

重慶鋼鐵股份有限公司

Chongqing Iron & Steel Company Limited

(H Share Stock Code: 1053) (A Share Stock Code: 601005)



2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2024 Environmental, Social and Governance Report

CONTENTS

About the Report	2
Message from the Chairman	4
About Chongqing Iron & Steel	7
(I) Company Profile	7
(II) Organisational Structure	9
(III) Corporate Culture	10
(IV) Big Events in 2024.	10
ESG Governance	12
Integrity: Lay the Foundation of Governance.	19
(I) Party Building Guidance	19
(II) Corporate Governance	21
(III) Protect Investors' Rights and Interests.	24
(IV) Risk Management	26
(V) Business Ethics	26
Innovation: Build Momentum for Development	33
(I) Innovation-driven Development	33
(II) Intelligent Manufacturing	37
Greenness: Feature Chongqing Iron & Steel's Corporate Image.	41
(I) Environment Management	41
(II) Emissions Compliance	47
(III) Energy and Resource Utilization	51
(IV) Climate Change Response	59
Coordination: Stay True to the Original Aspiration of Serving the Country	66
(I) Employees Development	66
(II) Partner Responsibility	83
(III) Industrial Development	95
(IV) Commitment to Society	97
Outlook.	102
Appendix	103
(I) Key Performance Indicators (KPI)	103
(II) Indicator index	110
(III) Feedback	112



ABOUT THE REPORT

Solemn Commitment

The information and data disclosed in the Report are derived from the Company's statistical reports and official documents and have been audited by relevant departments. The Company guarantees that there are no false records or misleading statements contained in the Report and is responsible for the truthfulness, accuracy and completeness of the contents.

Basis of Preparation

This Report is mainly based on the Guidance on Better Fulfilment of Social Responsibility by State-owned Enterprises of the State-owned Assets Supervision and Administration Commission of the State Council, Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14–Sustainability Reporting (Trial), the Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange, and the Social Responsibility Work Management System by China Baowu Group as well as the social responsibