme weather For the engineering and technical service sector, the project completion period may be delayed, affecting the production and operation arrangements of customers and owners 	Long-term	Comprehensively and systematically analyzing typical cases of dealing with extreme weather in recent years, scientifically summarizing experience and formulate physical climate risk response or adaptation plans (e.g. extreme weather contingency plans) for various types of factories. As of the end of 2024, 57% of the Group's subsidiaries at all levels has formulated physical climate risk response plans
Chronic	Increasingly hot and cold weather	<ul style="list-style-type: none"> There are potential safety hazards in the working environment of employees, so the Group needs to increase the investment in the health and safety of employees Due to the decline in the stability of energy supply, the Group needs to adjust and optimize its energy structure 	Long-term	Continuously monitoring relevant climate change-related risks to reduce safety hazards in the work environment
Climate change transition risk				
Category of risks	Climate change-related risks	Potential impacts of the risks on the Group	Time frame of impact	Response measures taken by the Group
Policies and laws	Stricter policies and supervision on existing products and services	<ul style="list-style-type: none"> Requiring investment in low-carbon technological innovation and purchasing renewable energy certificates A more energy saving, environmentally-friendly and low carbon business operation is needed 	Long-term	<div>Optimization of industrial structure and layout</div> <div>Green and Low-Carbon technology innovation</div> <div>Green energy and Low-carbon transformation</div>
	Pricing of greenhouse gas emissions	<ul style="list-style-type: none"> Higher operating costs due to increased carbon related taxes required by governments resulting from climate change Improving the management of carbon asset in order to cope with the cost pressure brought by the national carbon market 	Medium-term	<div>Green and Low-Carbon capacity building</div> <div>Consolidation and improvement of carbon sink capacity</div>
Technology	More stringent emission and disclosure requirements	<ul style="list-style-type: none"> Increasing investment in low-carbon energy-saving and environmental protection technologies Increasing investment in clean energy and circular economy 	Short-term	<div>Optimization of industrial structure and layout</div> <div>Resource-saving and efficient use</div> <div>Green, Low-Carbon and circular development</div> <div>Green energy and Low-Carbon transformation</div> <div>Green and Low-Carbon technology innovation</div>

Climate change transition risk				
Category of risks	Climate change-related risks	Potential impacts of the risks on the Group	Time frame of impact	Response measures taken by the Group
Market	Rising prices of raw materials and energy	<ul style="list-style-type: none"> Developing alternative material technologies to reduce the exploitation and use of natural raw materials Adjusting, optimizing its energy structure and improving its ability to cope with energy risks 	Medium-term	  
	Market requirements for low-carbon and environmentally-friendly attributes of products are becoming increasingly stringent	<ul style="list-style-type: none"> Downstream customers' requirements for green products have increased, and existing products are facing the risk of substitution, so the Group needs to improve the research and development system of green products and increase the low-carbon environmental protection attributes of products Increasing the proportion of green procurement and managing supply chain environmental risks 	Long-term	  
Reputational risk	Reputation damage due to business practices	<ul style="list-style-type: none"> Potential increased reputational risks if a corporate is classified as a heavy polluter or violations of environmental laws and regulations were found, which requires the Company to attach importance to the control of environmental pollution and greenhouse gas emissions 	Medium-term	  

The Group has also identified the following climate change related opportunities:

Climate change-related opportunities				
Category of opportunities	Climate change-related risks	Potential impacts of the opportunities on the Group	Time frame of impact	Response measures taken by the Group
Resource efficiency	Production, transportation and distribution process with higher efficiency	<ul style="list-style-type: none"> Optimization of production processes and technologies to increase production efficiency Higher revenues when following market trends 	Short-term	 
	Use of recycling technology and less resource consumption	<ul style="list-style-type: none"> Reducing impact of operation and production on the environment Increasing resource efficiency 	Medium-term	 

Climate change-related opportunities				
Category of opportunities	Climate change-related risks	Potential impacts of the opportunities on the Group	Time frame of impact	Response measures taken by the Group
Energy source	Use of low-emission or renewable energy sources	<ul style="list-style-type: none"> Lowering operating costs to a certain extent The application of low-emission or green products is further widely used, and the distribution of green products can increase revenue 	Long-term	Green and Low-Carbon energy transformation
	Participation in carbon trading market	<ul style="list-style-type: none"> New corporate profitability point Promoting the Company's green and low-carbon development 	Medium-term	Green and Low-Carbon capacity building
	Use of new technologies	<ul style="list-style-type: none"> Increasing energy efficiency and saving costs First-mover advantage in the industry and boosting reputation and social image of the Group 	Long-term	Low-Carbon technology innovation
Product and service	Development and extension of low emission products and services	<ul style="list-style-type: none"> Enhancing corporate competitiveness and increasing revenues due to offerings of low-carbon products or services that respond to market demand 	Medium-term	
	Development of solutions to climate change adaptation risks	<ul style="list-style-type: none"> Increasing business revenues due to new adaptation solutions to climate change, which provide better adaptability and understanding of market needs 	Long-term	Consolidation and improvement of carbon sink capacity
	Availability of new products or services through R&D and innovation	<ul style="list-style-type: none"> Enhancing competitiveness due to response to market needs New corporate profitability point 	Long-term	Strengthening international cooperation in green technology and economic and trade
	Enhancing ability to conduct diversified business activities	<ul style="list-style-type: none"> Potential new business and revenue growth points due to investment in renewable energy and carbon offset projects, as well as participation in green finance and issuance of green bonds 	Medium-term	Green and Low-Carbon energy transformation
Market	Adoption of supportive incentive policies	<ul style="list-style-type: none"> Seizing and utilizing national policies about incentives on low-carbon, energy-saving, emission reduction technology transition to obtain subsidies from government 	Medium-term	Green and Low-Carbon capacity building
	Market demand and initiatives	<ul style="list-style-type: none"> Enhancing corporate reputation and social image and increasing business demand 	Medium-term	Strengthening international cooperation in green technology and economic and trade
Adaptability	Participation in renewable energy projects and adoption of energy efficiency improvement measures	<ul style="list-style-type: none"> Enhancing the Group's adaptability to increasingly stringent external policies and regulatory requirements 	Long-term	Green and Low-Carbon energy transformation
	Energy substitution/diversification		Long-term	Resource-saving and efficient use

The Group has integrated climate change risk and opportunity management into its own strategy, leveraging the ten key tasks for carbon peaking and carbon neutrality as a means to achieve its dual-carbon goals, and comprehensively advancing sustainable development efforts.

Key tasks	Excerpts of measures and achievements
<div data-bbox="137 405 245 517">Optimization of industrial structure and layout</div> <ol style="list-style-type: none"> Promote the optimization of the production capacity and product structure of basic building materials segment Accelerate the industrial development and layout of the new materials segment Promote the synergistic development of the equipment business in engineering technology service segment 	<ul style="list-style-type: none"> In the basic building materials segment, the Group balances supply and demand through staggered production, prioritizes the capacity release of energy-efficiency benchmark enterprises, and drives the phase-out of inefficient production capacity, resulting in a continued decline in inefficient capacity, radical reduction of energy demand. The Group accelerates the development and expansion of the new materials segment. As of the end of 2024, the cumulative installed capacity of Sinoma Science & Technology's wind power blades products has reached 177 GW, reducing carbon dioxide emissions by approximately 49 million tonnes annually.
<div data-bbox="137 740 245 852">Green energy and Low-Carbon transformation</div> <ol style="list-style-type: none"> Increase the rate of fuel substitution Increase the use of new energy Clean and efficient use of fossil energy 	<ul style="list-style-type: none"> In 2024, Tianshan Material built 89 alternative fuel production lines, with an alternative standard coal volume of 767,000 tonnes and a thermal substitution rate of 4.19%, with a 2.60 pp increase from 2023. In 2024, Tianshan Material completed and put into operation 77.90 MW of photovoltaic power generation, with a cumulative installed power of 166.16 MW and 45.63 million kW·h of photovoltaic power generation. In 2024, Tianshan Material accumulated the purchase of 844.88 million kW·h of green electricity certificates; Ningxia Building Materials accumulated the purchase of 45.96 million kW·h of green electricity certificates, effectively improving the energy structure. Ningxia Building Materials introduced new energy electric trucks and opened 2 green dedicated lines, one of which has achieved 100% transportation with new energy vehicles. As of December 2024, the cumulative transportation volume of electric heavy trucks had reached approximately 1.16 million tonnes, with an operational mileage of about 6 million km, reducing fuel consumption by about 3,350 tonnes and CO₂ emissions by over 11,000 tonnes. China Jushi completed the world's first zero-carbon intelligent manufacturing base in the glass fiber industry and a supporting 233 MW wind power project. The annual wind power generation reached 180 million kW·h, reducing carbon dioxide emissions by over 100,000 tonnes.
<div data-bbox="137 1043 245 1155">Resource-saving and efficient use</div> <ol style="list-style-type: none"> Promote the energy-saving technological transformation of enterprises Increase the proportion of low-carbon raw materials Strengthen the use of water and land resources 	<ul style="list-style-type: none"> In 2024, Tianshan Material implemented 156 energy-saving technological transformation, such as optimizing preheaters and upgrading grate coolers, saving 204 million kW·h of electricity and 122,000 tonnes of standard coal, resulting in a reduction of 797,200 tonnes of CO₂ emissions. The basic building materials sector collected industrial solid waste from surrounding companies, including blast furnace slag, fly ash, desulfurization gypsum, phosphogypsum, magnesium slag, coal gangue, and gasification slag, and reused them in cement production to increase the proportion of waste material substitution for clinker in the cement grinding process. In 2024, Tianshan Material used a total of 9.78 million tonnes of alternative raw materials in cement production, with a cumulative raw material substitution rate of 2.67%, and an annual carbon reduction of 2.38 million tonnes.
<div data-bbox="137 1270 245 1382">Green, Low-Carbon and circular development</div> <ol style="list-style-type: none"> Promote the comprehensive utilization of industrial solid waste Improve the supply capacity of green building materials Strengthen the construction of green infrastructure 	<ul style="list-style-type: none"> Wuhai Saima, a subsidiary of Ningxia Building Materials, utilized the high temperature, alkalinity, and large capacity of cement kilns to incinerate solid waste that met or, after pretreatment, met the requirements for kiln entry. They committed this waste to the cement kiln for incineration, through which the high temperatures inside the kiln removed toxic and harmful substances, achieving energy recovery. In 2024, Wuhai Saima disposed of about 4,380 tonnes of waste accumulatively through this project. CTG, a subsidiary of Sinoma Science & Technology, continued to promote the recycling and reuse of waste silk, achieving 100% recycling and reuse of raw silk waste, and obtained ISCC PLUS certification. CTG has been deeply involved in the field of external thermal insulation system materials. Two of its products, vacuum insulation panels with integrated decoration and high-strength continuous glass fiber fireproof insulation panels with integrated decoration, have been recognized with the Shandong Provincial Building Energy-saving Technology Product Application Certification.

Key tasks	Excerpts of measures and achievements
<div>Digital and intelligent improvement</div> <ol style="list-style-type: none"> 1. Construction of information infrastructure 2. Improve the level of digital intelligence in production 3. Build an information platform for carbon management 	<ul style="list-style-type: none"> • The Group has comprehensively advanced the construction of three major systems: digital governance, process governance, and data governance. This has accelerated the development of the Group's digital infrastructure, with Ningxia Building Materials having established a national standard Grade A data center. • China National Building Materials New Materials Co., Ltd., a subsidiary of Tianshan Material, has optimized production through the use of 5G + smart mining technology, achieving annual fuel savings of 18 million liters and a reduction in carbon emissions of 42,898 tonnes. • The Equipment Group, a subsidiary of Sinoma International, has put into operation a high-end equipment intelligent manufacturing park. With independently developed robots, the park has achieved automated production of components, reducing labor force by over 50% and doubling production efficiency. • Tianshan Material has established a digital carbon management platform capable of carbon data collection and analysis, carbon verification, carbon trading, carbon emission reduction, carbon sink, and value-added carbon applications.
<div>Green and Low-Carbon technology innovation</div> <ol style="list-style-type: none"> 1. Increase investment in R&D of green and low-carbon technologies 2. Improve the R&D of key core technologies and equipment 	<ul style="list-style-type: none"> • Tianshan Material has taken the lead in and participated in a number of scientific research projects such as <i>Research and Application Demonstration of New Low-carbon Cement-based Materials</i> and <i>Research on Characteristics</i>, in terms of efficient and environmentally friendly production, energy-saving and environmental protection technology, equipment, products, new energy materials and green building materials, and has achieved fruitful scientific research achievements. • At the 2024 Building Materials Industry Conference, the Equipment Group, a subsidiary of Sinoma International, unveiled the world's first cement production technology with full-oxygen combustion coupled with carbon capture, which was featured in a special report by the Global CCS Institute.
<div>Enhancement green and Low-Carbon supply chain management</div> <ol style="list-style-type: none"> 1. Strengthen the construction of a green and low-carbon supply chain system 2. Carry out product carbon footprint data management and evaluation 3. Implement green and low-carbon operations in the supply chain 	<ul style="list-style-type: none"> • Introduce the “Find a Car” digital logistics platform to optimize the transportation process, reducing fuel consumption and carbon emissions. • Sinoma Science & Technology's 9 subsidiaries have carried out carbon footprint certification for more than 20 types of products, effectively tracking carbon emissions throughout the Cradle-to-Gate. • China Jushi was evaluated as a “national green supply chain management enterprise” by the Ministry of Industry and Information Technology. Its subsidiary, JUSHI Egypt, has completed the carbon footprint assessment and certification for its main glass fiber products, covering the Cradle-to-Gate. • Sinoma Blade, a subsidiary of Sinoma Science & Technology, has signed a circular economy reuse agreement with suppliers to recycle and reuse packaging materials from original manufacturers, reducing the amount of waste packaging.
<div>Consolidation and improvement of carbon sink capacity</div> <ol style="list-style-type: none"> 1. End-of-line carbon sequestration technology project 2. Enhance the ability to regreen, expand greening, and increase greening 	<ul style="list-style-type: none"> • Tianshan Material has advanced key projects such as <i>Research and Application on Low-carbonization Key Technology of Concrete and Products</i>, utilizing carbon dioxide gas for the mineralization curing of concrete products. This process ensures the performance and work quality of concrete products while achieving the sequestration of carbon dioxide. The carbon dioxide capture demonstration line of CUCC Qingzhou, a subsidiary of Tianshan Material, was awarded the “WCA Climate Action Awards” by the World Cement Association, which can capture 200,000 tonnes of carbon dioxide per year. This year, Tianshan Material made significant progress in carbon capture projects, signing a cooperation agreement with Shengli Oilfield to help improve oil recovery and achieve carbon sequestration. This supports Shengli Oilfield's goal of reaching an injection capacity of 3 million tonnes by the end of 2030 and promotes the green development of the CCUS industry chain in Shandong Province.
<div>Green and Low-Carbon capacity building</div> <ol style="list-style-type: none"> 1. Establish a full-level carbon management system 2. Construction of carbon management talent team 3. Cultivate a green and low-carbon culture 	<ul style="list-style-type: none"> • Formulating the <i>Management Measures on Carbon Emissions Data</i> to unify the carbon emissions data management standards at all levels. • Tianshan Material formulated the <i>Carbon Peaking and Carbon Neutrality Implementation Plan</i>, improved its carbon emission management system, strengthened capacity building, and appointed dedicated personnel for carbon-related positions. In November 2024, Tianshan Material became the first company in the cement industry to obtain a carbon management system certification. • Tianshan Material actively integrates into the national carbon market, formulates compliance plans and participates in the development of regional carbon trading markets. As of 2024, 15 subsidiaries have been included in the carbon trading systems of four provincial-level regions: Guangdong, Chongqing, Fujian, and Shanghai. In 2024, as verified by a third party, Tianshan Cement purchased 401,653.11 tonnes of carbon allowances in the regional carbon markets, amounting to 15.6989 million yuan+, achieving a surplus of 66,754 tonnes of CO₂ equivalent and successfully fulfilling its compliance obligations. By the end of 2024, 13 enterprises had achieved an overall surplus of carbon allowances. • China Jushi has built a carbon management system, including carbon emissions management, monitoring, control, carbon asset management and operation, carbon trading management, strategy formulation and the implementation of carbon neutrality plan, serving low-carbon production and low-carbon operation. Additionally, the Company introduced an internal carbon pricing mechanism to quantify carbon emissions costs, incentivize emission reduction behavior, optimize resource allocation, and improve overall emission reduction benefits. In June 2024, China Jushi obtained the first Carbon Management System Assessment Certificate in the glass fiber industry.
<div>Strengthening international cooperation in green technology and economic and trade</div> <ol style="list-style-type: none"> 1. Promote to build a green “Belt and Road” 2. Strengthen international cooperation in green technology 3. Promote international green economic and trade cooperation 	<ul style="list-style-type: none"> • The clinker production line utilizing 90% alternative fuels, the LafargeHolcim MAL01 project in Poland, built by Sinoma Intelligence & Technology, a subsidiary of Sinoma International, was selected as a “2023 Typical Case of China-EU Cooperation on Green and Low-Carbon Development.”

The Group is deeply aware of the importance of adopting a scientific approach in risk assessment to quantify the impact of climate-related risks and opportunities on the Group's financial performance. In 2024, the Group preliminarily analyzed the impact of climate-related risks and opportunities on its finances from the following aspects.



Risk management

The Group has integrated the process of identifying, assessing and managing climate related risks into its overall risk management system, which provides reference for the Group's strategic planning and business development.

- Creating a database of climate change-related risks and opportunities based on the business and product characteristics, including the impact of climate change on the Group's finance, production, assets, supply chain and personnel;
- Identifying and assessing climate change-related risks and opportunities via questionnaires, and analyzing the possible impact of climate change-related risks and opportunities on the Group;
- Combining the results of identification and assessment to formulate targeted measures and action plans, and striving to smoothly resolve climate change-related risks and seize the opportunities brought by climate change;
- Deeply understanding the stakeholders' opinions towards issues about climate change via questionnaires, meetings, etc.

Metrics and targets

In 2024,

the Group emitted



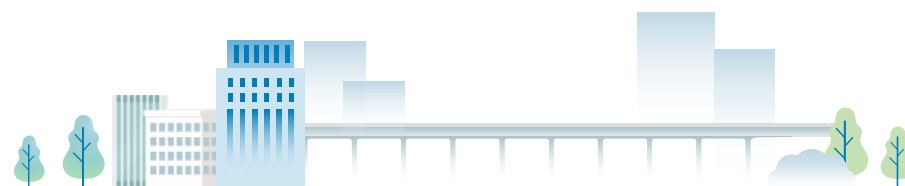
157.35 million
tonnes of Scope 1
greenhouse gases



9.78 million tonnes
of Scope 2 greenhouse
gases



53.26 million
tonnes of Scope 3
greenhouse gases





First greenhouse gas (GHG) inventory for scope 3 emissions

In 2024, we conducted our first Scope 3 greenhouse gas inventory using the financial control approach and in accordance with the GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This year, we completed emissions accounting for six categories: business travel, employee commuting, purchased goods and services, upstream and downstream transportation and distribution, and fuel and energy related activities, including all the holding subsidiaries covered by the consolidated financial statements of CNBM, as well as the associated company, China Jushi.

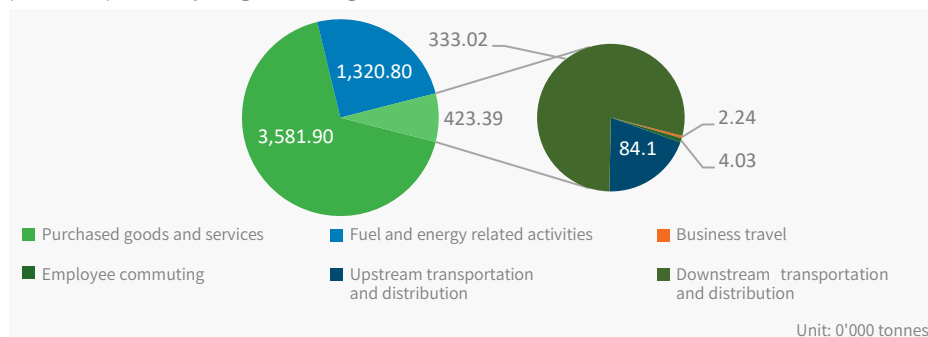
Among the 6 categories:

Scope 3 emissions from purchased goods and services account for **67%** of the total.

- In the basic building materials segment, the primary purchased goods included in the calculation are limestone, clinker, cementitious materials, and sand, with raw material procurement accounting for **96%** of total procurement expenditures.
- In the new materials and engineering technology services segment, the purchased goods included in the calculation are steel, asphalt, pyrophyllite ore, mineral powder, glass raw materials, quartz, and natural graphite ore, with raw material procurement accounting for **75% to 100%** of total expenditures.

Scope 3 emissions from fuel- and energy-related activities account for **25%** of the total.

Scope 3 emissions from upstream and downstream transportation and distribution account for **8%**, covering only the transportation and distribution data from the “Find a Car” digital logistics platform operated by Ningxia Building Materials.



Category	Basic building material segment	New material segment	Engineering technology service segment	Logistics, trade and others
Purchased goods and services	2,712.33	773.75	95.82	0.01
Fuel and energy related activities	1,320.80 (not categorized in segment)			
Downstream transportation and distribution	297.81	35.21	Not included in the transportation and delivery scope of the “Find a Car” platform	
Upstream transportation and distribution	83.93	0.21		
Employee commuting	2.31	1.32	0.35	0.05
Business travel	0.34	0.47	1.32	0.08

In 2024, the dual-carbon goals for CNBM are as follows::

Dual carbon goals	Completion status
Taking 2022 as the benchmark, the comprehensive energy consumption of cement clinker per tonne in 2025 is expected to decrease by 5%	Taking 2022 as the benchmark, the comprehensive energy consumption of cement clinker per tonne in 2024 decreased by 6.33%
In 2025, the proportion of cement clinker production capacity that achieves energy efficiency benchmark levels or higher in the cement industry is expected to reach 40%	In 2024, the proportion of cement clinker production capacity that achieves energy efficiency benchmark levels or higher in the cement industry reached 34.50%
The carbon dioxide emissions intensity continues to decline	In 2024, the carbon dioxide emission intensity per million operating revenue achieved a 4% year-on-year reduction

Greenhouse gas emission Scope 3 goals

Play a guiding role by continuously strengthening value chain decarbonization through measures such as green travel incentives, remote work strategies, green travel initiatives, transportation subsidy rewards, the use of renewable packaging materials and raw materials, optimization of transportation routes, reduction of road freight, and vehicle energy transition.

As the subsidiary responsible for the largest proportion of greenhouse gas emissions within the Group (near 90%), Tianshan Material has established a clear set of carbon emissions reduction targets.

By 2025



The average carbon dioxide emissions per tonne of clinker is expected to reach

815kg

Decrease by

6.24% from 2021



The average carbon dioxide emissions per tonne of cement is expected to reach

612 kg

Decrease by

11.10% from 2021

Creating green products

The Group has accelerated the implementation of its “Dual Carbon” strategy, exploring opportunities for a low-carbon economy and green development through green innovation and technological innovation, and injecting green genes into the entire life cycle of its products.



Our challenges

In the context of global green transformation and dual carbon strategy, the building materials industry needs to accelerate the transformation of new and old kinetic energy, break through the bottleneck of key technologies, and realize the transformation from traditional building materials to green and low-carbon products. In addition, the market demand for green and low-carbon products is growing and the regulatory requirements are becoming stricter, which requires the Group to integrate the green concept into the whole life cycle of products to adapt to the new market environment and development requirements.



Our responses

- Improving the innovation management and incentive mechanism, and building a collaborative innovation model combining production and research
- Promoting the construction of digital intelligence development and transformation system
- Reducing the consumption of resources and the impact on the environment by products and services, actively applying high calorific value waste as alternative fuel, reducing natural minerals and fossil energy consumption, and developing energy-saving, low-carbon and green manufacturing processes
- Promoting the research and development of green products and solutions, and formulating industry standards
- The Group has advanced the construction of benchmark factories such as "ultra-low emission transformation" "green factory" and "lighthouse factory"



Our achievements

- The Group takes possession of **1** national key laboratory, **1** national new material testing and evaluation platform, **4** national engineering (technology) research centers, and **10** state-certified enterprise technology centers, has implemented **67** national projects
- China Jushi Huai'an zero-carbon smart manufacturing base was officially put into operation. The first production line of Taishan Glass Fibre (Taiyuan) Lighthouse Factory, a subsidiary of Sinoma Science & Technology, commenced operation in February 2025. The high-end equipment intelligent manufacturing park of the Equipment Group, a subsidiary of Sinoma International, was officially put into operation
- The *Promotion Catalogue of Green and Low-carbon Technology Achievements of CNBM* (2024 Edition) was issued
- The operating revenue earned from green products was about RMB **44.78** billion
- The operating revenue from products in favor of the green development of society was about RMB **44.63** billion



The power of technological innovation

The building materials manufacturing industry is in a critical period of industrial upgrading and high-quality development. The Group has continuously accelerated the replacement of old growth drivers with new ones, increased investment in R&D, and carried out original and leading technological research to accelerate the realization of building materials quality improvement and drive the industry forward.

Construction of innovation system

The Group continues to improve the "135" scientific and technological innovation management system, enhance the effectiveness of the innovation system, and strive to build a world-class materials industry innovation ecosystem. CNBM has newly formulated the *Management Measures for Scientific Research Projects*, *Guidelines for the Preparation of R&D Investment Budget* and other relevant rules and regulations to ensure the standardized operation of innovative work such as technology R&D and equipment upgrading.

The Group actively explores the construction and organization of three innovation modes, namely, integrated innovation, joint innovation and universal innovation, formulates five-dimensional mechanisms to guarantee the implementation of innovation, builds an effective platform for independent innovation and industrialization of scientific research results, cultivates high-level scientific and technological leaders, and strengthens the comprehensive strength of innovation.

R&D of innovative products

The Group has long been dedicated to optimizing its product R&D system and actively investing significant funds in new product development. By fully capitalizing on the advantages of industrial concentration, the Group has actively effectively facilitated the integration of scientific and technological innovation with industrial innovation across all subsidiaries, successfully completing collaborative R&D efforts for several key products. It aims to establish a pioneering source of technology for green and low-carbon non-metallic materials.

The Group takes possession of



1

National key laboratory



1

National new material testing and evaluation platform



4

National engineering (technology) research centers



9

Transformed research institutes



10

State-certified enterprise technology centers

In 2024, there were



25

Newly-recognized high-tech enterprises



with a total of

254

under the Group



In 2024, The Group implemented 67 national projects and 24 projects of China National Building Materials Group, and **made significant breakthroughs in multiple segments**, including basic building materials, new materials and engineering technology service.



Basic building materials segment

Actively promote the construction of R&D management system and scientific research digitalization, raw fuel substitution, carbon capture and other projects:

- The digital system for product R&D management of Tianshan Material was built;
- The **200,000**-tonne carbon dioxide full-oxygen combustion enrichment and purification demonstration project of CUCC Qingzhou, a subsidiary of Tianshan Material, passed expert evaluation and was recognized as leading internationally.



New materials segment

The Group has achieved breakthroughs in a few original technologies, which contributes to the development of strategic emerging industries and accelerating the cultivation of future industries:

- Established a high-performance fiberglass material gene database;
- Internationally leading gypsum board coal-fired heat source near-zero emission technology realized for industrial application;
- The world's longest **147**-meter blade was rolled off the production line and installed offshore;
- The 70 MPa-III 140 L large-volume hydrogen storage cylinder contributed to the global launch of China's first new energy intelligent multiple-unit train;
- China Jushi was awarded the country's first ISO56005 *Innovation and Intellectual Property Right Management Capability* Level 4 certificate.



Engineering technology service segment

Focus on the research of firing, grinding and emissions reduction:

- The development of a pilot system for the new internal circulation cement clinker suspension calcination technology has been completed;
- The key technical equipment of high-efficiency grinding in the cement industry has achieved a breakthrough of a decrease of more than **9%** in the clinker ratio of **42.5** grade cement production;
- The new low-calcium clinker system has achieved a breakthrough in low-temperature sintering control technology and completed pilot production, reducing the direct carbon emissions intensity per tonne of clinker by **25%**.

Case

Sinoma Science & Technology's high-pressure hydrogen storage cylinder successfully undergone road trials when mounted on heavy-duty trucks, marking a significant technological breakthrough that is set to lead the industry's development

In 2024, Suzhou Limited, a subsidiary of Sinoma Science & Technology, successfully conducted road trials of a newly developed 70 MPa 210 L Type IV hydrogen storage cylinder installed on a well-known automotive company's latest heavy-duty truck model. The product has achieved important breakthroughs in pressure, materials, and process. First, it adopts a 70 MPa high-pressure design. 10 cylinders can store 84 kg of hydrogen, with a range of 800 km, leading the industry. Second, it fully applies domestic carbon fiber to overcome the problem of import dependence and reduce production costs. Third, it innovates winding technology to maximize hydrogen storage density and achieve double breakthroughs in lightweight and safety. This achievement has provided the hydrogen-powered heavy-duty truck market with a more efficient, safer, and more cost-effective energy storage solution, promoting technological upgrades in China's hydrogen energy industry.



Hydrogen storage cylinder production process



Case

Breaking through technical bottlenecks and exploring the frontier of fuel substitution

Sinoma International (Nanjing) has advanced the key technology research and industrialization of Jiangsu Province's achievement transformation project - focusing on a low-carbon combustion process and equipment for cement kilns that replaced 40% of fossil fuels. By developing vortex combustion devices, fluidized bed low-temperature gasification technology and high-temperature dust removal and chlorine removal technology, the company has successfully overcome the technical bottleneck that refuse-derived fuel (RDF) could not be directly suspended and burned in a decomposition furnace.



The substitution rate of fossil fuels has been elevated from the current domestic leading level of

30% to over 40%, while the substitution rate for low-quality alternative fuels has reached an internationally recognized leading standard



In comparison to using solely fossil fuels

total CO₂ emissions from cement production have been reduced by more than 10%.

Digital intelligence development and transformation

In the rapid development of global digital economy, digital transformation has become an indispensable “must-answer question” for the long-term development of companies. Taking full advantage of its leading edge in science and technology, the Group continuously strengthens digital intelligence technology innovation, and adheres to the digital transformation vision of “Digital-oriented in Material Creation” .

In 2024, the Group took the promotion of the three major systems of digital governance, process governance and data governance as the starting point, and successfully completed the first batch of construction tasks of the three major systems. At the same time, the Group accelerated the construction of digital base and the construction of the Group's digital infrastructure.

In 2024



Ningxia Building Materials completed the construction of a national standard

Grade A data center

With an **88%** utilization rate of the
1,044 server racks in the first phase



18 member units

44 application systems achieving cloud operations



The digital governance model has shown initial results

Promoting **8** subsidiaries companies to set up digital leading groups and digital departments with special posts. Establishing a three-level digital organizational structure of group-sector-member enterprise, along with their respective responsibilities and decision-making mechanisms. Issuing the Management Measures for Digital Projects to conduct structural supervision of digital projects.



The structure of the process management system has been basically formed

The Group promoted business transformation through process reform, sorted out a three-level process structure, and completed the detailed process design and development of key business domains. It also conducted on-site verification and optimization in various sectors such as Tianshan Material, Sinoma International, and BNBK.



The data governance framework has been initially established

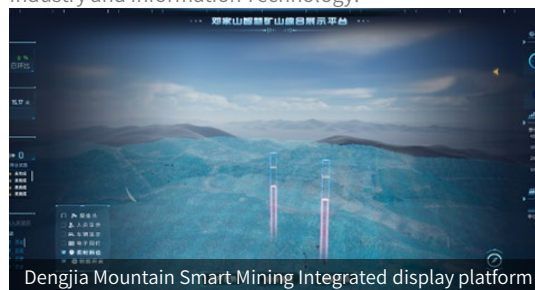
The Group completed an analysis of the current state of data governance within the Group and its business sectors, resulting in the Five Ones data governance achievements. The Group formulated governance goals and implementation paths, took the investment domain as the starting point, established "1311" governance standards, and promoted value-added data.

Case Digital leads innovation and intelligent manufacturing, forging the industry's pillars

The Group deepened the concept of digital leading material innovation, implemented and promoted the digital transformation and upgrading of factories and mines, adhered to leading industrial innovation with scientific and technological innovation, and sought new momentum from new productive forces.

In the field of smart mining, Sinoma Mining, a subsidiary of Sinoma International has formulated **12** non-metallic smart mining standards and has had them reviewed. Tianshan Material, a subsidiary of CNBM New Materials, has built an integrated management and scheduling platform for digital twin mining, which has optimized the production efficiency and management level of the mining area overall. Compared to traditional processes, it has saved **18** million liters of diesel per year, reduced carbon emissions by **42,898** tonnes per year, and achieved annual transportation cost savings of **344** million yuan. It has also been awarded the 5G + Smart Mining Joint Innovation Laboratory. Furthermore, the unmanned driving system at Dengjiashan Mine has integrated intelligent terminals to achieve high-precision positioning of unmanned mining trucks, environmental perception, and remote emergency takeover capabilities, and has integrated slope monitoring that includes GNSS positioning systems and multi-source sensors, aiding in the creation of a national-level green and smart mine.

In the field of intelligent manufacturing, the Lighthouse Plant of Taishan Glass Fibre (Taiyuan), a subsidiary of Sinoma Science & Technology, has been successfully put into operation in early 2025. The high-end equipment intelligent manufacturing park of the Equipment Group affiliated to Sinoma International was officially put into operation in March 2024, aiming to build a lighthouse factory at the top of the manufacturing industry. Within the high-end equipment intelligent manufacturing park, the Equipment Group has independently developed an unmanned operation column nail roller sleeve sticking robot, achieving automated production of over **80%** of the parts for clinker conveyors, reducing labor by more than **50%**, and continuously incubating world-leading high-end equipment through high-end, intelligent, and green industrial upgrades. Tianshan Material formulated and refined guiding documents, including the *Guidelines for Smart Factory Construction*, *Standards for Smart Factory Evaluation*, *Guidelines for Digital Mine Construction*, and *Overall Plan for Smart Factory Pilot and Production Informatization*, built **4** new standard factories throughout the year, completed the rating and transformation of **31** intelligent production lines, and produced **3** shared property technological innovation achievements. China Jushi was selected into the first batch of excellent intelligent factories by the Ministry of Industry and Information Technology.



Dengjiashan Mountain Smart Mining Integrated display platform



Production workshop of high-end equipment intelligent manufacturing park

Green solution

The Group have launched a series of basic building materials, new materials and engineering services characterized with green and low-carbon attributes that are helpful for the low-carbon development in society, to contribute to the sustainable development of the whole society.

In 2024



The Group's operating revenue earned from green products was about

44.78 billion yuan

accounting for

22.11%

of the operating revenue

While the operating revenue from products in favor of the green development of society was about

44.63 billion yuan

accounting for

22.04%

of the operating revenue

Product type	Subsidiary	Product details	Green attribute
Products granted with the certification of Green Product	Tianshan Material	Various types of portland fly-ash cement, ordinary silicate cement, composite silicate cement, and general-purpose cement clinker	Low-carbon Product Certification (China)
		Various types of cement, ready-mixed concrete, ordinary concrete, wet-mixed mortar, aggregate and machine-made sand	Certification of Green Building Materials Products (China)
		Various types of ordinary silicate cement, composite silicate cement, and general-purpose cement clinker	Green Design Product Certification
		Various types of ordinary silicate cement, brick cement, and general-purpose cement clinker	Green Building Selected Product Certification
	Ningxia Building Materials	Various types of ordinary silicate cement and general-purpose cement clinker	Low-carbon Product Certification (China)
		Ordinary silicate cement, composite silicate cement, and slag silicate cement	Certification for Limited Quantities of Hazardous Substances in Cement
		Various types of commercial concrete	Certification of Green Building Materials Products (China)
	BNBM	Various types of ordinary gypsum board, water-based paint, waterproofing membrane, waterproof coating, thermal insulation coating, plastering gypsum, and dry-mixed mortar	Certification of Green Building Materials Products (China)
Green products that include recycled materials, alternative raw materials and fuels used in production, products with a lower carbon footprint or with less polluting characteristics	Tianshan Material	Various types of portland fly-ash cement, ordinary silicate cement, general-purpose cement clinker, ready-mixed concrete, wet-mixed concrete, aggregate, and machine-made sand	Use alternative raw materials or alternative energy sources
	Ningxia Building Materials	Various types of ordinary silicate cement, general-purpose cement clinker, composite silicate cement, slag silicate cement, and commercial concrete	Use alternative raw materials or alternative energy sources
	BNBM	Gypsum board, waterproof membrane and waterproof coating	Use alternative raw materials or alternative energy sources

Product type	Subsidiary	Product details	Green attribute
Green products that include recycled materials, alternative raw materials and fuels used in production, products with a lower carbon footprint or with less polluting characteristics	China Jushi	Glass fiber	Use of high melting rate mineral raw materials, high performance glass fiber formulations and advanced green production processes, with green products output accounting for 100% for 5 consecutive years
	Sinoma Science & Technology	Glass fiber	Use of high melting rate mineral raw materials, high performance glass fiber formulations and advanced green production processes
	CNBM Investment	Physically modified fly ash	With a lower carbon footprint Investment
	Sinoma International	Engineering, equipment, and operation & maintenance (O&M) services that apply green technologies and have obtained green and low-carbon certifications	Reducing pollutants and carbon emissions during its own construction, manufacturing, operation and maintenance, and lowering pollutants and carbon emissions during the use of equipment products and operation of cement production line by customers and owners
Products that can be applied to the new energy industry and promote the green development of society	China Jushi	Glass fiber	Apply to the new energy industry
	Sinoma Science & Technology	Glass fiber, Wind turbine blades, Lithium battery separators, and hydrogen cylinders	Apply to wind power, lithium battery, hydrogen energy and other new energy industries
	China Composites	Carbon fiber	Widely apply to energy equipment
	Sinoma Graphite	Spherical graphite	Apply to the production of anode materials for lithiumion batteries
	Sinoma International	Engineering, equipment, and services that generate significant green benefits for third parties (e.g., customers, society, and communities)	Providing alternative fuel processing and supply for cement production lines, and offering intelligent microgrids, photovoltaic EPC, new energy development and hybrid wind power towers, as well as engineering projects with significant emission reduction benefits for cement plant and other industries

In the field of product manufacturing, the Group develops green design of new material from the source of formula to vigorously develop energy-saving and low-carbon green manufacturing techniques. It develops the production of building materials by reusing industrial waste as raw materials and applies high calorific value waste as alternative fuels. With these efforts above, the Group has reduced the consumption of natural minerals and fossil energy. It also actively promotes green product certification to forge a green and low-carbon building materials brand.

In addition, the Group promotes the application and contribution of innovative new materials in new energy, intelligence and other cutting-edge scientific and technological fields, effectively contributing to the green and sustainable development of the whole society.

By the end of 2024, Sinoma Science & Technology

The cumulative installed capacity of wind turbine blades has reached

177GW

Helping to reduce carbon dioxide emissions by nearly

49 million tonnes

per year

Equivalent to the recreation of

128,000 acres

of forests

While lithium battery diaphragm products will help to reduce carbon emissions by about

170,000 tonnes

And hydrogen cylinders by about

50,000 tonnes

In 2024

Newly produced green products such as wind turbine blades, lithium battery separators and hydrogen energy cylinders will help reduce carbon emissions by more than

6 million tonnes

Case Sinoma Science & Technology deepens green manufacturing and creates an industry benchmark

In 2024, Sinoma Science & Technology fully implemented the green and sustainable development plan, achieved the annual dual carbon goal, and kept the comprehensive energy consumption and carbon emissions intensity of the main business units' products at historically low and industry-leading levels. At the same time, significant achievements were made in enterprise system certification, energy structure transformation, and the formulation of national and industry standards:

Corporate system certification:

The cumulative number of enterprises passing the green factories and energy management systems certification has reached

20

Covering of domestic production enterprises at all levels

54%

19

Enterprises have obtained green manufacturing certification

Energy structure transformation:

In 2024, the newly installed photovoltaic (PV) capacity reached

17.93MW

Annual PV power generation exceeded

30 million kW · h

The proportion of coal in direct energy consumption was

"0"

With cumulative PV capacity reaching

63.42MW

Green electricity purchases surpassed

20 million kW · h

Carbon dioxide emissions were reduced by over

41,000 tonnes

Lead the standard setting:

CTG participated in the formulation of the national standard *Carbon Emission Accounting and Reporting Requirements Part 35 Glass Fiber and Product Manufacturers*, NRDI led the formulation of seven industry standards, including the *Green Factory Evaluation Guideline for Fiberglass and Products Industry* and *Requirements for Assessment of Green Factory in Rockwool Products Industry*, leading the development of the green manufacturing industry.



Case China Jushi insists on carbon reduction, carbon management, and carbon sequestration to create low-carbon products

China Jushi has comprehensively promoted green and low-carbon transformation through the triple strategy of "carbon reduction, carbon sequestration and carbon management", leading the industry towards a zero-carbon future.

Carbon reduction

Built the world's first zero-carbon smart manufacturing base in the glass fiber industry, supported by a

233 MW wind power facility

Generating electricity annually

180 million kW·h

reducing carbon dioxide emissions by over

100,000 tonnes

Achieved 100% green electricity production for two

100,000-tonne production lines through market-based trading and distributed photovoltaic

Promoted the replacement of low-carbon raw material: Chengdu subsidiary completed zero-carbon glass formula trials, reducing carbonate usage by

8,000 tonnes/year

Reducing carbon dioxide emissions by

3,500 tonnes

Optimizing combustion technology, saving natural gas per production line annually

3 million m³

Equivalent to **6,000 tonnes** of carbon dioxide reduction

Carbon sequestration

Collaborated and co-constructed with strategic suppliers on forestry carbon sink projects to accumulate carbon sequestration experiences and drive the green transformation of the glass fiber industrial chain.

Carbon management

- Established the carbon management system, publishing the *Carbon Management System Manual* and multiple management policies, and releasing *China Jushi Carbon Peaking and Carbon Neutrality Action Plan*, the first Dual-Carbon action plan in the industry;
- Became the first global glass fiber enterprise to obtain carbon management system certification. Plans to achieve full subsidiary certification coverage by 2030;
- Encouraged internal energy-saving and carbon reduction projects

In 2024



Energy-saving and carbon reduction projects

164



Expected to reduce carbon dioxide emissions by

54,300 tonnes



China Jushi Huai'an zero-carbon smart manufacturing base

In engineering technology service segment, Sinoma International has accelerated green innovation by developing key technologies to enhance product performance, promoting the application of low-carbon and ultra-low emission technologies in cement production processes. It has made breakthrough progress in the research and development and manufacturing of low-carbon equipment, committed to providing owners with environmentally friendly, high-quality products and services.

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



Oxyfuel project of Holcim Group

In Belgium, CBMI Construction signed a contract for the oxyfuel project. As the first oxyfuel project of Holcim Group, it plans to reduce carbon dioxide emissions by 30%, clinker heat consumption by 40%, and system power consumption by 50%, achieving a 95% fuel substitution rate. After putting into operation, it can reduce carbon dioxide emissions by **1.1** million tonnes per year.



Heidelberg Material Mokra 3250TPD clinker line

In the Czech Republic, CBMI Construction signed a contract with Heidelberg Material for the Mokra 3250 TPD clinker line EPC project. The new modernized clinker line, designed to achieve energy efficiency and carbon reduction, will enable a **90%** fuel substitution rate and reduce annual carbon emissions by **280,000** tonnes.



Innovation of cement kiln alternative fuel utilization system in Egypt

In Egypt, Sinoma-CDI built the WNCC cement kiln alternative fuel utilization system with substitution scale up to **25 t/h**. After putting into operation in December 2024, the project will reduce fossil fuel consumption by up to **75,000** tonnes of standard coal per year, and reduce carbon dioxide emissions by about **206,000** tonnes. It is expected to generate about **EUR 15.45** million carbon emissions revenue per year.

Integrating into circular economy

The Group continuously standardizes waste treatment, conserves and utilizes resources, increases the recycling of resources, promotes the reuse of waste and water resources, and helps improve the level of circular economy in the whole industry.



Our challenges

With the growing resource constraints and industry demands for a circular economy, the Group needs to further regulate the waste disposal, increase resource recycling, promote the reuse of waste and water resources, integrate the concept of circular economy into all aspects of production and operations, eliminate technical bottlenecks, and optimize resource allocation.



Our responses

- Vigorously promote the comprehensive utilization of resources, and use industrial waste residue for cement production and clinker calcination
- Develop cement kilns for co-disposal of external wastes (e.g. municipal waste)
- Promote the construction of "zero waste factory" and the certification of circular economy products
- Take proactive water conservation measures and carry out water recycling projects



Our goals

- Maintain circulating water utilization rate above **90%**
- Achieve no less than **96%** of the comprehensive utilization rate for non-hazardous solid waste by 2025
- Achieve zero discharge of stripped soil and waste rock in mining by 2025
- Achieve **100%** comprehensive recycling in gypsum board production by 2025
- Solid waste absorption capacity **continually improving**



Our achievements

- Achieved **92.8%** of recycled water utilization rate
- Achieved **96.72%** of the comprehensive utilization rate for non-hazardous solid waste
- The comprehensive recycling rate of gypsum board production reached **84.5%**
- Achieved **14.56** million tonnes of alternative raw materials consumed
- Cement alternative fuel ratio reached **3.91%**
- The proportion of alternative raw materials in cement of Tianshan Material was **2.67%** and the proportion of alternative raw materials in concrete was **36%**



Waste management

The Group identifies the types and quantities of waste generated in its operations, determines high-waste-producing areas, and continuously seeks optimization direction. We comply with regulations for disposing of hazardous and non-hazardous solid waste, standardize waste management at production sites and temporary storage facilities, implement waste identification labeling, maintain categorized storage records, and supervise measures to prevent scattering, loss, and leakage during storage and transfer. We actively explore possibilities for waste resource utilization, adhering to the concepts of “recycling, reduction, and harmlessness” for waste management.



In 2024, the Group achieved a **96.72%** comprehensive utilization rate for non-hazardous solid waste

Basic building materials segment

In the basic building materials segment, the Group vigorously promotes the comprehensive utilization of resources, and a large amount of industrial waste residues such as fly ash, tailing slag, ore powder, acid slag, desulfurized gypsum and carbide slag are used for cement production and clinker sintering. We also use high calorific value wastes as alternative fuels to improve the efficiency of resource utilization. In addition, the Group develops co-disposal projects of cement kiln for disposing of foreign solid waste such as domestic waste, as well as sludge, sewage, and hazardous wastes, which not only achieves proper disposal of waste, but also reduces the use of coal, thus contributing to the construction of harmonious relationship between industrial production and social life.

In 2024



The Group has put into operation a total of **52** cement kiln joint waste disposal projects

With a total annual disposal volume of **5.43 million tonnes**



The annual cement kiln co-disposal volume was total **1.17 million tonnes**

Including **600,000 tonnes** hazardous waste

310,000 tonnes solid waste

260,000 tonnes domestic waste

Achieving a coal saving of **73,800 tonnes**

A carbon reduction of **199,200 tonnes**

Case

Green building materials industrial demonstration base successfully launched, helping to build the green stone production base

The green building materials industrial demonstration base and the **20** million t/a resource comprehensive utilization production project, operated by CUCC Biyang (a subsidiary of Tianshan Material), commenced construction. Once completed, it will process **20** million tonnes of granite waste annually, positioning Biyang as a key national hub for green stone product processing and laying the foundation for an integrated industrial chain in Zhumadian area, encompassing cement, commercial concrete, aggregates, cement products, solid waste utilization, and green intelligent logistics.



New materials segment

The Group's new materials segment continues to pioneer solid waste recycling technologies to elevate resource utilization.

Case

BNBM innovates recycling technology and leads the new height of solid waste recycling

BNBM adheres to the development of circular economy, and its main product gypsum board utilize by-product gypsum from coal-fired power plants.

In 2024

Consuming
15.2378 million tonnes
of by-product gypsum



Gypsum plasterboard production line

Its subsidiary Taishan Gypsum developed a breakthrough process to produce paper-faced gypsum boards using

100% industrial by-product gypsum.



Additionally, it pioneered the biomass substitution for coal technology by incorporating combustion ash to adjust product performance in production.

The waste residue in the product is up to

94.42%

which achieves the reduction of industrial solid waste at its source and enables localized resource utilization, earning recognition as a national “zero-waste enterprise” exemplary case.



Case

China Jushi explores new path of green packaging to maximize resource benefits

China Jushi has achieved remarkable results in the field of packaging materials management.

In terms of the use of green packaging materials, the company has developed and designed thin PE heat-shrinkable bags to replace traditional PVC materials, reducing

the use of plastic by **31%** and carbon emissions during the product life cycle by

45%; At the same time, plant fiber molded pallets made of wood chips, wood shavings and straw have been introduced to replace disposable wooden pallets.



China Jushi employees are checking recyclable plastic pipes

In terms of packaging lightweight, the design of wooden pallets has been optimized, different woods are selected, and the thickness are

reduced from 25 mm to 22 mm

without sacrificing packaging performance

Reducing the use of wood by

12%

In terms of packaging reduction, China Jushi has optimized the formula and proportion of raw materials, developed 1.5-micron stretch film to replace 2-micron stretch film, reduced the use of stretch film by

25%

Thereby reducing carbon dioxide emissions by

435 tonnes

throughout the year

In terms of packaging recycling, the company has established a packaging recycling utilization system and cooperated with third-party recycling companies. The proportion of recyclable iron frames and plastic pipes in the total amount of corresponding packaging materials is

97.24% and 62.27% respectively

The recycling rate of electronic cloth packaging is


90%, which greatly

reduces the purchase volume of raw materials and environmental burden

Use of water resources


The Group's water sources come from surface water, tap water and reuse water, and all companies have obtained water drawing permits in accordance with the law.

Assess water use risks in terms of both dependency and impact



Dependency

Thoroughly consider the water drawing of the project during the pre-construction period, investigate and study the abundant water resources of the project location, select the appropriate construction area, systematically track and monitor the current and future availability of water sources in the operation location, grasp the regulatory changes and water fee changes of the water intake site in real time, and assess the risk of water shortage, water quality change, and policy fluctuation.




Impact

The types and emission concentration of pollutants from production and operation activities are thoroughly considered during the pre-construction period. By comprehensively analyzing factors such as surface and groundwater flow directions, ecosystem characteristics, and the population density of community residents, the impact of production and operation activities on water intake communities is assessed, and the company's water usage strategy is adjusted as needed. All production-oriented enterprises have built supporting environmental protection facilities for waste water treatment, obtained pollutant discharge permit, and conducted pollutant discharge monitoring regularly.

The Group actively implements water conservation measures, including promoting the recycling of production water, the reuse of reclaimed water, and the segregation of clean and waste water within the production system. Primarily for vehicle washing, dust suppression and water spraying in storage yards, ground flushing, road sprinkling, and greening irrigation, with the goal of achieving zero discharge of production waste water. Additionally, sewage is sampled and tested to ensure compliance with water quality standards, thereby preventing soil and groundwater contamination.



All waste water is **100%** reused after undergoing advanced treatment at the factory's sewage treatment station.



In 2024, the Group **has not encounter** any problems such as difficult access or insufficient water resources.

Case

Tianshan Material pioneers water conservation innovation and drives the efficient resource utilization

Tianshan Material fully implements the principle of water conservation, improves the quality of circulating water and reduces the pollution and waste of water resources through comprehensive treatment of circulating water, achieving an annual circulating water rate of **92.12%**.

- Sanshi Material, a subsidiary of Tianshan Material, has deployed an on-site area waste water recycling utilization system to recycle and reuse the waste water generated from vehicle washing, tank cleaning, and belt rinsing, achieving a daily processing capacity of **2,000** m³ of waste water and reducing the use of fresh water;
- Huaikan South, a subsidiary of Tianshan Material, has introduced a distributed control system to enable the online monitoring and management of water and steam, thereby improving the quality of circulating water and reducing the consumption of fresh water through comprehensive treatment of circulating water; The rainwater collection system has been deployed, and the rainwater in the factory area is collected and treated for ground flushing and greening irrigation. The reuse rate of water resources reaches **98.7%**, realizing green and efficient water management.



Distributed control system in Huaikan South

Insisting on green manufacturing

The Group strictly abides by the requirements of relevant national laws and regulations, continuously improves the construction of environmental management system, carries out various environmental protection measures, strengthens the supervision and management of the ecological environment, and makes every effort to promote environmental protection and governance, so as to jointly protect the green earth.



Our challenges

As the environmental protection regulations continue to be upgraded, the Group needs to consistently allocate resources to optimize its environmental management system to ensure full compliance with the standards in the key areas such as waste gas, waste water and waste discharge, thereby promoting the low-carbon and green transformation of traditional production processes.



Our responses

- The *Energy Conservation and Ecological and Environmental Protection Target Responsibility Letter* has been signed at all levels to consolidate responsibilities for environmental protection
- Various environmental protection activities has been hold for internal and external stakeholders to raise environmental protection awareness
- The Group has obtained pollutant discharge permits for the construction of supporting environmental protection facilities that treat waste water, waste gas, noise, and solid waste, with regular pollutant discharge monitoring
- The Group has set up green and clean production management targets and established a performance appraisal mechanism
- The Group has continuously improved the coverage rate of environmental management system certification



Our goals

- The emission intensity of nitrogen oxides in cement clinker is not greater than **0.297** kg/t
- **100%** compliance with the emission requirement of the pollutant discharge permit emission requirement



Our achievements

- The nitrogen oxide emission intensity for cement clinker reached **0.280** kg/t, the emissions of nitrogen oxides was **49,681** tonnes, decreasing by **21%** year on year
- **100%** compliance with the emission requirement of the pollutant discharge permit emission requirement
- Sulfur dioxide emissions were **4,815** tonnes, decreasing by **18%** year on year; Industrial particulate matter emissions were **4,590** tonnes, decreasing by **31%** year on year
- A total of **650** legal entities across all levels have obtained ISO14001 environmental management system certification, accounting for **73%**, and **322** legal entities have obtained ISO50001 energy management system certification, accounting for **36%**
- **167** green factories were awarded at the national level, and **257** in total



Improving management system

The Group always implements the concept of green management and green development, strictly abide by and implement the national laws and regulations on environmental protection, pollution prevention, cleaner production, energy conservation, etc., as well as the norms and standards related to waste gas emissions, greenhouse gas emissions, sewage and waste discharge, which have a significant impact on the Group, and formulate more than 10 rules such as the *Responsibility Policy for Ecological and Environmental Protection of CNBM* and the *Management Measures for Assessment of Energy Conservation and Ecological and Environmental Protection of CNBM*.

The Group has established and continuously improved the responsibility structure of environmental management. The Chairman and the President jointly assume the leadership responsibility of environmental protection work, while the Vice President in charge of environmental protection work implements the overall organizational work, and other management staffs are responsible for the environmental protection work within their respective areas of responsibility. As the first person responsible for the environmental protection work of the department, the person in charge of each department leads the employees of the department to actively implement the environmental management system of the Group, thus forming a complete management system from top to bottom. In addition, the Group issues environmental protection targets and indicators at the beginning of each year. Its subsidiaries at all levels sign the *Energy Conservation and Ecological and Environmental Protection Target Responsibility Letter*, which specifies the responsibility management and assessment measures in case of excessive emissions or administrative penalties. Progress toward targets is regularly followed up.

Environmental impact audit

- The Group requires all its subsidiaries to prepare annual self-inspection plan, entrusts third-party monitoring companies to conduct environmental monitoring quarterly, and conducts biannual environmental **internal audits covering all operating sites of the Group in the middle and end of each year**. Through the four-in-one inspection mechanism of "inspection, guidance, training, and service", the Group conducts strict inspections on approval certificate management, pollution discharge permit management, environmental protection equipment operation, self-monitoring management, unorganized management and control, and solid and hazardous waste management, and issues hidden danger rectification notices to companies with problems.
- The Group undergoes the central and local government environmental protection inspections, including regular inspections and irregular spot checks, achieving **full coverage of key areas of annual external environmental protection inspections**, accounting for nearly **100%** of the Group's production and operation enterprises at all levels.
- In 2024, the Group continued to actively promote various environmental certification work and clean production audits of its subsidiaries.



Currently, a total of **650** and **322** legal entities at all levels have obtained ISO14001 Environmental Management System certification and ISO50001 Energy Management System

Accounting for

73% and **36%**

With certification pass rate of

100%



288 subsidiary companies at all levels have applied for and passed the clean production audit, accounting for **32%**



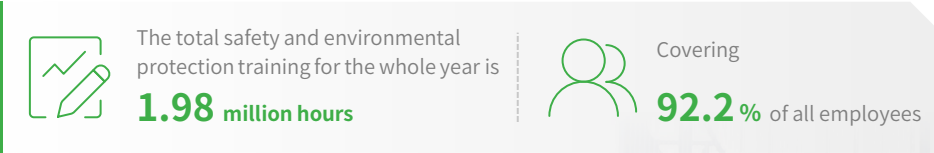
Environmental risk management

- For equity investment projects, the Group rigorously executes the safety and environment due diligence procedures. It organizes professional teams to comprehensively assess the safety and environment risks of investment projects, focusing on hidden risks in production safety, environmental protection and other areas, thereby generating safety and environment due diligence reports.
- For fixed assets investment projects, the Group conducts in-depth analysis of the ecological environment, resource and energy utilization, and carbon peaking and carbon neutrality progress in the analysis of project impact effects to ensure that the projects meet environmental protection requirements and reduce environmental risks.
- The Group encourages suppliers to establish an environmental management system, and gives priority to suppliers that have passed the environmental management system certification. By signing relevant safety and environmental protection agreements, the Group requires the selected suppliers to comply with national regulations and the Group's ESG management regulations, and to implement energy-saving, water conservation, environmental protection, recycling and low-carbon requirements in production and operation.

Cultivating environmental protection awareness

The Group implements the green management system, and actively promotes its environmental management initiatives through social media platforms such as the Group's official WeChat accounts and the Group's websites. It actively promotes the concept of a green office, encourages the use of video conference and has implemented electronic document management through the OA system to reduce paper consumption. The Group also prioritizes the purchase of environmentally friendly paper and pens with replaceable refills, and extends the service life of printing equipment and lighting fixtures through repairing old and recycling. Employees are urged to save water and electricity, classify waste and travel green, and are encouraged to start with small actions around them and contribute to the sustainable development of the Group.

In addition, we organize Environmental Protection Day events and relevant training sessions. We also organize our subsidiaries to carry out the activities of National Energy Conservation Publicity Week and National Low Carbon Day to publicize and interpret the relevant policy requirements of carbon peaking and carbon neutrality, and promote the work related to green energy conservation in a coordinated and orderly manner.



including energy efficiency improvement, waste recycling and reduction, compliant disposal of pollutants, water conservation and other aspects.

Case Join hands with various partners to plant trees and collectively advance the practice of dual carbon

In March 2024, CNBM, together with BNBK and 9 suppliers and partners, organized 132 volunteers to go to the BNBK Zhuozhou base to plant trees. More than 130 saplings, such as hawthorn, crabapple, apricot, and sand pear, were planted. CNBM, its suppliers and partners have jointly created a good atmosphere of planting greenery, cherishing ecosystems, protecting forests, and promoting green development.



Case Strengthening regular ESG training mechanisms to enhance green awareness

In December 2024, the Group held a specialized ESG training session in Beijing, inviting carbon asset management experts to provide a detailed overview of the global carbon market and its development trends. Through the analysis of industry best practices, the session examined the opportunities and challenges for the cement industry in participating in global carbon pricing and the Carbon Border Adjustment Mechanism (CBAM). Practical recommendations were also provided regarding the Group's participation in the national carbon trading market. Approximately 300 participants, including employees involved in the Group's ESG and carbon management work, as well as relevant stakeholders, attended the training.

Reducing pollution emission

The Group has formulated internal management measures in noise control, sewage control, emission management, ensuring that environmental performance targets are assigned to individual responsibilities. The Group conducts industry benchmarking and cross-company internal benchmarking and continuously carries out process improvement, technology improvement, management improvement, innovation improvement, and consistent reduction of pollutant emission and energy consumption indicators, thereby leading the industry in self-disciplined emission reduction. All production-oriented enterprises have built supporting environmental protection facilities for waste water, waste gas, noise, solid waste, obtained pollutant discharge permit, and conducted pollutant discharge monitoring regularly. We have established and improved the ecological environmental protection emergency plan and hazardous chemicals management system, and strengthened the maintenance of energy conservation and environmental protection facilities to ensure the efficient operation of equipment and facilities.

Green manufacturing practices of Tianshan Material

- Tianshan Material has continuously increased investment in environmental protection funds and technological innovation to reduce pollutant emissions. By the end of 2024, it has completed SCR transformation for **59** of its subsidiary companies, continuously promoted the transformation to clean transportation such as "road to rail" and "road to water", and implemented the *Opinions on the Ultra-Low Emission Transformation in the Cement Industry*. Three enterprises under its South Cement division traded a total of **982** tonnes of nitrogen oxides and **302** tonnes of carbon dioxide emission rights throughout the year.

Business segments	Sources of contaminants	Pollutant disposal measures
Basic building materials segment	Air pollutants include sulfur dioxide, nitrogen oxides, particulates and volatile organic compounds emitted from the cement production lines, as well as raise dust from mining and cement transportation. The waste water includes the industrial cooling water, and the production and domestic waste water in the factory area.	<ul style="list-style-type: none">Air pollutants shall be treated by various waste gas disposal process equipment and then discharged in compliance with the standard.Waste water shall undergo advanced treatment through recycling facilities and sewage treatment station for reuse, with quarterly sampling and testing conducted to ensure water quality compliance, thereby preventing soil contamination.
New materials segment	Air pollutants include sulfur dioxide, nitrogen oxides, particulates and volatile organic compounds emitted from each production line. The waste water includes the production and domestic waste water in the factory area.	
Engineering technology service segment	Air pollutants include dust from construction processes, while waste water mainly consists of domestic sewage from construction camps.	<ul style="list-style-type: none">Promote green manufacturing and construction by identifying, evaluating, and managing environmental factors involved in production operations, project construction processes, and management activities, preventing and reducing adverse environmental impacts;Strictly prohibit the burning of waste materials, oil, or garbage at the project site. For areas where dust is generated at the project site, measures to reduce or prevent dust should be taken;Consider the sewage treatment system when constructing temporary camps, and hire locally qualified professional sewage treatment companies for centralized extraction and treatment to prevent direct discharge into rivers or natural discharge.



Reducing energy consumption

The Group has strengthened energy management across all subsidiary companies to reduce energy consumption.

In 2024



322 legal entities of the Group obtained ISO50001 Energy Management System certification



Representing **36%** of all legal entities

A system audit mechanism covering all certified factories has also been established to ensure the effective operation of the energy management system. During the reporting period, we continuously improved the efficiency of the energy management system by implementing a multi-level audit mechanism including third-party external audit, regular internal company audit and special audit, systematically identifying problems and formulating improvement plans.

All subsidiary companies of the Group prioritize energy consumption indicators during the evaluation of new projects, actively applying the most advanced energy-saving technologies and equipment. They conduct regular analyses of energy efficiency and consumption levels to identify areas with high energy usage and continuously explore opportunities to improve energy efficiency, implementing energy-saving technological transformation. In 2024, through the construction of smart factories (such as the Shaofeng South 8,000 tonnes/day clinker production line), the adoption of technologies including intelligent equipment diagnostic systems and fully automated laboratories achieved a reduction of 1.5 kg/t.cl of clinker and a 1.2% decrease in electricity consumption. Leveraging government special funds and green finance policies, the company provides financing support for energy-saving technological transformation projects.

In 2024



Tianshan Material implemented **156** energy-saving technological transformation, such as optimizing preheaters and upgrading grate coolers



Saving **204 million kW·h** of electricity



122,000 tonnes of standard coal



Resulting in a reduction of **797,200** tonnes of carbon dioxide emissions

Coal usage management

The Group standardizes the management of raw coal through performance assessment and statistical accounting for coal intake in accordance with the raw coal statistical accounting and management regulations, ensuring control over the Group's total energy consumption. During the reporting period, we promoted the use of coal combustion accelerators and melting accelerators.



As a result, the standard coal consumption per tonne of clinker decreased by **0.25%** compared with last year



The comprehensive electricity consumption of clinker decreased by **0.25%**



And the electricity consumption of cement production process decreased by **0.22%**

Protecting ecological conservation



Our challenges

The Group should rigorously evaluate factory locations, layouts, and project developments to ensure compliance with ecological protection requirements and avoid adverse impacts on natural habitats, wetlands, forests, and other ecological areas. Additionally, continuous investment in mine ecological restoration and green mines construction is necessary to achieve the goal of "simultaneous mining and remediation", promoting the natural integration of industry and ecology.



Our responses

- Conduct biodiversity assessments and special projects in the short term
- Carry out biodiversity conservation efforts following the principles of avoidance, reduction, regeneration, restoration, and transformation
- Actively develop green mines and green factories, utilizing cutting-edge technologies for ecosystem protection activities



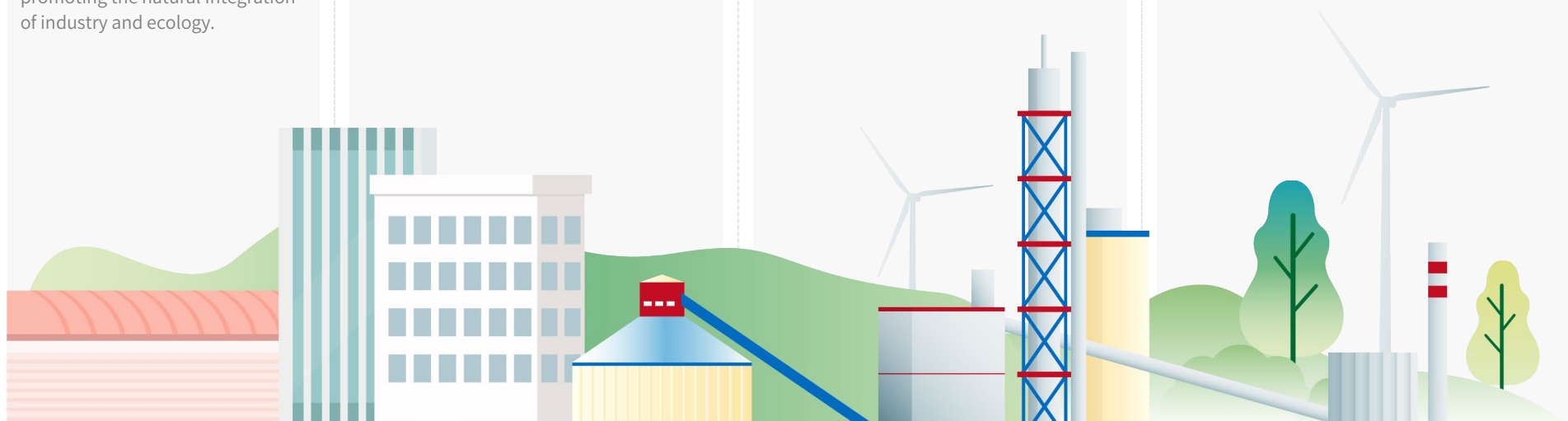
Our goals

- The green space coverage of the Group's subsidiaries premises **continually increasing**, the mine reclamation and greening efforts would ensure that **all applicable areas are restored**



Our achievements

- Received recognition for **42** national-level green mines, **110** green mines at other levels, totaling **153** green mines
- Sinoma Mining, a subsidiary of Sinoma International, carried out a total of **54** ecological restoration projects in 2024. The projects involved planting **314,512** trees, sowing **37,589** kilograms of grass seeds, and restoring a total green area of **3.55** million square meters



The Group's biodiversity conservation measures



Avoidance Measures

We implement the ecological protection red line policy, identifying biodiversity risks across multiple dimensions including operational sites, nearby areas, upstream supply chains, and downstream customers before commencing any business activities. We ensure that **100%** of our factories and projects conduct biodiversity risk assessments. For example, during raw material extraction for basic building materials, we consider the impact of the felling of vegetation at mining sites, as well as the effects of fuel consumption and exhaust emissions from cement operations on the local natural environment and resources, ensuring **full** compliance with the ecological protection red line requirements.



Reduction Measures

We rigorously evaluate the location and layout of our factories, considering animal migration routes and habitats for terrestrial, riverine, and marine organisms to ensure that factory sites are located away from biological habitats. During project construction and production operations, we protect natural habitats such as wetlands, forests, wildlife corridors, and agricultural lands, minimizing adverse impacts on the surrounding environment and communities.



Regeneration Measures

During extraction processes, we implement soil and water conservation measures and vegetation restoration projects, including tree planting, grass seeding, and slope spraying to increase mine greening areas. In 2024, Sinoma International's subsidiary, Sinoma Mine, undertook projects like the *Key Technology Research and Demonstration Project for Reducing Pollution and Carbon Sequestration in Baojian Mountain Mining*, utilizing carbon sequestration techniques to reconstruct mine ecosystems.



Conversion Measures

We respect the *Convention on Biological Diversity* and have developed a *Biodiversity Statement*, which was reviewed and approved by the board of directors, demonstrating our commitment and attitude to biodiversity protection. We conduct in-depth ESG awareness training and dissemination throughout all levels of the organization, integrating biodiversity protection into the Group's sustainability strategy. Through systematic training and communication activities, we enhance the ecological protection awareness of all employees and subsidiary companies, ensuring continuous monitoring of the impact of their activities on the surrounding environment. By employing scientific management and effective measures, we safeguard ecosystems and biodiversity.



Restoration Measures

We continue to improve the raw material extraction planning and mine operation management system, complying with the Convention on Green Mine, the Group has formulated relevant management policies such as the *Interim Measures for the Protection of Mine Ecological Environment*, the *Plan for Mine Land Reclamation*, and the *Plan for Geological Environmental Protection and Ecological Governance and Restoration of Mines*, emphasizing the greening and beautification of the surrounding environment to achieve a natural integration of industry and ecology. Sinoma Mining, a subsidiary of Sinoma International, carried out a total of **54** ecological restoration projects, including mine greening, ecological rehabilitation, and geological hazard management. The projects involved planting **314,512** trees, sowing **37,589** kilograms of grass seeds, and restoring a total green area of **3.55 million** square meters.

Case

Regreening the slopes of Dengjia Mountain mine, creating a vivid model of green mines

The Ruichang Aggregate's Dengjia Mountain project, a subsidiary of Tianshan Material, adheres to the philosophy of green development. Through a series of meticulous regreening processes, the project focuses on the ecological restoration of the high and steep slopes in the processing area. This comprehensive approach aims to create green mines, promoting a healthy ecosystem cycle and bringing renewed vitality and life to the mine slopes.

01

Slope cutting and clearing

Cut slopes according to the designed gradient.
Clear weathered rock, loose stones, and debris on the slope.

02

Planning and setting out

Determine drilling positions.

03

Anchor bolt installation

Drill, grout, and install anchor nail.

06

Straw infusion into mesh facings

It serves as "plant rhizomes" to secure the soil, and later decomposes as fertilizer after seed germination.

05

Anchor nail installation

Drill, grout, and install anchor nails.

04

Hanging mesh installation

Install plastic-coated, double-twisted hexagonal wire mesh reinforcement.

07

Spraying of granular soil layer

It is composed of clay, peat soil, fertilizer, water-retentive agent, and binder, among others.

08

Spraying of high-performance eco-substrates

It is composed of wood fibers, water-retentive matrix, porous granules, and seeds, among others, ensuring optimal contact with the underlying granular soil surface.

09

Side slope curing

Avoid rain and sun exposure.
Mainly include watering, fertilization, disease and pest control.

Case

Create a model of ecological integration and jointly promote the development of green industry

Based on the concept of ecological integration, the Group actively explores the collaborative development model of green industry and natural environment, vividly interpreting the deep integration of industrial production and ecological protection.

- In Lianshui New Material Industrial Park of China Jushi, the world's first zero-carbon intelligent manufacturing base for fiberglass has been built. The project achieves net-zero carbon emissions through the implementation of green energy initiatives, low-carbon production technologies, and zero-carbon recycling models. Viewed from such place, modern factories are set against a backdrop of the blue sky, lush rice fields, and graceful egrets, creating an idyllic scene of harmony between human activities and nature;
- The Beijing Composite, a subsidiary of Sinoma Science & Technology actively embodies the principles of biodiversity conservation by installing artificial nests for squirrels within its factory premises. This initiative provides essential habitats for local wildlife. Tengzhou Branch of Beijing Composite has become a habitat for the nationally protected Class II species - the Mallard (*Anas platyrhynchos*). Rare bird species such as egrets and wild ducks have also established their homes here, transforming the site into a local "birdwatching hotspot" for nature enthusiasts.



Zero Carbon Factory of China Jushi



Installation of artificial squirrel nests

Outstanding Brands Promote International Cooperation



Guaranteeing quality excellence and casting a quality brand

CNBM consistently adheres to the principle of quality first and prioritizes quality in all aspects. The Group integrates the concept of "safeguarding the common health of humanity and the Earth" into its entire product and service management system, continuously advancing the green and sustainable development of the industrial chain.



Our challenges

With the intensification of market competition and the increase of consumer demand for high-quality products, the Group needs to further improve the quality management system to ensure the quality control of the whole process of products from production to delivery, and continuously optimize customer experience and enhance brand trust. Additionally, the complexity of the supply chain also adds to the challenges of quality management. Therefore, the Group needs to promote supply chain transparency and sustainability, ensuring that partners meet standards in both quality and ESG performance.



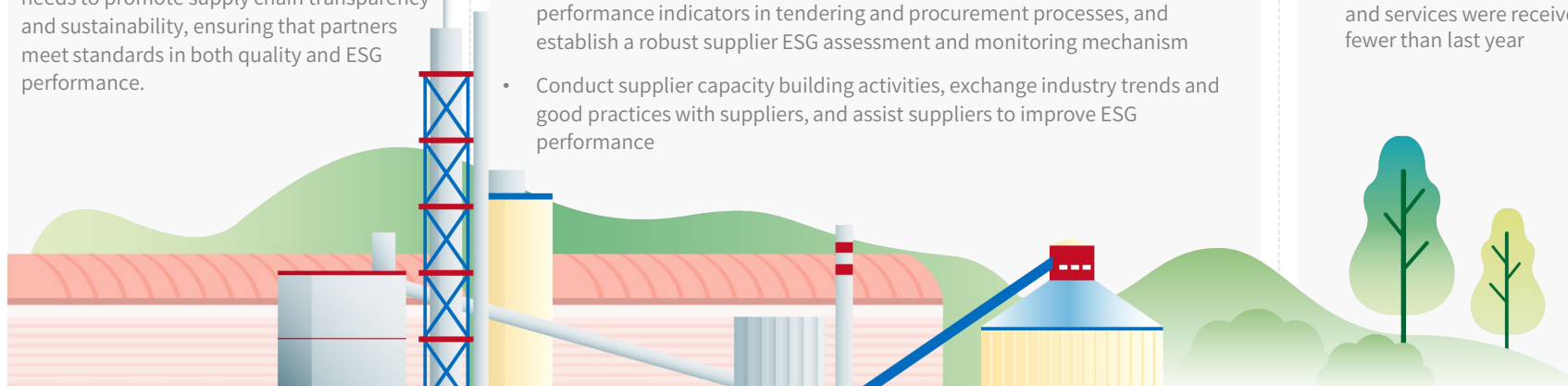
Our responses

- Clearly define the responsibilities and authorities of all quality-related personnel, establish comprehensive product quality documentation and systems, and expand the scope of quality certifications
- Build a robust customer service system and regularly conduct customer satisfaction surveys
- Place high importance on customer privacy protection, establish comprehensive cybersecurity policies, and set up a cybersecurity leadership team
- Publish a *Supplier Code of Conduct* and a *Sustainable Supply Chain Management Policy Statement*. Increase the weight of ESG-related performance indicators in tendering and procurement processes, and establish a robust supplier ESG assessment and monitoring mechanism
- Conduct supplier capacity building activities, exchange industry trends and good practices with suppliers, and assist suppliers to improve ESG performance



Our achievements

- Over the past four years, a total of **134** production-oriented enterprises have obtained ISO9001 Quality Management System certification
- Several subsidiary companies have won awards at the 7th Central Enterprise QC Group Achievements Presentation Competition
- Customer satisfaction reached **96.02%**, an increase of **3.38 pp** compared to last year
- A total of **343** complaints regarding products and services were received, which is **101** fewer than last year



Quality management

The Group strictly complies with the *Product Quality Law of the People's Republic of China* and other relevant laws, regulations and policies, to clarify the responsibilities and authorities of quality-related personnel, points out the direction and ways for the quality management of subsidiaries. Subsidiary companies have also actively established a full-process product quality control mechanism, regularly conducting sample testing of products. By analyzing various performance indicators of the samples, they ensure that the quality of externally sold products meets standards. In the case of after-sales nonconforming products and other situations involving product recalls, the Group responds as soon as possible, quickly records key details such as customer complaints, product batches, and sales time, and works with the quality control department and technical team to accurately locate the source of the problem. At the same time, recall notifications will be sent to all potentially affected users and partners through multiple channels. For the recalled nonconforming products, strict handling and disposal procedures are adopted. In addition, the Group widely carries out activities such as quality improvement, problem-solving, quality diagnostics, and quality enhancement teams to comprehensively improve competitiveness.

Integrate risk management concepts into every stage of product manufacturing and service processes

- Industry: Stay abreast of the latest industry standards in technology and environmental protection. Incorporate these standards into product development and service project initiation to address risks or opportunities arising from advancements in industry technology and increased environmental protection requirements;
- Product: Utilize scientific performance indicator measurement and monitoring methods, such as data collection, data analysis, expert consultations, and assessment report writing, to identify impacts and risks associated with energy consumption, resource utilization, waste emissions, carbon emissions, labor rights, health and safety, and social responsibility during product production and use. Actively develop corresponding improvement measures to provide high-quality, low-risk products and services;
- Regional: During localized operations, integrate specific country-specific risks into considerations for product and service supply. Pay particular attention to risks posed by local government environmental and energy-saving policies, the personal safety of overseas employees, religious beliefs, and ethnic cultural factors.



In 2024, several subsidiary companies of the Group were awarded at the **7th Central Enterprise QC Group Achievements Presentation Competition**. Beijing Composite received the **second prize** for *Improving the Appearance Quality Pass Rate of New Energy Composite Material Bus Bodies*, and BNBM received the **third prize** for *Reducing the Insertion Gap Size of Mineral Wool Board Beyond Concealed Edge Type*.

Case

Strengthening the "EPE concept (Efficiency in Organization, Precision in Management, Excellence in Operations)" to promote high-quality and sustainable development in the cement industry

Shanya South, a subsidiary of Tianshan Material prioritizes "excellent cost reduction", clean factories, and smart factory creation. By benchmarking against world-class cement enterprises, they have effectively implemented the "EPE concept". Leveraging the cutting-edge global equipment and processes, Shanya South has achieved significant results in energy efficiency, emissions, productivity, equipment maintenance, safety records, and management systems. For three consecutive years, they have realized "zero fatalities" and "zero medical incidents", with "zero waste discharge" from mining operations and pollutant emissions far below both domestic and international standards. This demonstrates their exemplary practice of driving high-quality development through stringent quality management standards.



Shanya South receives the "Model Plant Award" from the World Cement Association



Customer service

The Group attaches great importance to customer satisfaction, guided by customers' demands to continuously improve customer service system to enhance customer satisfaction and brand trust.

The Group's subsidiary companies continue to advance customer service system construction. They have formulated regulations such as the *Rules for Customer Complaint Handling Management*, *Management Standards for User Visits and Talks*, *Customer Satisfaction Management Measures*, *Management System for After-sales Service*, and other provisions. These documents clearly define complaint channels and resolution timeframes, and establish an after-sales service division to provide superior one-to-many after-sales support. Regularly conduct in-depth customer satisfaction surveys and implement timely rectification of the deficiencies and problems revealed in the surveys to improve customer satisfaction.

In 2024



The Group received a total of **343** complaints about products and services



Of which the proportion of complaints properly replied and handled was **100%**



And the overall customer satisfaction was **96.02%**

The Group strictly abides by the *Personal Information Protection Law of the People's Republic of China* and other relevant laws and regulations. The subsidiaries have formulated the *Measures for the Management of Customer Archives*, the *Confidentiality Management System*, the *Management System for the Use of Confidential Information Systems and Information Equipment*, the *Confidential Management Manual* and other systems and regulations. At the same time, all confidential employees are required to sign confidentiality agreements with Group to effectively protect the privacy and business confidentiality of clients and themselves.

The Group attaches great importance to network security and has established a sound system that resolutely curbs and identifies major network security risks and incidents, to continuously improve its defense against network security threats. The Group has formulated several regulations, including the *Contingency Plan for Network Security*, the *Measures for Network Security Management*, and the *Project Management System for Network Security and Informatization for CNBM*, established a Chief Information Officer (CIO) position, and defined a steering committee comprising a chairman, president, and senior management as the core members, as well as a working group composed of responsible leaders, heads of departments such as the Digitalization Management Center, and relevant staff.

To improve the level of information security technology, the Group

- required all employees to be responsible for implementing the cybersecurity accountability system, and clearly defined channels and procedures for reporting information security issues.
- clearly defined the process for managing cybersecurity incidents. Required each subsidiary company must promptly assess and handle cybersecurity alerts and notifications. In the event of significant or larger cybersecurity incidents, immediate reporting is required. Companies are also urged to conduct cybersecurity self-inspections and protective measures. Additionally, a cybersecurity emergency budget management process has been established to ensure risk assessment reminders and complete the full incident response cycle.
- promptly determine the source and nature of the breach in accordance with the *Contingency Plan for Network Security* upon receiving a report of an information security issue. Disconnect the information network equipment and physical network links that affect system security and stability. Track and lock down the IP address or other network user information of the source of the breach. Based on this, promptly repair the damaged information to ensure business continuity.
- undergo annual security level protection registration and evaluation of all headquarters' information systems, covering information security testing and third-party vulnerability scanning and remediation. This year, technical experts from the Ministry of Public Security were invited to conduct vulnerability analysis and other cybersecurity checks as part of the security level protection evaluation and cybersecurity action plan.

To enhance employees' awareness of network security, the Group

- organize the 2024 National Network Security Publicity Week, extensively mobilize employees to participate, and carry out special activities in various forms with rich contents.
- host a cybersecurity awareness training session and action mobilization meeting, inviting cybersecurity experts from the Ministry of Public Security to explain domestic and international cybersecurity situations and the action plan. Leaders, employees, and personnel involved in digital transformation within the Group actively participated, with over one hundred attendees.
- has each subsidiary constantly strengthen all employee's awareness of network security by distributing information brochures on network security, conducting themed publicity and education of the *Cybersecurity Law*, organizing attack and defense drills, phishing email testing and competition on network security knowledge.
- invite external experts to hold lectures on privacy protection governance and cross-border data security and summarize and share them within the Group, so as to expand the global vision of digital business field personnel on data compliance and privacy protection.

Responsible supply

The Group is committed to building a transparent, dynamic and traceable supply chain management system, and has formulated the Policy Statement on Sustainable Supply Chain Management and the Code of Conduct for Suppliers. The Group integrates the ESG concept throughout the entire procurement process, with attention to the green attributes of products and services purchased, and the sustainable performance of suppliers in terms of employees' health and safety, anti-corruption management, etc., thereby achieving sustainable win-win development with partners.

Robust supply chain management

The Group adheres to regulations such as the *Procurement Management Measures for China National Building Materials Co., Ltd.*, and upholds the principles of "centralized management, dynamic assessment, and selecting the best while eliminating the worst", and established a tiered supplier management system, management processes, performance evaluation system, and a supplier resource management platform. Each subsidiary company must adjust its supply chain management system according to its own business characteristics, continuously standardizing procurement planning, supplier access, supplier assessment, and supplier classification and grading management procedures to ensure the compliance and effectiveness of supply chain management.

Supplier access

The Group has established a supplier access mechanism. Depending on the type of materials and services supplied, different assessment methods are used to review supplier admittance. The evaluation is comprehensive and focuses on the suppliers' business qualifications, business scale, organizational structure, trade safety, tax-related public sentiment, tax credit rating, upstream and downstream relationships, and whether there is an anti-corruption policy in place. We also ensure that suppliers' possess various quality, safety, environmental protection certifications, and other business operation permits to fully avoid potential risks.

Supplier tier-based management

To effectively manage the entire life cycle of the supply chain and continuously optimize supplier structure and management quality, the Group comprehensively judges the importance of suppliers' from multiple dimensions such as suppliers' governance structure, operating conditions, supply capacity, reputation evaluation, years of cooperation ESG performance, and external factors like geopolitics, international relations, industry characteristics and special product risks to implement grading management.

Suppliers assessment

During the cooperation period, the Group continuously pays attention to the production and operation of suppliers, and regularly and irregularly assesses suppliers, focusing on ESG indicators such as enterprise qualifications, supply and after-sales services, building up of safety management system, environmental protection performances and compliance of anticorruption requirements, making sure they comply with the requirement of Suppliers Code of Conduct. The evaluation is based on the performance of access suppliers during the assessment period, and will directly affect the revision of the supplier catalogue, so as to realize the dynamic management of the catalogue.

Supplier assessment management measures of subsidiaries

Tianshan Material

The company regularly assesses and investigates all cooperative suppliers, tailoring the frequency and methods according to factors such as procurement region, procurement method, material category, and contractual agreements. The key performance indicators for these assessments include delivery schedule, product quality, service quality, supplier cooperation and cost. To ensure a reliable supply of high-quality packaging bags, the company has established a monthly assessment and evaluation mechanism for suppliers of packing bags, as well as the PDCA¹ closed-loop feedback mechanism. The assessment results are used to adjust the allocation of planned monthly procurement quantities.

Sinoma Science & Technology

The company conducts annual on-site examinations for suppliers who have obtained performance certification for new materials and new models and that have been introduced as needed, suppliers who had major quality incidents in the previous year, suppliers who ranked among the top five in terms of the number of quality complaints received in the previous year, suppliers with a comprehensive performance evaluation score of less than 60 and suppliers with an on-site examination interval of more than two years. The examination scope includes system operation, design and development, production processes, customer service, traceability measurement, continuous improvement and environmental health and safety. Suppliers are also required to complete rectification of non-conformities on time and submit verification documents.

CNBM Graphite

The company conducts annual supplier classification evaluations. For potential suppliers, a prequalification review is carried out, including desk research and on-site inspections; For existing suppliers, a comprehensive annual evaluation is conducted; For suppliers whose contracts have been completed, assessments are performed periodically based on settlement cycles or procurement batches. The Company conducts on-site audits to focus on suppliers who experienced quality incidents or received numerous quality complaints in the previous year. After the audit, the Company issues a list of non-conformities and tracks the rectification results of these issues.

1. PDCA Cycle: Plan, Do, Check, Act

Sustainability integration

The Group pays close attention to suppliers' performance on ESG issues. The Board oversees the implementation of sustainable supply chain efforts in a comprehensive manner and manages environmental and social risks in the supply chain seriously, aiming to create a high-quality and sustainable supply system.

Risk identification

The Group is committed to enhancing the risk assessment and awareness of environmental, social, and governance factors across our supply chain, adopting differentiated cooperation priorities and strategies based on these assessments. Each subsidiary company uses a supplier risk evaluation framework to assess suppliers from multiple dimensions, including operational performance, product quality, delivery efficiency, environmental impact, and social responsibility risks. The group communicate with suppliers quickly and require rectification for the identified risks, and provide necessary support through strengthening dialogue, working together on cooperative projects, and other methods to effectively reduce the ESG risks faced by the supply chain, and jointly build a robust and sustainable supply chain system.

Identifying and assessing supplier's environmental and social risks

Environmental management	Whether the supplier has been subjected to environmental administrative penalties, etc.
Social responsibility performance	Whether the supplier has been involved in any labor disputes or legal issues, whether the supplier has been punished by government departments for safety accidents, etc.
Corporate governance	whether there are issues such as corruption, bribery, conflicts of interest, or unfair competition
Specific risks	In certain countries, stricter legal and regulatory requirements for suppliers' environmental and social responsibilities may result in higher social risks for those suppliers. Manufacturers in certain industries or producing specific products may face higher environmental risks due to high pollution or high energy consumption in their production processes

For suppliers with "high sustainability risk"

Assessment	Conduct a comprehensive assessment to understand the severity and scope of the issues
Investigation	Conduct an in-depth investigation to determine the root causes of the issues
Review	Entrust a third-party organization to conduct a comprehensive review to ensure authenticity and objectivity
Rectification	Require the suppliers to develop rectification plans and monitor the rectification process
Assessment	Assess the effectiveness of the rectification measures to ensure a satisfactory effect
Exclusion	Consider terminating the cooperation with high-risk suppliers if the results after rectification are not acceptable

Additionally, the Group requires all subsidiaries to strengthen risk control and emergency management in the supply chain and clearly identify the risks during supplier access, classification and review; Supplier files are created, and regular reviews and updates are conducted. Diversified procurement channels are established, along with safety stock, and regular inventory checks and updates are implemented to mitigate the risk of disruptions in the supply of raw materials and finished products. An information-sharing mechanism is established with suppliers, logistics companies, and other partners to promptly exchange market changes, production plans, and logistics information. Detailed emergency plans are developed, and regular emergency drills and training are organized to ensure the overall security and stability of the supply chain.

Integrity leadership

The Group implements a rigorous sunshine procurement mode of "fairness, openness and impartiality", enforces a strict procurement management system and supplier access procedures, and requires suppliers to have anti-corruption policies in place and carry out anti-corruption measures. Suppliers who fail to meet compliance management requirements will have their eligibility for access revoked.

Anti-corruption management practices in the supply chain

- All departments and subsidiary companies of the Group should send integrity notification letters, sign integrity commitment letters, or include integrity clauses in contracts when entering into agreements with suppliers. These clauses prohibit suppliers from offering any benefits, conveniences, or other advantages to the Group's staff, their relatives, or specific related parties.
- Integrity in business practices is treated as a veto condition by the Group. Suppliers who violate these practices will be disqualified from participating in bidding and will be blacklisted.
- Each of the Group's subsidiary companies carries out programs to verify the anti-corruption policies of the suppliers and their compliance, such as anti-corruption supervision and inspection of the supply chain based on local conditions. They regularly conduct integrity evaluations of all suppliers, develop, optimize, and strictly enforce integrity audit and investigation plans, and commission professional third-party auditing firms to conduct comprehensive reviews. Suppliers are also subject to random checks through phone interviews, questionnaire surveys, and contract audits to ensure compliance with anti-corruption policies, the implementation of effective internal controls and oversight mechanisms, and to avoid any improper interests or kickback practices in business transactions.



During the reporting period, the Group's integrity notification letters, integrity commitment letters or integrity contracts covered **all** suppliers. **100%** of the subsidiary companies conduct or undergo integrity-specific inspections, on-site checks, or follow-up interviews related to their suppliers.

Responsible procurement

The Group has issued the *Supplier Code of Conduct*, advocating responsible procurement and requiring suppliers to make commitments and provide support in four areas: safety and health, employees and communities, environment and climate change, and management and compliance.

Supplier code of conduct

Supplier shall continuously improve health and safety performance, support and respect for human rights, recognize employees' freedom of association, and prohibit all forms of modern slavery. Additionally, suppliers are expected to provide favorable working conditions and reasonable compensation, while also working to eliminate all forms of discrimination and harassment; They are expected to be committed to reducing energy consumption, proactively address climate change issues, and improving resource efficiency. In addition to exploring the potential for waste recycling, suppliers should also aim to reduce water consumption and pollutant emissions. Protection of land and forest resources, along with preservation of natural ecosystems and biodiversity, are also key requirements; Furthermore, the code explicitly bans any form of corruption, incitement to crime, extortion and embezzlement.

Each subsidiary company conducts an annual evaluation and audit of all suppliers in its database to ensure compliance with the Group's Supplier Code of Conduct. Suppliers with performance issues within the year will undergo document reviews and on-site audits, depending on the specific circumstances. The Group places significant emphasis on quality concerns, payment disputes, labor and employment risks, non-compliance with energy-saving and environmental standards, and other violations of minimum ESG requirements. Suppliers involved in such issues will be required to implement corrective actions, and those who refuse to do so within the stipulated timeframe or whose violations are severe will be placed on a warning list, thereby effectively ensuring the stability of the supply chain.

Building on the existing supplier access mechanism, the Group actively integrates ESG requirements and prioritizes suppliers with strong ESG performance. ESG requirements are explicitly included in the scoring criteria of tender documents by the company, ESG related indicator scores are included as **5%** bonus point in the general bidding documents. For example, in the tender documents for Sinoma Lithium Separator under Sinoma Science & Technology, the score for green production accounts for **2%**, energy-saving and environmental protection efforts for **4%**, and employee rights protection for **6%**. In the general tender documents for Tianshan Material, ESG-related indicators make up **10% to 20%** of the total score.

The Group advocates for green procurement, and gradually increases the proportion of green procurement. When purchasing raw materials, the Group gives preference to products that are produced with a green and low-carbon process, are energy-efficient and environmentally friendly, and have a minimal impact on the environment. Suppliers are selected based on their certifications in environmental management system, quality management, occupational health and safety management, energy management systems and green product. The Group prioritizes the procurement of clean energy, and efforts are made to promote the use of non-fossil fuel energy sources such as alternative energy, urban waste, and biomass energy. Suppliers are encouraged to fully consider energy-saving, water-saving, environmental protection, recycling, low-carbon, and renewable factors in product design and manufacturing processes. The Group advocates for the use of clean energy transportation methods by suppliers. Suppliers are expected to promote the concept of minimal packaging, simplifying the external packaging of bulk products and using renewable packaging materials as much as feasible to minimize waste while ensuring product quality and safety during transportation.

Responsible procurement measures of subsidiaries

- Ningxia Building Materials has developed green logistics in its actual business operations by launching the Green Energy Sharing Truck project. The company is exploring the use of electric trucks for logistics transportation and internal transfers, aiming to reduce the consumption of fossil energy during the transportation phase. It also encourages suppliers to use the digital logistics platform "Find a Car" to trace raw materials and improve logistics efficiency
- Sinoma Science & Technology has signed the *Code of Conduct on Social Responsibility of Suppliers*, *Supplement Agreement on Energy Conservation and Consumption Reduction*, *Cooperation Agreement on Circular Economy Reuse*, and *Public Letter on Influencing the Safety and Environmental Behavior of Relevant Parties with suppliers*. These documents set out requirements and assessments for suppliers and contract manufacturers in areas such as energy conservation, recycling, child labor, freedom of association, discrimination, forced labor, working hours, wages and benefits, occupational health and safety, and business ethics. Additionally, a mechanism has been established to eliminate negative matters
- China Jushi actively engages in producer responsibility extension in the green recycling process. By leveraging the professional qualifications of its suppliers, the company collaborates in the recycling, dismantling, processing, and reuse of materials, ensuring the efficient circulation of waste products and materials between production, recycling, and dismantling enterprises

Capacity building

The Group encourages its subsidiaries to promote ESG-related certifications for suppliers and to participate in ESG training. It offers suggestions for enhancing ESG management and shares market dynamics, policies, regulations, industry trends, and best ESG practices from peers through information sharing, two-way communication, high-level consultations, incentives, and support measures. These efforts help suppliers adjust their business strategies in a timely manner. Furthermore, the Group strongly supports its subsidiaries in providing specialized ESG training and sustainability awareness programs for employees of the procurement department, clarifying green procurement strategies, and enhancing their understanding of market regulatory requirements.

In 2024, the Group has carried out greenhouse gas Scope 3 accounting, guiding suppliers to conduct their own carbon audits and extending carbon management requirements to the supply chain.

Case

BNBM launches supplier capability co-building activities to enhance suppliers' ESG performance

BNBM collaborates with its suppliers to carry out joint ESG capability-building activities on a non-regular basis. For example, Taishan Gypsum hosted a Strategic Cooperation and Development Conference of Suppliers, themed "Link Up for Mutual Success and Reach New Heights," BNBM Waterproof organized a supplier communication conference, and way communication and technical discussions, these initiatives capitalize on mutual strengths, boost suppliers' R&D and innovation capabilities, accelerate new product development and technological innovation, and broaden the scope of cooperation. Additionally, these efforts help suppliers better understand ESG requirements, contributing to the creation of a more sustainable supply chain ecosystem.



Case

Sinoma International enhances procurement team capabilities and partners with suppliers for mutual growth

In 2024, Sinoma Intelligent Technology, a subsidiary of Sinoma International, conducted training for procurement department employees on assessing supplier ESG performance. Through a systematic curriculum, the procurement team gained a deeper understanding of ESG principles and their significance in corporate procurement decisions. They also learned how to effectively incorporate ESG requirements into supplier evaluations, contract management, and daily communications. This training has enhanced the procurement staff's motivation and ability to actively promote sustainable development in the supply chain, laying a solid foundation for the company and its suppliers to move towards a greener and more responsible future.

Caring for employee development and building an employer brand

The Group always adheres to the people-oriented principle, protects legitimate rights and interests of employees, and provides employees with a healthy and safe working environment and a comfortable and convenient living environment. The Group adheres to the talent-led strategy, takes various measures to attract and train talents, and actively builds a broad career development platform for employees to enable employees to share the fruits of development.



Our challenges

Amid intensifying market competition and growing talent turnover, the company needs to further enhance its talent recruitment and development mechanisms to offer employees more robust and diverse career progression pathways. As employees' expectations for better work environments and career growth keep rising, the company needs to improve the workplace, enhance benefits, ensure employees' health and safety, and foster a greater sense of happiness and belonging among staff.



Our responses

- Develop specialized safety management tools, formulate and implement a three-year action plan for fundamental safety improvements, and promote safety culture construction at all levels
- Ensure strict compliance with employees' legal rights in areas such as employment, dismissal, promotions, and working hours, and establish relevant internal management systems
- Conduct regular human rights risk self-assessments and ensure employees' equal employment rights, with multiple reporting channels in place
- Promote employee stock ownership plans and steadily increase the number of people covered by equity incentive programs
- Build a multi-channel employee training system
- Conduct annual employee satisfaction surveys



Our goals

- By 2025, the number of safety production responsibility accidents: ≤ 6 ; Serious injury rate per 1,000 employees (excluding overseas): $< 0.007\%$; Number of safety production accidents overseas: **0**; Number of major safety production accidents: **0**



Our achievements

- Serious injury rate of **0.007%** (excluding overseas), **0** overseas work safety accidents, and **0** major work safety accidents, no major accidents have occurred for **4** consecutive years. No new occupational disease cases have been identified
- Investment in safety and health-related initiatives: **1.749** billion yuan
- Number of ISO45001 occupational health and safety management system-certified factories: **673**, accounting for over **75%**
- Occupational health and safety training sessions: **1.8** million person-times
- Signed the UN *Women's Empowerment Principles*
- Employee satisfaction across all categories: more than **97.5%**
- **100%** of employees receive variable compensation linked to performance. Across all levels, **203** enterprises meet the criteria for long-term incentive programs, with **187** enterprises already implementing these programs, covering **92%** and involving **5,217** employees
- Two subsidiaries of Sinoma International were respectively recognized as "Employer of the Year" by Zhaopin.com and "National Model Workers' Home"

People-oriented

The Group regards employees as the most valuable asset of the Company, and is committed to creating a fair and equitable employment mechanism, and continuously improves a scientific system for talent retention, promotion and development. Moreover, we have designed a welfare system that runs through the entire life cycle of employees in the workplace, to protect the career development and workplace experience of employees in an all-round manner and enhance employees' happiness and sense of belonging.

Regulating employment

The Group strictly complies with laws and regulations related to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, anti-harassment, and other benefits and welfare. The Group has established internal rules and regulations such as the *Measures for Employee Management* and the *Measures for Employee Leave and Attendance*, which clearly stipulate the management processes for recruitment, dismissal, job transfer, working hours and contract operation of employees, aiming to safeguard the lawful interests of the Company and the employees.

Regulating employment

The Group upholds the principles of fair competition and merit-based recruitment in the process of recruitment and employment, and has formulated and implemented a standardized personnel management system. The Group prohibits inquiries into the privacy of candidates during the recruitment process, designate dedicated personnel to keep recruitment information and files in dedicated storerooms, and establishes strict procedures for the access to and circulation of files to prevent leakage of privacy.

The Group reasonably regulates the dismissal. For different circumstances such as unilateral dismissal by employees, unilateral dismissal by the Company, and dismissal by consensus of both parties, the Group implements the compliance procedures in accordance with the *Special Guidelines on Compliance Management – Labor and Employment*. In the past three years, the Group has not been involved in any disputes such as large-scale layoffs. Where labor disputes arise, the Group deals with employee labor disputes and communication, arbitration and other matters through the labor union to safeguard the legitimate rights and interests of employees.

Managing leave and attendance

The Group has formulated a *Management System of Working Hours, Rest, Vacation and Leave for Employees*, which clearly stipulates the working hours, annual leave, and various leave hours of employees to safeguard the right of employees to rest and vacation. In special circumstances such as extreme weather, we offer flexible working hours and remote work options. Furthermore, we place great emphasis on the physical and mental well-being of our employees. We provide free annual health check-ups and host a monthly "Health Cabin" on-site consultation service at CNBM's headquarters. Additionally, we offer mental health counseling services and regularly conduct psychological well-being training sessions to help employees manage work-related stress. At the same time, we organize a variety of cultural, sports, and educational activities to foster a positive and uplifting work environment.



Visit to the National Publications Museum of China



"Walking Together, Moving as One" employee wellness walk

Preventing forced labor and child labor

During the recruitment process, the Group strictly examines the identity information of candidates to prevent recruiting child labor, and if any case of child labor is found, it will be dealt with in accordance with the requirements of laws and regulations in a timely manner. In this year, the Group had no violations related to forced labor and child labor.

Protecting human rights

In line with the internationally recognized human rights policies as set out in the *Universal Declaration of Human Rights* issued by the United Nations, the *International Covenants on Human Rights*, and the core conventions of the International Labor Organization, the Group has issued the *Special Guidelines on Compliance Management of CNBM – Labor and Employment* and the *Compliance Manual*. It also signed the UN Women's Empowerment Principles in 2024. We are dedicated to fostering a diverse, inclusive, and equitable workplace, ensuring that all employees enjoy equal opportunities across their entire career journey, from recruitment to promotion, and in all aspects of compensation and benefits.

Human rights risk management

In order to identify, prevent and respond to potential human rights risks, the Group regularly conducts self-examination and response work on human rights risks across all levels, including self-examination and self-correction of the timely payment of wages to migrant workers and pays attention to whether there are human rights risks related to women, children, labor dispatch, migrant workers and other groups in its business activities, suppliers, partners and joint ventures. During the reporting year, there has been no occurrences of potential human rights issues, or violations of equal opportunities, diversity, antidiscrimination regulations.

Equality and diversity

The Group protects employees' rights to equal employment and independent choice of employment in accordance with the law, and takes reasonable measures such as preventative measures, addressing complaints, investigating and handling matters to curb discrimination against any applicant based on ethnicity, race, gender, religious belief and marital status in the process of recruitment and employment, guaranteeing equal employment and promotion opportunities.

We uphold a strict zero-tolerance policy regarding workplace discrimination and harassment. To facilitate the reporting of concerns, we provide employees with multiple reporting channels, including a dedicated hotline and email, ensuring that they can report concerns conveniently and securely. Upon receiving a report, the Group promptly initiates an investigation and takes appropriate action in strict accordance with the Compliance Manual. If the incident results in harm to the affected party, the Group will assume legal responsibility for compensation, thereby fully safeguarding employees' legitimate rights and interests. In the Measures for the Management of Employees of the Headquarters CNBM (Revised), we stipulate that those employees who violate social morality and professional ethics, will be given warnings, demerits, demotions, dismissals and termination of labor contracts according to the seriousness of the circumstances, and corresponding economic penalties will be imposed according to the salary system.

Protecting the rights of female employees

The Group respects and protects the special rights and interests of female employees in accordance with the law, strictly abides by relevant rules and regulations such as the *Special Provisions on Labor Protection for Female Employees* and the *Provisions on the Scope of Prohibited Labor for Female Employees*, which specifies that female employees whose babies are less than one year old are given 30 minutes of breastfeeding time twice a day, and that employees whose children exist before the age of three are given 5 working days of childcare leave per year.

Equal treatment in promotion, training, benefits, and compensation



Dedicated nursing room, maternity leave, childcare leave and paternity leave



Diversified care activities for female employees



Exclusive holiday gifts



Democratic management of employees

The Group has built smooth communication channels for employees, highlighted the employee communication system featuring labor unions, and achieved that **90.1%** of employees at all levels joined the labor unions. The Group fully respects employee's right to know and supervision rights, and has established a democratic management mechanism through the worker's congress, which is held regularly to collect proposals from employee representatives and understand employee's suggestions and requirements. In 2024, the Group conducted an employee satisfaction survey to gather feedback from staff at all levels on their work experience, intrinsic motivation, overall well-being, work-related stress, and other aspects via an online questionnaire.



According to the results of the questionnaire, the satisfaction rate of the Group's employees by gender, ethnicity, job level and age group exceeded **97.5%**

Human rights management of suppliers

The Group not only pays attention to protecting the legitimate rights and interests of the Company's employees, but also requires suppliers to protect the legitimate rights and interests of their employees. For example, we explicitly require suppliers to provide proof of social security payment, insurance coverage and insurance descriptions of their employees in contracts. We make clear requirements for the age of workers, provide strict guarantee for the payment of wages for migrant workers, make detailed agreements on commercial insurance for migrant workers, and provide employees with protective gears in compliance with the requirements.

Remuneration

The Group has established a scientific and sound remuneration management system and welfare system to optimize and standardize the remuneration management, ensure that the remuneration level is coordinated with the overall development of the Company and the national economic development, and provide employees with competitive salaries.

Performance-based pay mechanism

The Group makes continued efforts to optimize the performance appraisal system, closely linking employee contributions with career development through a combination of performance assessments and compensation incentives. We implement a performance-based, differentiated salary increase strategy that includes all employees in the appraisal process and tailor performance appraisal standards to different positions. The results of the performance appraisal serve as key criteria for decisions related to appointments, dismissals, promotions, demotions, salary adjustments, and role changes.

All employees within the Group receive performance-based variable compensation. The proportion of variable salary tied to performance incentives varies by role: 40–60% for senior management, 30–40% for middle management, and 10–30% for general employees.

Goal-oriented management	The appraisal takes into account the performance indicators achieved at the company, department, project, and individual levels, and is conducted based on the fulfillment of both personal and departmental goals.
Team performance appraisal	Quarterly or annually
Multi-dimensional performance appraisal	The design of variable salary components, such as bonuses and performance-based pay, is directly linked to employees' job responsibilities, competencies, actual performance, overall departmental performance, teamwork, professional integrity, privacy protection, information security, and other ethical business considerations.
Agile conversations	Regular weekly or monthly meetings are held at all companies and department levels to facilitate ongoing communication. After evaluation results are published, department heads conduct one-on-one performance reviews with employees to gain insights into their work, gather feedback, and provide guidance on improvement and career development.
	At any time

Incentive mechanism for employees

The Group distributes year-end bonuses, performance bonuses, and contribution awards based on employees' performance appraisals. We also consider implementing long-term equity incentive plans for key personnel at an appropriate time, leveraging various tools from our medium-term and long-term incentive toolbox to enhance employee motivation and creativity. For the President, key incentive factors include economic indicators such as profit, management of accounts receivable and inventory, energy-saving and environmental protection performance, intensity of R&D investment, labor productivity, etc.

In 2024



The Group had a total of **203** enterprises across all levels eligible for long-term incentive programs, with **187** enterprises already implementing such programs, achieving a coverage rate of **92%** and involving **5,217** employees.




Among them, Sinoma international implemented a restricted stock incentive plan covering the company's directors, senior management, core management personnel, and key business and technical staff. A total of **264** employees received restricted stock incentives, representing **2.13%** of the company's total share capital.



Multiple welfare benefits

The Group provides various non-compensation benefits for all the employees, such as various social insurances and housing provident funds, for all employees in a timely manner and in full amount, and also establishes supplementary welfare system such as enterprise annuity, supplementary medical insurance and personal accident insurance to help employees accumulate sufficient funds to cope with retirement life and build a multilevel pension and medical insurance system.

Pension plan	Medical insurance	Unemployment insurance	Maternity insurance	Work-related injury insurance
100%	100%	100%	100%	100%
Supplementary insurance (e.g. commercial medical insurance)		Housing provident fund	Enterprise annuity	
38.2%		100%	50.6%	

In 2024, the Group provided financial aid or scholarships to 788 children of employees facing difficulties, assisted 319 employees with critical illnesses, and extended care and support to 3,124 employees with special needs or financial struggles. The total expenditure amounted to 3.87 million yuan. Additionally, we organized and participated in 4,781 employee activities, reaching a total of 198,854 participants.

Strengthening the enterprise by the talents

The Group focuses on the use of talents and is more committed to the cultivation of talents. We have established a multi-path career system that includes management, professional, and support tracks and continuously improve our comprehensive framework for the selection, cultivation, management, and use of talent. We implement a training approach that prioritizes internal training while supplementing it with external programs and formulate *Employee Training Management Measures* and other relevant policies. The Group establishes a multi-channel, multi-form, and hierarchical and focused employee development and training platform to assist employees in enhancing their personal value propositions.

Training and development mechanism

Training for new employees

Professional skill training

Safety and environmental protection training

Management culture training

Self-training

Qualification advancement

Implementation details

Standardized pre-employment training for all new hires

Job-specific knowledge and skills training by professional category conducted based on the company's development plan and departmental needs

Comprehensive centralized briefings on safety and environmental awareness, pre-shift meetings, activities themed around safety production, and safety and environmental emergency drills

Periodic training sessions on compliance management, risk control, and leadership development. Additional programs cover workplace rights protection, including anti-discrimination and anti-harassment training, fostering a workplace culture of anti-discrimination and anti-harassment.

Employees are encouraged to pursue further education and training without compromising their job responsibilities. The company provides support in terms of work flexibility, financial investment, and incentive mechanisms to facilitate continuous learning and professional growth.

Each subsidiary establishes its own certification support and academic advancement programs based on operational needs. Sinoma International, for instance, encourages employees to obtain professional qualifications and provides partial subsidies and reimbursements.

Scope of application

100% new employees

100% full-time employees

100% full-time employees and contractors

100% full-time employees

100% full-time employees

100% full-time employees

Case

BNBM Central Asia and Fergana Polytechnic Institute join hands to promote industry-academia collaboration

In 2024, BNBM Central Asia, a subsidiary of BNBM, organized a recruitment team to conduct a campus presentation at Fergana Polytechnic Institute. The company established an industry-academia partnership with the university, offering over 30 job positions and creating more employment opportunities for local graduates. This collaboration not only enhances localized operations but also promotes the career development of employees in project regions.



Peking University of Central Asia into Fergana University of Technology

Case

China Jushi's "two-wheel" drive helps the company grow with high quality

China Jushi adopts a "dual-track" strategy in corporate training and development, promoting the construction of a lean production management system and strengthening employees' "data-based" analysis methods and "structured" training. This has laid a solid foundation for the company's high-quality development and set a new benchmark for green development in the industry.

- Throughout the year, a total of 8 company-level trainings, 2 external exchanges, and inviting external lean experts into the plant for guidance were carried out, ultimately achieving the acceptance of 11 lean projects, optimizing the workflow, reducing costs by more than **5 million yuan**, and achieving efficiency improvement of more than **80%** in some projects;
- China Jushi carried out sales strategy training activities covering all sales staff, focusing on the development of strategic sales planning and landing, focusing on training team members in the design of sales performance programme of practical ability, the total number of **369** newly developed customers throughout the year, to achieve new sales of **328 million yuan**.

Case

China National Building Material Group empowers enterprises to digitize their voyage with the strength of talent

The Digital Management Centre of China National Building Material Group organized a one-week special class training on the three systems at the Group's Party School for members of the three systems project task force, liaison officers of various business departments, and the entire staff of the Digital Management Centre. The training set up eight study groups, designed nine courses, after the assessment of three study groups, 25 trainees were assessed as excellent, 5 trainees were assessed as excellent in the online examination session, a total of 90 people participated in the training.



Focused training on the three systems



Upholding safety commitment

The Group is committed to providing every employee with a safe, healthy and harmonious working environment and achieving the safe, stable and sustainable development of the Group by strengthening the safety production system, implementing safety production measures and strengthening employee safety training and awareness.

From 2022 to 2024



The number of work-related fatalities within the Group

5, 0, and 0



With a fatality rate per thousand employees of

0.033%, 0%, 0%

In 2024



Number of lost workdays due to work-related injuries

313days



With **6** work safety liability accidents and a serious injury rate of **0.007%** (excluding overseas). There were **0** overseas work safety accidents and **0** major work safety accidents, maintaining a record of **0** major accidents for 4 consecutive years. No new occupational disease cases have been identified.

Case

Zhejiang Cement's specialized safety management tools elevate safety standards

Specialized safety management is a key component of the "ten management tools" of Zhejiang Cement, a subsidiary of Tianshan Material Zhejiang Cement continuously injects strong momentum into its safety management efforts through a series of distinctive activities, including organizational development and performance management systems, the "50-Week Safety Campaign," intelligent safety management systems, hidden danger identification and rectification measures, operations management, and safety culture building.



Building a firm system

The Group strictly complies with the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and other laws and regulations related to safety and occupational health. It has established management systems such as the *Safety Production Responsibility System for All Employees*, the *Management Measures for Grading and Control of Safety Risks*, *Measures on Supervision and Administration of Occupational Health in Workplaces*, and the *Emergency Management Measures for Sudden Incidents*. These systems and regulations define the fundamental principles, organizational structure, division of responsibilities, and management requirements for safety production work. They also outline processes for preventing and responding to workplace accidents, controlling, mitigating, and eliminating their hazards and impacts, as well as the mechanisms for penalties and accountability in case of incidents.

The Group has established an occupational health and safety management system that is overseen by the Board of Directors and managed by the executive team. A Safety Production Committee has been formed, co-chaired by the Chairman and the President, which is responsible for the implementation of the State Council's decision and deployment of work safety, national work safety guidelines and policies, laws and regulations, standards and the specific deployment and requirements of higher authorities on work safety. At the headquarters level, we enforce a hazard identification and rectification system as well as a comprehensive supervision and inspection mechanism. Externally, we issue the *Occupational Health and Safety Policy Statement*, which is reviewed and approved by the Board and applies to all subsidiaries and contractors within the group. Internally, we have signed safety production responsibility agreements at all levels with subsidiaries, clearly delineating safety responsibilities. Safety performance is directly linked to the rewards and penalties of management at all levels, ensuring clear accountability and effective implementation of safety measures.

Building safety together

In 2024, the Group developed and implemented a three-year action plan for fundamental improvement and revised its safety and environmental protection related management measures, to significantly improve its safety production and occupational health management capabilities.

CNBM Zambia Industrial Park won the "African Security Excellence Award" at the 6th African Security Summit held in Livingstone, Zambia





Improve hidden danger investigation and rectification, as well as all-level supervision and inspection mechanisms, and establish a dynamic system to eliminate major accident hazards.




Introduce safety production assessment management measures to link the punishment for safety and environmental violations with the performance of the person in charge of the enterprise.



Use an intelligent safety management system to cover all levels of production-oriented enterprises, issue *the Safety Management Measures for Interested Parties*, incorporate contractor employees and other interested parties into unified occupational health management, and conduct a unified review of personnel personal information with the intelligent safety management system.



Develop an annual training plan for contractor employees and personnel of other interested parties, and sign safety production responsibility letters that clarify safety standards and responsibilities.



Constantly improve the construction of supporting facilities and management of first-aid equipment for dust prevention, poisonous gas prevention, noise reduction and emergency management at work sites, equip reliable labor protection equipment, and organize regular health check-ups for employees.




Take safety production actions focusing on prevention. In 2024, The Group carried out **45,557** hidden danger investigation (including self-inspection, mutual inspection, special inspection of hazardous chemicals and mines and superior supervision)

With a rectification rate of hidden dangers of **99.82%**

Strengthening training

The Group is committed to fostering safety culture construction at all levels, enhancing employees' safety awareness and ability through a variety of safety training and safety drills such as first aid knowledge and skills training, fire emergency evacuation drills, and psychological guidance for overseas employees. The Group has also formulated relevant rules and regulations, such as the *Safety Training Management Measures*, updated the *Production Safety Accident Warning Cases*, and urge subsidiaries to thoroughly implement the practice of drawing lessons from safety issues and applying them comprehensively.

In 2024



The number of people who received safety education and training from the Group reached

1.8 million person-times

Subsidiaries foster a safety culture ecology jointly built and shared by all employees

- Tianshan Material organized a variety of activities such as “Zero Violation” selection, safety open lectures by general managers, safety heart-to-heart talks, safety and environmental protection knowledge competition, and "Safety and Environmental Protection Micro Video Collection and Evaluation".
- Ningxia Building Materials held a variety of activities during the safety production month, including special seminars, centralized lectures, "Safety Production Discussion," "Pre-shift Meetings," and "Case-based Legal Education".
- Sinoma International organized a variety of emergency plan drills, including "On-site Disposal Plan Drill for Vehicle Injury Accidents" and "On-site Drill for Special Rescue of Overseas Fire Emergency", as well as engaging activities such as Safety Consultation Day and public safety experience, and set up columns of safety topics on a number of platforms.

Undertaking social responsibility and building a responsible brand

The Group has a global vision, targets to be a world-class enterprise, insists on the three win-win cooperation principles of “making contribution to local development, cooperating with local enterprises, and serving the local residents” . In addition, the Group integrates its culture, attitude and concept into the construction of project sites, promoting the building of a community with a shared future for mankind.



Our challenges

Under the global operation strategy and the Belt and Road Initiative, the Group must cultural differences and regional diversity, deeply integrate into local societies, contribute to the development of countries along the route, and promote the building of a community with a shared future for mankind. In order to assist with rural revitalization, the company must address the issue of resource allocation and project implementation complexity, ensure the accurate implementation of assistance funds and projects, and consolidate poverty alleviation achievements.



Our responses

- Actively carry out various assistance work, including the selection of cadres, employment assistance, environmental improvement and capital investment
- Implement the principle of local employment, promote local employment, and provide training in management, technology, language, and other areas
- Implement local procurement policies and promote socioeconomic development in operation areas
- Conduct cultural construction activities in overseas operation locations
- Continuously to conduct relevant work on national key social responsibility projects



Our achievements

- The total amount of public welfare investment was **73.99** million yuan. **66** assistance projects were implemented
- **61.60** million yuan was invested in rural revitalization assistance
- The number of employee volunteers was **8,327**, active labor hours were **14,305** hours.
- Supported or participated in **104** activities protecting the rights of women, children, and persons with disabilities.

Revitalizing the countryside

The Group strengthens responsibilities, performs high-quality work in supporting the key aspects of rural revitalization, effectively addresses the basic needs of the people in need, and promotes the continuous safeguard and improvement of people's livelihoods. In 2024, the Group organized 65 volunteers to construct the colorful classroom and selected and assigned 54 designated cadres to towns and townships for designated assistance, contributing to consolidating and expanding poverty alleviation achievements as well as comprehensively promoting rural revitalization.

Case Youth brightens the countryside; Care warms children's hearts

The Group actively organized the communist youth league members and young volunteers from its subsidiaries to take part in the "Well Constructed" colorful classroom activities. In August 2024, 65 volunteers from the Company's 28 subsidiaries carefully prepared rich and diverse courses for children at 9 teaching sites, accompanying 590 left-behind children during their summer vacation and developing genuine bonds with them.



"Well Constructed" colorful classroom

Case Dream Brand New Materials implements green development, BNBM builds the rural revitalization dream

Dream Brand New Materials, a key BNBM gypsum board industry platform, analyzes the current consumption landscape in counties and townships and develops targeted product promotion strategies. The company produces green building materials such as gypsum board, wood boards, and powder guided by its business philosophy centered on sustainability, innovation, and high-quality development. It further expands channels and intensively cultivates counties and townships, aspires to become "a green building materials system solution supplier + characteristic rural construction service provider," while exploring new avenues for rural revitalization through sustainable building materials and superior service offerings.

Performing duties overseas

The Group creates a new global resources mode with high-quality building materials, advanced technologies, and mature experience and to boost the construction of the "Belt and Road" countries. The Group also contributes to promoting employment, cultural exchange, industrial and economic development, and other community investment.

Promoting local employment

The Group advocated for local employment, promoted local job creation, and endeavored to driving the economic and social development of the regions where its global projects were located.

The Group's practices in promoting localized employment

Sinoma International



proportion of
overseas local
employees at all
levels exceeds

50%



Among them,
Sinoma-CDI has a
local employment
rate of up to

84%



With a
40%
share of foreign
employees in
middle and senior
levels

Jushi Egypt

It adheres to local employment, making it one of the Chinese enterprises in Egypt with the highest proportion of localized employees.



Creating over
1,900
job opportunities
for residents



The localization
ratio of its
workforce exceeds
98%



Middle-level
employee
localization rate
76%

Empowering talent cultivation

The Group focuses on localized operations and cultivate local talents, and continues to facilitate the career development of employees in the sites where the projects are located, and actively carries out management, technology, language and other trainings to effectively improve the professional skills and comprehensive business capabilities of local employees.

In 2024, Sinoma International inaugurated the Sinoma Suzhou Ethiopia Industry-Education Integration Training Center and the Zambia Skills Development Research Station. The Egyptian R&D center hires 53 localized R&D and design personnel, thereby fully leveraging local talent while fostering the development of overseas expertise.

Case Jushi Egypt cultivates local talent and promotes cultural integration

In December 2024, Jushi Egypt collaborated with the "Chinese Bridge" Club to host a cultural exchange event. The participants included representatives from the Embassy of the People's Republic of China in the Arab Republic of Egypt and the China-Egypt TEDA Suez Economic and Trade Cooperation Zone, as well as scholars and students from Cairo University, Suez Canal University, the British University in Egypt, and the Sadat College. Overseas students gained an insightful understanding of the fiberglass manufacturing process and had opportunities for advanced technological learning by observing the modern fiberglass production line on-site.



Chinese Jushi Chinese Bridge Event

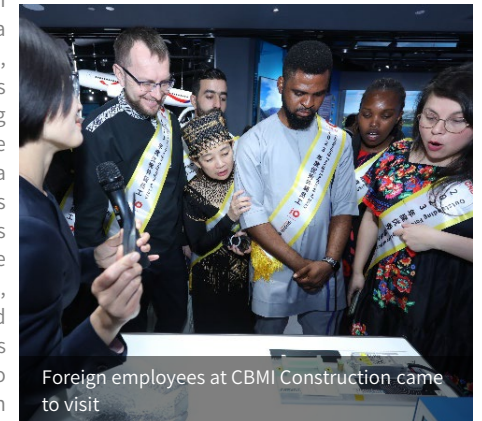
Opening up of cultural exchanges

The Group strengthens exchanges and mutual understanding, promotes understanding between people, carries out cross-cultural integration activities, plans cultural promotional activities, promotes harmonious coexistence between Chinese and foreign employees, provides in-depth support for the development of local cultural and educational undertakings, and builds amicability.

Case

Study tour shows the charm of China to foreign employees at CBMI construction

In February 2024, 14 distinguished foreign employees at CBMI Construction, a subsidiary of Sinoma International, representing 12 different countries embarked on a study tour in China. During their visit, they engaged in discussions at the headquarters of CNBMG and Sinoma International. The group visited Tianjin's traditional cultural food street, Beijing's Tiananmen Square, the Forbidden City, the National Stadium, and other scenic spots, experienced firsthand the efficiency and comfort of China's high-speed rail system as well as the convenience and speed of auto driving. This journey provided them with valuable insights into the rich depth of Chinese culture.



Foreign employees at CBMI Construction came to visit

Case

Day of "Making Good Use of Resource" builds green bridges, invites all sectors to paint a green chapter together

China National Building Materials Group annually carried out activity of Day of Making Good Use of Resource, inviting all walks of life to visit green factories and green mines, and carrying out cultural activities, experiments in science popularization, and performances in arts and culture, to further deepen the company's exchanges and co-operation with all walks of life in the areas of talent cultivation, technical exchanges, and cultural propaganda.



Activity scene on Day of Making Good Use of Resource

- Kezhou tianshan successfully held the interaction of "All the way with you, cooperation and win-win" Good Use of Resources Day, inviting more than 40 people from all races and all walks of life, as well as family members of the employees, to come into the company and feel the green atmosphere of the modern cement plant;
- Sinoma International successfully hosted open event in Uzbekistan, with participants of over 100 local customers, employees' families, and Uzbek college students.

Developing industrial economy

The Group insists on working with local governments, enterprises, suppliers, financial institutions and other partners and establishes long-term cooperative relationships, as well as facilitates collaboration with the upstream and downstream of the industrial chain, which effectively promotes the development of local manufacturing, construction, transportation and other related industries. The Group effectively implements the local procurement policy and will give priority to business cooperation with local suppliers when the conditions are met, so as to promote the development of local society and economy. BNBM Tanzania purchases bulk raw materials such as natural gypsum and coal, as well as security, consultancy and other services; BNBM Central Asia has established cooperative relationships with several local suppliers. Local procurement has been achieved for daily necessities, canteen materials, production auxiliary materials, etc.

Enhancing people's well-being

While deeply integrating into and promoting local economic development, the Group has actively fulfilled its social responsibilities and effectively served the people's livelihood and well-being, thereby having earned widespread praise and deep trust among the locals.

Case

Earthquake is merciless, but humanity shows compassion: China and Vanuatu move forward together

Following a 7.3-magnitude earthquake in Vanuatu in December 2024, China Construction Investment Vanuatu quickly prepared disaster relief materials worth 360,000 yuan, including generators, tarpaulins, water tanks, and solar lamps to assist with Vanuatu's post-disaster reconstruction, reflecting Chinese enterprises' sense of social responsibility and international humanitarian spirit.



The two parties signed the handover letter for donated materials

Case

Implement the concept of "People-oriented, Life First" to build a health defense line for Chinese and Zambian employees

To raise safety and health awareness among overseas employees, CNBM Zambia Industrial Park has invited the 25th batch of Chinese medical aid teams to Zambia to conduct free clinics and science popularization health lectures for both Chinese and Zambian employees in the park. The free clinic provides a variety of examinations, including internal medicine, surgery, ophthalmology, ECG, and ultrasound, as well as routine health examinations, science popularization of common diseases, science popularization of health knowledge, and psychological counseling. This initiative aims to establish a robust health defense line for overseas employees.



Volunteer doctors explaining knowledge to Sino-Zambian employees

Social contribution

The Group has consistently adhered to the principle of "taking from society and giving back to society", actively fulfilling its social responsibilities, and is dedicated to creating long-term value for society. To ensure strict regulation of external donations, the Group has established rules and regulations such as the Measures for the Management of External Donations by Enterprises. The subsidiaries of the Group engage proactively in public welfare initiatives, preparing annual donation budgets and providing comprehensive support for various volunteer activities in terms of personnel organization, working mechanism, time management, financial support, and communication and liaison. Under the guidance of labor unions and the Communist Youth League, the subsidiaries at all levels have implemented a series of volunteer projects such as empowering the disadvantaged, emergency disaster relief and volunteer teaching.

In 2024, the Group paid

15.38 billion yuan

in taxes as required by law, contributing to the development of the local economy.



Furthermore, in accordance with the tax policies promulgated by the Ministry of Finance and the State Taxation Administration of the People's Republic of China, we commit to adhering to the tax laws and regulations of the countries in which we operate. We will not transfer the value created to low-tax jurisdictions nor utilize secrecy jurisdictions or so-called "tax havens" for tax evasion.

During the reporting period, the Group carried out 66 assistance projects, established 26 entrepreneurship internship bases, and provided 369 internship positions for students. We also have 51 volunteer organizations and groups, with a total of 8,327 volunteers who conducted 14,305 hours of volunteer activities and participated in or supported 104 events related to protecting the rights of women, children, and people with disabilities.

Case

Shanya South implements the concept of "two mountains" to promote the harmonious development of ecology and society

Shanya South, a subsidiary of Tianshan Material, has made significant strides in the establishment of green factories, clean factories and aesthetically-pleasing factories. Through its coordinated hazardous waste disposal project utilizing cement kilns, it can dispose of 100,000 tonnes of hazardous waste per year, which effectively addresses the challenges associated with local fly ash washing from municipal waste incineration and hazardous waste disposal in surrounding areas, thereby contributing to a cleaner urban environment.



Shanya South Factory

Case

AED devices strengthen emergency rescue, donations illuminate hope for recovery

In 2024, China Jushi made a generous donation of donated 300,000 yuan to the Red Cross Society of Tongxiang for the "Residential Community AED Installation Project". This initiative involved the installation of installing 30 automated external defibrillators (AEDs) in 30 densely populated communities in Tongxiang, thereby enhancing the city's public emergency rescue system. In addition, China Jushi donated 250,000 yuan to the Red Cross Society of Tongxiang for a disabled children's rehabilitation project, which provides professional rehabilitation services to children with special diseases, to help them recover and regain confidence, assisting them in their recovery and helping them regain confidence.

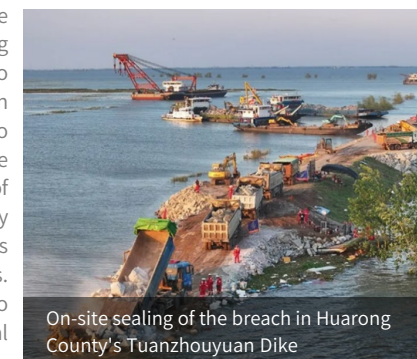


Donation ceremony of China Jushi for the Disabled Children Rehabilitation Project

Case

Actively fulfill central enterprise responsibilities to provide emergency support for Huarong flood relief

In July 2024, a breach occurred at the frontline dike of Dongting Lake in Tuanzhouyuan, Huarong County, Yueyang City, Hunan Province. Miluo South and Linli South, subsidiaries of Tianshan Material, were among the first companies to provide emergency support for sealing the breach. They initially delivered 9,518 tonnes of flood-resistant rocks and subsequently intensified their mining and transportation efforts by supplying an additional 8,000 tonnes of rocks. They actively collaborated with various units to safeguard the lives and property of local residents.



On-site sealing of the breach in Huarong County's Tuanzhouyuan Dike

Responsible marketing-oriented and establishing a market brand

The Group has built a global marketing network, taking responsibility as the core of marketing, and is committed to integrating the concept of sustainable development into all aspects of product marketing, publicity, expansion and consumption, practicing corporate social responsibility with practical actions, and making unremitting efforts to build an excellent market brand.



Our challenges

To ensure the implementation of responsible marketing concepts, the Company must deal with cultural differences, market diversity, and the complexities of international regulations during its internationalization process. Meanwhile, with the promotion of the Belt and Road Initiative, the Company must establish a rapid response mechanism in overseas markets to increase brand influence and meet the demand of international high-end markets for green building materials and sustainable products. There are also challenges in publicizing green building materials and safeguarding intellectual property rights. It is necessary to increase publicity efforts and refine the intellectual property right management system.



Our responses

- Hold international events such as supplier conferences and strategic cooperation alliances
- Improve compliance management in overseas markets
- Build a green and low-carbon brand, actively organize and participate in the campaign to promote green building materials in rural areas, guiding the consumption towards green upgrading.
- Formulate an annual brand value improvement plan
- Carry out intellectual property right awareness campaigns



Our achievements

- **2,669** patents applied (including **1,513** invention patents)
- **1,891** authorized patents (including **742** invention patents)
- Cumulative valid patents **16,649** (including **4,626** invention patents)
- A total of **1,547** software copyrights have been successfully registered
- Awarded China's 500 Most Valuable Brands 2024 by the World Brand Lab

Building a marketing network

The Group fully implements its international development strategy, establishing a comprehensive marketing network all over the world and a rapid response mechanism for production, marketing and research collaboration. We stay attuned to the latest market trends, actively explore the high-end market, and address customer needs through robust technology and high-quality services. Through strategic cooperation alliances, industry seminars and standard formulation, international professional exhibitions, overseas warehouses and building materials supermarkets, etc., we continuously expand brand influence while driving the high-quality development of both upstream and downstream industrial chains.

Case

Integrating modern industry and traditional craftsmanship to build a diverse and unique marketing network

BNBM's Longpai collaborated with Jinyu Longshuncheng to host the "Double Dragon Meeting" event at Beijing's Bell and Drum Tower Square, blending modern industrial products with traditional craftsmanship to create a unique marketing scene. The event was promoted through offline displays, online live streaming, social media, and short video platforms, attracting a large number of citizens and tourists, demonstrating the marketing network's diversity and innovation, and increasing brand influence.



Longpai new building material -
Luban Universal Panel

Case

The first store of CNBM Investment building materials supermarket in the Solomon Islands opened, showing the new vitality of the South Pacific market

In 2024, BNBM PNG opened its first building materials supermarket in the Solomon Islands. This marks another significant milestone for CNBM Investment's building materials supermarkets business as it expands its regional industrial chain layout and deepens its internationalization strategy. Solomon Branch's performance in the first month of trial operation was a "promising start", with sales reaching 5.85 million Solomon Islands dollars (approximately 4.92 million yuan), demonstrating the huge potential of the local building materials and home furnishing market. The marketing model employed by these building materials supermarkets effectively addresses local residents' "one-stop" shopping needs while also significantly contributing to local economic and social development and improving people's livelihoods.

Guiding green consumption

The Group focuses on advanced technologies and innovative ideas in domestic and overseas industries, continuously improves product performance, and fosters and guides sustainable consumption concept.

The Group actively organizes and participates green building materials promotion activities in rural areas, publicizing green environmental protection products and product environmental risks through the multimedia and outdoor advertisements to guide consumers to choose sustainable products and services. Meanwhile, we have increased the use of recyclable packaging materials, enabling professional institutions to incorporate post-consumer packaging materials into the waste recycling system, thereby promoting resource recycling.

Case

Green building materials product application of China Jushi leads green upgrade for consumption

China Jushi has integrated procurement, production, sales, recycling, and logistics into a green intelligent manufacturing chain, covering the concept of green development throughout the product life cycle. In the upstream segment of the supply chain, China Jushi enhances green procurement practices and fosters carbon sink cooperation with suppliers by developing scientific and reasonable carbon sink strategies. In the downstream segment of the supply chain, China Jushi's glass fiber products have achieved significant advancements in various sectors including wind power generation, new energy vehicles, photovoltaic power generation, and other fields. Currently, 100% of China Jushi's product output is classified as green products, with their sales volume also reaching 100%. The company is dedicated to guiding customers towards selecting solutions that minimize carbon footprints.



Training on China Jushi's green intelligent manufacturing chain

Case

Hydrogen cylinders from Sinoma Science & Technology (Suzhou) Co., Ltd. support the global launch of China's first new energy smart intercity EMU

In 2024, CINOVA H2, China's first hydrogen-powered smart intercity EMU, was unveiled at the InnoTrans Berlin exhibition. The train is equipped with 60 hydrogen cylinders (70Mpa-140L) developed and provided by Sinoma Science & Technology. The train features "longer range, faster refueling, and higher capacity," with a range of 3,000 kilometers at 80 km/h. Based on a 300,000-kilometer annual operation, each train can reduce carbon dioxide emissions by about 730 tonnes, setting an example for green consumption and popularizing green travel.



A vehicle-mounted compressed hydrogen carbon fiber fully wound cylinder with aluminum liner

Protecting intellectual rights

The Group strictly abides by *the Patent Law of the PRC*, *Advertising Law of the PRC*, and *the Trademark Law of the PRC*. Focusing on the protection of intellectual property rights, transformation and utilization, information confidentiality and other aspects, combined with the construction of internal control system and risk management requirements, it has established a systematic system of intellectual property rights and branding practices with the characteristics of the building materials industry, formulated regulations and rules such as the *Patent Management Measures* and the *Trademark Management Measures*. The establishment of the system has strengthened the legal protection of intellectual property rights, and improved the ability to manage intellectual property rights in its research and development, production and operation activities.

Case

Successful intellectual property right awareness week strengthens IP protection foundation

As the Group continues to advance its innovation-driven and internationalization strategies, intellectual property has become increasingly critical as a strategic resource and a core element of global competitiveness. On May 28, CNBM successfully hosted the 2024 Science and Technology Week & Intellectual Property Awareness Week. The IP-themed event, centered on "Intellectual Property Creation, Protection, and Application," provided insights into high-value patent planning, portfolio development, and practical implementation. Additionally, industry leaders from Triumph Science & Technology, BNBM, China Jushi, and Sinoma Lithium Film were invited to share their expertise on technology protection, as well as the creation, protection, and application of patents. This event served as a platform for knowledge sharing and exchange, fostering the Group's efforts to enhance its intellectual property capabilities.



The online live streaming of intellectual property right theme day event

Modern Governance Promotes High- Quality Development



Internal control compliance and risk management

The Group attaches great importance to and actively promotes compliance management, risk management and internal control. A sound coordination mechanism for legal affairs, compliance, internal control and risk management has been established to safeguard the Company's high-quality and sustainable development. The Group complies with laws, regulations and rules related to compliant business operations, such as the *Company Law of the PRC*, the *Anti-Monopoly Law of the PRC*, the *Anti-Unfair Competition Law of the PRC*, the *Measures for the Compliance Management of Central Enterprises*, the *Anti-Money Laundering Law of the PRC*, and refers to peers and the internationally accepted COSO risk management framework to formulate policies and systems such as the *Compliance Management System*, the *Compliance Manual*, the *Internal Control System* and the *Internal Control System Evaluation Management Measures* to provide compliance control guidelines for subsidiaries.



Our challenges

The Company must navigate complex and ever-changing domestic and international laws and regulations to ensure legal and compliant operations. It must also adapt to the internationally recognized COSO risk management framework, improving its internal control system based on its business characteristics. As its business expands internationally, the Company must strengthen the deep integration of compliance management and business activities, as well as improve its ability to govern the enterprise in accordance with the law, in order to cope with growing market and regulatory pressures.



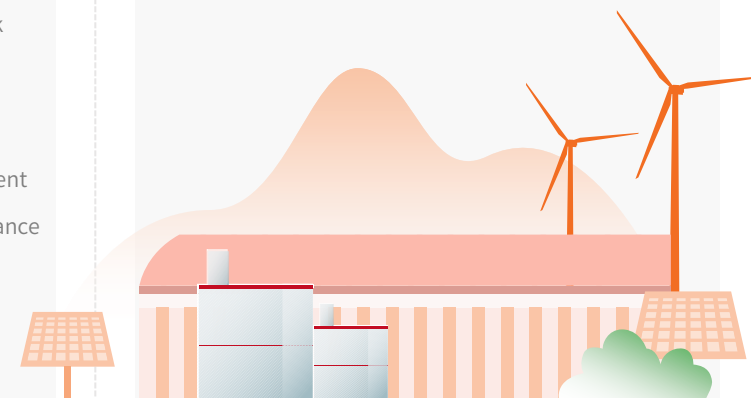
Our responses

- Deepen the construction of the compliance management system, and actively carry out the certification and supervision of the compliance management system
- Release and dynamically update the "1+2+N" internal control manuals, and conduct compliance system evaluation and risk management reviews for subsidiaries
- Establish a systematic and effective risk management system and build an intelligent risk control information platform
- Conduct training on the use of specialized risk management and control platform
- Carry out annual risk identification and assessment
- Incorporates risk management into the performance evaluations



Our achievements

- Became the first company in the building materials industry to pass the "dual certification" evaluation of international and national standards in the field of "compliance management of holding companies"
- Conducted **113** monitoring and evaluation audits, covering all companies at all levels



Robust compliance management

The Group continues to build a robust compliance management system, promote the further integration of compliance management and business activities. These efforts shape a compliance management system with a clearer division of responsibilities, smoother mechanism operation and stronger compliance awareness, which promotes the effective improvement of the ability to manage enterprises according to law.

In 2024, the Group undertook supervision and auditing of its compliance management system certification to ensure effective operation and continuous improvement of the system through both internal and external reviews and management evaluations. The Group has successfully obtained the GB/T 35770-2022/ISO 37301:2021 Compliance Management System Certification issued by SGS, becoming the first company in the building materials industry to achieve "dual certification" under international and national standards in the field of "compliance management of holding companies", which means that the Group's compliance management capability has met both national and international standards.

Organizational and institutional building

 The Board	Responsible for setting strategy, making decisions, and managing risks. It reviews and approves the company's major financial decisions, significant project approvals, and risk management strategies, ensuring comprehensive risk control across the entire process from strategy formulation to execution. This safeguards the company's operations within a legal and compliant framework and protects the long-term interests of shareholders.
 The Management	Responsible for business planning, implementation, and strengthening management. Based on the strategic objectives set by the Board of Directors, the management translates them into annual business plans and specific tasks and is responsible for the company's daily operational management. It reports to the Board of Directors regularly on the company's operations and promptly feeds back any issues encountered during strategy execution to facilitate timely adjustments by the Board.
 The Audit Committee	Responsible for strengthening supervision, promoting checks and balances, and controlling risks. As the core supervisory body within the corporate governance structure of a listed company, it ensures comprehensive oversight across finance, internal control, and compliance through a dual focus on independence and expertise.

System and mechanism building

	Identify the needs and expectations of stakeholders in a dynamic manner, clarify compliance obligations and analyze compliance risks
	Continuously update the Compliance Manual and related compliance governance policies
	Continuously promote the operational synergy of various mechanisms such as compliance due diligence, compliance review, compliance risk identification and assessment, compliance risk feedback and compliance reporting, investigation and rectification
	Advancing the efficient operation of the closed-loop oversight system for comprehensive compliance management

Improving internal control

The Group has established a sound internal control system including internal control environment, risk assessment, internal control process, an internal control system including information and communication, internal control supervision and evaluation, and conducted internal control activities covering all aspects of operation, to ensure the effective implementation of internal monitoring for governance structure, quality management, production safety, environmental management, and human resources policies.

In 2024, the Group continued to improve its rules and regulations, optimized the control process, and further developed the four coordination systems of "risk, internal control, compliance and legal affairs". It officially released and dynamically updated the "1+2+N" internal control manuals (1 overarching manual on collaborative management, 2 manuals on risk and compliance management, and 16 business module fascicles), which strengthened and consolidated the internal control system. In addition, the Group conducted compliance system evaluations and risk management reviews for its subsidiaries. The optimization of process management in key areas has significantly improved internal controls and governance efficiency, thereby fostering sustainable competitive advantages.

The Group solidly promotes the supervision of the internal control system, strictly implements the monitoring procedures of all operational process, collects, processes and transmits relevant information, and ensures the authenticity, accuracy and integrity of accounting information, social responsibility fulfillment information, safety and environmental protection management and other information. Meanwhile, the Group regularly conducts self-evaluations of the effectiveness of internal controls and issues internal control self-evaluation reports to sort out deficiencies and inadequacies identified in the construction of the internal control system and the implementation of internal controls. In 2024, the Group carried out **113** supervisory evaluations and audits of the internal control system, covering **all companies at all levels**.

Closed-loop risk management

The group has established a systematic and effective risk management framework, employing a three-tiered defense strategy for comprehensive risk oversight. The first line of defense involves business and functional departments conducting daily risk management activities. The second line of defense consists of specialized departments, such as legal and compliance, continuing to carry out risk monitoring, while the discipline inspection commission, audit, and inspection departments form the third line of defense to enforce risk supervision and accountability. The three lines of defense work collaboratively to create a closed-loop mechanism for risk identification and assessment, analysis and prevention, early warning and monitoring, and response and accountability. This system independently reports to the management and the Board of Directors and incorporates risk management into the performance evaluations.



 Identification and assessment	At the beginning of each year, the Group conducts risk identification and assessment, identifies risk sources, risk events, their causes, and potential consequences in five major areas: strategic risk, financial risk, market risk, operational risk, and legal risk, determines risk appetite and risk tolerance, and encourages employees at all levels to report risks identified in their daily work. The Group constructs a risk list and indicator system and conducts quantitative and qualitative assessment by questionnaire survey, analysis, and discussion.
 Analysis and prevention	Based on the outcomes of the risk assessment, the Group studies and analyzes the major risks in turn, determines prevention and control objectives and responsible units, formulates practical and specific prevention and control measures with an annual risk assessment report, and summarizes the risk prevention and control work of the previous year.
 Early warning and monitoring	In the course of daily production and operation management, the Group develops its detailed risk management and control guidelines and management measures based on actual conditions and monitors risk changes. In 2024, the Group built an intelligent risk control information platform, conducting quarterly submissions, risk classification monitoring, and major risk event monitoring. Over 90 monitoring indicators were dynamically established, and early warning thresholds were pre-set, with real-time alerts pushed to relevant departments. Building upon the existing processes for risk identification, analysis, evaluation, response, and reporting, this platform has implemented online data submission and established data analysis dashboards, further refining the risk monitoring indicator system and early warning mechanism.
 Response and accountability	Implement risk prevention and control measures, ensuring accountability for personnel who fail to perform the procedures for handling major risk events in a timely manner as per regulations, and continuously supervise and improve.

The Group undertakes comprehensive training in risk identification and management, providing non-executive directors with annual updates on risk management practices. In 2024, the Group carried out specialized training focused on the use of the risk management platform, covering the dynamic maintenance and regular reporting of risk management indicators, system management methods, and basic operations, involving all departments within the Group.



Integrity system and cultural building

The Group strictly adheres to the laws and regulations related to anti-corruption, integrity, and party discipline supervision. In alignment with the ISO37001 Anti-Bribery Management System, the Group has developed and continuously enhanced internal management systems such as the *Measures for the Examination of the Performance of Discipline Inspection Committee Secretaries of Enterprises Owned by China National Building Materials Corporation*. These measures encourage all employees, customers, partners, suppliers, contractors, and other relevant parties to give feedback and report any violations of business ethics standards. The Group has also developed a comprehensive set of anti-corruption management measures, complaint and reporting rules and handling procedures, as well as clear provisions on the details of whistleblower protection, applicable to all employees, customers, partners, suppliers, and contractors.



Our challenges

With the international expansion of its business, the Group must navigate the complex legal and regulatory frameworks of various countries and regions, ensuring that its operations are lawful and compliant while meeting the requirements of international standards. Furthermore, the Group needs to refine its internal management systems and strengthen its integrity culture to mitigate integrity risks.



Our responses

- Sign the *Letter of Commitments on Integrity and Self-discipline of Leading Cadres* with relevant employees, and sign the *Letter of Commitments on Complying with the Rules and Disciplines* with the new employees.
- Enhance the systems and management measures pertaining to integrity building and conflicts of interest.
- Facilitate unimpeded complaint and reporting channels by establishing a dedicated report and complaint mailbox, ensuring the protection of whistleblower privacy.
- Conduct periodic audits, inspections, and routine supervisory reviews of Party conduct and integrity.
- Review the compliance of suppliers with anti-corruption policies, mandating that all subsidiaries formulate anti-corruption policies applicable to all suppliers, with corresponding inspections.
- Carry out integrity reminders, cautionary education, and integrity training, extending the training scope to all employees, part-time employees, and contractors.



Our achievements

- No significant corruption-related risks were identified following risk assessment.
- Anti-corruption training coverage reached **100%** for directors, employees, and contractors.

Integrity commitment

In 2024, signed 99 *Letters of Commitments on Integrity and Self-discipline of Leading Cadres* with relevant employees, which covers the implementation of integrity employment and urging cadres to abide by the rules and regulations. At the same time, we also signed *Letter of Commitment on Complying with the Rules and Disciplines* with the new employees, which covers the elimination of illegal acts and truthful reporting of major personal matters and urging employees to consciously comply with laws and regulations and the Company's policies. For department heads and above, integrity and self-discipline are included as a key component of comprehensive evaluations, which are assessed by superiors, peers, and subordinates. In the *Measures for the Management of Employees of the Headquarters of the Group*, the Headquarters stipulates those employees who violate social morality and professional ethics, such as integrity problems, will be given warnings, demerits, demotions, dismissals or termination of labor contracts according to the seriousness of the circumstances, and corresponding economic penalties will be imposed according to the salary system.

Conflicts of interests

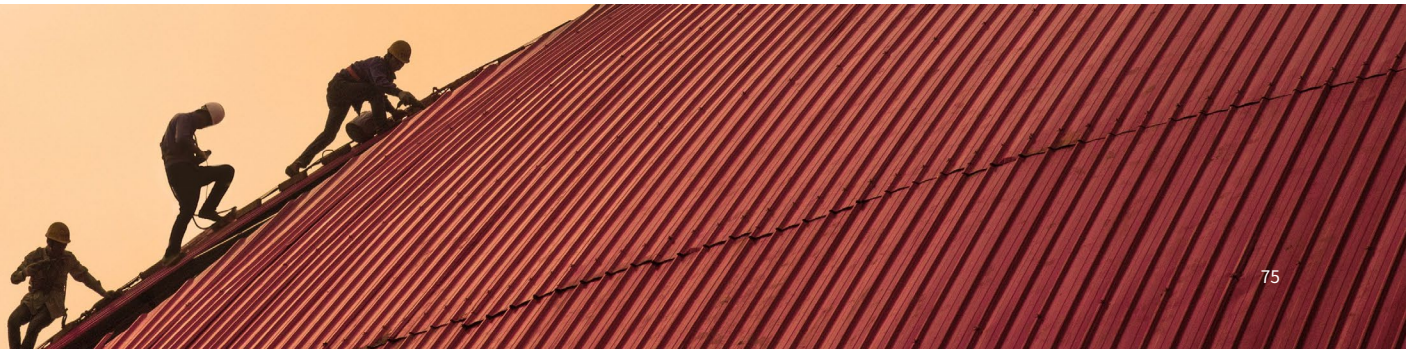
The Group adheres to the Regulations on Prohibiting Business Relationships Between Relatives and Other Specific Related Parties of Enterprise Leaders and Group Enterprises. These regulations are designed to restrict relatives and other specific related parties of middle-level and above leaders and managers from engaging in business relations with the Group that fall within the scope of the regulations, or forming competition in the same industry, or having other acts that infringe on the interests of the Group. Furthermore, the leaders involved in the decision-making process who have business relations with such individuals are required to recuse themselves. They must also proactively report any existing matters related to these relationships and implement necessary rectifications within a specified timeframe. This initiative is designed to effectively strengthen anti-corruption measures and promote integrity within the organization.

Reporting and supervision

The Group publicizes the email address for reporting complaints on the official website to guarantee the smooth flow of reporting channels, and allows employees to report violations of business ethics and employee standards through email, telephone, mail and other means in the bidding, cadre promotion, inspection and other procedures.

The Group strictly abides by the Chinese Party Discipline Inspection Supervision and Discipline Work Rules, and does not privately retain, disclose or disseminate relevant information such as the contents of problem clues, the progress of clue investigation and the parties and informants of problem clues in any form. The Group keeps secrets for employees who submit complaints and reports and protects the safety of informants. In addition, the Group requires that the work contents of the Discipline Inspection Commission Office related to letters and visits are not processed and transmitted through the public network or local area network, but by CD-ROM copy or paper documents, to strictly prevent information leakage.

The Group will conduct independent investigation and follow-up work in a timely manner upon receipt of reports. After receiving the report of letters and visits, the case trial room of the Commission for Discipline Inspection will hand over the report of letters according to the authority of cadre management. After putting forward the disposal opinions in the case trial room, the supervisory and disciplinary office of the Commission for Discipline Inspection at this level independently carries out the disciplinary work and writes the investigation report in accordance with the leadership's approval of dispositions, and then hands it over to the case trial room of the Commission for Discipline Inspection to carry out the trial work, so as to ensure that everything reported by letters and visits is answered and implemented.



Integrity inspection

The Group has established the Coordination Group for Party Conduct, Integrity Building, and Anti-Corruption Work within CNBM and formulated the 'Guidelines for Identifying and Preventing Integrity Risks (Trial Implementation)', to identify risks to integrity and develop preventative measures. Strengthening of the internal linkages within the Coordination Group and the coordinated functioning of the wider oversight system have begun to bear fruit.

The Group regularly conducts audits, inspections and daily supervision and inspection of the Party's clean government on an annual basis, so as to promote the construction of a clean government in all aspects.

Regular audits of ethical standards

- In accordance with the CNBM's *Management Measures for the Economic Responsibility Audit* and the cadre management authority and property rights relationship, the Group conducts audit for legal representative on "fulfilling the responsibility for improving party ethic and upholding integrity and compliance with provisions on honest practice". The Group plan to achieve **full coverage of subsidiary companies every three years**.
- The Group conducts inspections on its subsidiary companies, rectifying integrity issues, and strengthening supervision and management. In 2024, the Group carried out inspections on one subsidiary company, assessed the rectification and evaluation of inspections for another, and conducted follow-up supervision and inspections of the rectification for three others, with plans to achieve **full coverage** of inspections for all subsidiary companies by the end of 2027.
- The Group carried out penetrating supervision and inspection of 16 enterprises throughout the year by reviewing system ledgers and checking reimbursement vouchers, realizing **full coverage** of supervision and inspection of 8 subsidiary companies. For the first time, the Group conducted overseas inspections and went to 9 overseas enterprises to carry out inspections on the implementation of the spirit of the eight provisions of the Central Government such as business hospitality and the use of public vehicles, and put forward opinions and suggestions on strengthening overseas supervision.

Integrity culture

The Group has expanded ways and methods to carry out integrity reminder, warning education and integrity training in a diversified and all-round way to strengthen the building of integrity culture. In 2024, the Group conducted anti-corruption training for all levels of governance and management, full-time employees, part-time employees, and contractors through various means. This training was delivered through a variety of methods, including online platforms, in-person sessions, meetings, agreements, and awareness campaigns in accordance with the *Code of Business Conduct and Ethics and the Anti-Corruption Policy*. The ethics and anti-corruption training achieved 100% participation among directors, employees (including both full-time and part-time), and contractors.

The ethics and anti-corruption training achieved:



100%

coverage of
directors



100%

coverage of
employees
(including both
full-time and
part-time)



100%

coverage of
contractors

Efforts to build integrity culture in 2024

- Compiled 12 issues of the "disciplinary inspection briefing"
- Sent integrity reminders to all employees before festivals



Launched
3 integrity columns on the CNBM
WeChat official account



Published
18 articles

- Held warning education conferences and party ethic and upholding integrity conferences with the participation of leading cadres and employees in key areas, and the training content is applicable to all levels of employees
- in all levels of subsidiaries



7,347 "monthly discussions on party conduct and integrity construction"
sessions were conducted, covering warning cases and integrity reminders.



A total of **2,995** sessions
of warning education films
were shown



522 visits to warning
education bases were organized
for employees



Conducted **639** sessions
of integrity training for new
employees



2,210 pre-appointment
integrity discussions for newly
appointed cadres



ESG Performance Table²

Environmental data

Key performance indicators	Unit	2024	2023
Total emission of nitrogen oxides (NO _x) ³	tonnes	49,681	62,934
Total emission of sulfur dioxide (SO ₂)	tonnes	4,815	5,877
Total emission of industrial particulate matter	tonnes	4,590	6,649
Total direct mercury emissions	tonnes	3	2
Total emission of volatile organic compounds (VOCs) ⁴	tonnes	184	137
Proportion of companies meeting noise level standards	%	100	100
Total greenhouse gas emissions ⁵	tonnes of CO ₂ e	167,129,803	197,350,000
Direct greenhouse gas emissions (Scope 1)	tonnes of CO ₂ e	157,353,306	192,100,000
Indirect greenhouse gas emissions (Scope 2)	tonnes of CO ₂ e	9,776,496	5,250,000
Greenhouse gas emissions from basic building materials segment	tonnes of CO ₂ e	158,144,387	188,090,000
Greenhouse gas emissions from new materials segment	tonnes of CO ₂ e	8,237,303	8,490,000
Greenhouse gas emissions from engineering technology service segment	tonnes of CO ₂ e	748,113	760,000
Greenhouse gas emissions intensity	tonnes of CO ₂ e/million yuan of operating revenue	825	856
Greenhouse gas emissions (Scope 3)	tonnes of CO ₂ e	53,261,489	-

2. All non-calculated data in this report for the year 2024 are collected and aggregated through the ESG data indicator system at all levels. The revenue used to calculate various intensity metrics includes China Jushi.

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

4. This year, the company implemented a data system for comprehensive statistical reporting of volatile organic compound (VOC) emissions, and the government's statistical methodology changed accordingly. As a result, the 2023 data has been restated.

5. The total greenhouse gas emissions for this year include only Scope 1 and Scope 2 emissions. The greenhouse gas measurement scope covers all subsidiaries under China National Building Material Group'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*.

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

The main sources of China National Building Material Group'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.

Additionally, in 2024, the Group conducted calculations for the six categories of Scope 3 emissions, as detailed in the "Tackling climate change – Metrics and targets" section of this report.

Key performance indicators	Unit	2024	2023
The generation of self-produced hazardous solid waste ⁶	tonnes	11,438	8,252
The intensity of self-produced hazardous solid waste generation	tonnes/million yuan of operating revenue	0.06	0.04
The generation of self-produced non-hazardous solid waste ⁷	tonnes	9,895,827	2,285,243
The intensity of self-produced non-hazardous solid waste generation	tonnes/million yuan of operating revenue	48.87	9.91
Comprehensive utilization rate of non-hazardous solid waste	%	96.72	95.46
Total acceptance and disposal of incoming solid waste	tonnes	88,319,578	97,932,968
Landfill	tonnes	601	0
Total acceptance and disposal of incoming solid waste divided by the disposal method	tonnes	476	0
Incineration for power generation	tonnes	152,220	8,639,259
Incineration without power generation	tonnes	88,166,281	89,293,709
Other ⁸	tonnes	85,908,054	93,924,152
Total acceptance and disposal of incoming solid waste divided by types	tonnes	236,211	303,139
Industrial waste	tonnes	158,937	181,207
Domestic waste	tonnes	2,016,375	3,524,470
Hazardous waste	tonnes	12,586,581	13,834,185
Other	tonnes	1,245,028	1,298,788
Total wastewater discharge	tonnes	627	587
Industrial wastewater	tonnes	20	24
Domestic wastewater	tonnes	158,255,821	202,155,181
Wastewater pollutant discharge	tonnes	143,883,462	177,215,899
Chemical oxygen demand (COD) ⁹	MW·h	7,029,802	7,038,345
Ammonia nitrogen	MW·h	4,593	17,900,938
Direct energy consumption ¹⁰	MW·h	6,961,505	
Coal	MW·h		
Natural gas	MW·h		
Petrol	MW·h		
Diesel	MW·h		
Other	MW·h		

6. This year, the Company completed the acquisition of BNBK Carpoly and included it in the data scope, resulting in an increase in hazardous waste generation in the coatings business.

7. This year, the statistical scope was expanded to include one additional factory (CNBM New Materials, a subsidiary of Tianshan Material), with its primary waste being the comprehensive utilization of waste minerals.

8. Refers to the reuse and disposal of solid waste, such as using it as raw materials or processing it into alternative fuels.

9. This year, the increase in production lines at Sinoma Science & Technology and China Jushi led to a rise in Chemical Oxygen Demand (COD) emissions.

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

Key performance indicators	Unit	2024	2023
Indirect energy consumption	MW·h	24,147,381	27,148,877
Electricity consumption	MW·h	23,066,672	26,770,800
Purchased electricity	MW·h	17,442,609	20,045,995
Purchased conventional electricity	MW·h	16,393,430	20,012,299
Purchased green electricity	MW·h	1,049,179	33,696
Self-generated electricity consumption	MW·h	5,624,064	6,724,805
Photovoltaic power generation consumption	MW·h	82,199	-
Equivalent to greenhouse gas emission reductions	tonnes of CO ₂ e	67,486	-
Equivalent to NO _x emission reductions	tonnes	11	-
Equivalent to SO ₂ emission reductions	tonnes	7	-
Equivalent to soot emission reductions	tonnes	1	-
Photovoltaic power generation consumption	MW·h	111,636	163,773
Equivalent to greenhouse gas emission reductions	tonnes of CO ₂ e	91,653	93,400
Equivalent to NO _x emission reductions	tonnes	15	25
Equivalent to SO ₂ emission reductions	tonnes	9	17
Equivalent to soot emission reductions	tonnes	2	4
Waste heat power generation consumption	MW·h	5,430,229	6,561,032
Equivalent to greenhouse gas emission reductions	tonnes of CO ₂ e	4,458,218	3,741,757
Equivalent to NO _x emission reductions	tonnes	722	997
Equivalent to SO ₂ emission reductions	tonnes	451	663
Equivalent to soot emission reductions	tonnes	92	144
Purchased heat	MW·h	1,080,708	378,077

Key performance indicators	Unit	2024	2023
Comprehensive energy consumption	MW·h	182,403,202	229,304,059
Comprehensive energy consumption intensity	MW·h/million yuan of operating revenue	901	994
Amount of energy expenditures	RMB' 0,000 yuan	1,626,898	1,863,848
Alternative fuel usage	tonnes	2,986,278	1,045,282
Urban waste	tonnes	282,611	240,472
Biomass energy	tonnes	115,594	424,207
Industrial waste	tonnes	1,981,161	271,102
Other	tonnes	606,912	109,500
Alternative raw material usage ¹¹	' 0,000 tonnes	1,456	1,697
Total circulating water ¹²	tonnes	1,269,460,070	1,363,212,282
Circulating water utilization rate	%	92	92
Water withdrawal	tonnes	108,770,218	115,150,000
Tap water	tonnes	30,981,620	32,930,000
Groundwater	tonnes	21,632,979	23,420,000
Surface water	tonnes	54,097,900	57,050,000
Other ¹³	tonnes	2,057,718	1,750,000
Total water withdrawals in high-stress areas	tonnes	5,317,869	6,070,000
Water withdrawal intensity	tonnes/million yuan of operating revenue	537	449
Total amount of water discharged	tonnes	13,831,609	8,670,000
The amount of water discharged by the place of discharge	tonnes	5,026,374	440,000
Discharge to surface fresh water (rainwater, wetland water, river water, lake water, etc.)	tonnes	5,026,374	440,000
Discharge to a third-party discharge site	tonnes	8,805,235	8,230,000

11. This year, the company implemented a data system for comprehensive statistical reporting of alternative raw material usage, and the statistical methodology changed accordingly. As a result, the 2023 data has been restated.

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

13. Includes seawater, rainwater, seawater desalination water, and reclaimed water.

Key performance indicators		Unit	2024	2023
The amount of water discharged by disposal methods	After tertiary treatment	tonnes	9,325,304	3,000,000
	After secondary treatment	tonnes	2,815,580	500,000
	After primary treatment	tonnes	1,570,376	320,000
	Untreated discharge into the natural environment	tonnes	0	0
	Untreated discharge into a third party discharge site	tonnes	120,349	4,850,000
Total water consumption		tonnes	94,938,609	106,480,000
Cement packing bag ¹⁴		piece	1,016,699,137	1,135,174,401
Recyclable cement packaging bags		piece	982,589,558	1,083,206,000
Consumption of non-renewable materials		tonnes	274,894,147	382,146,527
Consumption of toxic and hazardous materials ¹⁵		tonnes	216,785	182,473
Material consumption intensity		tonnes/million yuan of operating revenue	1,359	1,657
Area of all manufacturing and operating units		m²	125,052,181	145,794,636
Area for which biodiversity risk assessments have been conducted		m²	84,384,801	57,935,148
Land affected by the operations		m²	0	-
Restored land area		m²	10,148,627	3,991,551
Area of all production and operating units		unit	885	-
Area for which biodiversity risk assessments have been conducted		unit	457	-
Land affected by the operations		unit	0	-
Amount of environmental investment ¹⁶		RMB' 0,000 yuan	196,435	99,593
Amount of environmental savings		RMB' 0,000 yuan	60,406	

14. Based on the Group's business characteristics, cement packaging bag usage is calculated on "piece".

15. This year, the Company completed the acquisition of BNBM Carpoly and included it in the data scope, leading to an increase in the consumption of toxic and hazardous materials. And the data for 2023 has been restated.

16. The total environmental investment amount has been adjusted to include: technological transformation, replacement of energy-saving/environmental protection equipment, capacity replacement, and ecological protection investments. The data for 2023 has been restated.

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Key performance indicators		Unit	2024	2023
Number of environment-related ISO certifications	Number of environment-related ISO14001 certifications	unit	650	639
	Number of environment-related ISO50001 certifications	unit	322	251
	Number of other certifications (e.g. ISO14064 and domestic certifications, etc.)	unit	79	-
Operating revenue from products with inherently green attributes		RMB' 0,000 yuan	4,477,465	3,332,629
Operating revenue 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	3,074,459	-
Operating revenue of cement products that have obtained the "China Low Carbon Product Certification"		RMB' 0,000 yuan	2,384,117	2,145,431
Operating revenue of concrete products that have obtained the "China Green Building Materials Certification"		RMB' 0,000 yuan	258,318	-
Operating revenue from products in favor of the green development of society ¹⁷		RMB' 0,000 yuan	4,462,626	3,987,764
Number of national green factories		unit	167	160
Number of provincial green factories		unit	69	65
Number of green factories of other levels		unit	21	14
Number of national green mines ¹⁸		unit	42	43
Number of provincial green mines		unit	110	91
Number of green mines of other levels ¹⁹		unit	1	3
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	514	-
	Number of enterprises under construction with climate risk response/adaptation plans (e.g. extreme weather contingency plans) in place	unit	119	-

17. The revenue from products applicable to the new energy industry, such as wind turbine blades, carbon fiber, lithium battery separators, hydrogen energy gas cylinders, and graphite new materials, has decreased due to the impact of falling prices of some products.

18. The decrease in numbers is due to the need for a new selection process for the integration of the Jiande South Mine, a subsidiary of Tianshan Material

19. The decrease in numbers is due to the upgrading of two municipal-level green mines to provincial-level.

Social data

Key performance indicators	Unit	2024	2023
Total number of employees	person	139,519	145,277
Male	person	107,439	111,114
Total number of employees by gender	Male in STEM ²⁰	16,095	16,317
Female	person	32,080	34,163
Female in STEM	person	2,808	4,113
Total number of employees by ethnic group	Han	128,019	135,293
Minority	person	11,500	9,984
Senior ²¹	person	1,867	1,871
Female	person	278	154
Female in the business sector	person	49	72
Number of male	person	1,589	1,717
Male in the business sector	person	346	375
Minority	person	48	142
Total number of employees by job level	Mid-level ²²	7,918	7,449
Female	person	1,121	1,059
Female in the business sector	person	356	522
Number of male	person	6,797	6,390
Male in the business sector	person	1,945	1,786
Minority	person	314	245
General employees	person	129,734	135,957

Key performance indicators	Unit	2024	2023
Total number of employees by employment type	Long-term ²³	person	127,767
Short-term ²⁴	person	11,752	7,975
Total number of employees by age	Under 30 years old	person	20,341
30 to 50 years old	person	93,744	91,379
Over 50 years old	person	25,434	32,267
Mainland China	person	132,941	141,193
Total number of employees by region	Region of Hong Kong, Macao and Taiwan	person	7
Overseas	person	6,571	4,069
Employee turnover rate by gender	Male	%	4.1
Female	%	7.7	5.2
Voluntary turnover rate by gender	Male	%	4.0
Female	%	7.7	5.0
Employee turnover rate by age	Under 30 years old	%	9.6
30 to 50 years old	%	3.9	4.5
Over 50 years old	%	5.1	4.4
Voluntary turnover rate by age	Under 30 years old	%	9.5
30 to 50 years old	%	3.8	4.4
Over 50 years old	%	5.1	4.2
Employee turnover rate by region	Mainland China	%	4.6
Region of Hong Kong, Macao and Taiwan	%	0.0	0.0
Overseas	%	12.1	6.4

20.Refers to personnel engaged in STEM (Science, Technology, Engineering, and Mathematics).

21.Senior employees refer to executives in the Group and its subsidiaries.

22.Middle-level employees refer to department heads in the Group and its subsidiaries.

23.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.

24.Short-term employees refer to those with contracts lasting one year or less.

Key performance indicators		Unit	2024	2023
Voluntary turnover rate by job level	Mainland China	%	4.5	4.8
	Region of Hong Kong, Macao and Taiwan	%	0.0	0.0
	Overseas	%	12.0	6.3
Employee turnover rate by job level	Senior employees	%	1.4	-
	Middle-level employees	%	1.9	-
	General employees	%	5.2	-
	Senior employees	%	1.4	-
Voluntary turnover rate by job level	Middle-level employees	%	1.9	-
	General employees	%	5.1	-
Number of newly hired employees		person	8,781	11,133
Male		person	5,941	-
Female		person	2,840	-
Under 30 years old		person	6,448	-
30 to 50 years old		person	1,923	-
Over 50 years old		person	410	-
Senior employees		person	32	-
Middle-level employees		person	471	-
General employees		person	8,278	-
Han		person	8,535	-
Minority		person	246	-
Number of internal transfers or internal application		person	4,730	5,646
Rate of internal transfers or internal application		%	35	34
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	3,124	7,235
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	788	904
Number of visits to help critically ill employees		person-times	319	328

Key performance indicators		Unit	2024	2023
Total expenditure on condolences to special employees and assistance to employees in difficulty		RMB' 0,000 yuan	387	510
Total expenditure on helping children of employees in difficulty to attend school or rewarding employees' children for attending school		RMB' 0,000 yuan	111.81	-
Total expenditure on helping critically ill employees		RMB' 0,000 yuan	160	1,145
Number of employee activities were organized and participated in		times	4,781	4,550
Number of participation in various events organized by relevant industry associations (at provincial level or above)		times	510	5,486
Number of employees participated in various activities		person-times	198,854	232,913
Total number of employees participated in satisfaction survey		person	8,625	9,068
Percentage of total number of employees		%	6.2	6.2
Percentage of satisfied employees participated in satisfaction surveys by gender ²⁵	Male	%	98.3	97.5
	Female	%	98.4	98.2
Percentage of satisfied employees participated in satisfaction surveys by ethnic group	Han	%	98.2	97.4
	Minority	%	100.0	96.9
Percentage of satisfied employees participated in satisfaction surveys by job level	Senior employees	%	100.0	100.0
	Middle-level employees	%	100.0	99.3
	General employees	%	98.0	97.1
Percentage of satisfied employees participated in satisfaction surveys by age	Under 30 years old	%	98.3	97.9
	30 to 50 years old	%	97.6	97.3
	Over 50 years old	%	100.0	97.6

25. "Satisfaction" refers to the responses of "generally satisfied," "satisfied," and "very satisfied" in the satisfaction survey.

Key performance indicators	Unit	2024	2023
Number of employees for whom the Group contributes an enterprise annuity	person	70,563	67,846
Number of employees for whom the Group pays supplementary medical insurance and other types of insurance other than five insurances	person	53,259	50,119
Number of employees joining the labor union	person	125,721	144,536
Percentage of employees joining the labor union	%	90.1	99.5
Number of employees signing collective agreements	person	108,618	-
Percentage of employees signing collective agreements	%	77.9	84.7
Number of employee representatives	person	10,810	-
Percentage of employee representatives	%	7.8	19.5
Work-related fatalities	person	0	0
Death rate per thousand	‰	0	0
Proportion of zero-fatality project	%	100	100
Lost Time Injury Frequency Rate (LTIFR) (1 million working hours) of employees	-	0.02	0.01
Number of work-related deaths of contractors	person	0	0
Lost Time Injury Frequency Rate (LTIFR) (1 million working hours) of contractors	-	0.02	-
Number of reported silicosis cases	case	0	0
Person-times of employees participated in occupational health and safety training	person-times	1,800,155	1,550,952
Number of safety, environmental and health inspections conducted	times	78,532	69,125
Number of hidden danger investigation	unit	381,511	343,417
Rectification rate of hidden danger investigation	%	99.89	99.60
Number of emergency drills, fire drills and other exercises conducted	person-times	128,007	39,810
Amount of safety and health related expenditure	RMB' 0,000 yuan	174,898	149,292

Key performance indicators		Unit	2024	2023
Safety and Occupational Health related certifications	Number of factories at safety standardization level I	unit	12	16
	Number of factories at safety standardization level II	unit	300	266
	Number of factories at safety standardization level III	unit	278	286
	Number of factories certified to ISO45001 occupational health and safety management system	unit	673	678
Percentage of employees participated in safety and environmental training	Senior	%	78.3	38.7
	Middle-level	%	79.4	45.1
	General	%	93.2	50.3
Percentage of employees participated in skills-based business training	Senior	%	60.5	32.0
	Middle-level	%	71.1	26.3
	General	%	94.0	54.1
Percentage of employees participated in management training (including compliance training)	Senior	%	80.1	32.9
	Middle-level	%	80.7	51.6
	General	%	48.9	34.0
Percentage of employees participated in all types of training	Male	%	95.2	81.2
	Female	%	82.3	76.2
	Under 30 years old	%	93.2	80.7
	30 to 50 years old	%	91.3	87.1
	Over 50 years old	%	94.9	60
	Han	%	92.2	81.8
	Minority	%	92.5	56.9
	Senior	%	90.7	67.6
	Middle-level	%	94.9	64.7
	General	%	92.1	81.1

Key performance indicators		Unit	2024	2023
Total hours of all types of training	Total	hour	4,268,235	5,654,704
	Total hours of safety and environmental training	hour	1,978,504	2,519,667
	Total hours of skills-based business training	hour	1,728,901	2,380,119
	Total hours of management training	hour	560,829	754,918
Training hours per capita (all types of training)	Male	hour	33	49
	Female	hour	34	48
	Under 30 years old	hour	40	78
	30 to 50 years old	hour	35	41
	Over 50 years old	hour	23	52
	Han	hour	33	48
	Minority	hour	39	67
	Senior	hour	63	94
	Middle-level	hour	45	62
	General	hour	32	47
	All employees	hour	33	49
Training cost per capita		RMB yuan	327.8	566.0
Number of suppliers who have established long-term ²⁶ cooperation with the Group	In total	unit	33,797	26,954
	Mainland China	unit	33,115	26,099
	Region of Hong Kong, Macao and Taiwan	unit	46	18
	Overseas	unit	636	837
The costs of products or service procured from suppliers mentioned above		RMB' 0,000 yuan	10,247,645	8,530,884
Among the suppliers who have established long-term cooperation with the Group, number of suppliers that have been screened and controlled for environmental and social risks by the Group	In total	unit	23,366	18,031
	Mainland China	unit	23,027	17,437
	Region of Hong Kong, Macao and Taiwan	unit	32	16
	Overseas	unit	307	578
The costs of products or service procured from suppliers mentioned above		RMB' 0,000 yuan	12,758,220	7,569,140

26. "Long-term" refers to suppliers that maintain a stable relationship during the cooperation process without altering the cooperation model due to short-term market fluctuations.

Key performance indicators		Unit	2024	2023
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	381	134
	Number of suppliers with whom corrective measures/improvement plans have been agreed upon	unit	17	25
	Number of suppliers excluded	unit	37	104
	Number of suppliers participating in supplier training and capacity enhancement among suppliers that have established long-term cooperation with the Group	unit	5,657	4,580
Number of suppliers screened and controlled for environmental and social risks by the Group		unit	4,878	4,096
Number of ESG training sessions for suppliers or ESG training exchange sessions with suppliers		times	969	-
Number of all suppliers not in long-term co-operation		unit	10,302	14,667
Number of suppliers screened and controlled for environmental and social risks by the Group		unit	8,121	8,707
Number of suppliers certified by systems such as quality, occupational health and safety, environment or energy management		unit	17,383	10,795
Percentage of products subject to recall for safety and health reasons		%	0.01	0
Litigation cases involving the safety and health of products and services		case	0	0
Totaling complaints about products and services		case	343	444
Number of complaints properly responded to and dealt with		case	343	444
Percentage of complaints properly responded to and dealt with		%	100	100
Number of patents	Number of annual patent applications	case	2,669	2,992
	Number of invention patents	case	1,513	1,300
	Number of annual authorized patents	case	1,891	2,357
	Number of invention patents	case	742	695
	Cumulative number of valid patents	case	16,649	15,235
	Number of invention patents	case	4,626	3,637
	Cumulative number of successful software copyright registrations	case	1,547	1,200

Key performance indicators	Unit	2024	2023
Number of cases of suspected infringement of intellectual property rights by products and services	case	0	0
Comprehensive product qualification rate	%	100	100
Number of complaints due to disclosure of customer information	case	0	0
Total number of clients	unit	53,800	49,952
Number of clients participating in satisfaction surveys	unit	11,905	25,643
Number of clients whose survey results were satisfactory	unit	11,431	23,755
Percentage of clients whose survey results were satisfactory	%	22.1	51.3
Percentage of customer satisfaction	%	96.0	92.6
R&D investment	RMB' 000,000 yuan	7,835.61	9,090.75
Percentage of R&D investment in operating revenue	%	3.9	3.9
R&D investment	person	17,142	11,072
Number of standards prepared or revised under the auspices of and with the participation of	unit	30	-
Number of corruption cases initiated and concluded against companies and employees	case	1	0
Number of anti-corruption training sessions held and organized	times	8,101	4,149
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	8,146	4,153
Person times of all other employees of the Group and all subsidiaries who have participated in anti-corruption training	person-times	303,259	223,810

Key performance indicators	Unit	2024	2023
Corruption or bribery	case	0	0
Discrimination or harassment	case	0	0
Number of cases in which employees violated the Group's code of conduct	case	0	0
Customer privacy data	case	0	0
Conflict of interest	case	0	0
Money laundering or insider trading	case	0	0
Amount of taxes paid	RMB' 0,000 yuan	1,537,672	1,734,241
Amount of public charity investment (including material donations)	RMB' 0,000 yuan	7,399	7,057
Donations for education (School support)	RMB' 0,000 yuan	190	219
Medical and health	RMB' 0,000 yuan	0	11
Donations to targeted support areas (Rural revitalization category)	RMB' 0,000 yuan	6,160	6,439
Donations to disaster areas	RMB' 0,000 yuan	47	28
Other	RMB' 0,000 yuan	1,002	810



Independent Limited Assurance Report



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Independent Limited Assurance Report

Ernst & Young Hua Ming (2025) No.70043890_A01
China National Building Material Company Limited

Board of Directors of China National Building Material Company Limited:

Scope

We have been engaged to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, on the specified information ("Key Information") of China National Building Material Company Limited ("China Building") 2024 Environmental, Social and Governance Report ("ESG Report").

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 Key Information of ESG Report, China Building applied the Environmental, Social and Governance Reporting Guide 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 Key Information of ESG Report 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 key information 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 Key Information of the ESG Report 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 terms of reference for this engagement as agreed with China Building on 14 February 2025. The standard requires 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 Key Information 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.

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.

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



Independent Limited Assurance Report (Continued)

Ernst & Young Hua Ming (2025) No.70043890_A01
China National Building Material Company Limited

Description of procedures performed (Continued)

We performed assurance procedures on the specified information in ESG Report:

- 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

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 Key Information 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 Key Information of ESG Report, 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*²⁷

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	About the Report
	Reporting Boundary	About the Report
"Comply or explain" Provisions		
A. Environmental		
A1: Emissions		
	General Disclosure: relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	Integrating into circular economy, insisting on green manufacturing
A1.1	The types of emissions and respective emissions data.	ESG Performance Table-Environmental data
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	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.	Tackling climate change, insisting on green manufacturing

27. Effective January 1, 2025, the Group will comply with the disclosure requirements of the *Hong Kong Stock Exchange's ESG Reporting Code* for fiscal years starting after that date. This report still follows the Hong Kong Stock Exchange's *ESG Reporting Guide*.

"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 the 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 (in 1,000 kW h) 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
A4 Climate Change		
	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Tackling climate change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling climate change

"Comply or explain" Provisions		
B Social		
B1 Employment		
	<p>General Disclosure:</p> <p>Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the issuer</p>	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
B2 Health and Safety		
	<p>General Disclosure: relating to providing a safe working environment and protecting employees from occupational hazards</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the issuer</p>	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.	<p>Caring for employee development and building an employer brand</p> <p>ESG Performance Table-Social data</p>
B2.2	Lost days due to work injury.	<p>Caring for employee development and building an employer brand</p> <p>ESG Performance Table-Social data</p>
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
B3 Development and Training		
	<p>General Disclosure :</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities</p> <p>Note: Training means vocational training and may include internal and external courses paid for by the employer.</p>	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

"Comply or explain" Provisions**B4 Labor Standards**

	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

B5 Supply Chain Management

	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

B6 Product Responsibility

	General Disclosure: relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Guaranteeing quality excellence and casting a quality brand Responsible marketing-oriented 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.	Responsible marketing-oriented 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

"Comply or explain" Provisions

B7 Anti-corruption

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

B8 Community Investment

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

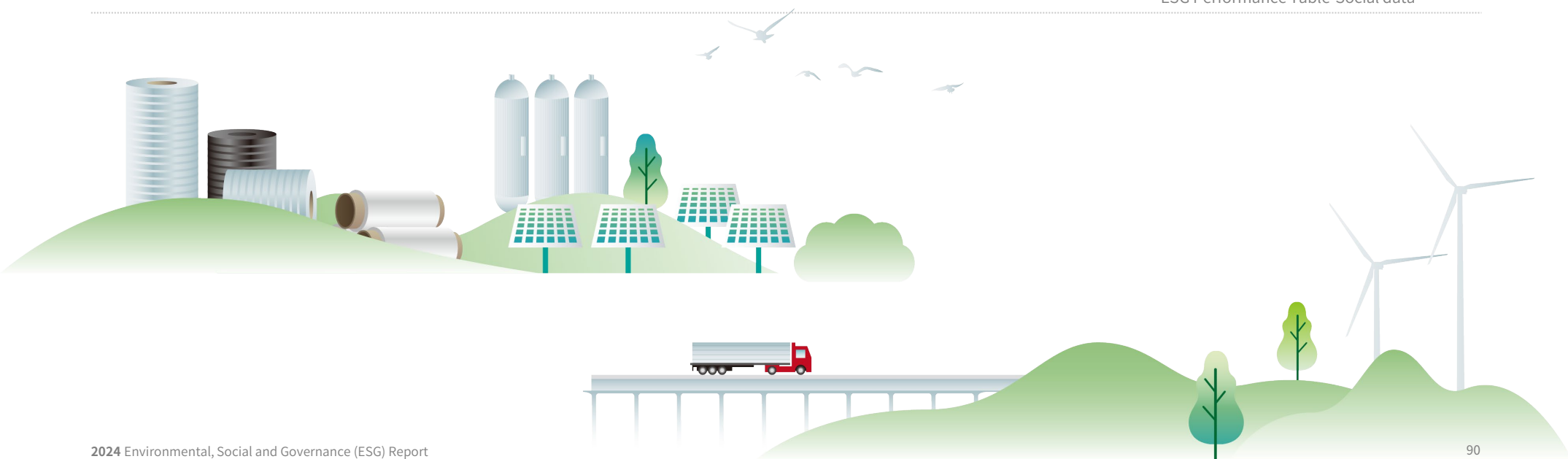
B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).

Undertaking social responsibility and building a responsible brand

B8.2 Resources contributed (e.g. money or time) to the focus areas.

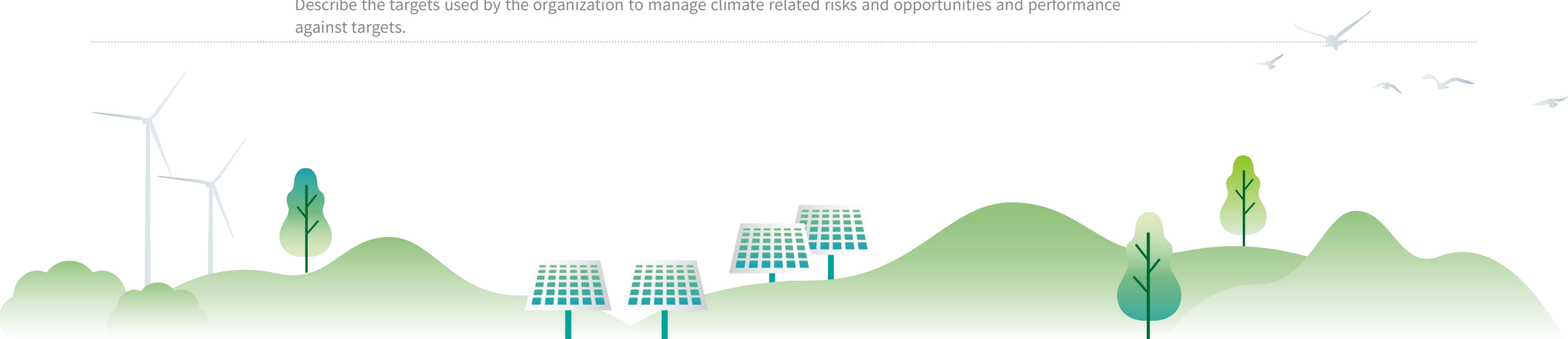
Undertaking social responsibility and building a responsible brand

ESG Performance Table-Social data



TCFD index table

Topic	Description	Corresponding Report Location
Governance	Describe the board's oversight of climate related risks and opportunities.	Tackling climate change- Governance
	Describe management's role in assessing and managing climate related risks and opportunities.	
Strategy	Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.	Tackling climate change- Strategy
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	—
Risk Management	Describe the organization's processes for identifying and assessing climate related risks.	Tackling climate change- Risk Management
	Describe the organization's processes for managing climate related risks.	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Tackling climate change- Metrics and targets ESG Performance Table-Environmental data
	Disclose direct emissions (Scope 1), indirect emissions (Scope 2), and, if appropriate, indirect emissions (Scope 3) greenhouse gas (GHG) emissions, and the related risks.	
	Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	



SASB Standard index table

Topic	Accounting Metric	Unit	Corresponding Reporting Location
Greenhouse Gas Emissions	Direct Greenhouse Gas Emissions (Scope 1)	Metric tonnes (t)CO ₂ -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 NO _x	Tonnes	ESG Performance Table-Environmental data
	Air emissions of SO _x	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	Air emissions of heavy metals	Tonnes	ESG Performance Table-Environmental data
	Total energy consumed	kW·h	ESG Performance Table-Environmental data
	Percentage grid electricity	%	
	Percentage alternative	%	
Water Management	Percentage renewable	%	ESG Performance Table-Environmental data
	Total fresh water withdrawn	m ³	
	Total fresh water withdrawn	%	
	Percentage in regions with High or Extremely High Baseline Water Stress	%	ESG Performance Table-Environmental data

Topic	Accounting Metric	Unit	Corresponding Reporting Location
Waste Management	Amount of waste generated	Tonnes	ESG Performance Table-Environmental data
	Percentage hazardous	%	
Biodiversity Impacts	Percentage recycled	%	Protecting ecological conservation
	Description of environmental management policies and practices for active sites	-	
	Terrestrial acreage disturbed	m ²	ESG Performance Table-Environmental data
Workforce Health & Safety	Percentage of impacted area restored	%	ESG Performance Table-Environmental data
	Total recordable incident rate (TRIR)	%	ESG Performance Table-Social data
	Near-miss frequency rate (NMFR) for full-time employees	%	—
	Near-miss frequency rate (NMFR) for contract employee	%	—
Product Innovation	Number of reported cases of silicosis	Case	ESG Performance Table-Social data
	Percentage of products that qualify for credits in sustainable building design and construction certifications	%	ESG Performance Table-Environmental data
	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	Million yuan	Creating green products
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	Million 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
E.1.2 Materials	Including: Non-renewable material consumption; consumption of toxic and hazardous materials; material consumption intensity	ESG Performance Table-Environmental data
E.1.3 Energy	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
E.1.4 Packaging materials	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
E.2.2 Waste gas	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
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
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	—
E.3.4 Climate risk management	Description of the Company's strategy and management system for climate risk management	Tackling climate change

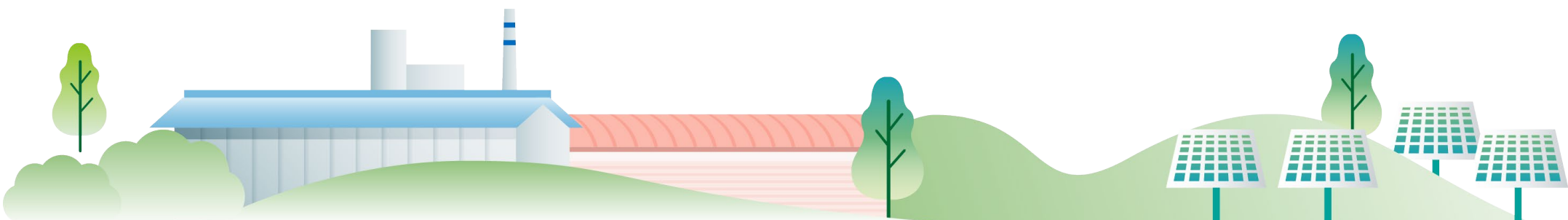
Topic	Description	Corresponding reporting location
E.4 Biodiversity		
E.4.1 Impacts of manufacturing, services and products on biodiversity	Description of the impacts of the Company's production activities, services and products on biodiversity	Protecting ecological conservation
E.5 Resource and environmental 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 Responsible marketing-oriented 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
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

Topic	Description	Corresponding reporting location
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
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
S2.3 Innovative development	Including: Research and development and innovation management system; research and development investment; innovation accomplishments; intellectual property protection	Creating green products Responsible marketing-oriented 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	Internal control compliance and risk management
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

Topic	Description	Corresponding reporting location
G2 standardized governance		
G2.1 Internal control	Including: Internal audit; Internal control structures, mechanisms and processes	Internal control compliance 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 2024 Annual Report
G3.3 Creditors' equity	Including: Credit information; bond market performance	Please refer to CNBM 2024 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	Internal control compliance and risk management
G5.2 ESG risk management	Including: Risk identification and early warning; risk control and tracking; risk reporting and management	Internal control compliance and risk management

Guidance on the Content of the Ten Principles of the UN Global Compact

Scope	The Ten Principles of the UN Global Compact	Disclosure Index
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
Labor 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 labor	Caring for employee development and building an employer brand
	The effective abolition of child labor	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
Implementation of the Anti-Corruption Principle	Encourage the development and diffusion of environmentally friendly technologies	Creating green products
	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	“Miluo South”	Hunan Zhongsheng New Material Technology Co., Ltd.	“Sinoma Blade”	Sinoma Wind Power Blade Co., Ltd.
“Group”	The Company and, except where the context otherwise requires, all its subsidiaries	“Linli South”	Hunan Linyi Southern Cement Co., Ltd	“Suzhou Limited”	Sinoma Science & Technology (Suzhou) Co., Ltd.
“Parent”, “CNBMG”	China National Building Material Group Co., Ltd.	“CNBM New Materials”	CNBM New Materials Co., Ltd.	“Sinoma Lithium Separator”	Sinoma Lithium Battery Separator Co., Ltd.
“BNBMG”	Beijing New Building Material (Group) Co., Ltd	“Ningxia Building Materials”	Ningxia Building Materials Group Co., Ltd.	“China Composites”	China Composites Group Corporation Limited
“Building Materials Academy”	China Building Materials Academy Co., Ltd.	“Wuhai Saima”	Wuhai Saima Cement Co., Ltd.	“Sinoma Graphite”	CNBM Graphite New Materials Co., Ltd.
“CNBM Trading”	China National Building Material Import and Export Co., Ltd.	“BNBM”	Beijing New Building Material Public Limited Company	“Sinoma International”	Sinoma International Engineering Co., Ltd.
“Cinda”	China Cinda Asset Management Co., Ltd.	“Taishan Gypsum”	Taishan Gypsum Co., Ltd.	“TCDRI”	Tianjin Cement Industry Design & Research Institute Co., Ltd
“ESG”	Environmental, Social and Governance	“Longpai Gypsum”	Longpai Gypsum Board (Saint-gobain Gypsum Board)	“Sinoma International (Nanjing)”	Sinoma International Engineering Co., Ltd. (Nanjing)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time	“Dream Brand”	Dream Brand New Materials Co., Ltd	“CNBM Smart”	CNBM Smart Industry Technology Co., Ltd.
“Tianshan Material”	Xinjiang Tianshan Cement Co., Ltd., the entity after business integration	“Carpoly”	Carpoly Chemical Group Co., Ltd.	“Equipment Group”	China Sinoma Equipment Group Company
“CUCC Qingzhou”	China United Cement Qingzhou Co., Ltd.	“BNBM Tanzania”	BNBM Building Materials Industry (Tanzania) Limited	“Sinoma-CDI”	Chengdu Design & Research Institute of Building Materials Industry Co., Ltd
“CUCC Biyang”	China United Cement Biyang Co., Ltd.	“BNBM Waterproof”	BNBM Waterproof Co., Ltd.	“Sinoma Intelligent Technology”	Sinoma International Intelligent Technology Co., Ltd.
“Sanshi Material”	Zhejiang Sanshi South New Material Co., Ltd	“China Jushi”	China Jushi Co., Ltd.	“Sinoma Mining”	Sinoma Mine Construction Co., Ltd.
“Huaikan South”	Huzhou Huaikan South Cement Company Limited	“Jushi Egypt”	Jushi Egypt for Fiberglass Industry S.A.E	“Sinoma Suzhou”	Sinoma (Suzhou) Construction Co., Ltd.
“Ruichang Aggregate”	CNBM New Materials Co., LTD.	“Sinoma Science & Technology”	Sinoma Science & Technology Co., Ltd.	“CNBM Investment”	CNBM Investment Company Limited
“Shanya South”	Hangzhou shanya south cement co., Ltd	“Beijing Composite”	Beijing Composite Materials Co., Ltd	“China Construction Investment Vanuatu”	China Construction Investment Company Vanuatu Virk Limited
“South Cement”	South Cement Company Limited	“NRDI”	Nanjing Fiberglass R&D Institute Co., Ltd.	“BNBM PNG”	BNBM PNG Limited
“North Cement”	North Cement Company Limited	“CTG”	Taishan Fiberglass Inc	“CBMI Construction”	CBMI Construction Co., Ltd.
“Kezhou Tianshan”	Kezhou tianshan cement co., Ltd	“Taishan Glass Fibre (Taiyuan)”	Taishan Fiberglass (Taiyuan) Inc		



Feedback

Thank you for reading the *2024 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.

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

- ☐ Government and regulatory institutions ☐ Shareholders/Investors ☐ Employees
- ☐ Clients ☐ Suppliers/Contractors ☐ Business Partners
- ☐ Members of communities/organizations ☐ Media ☐ 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!



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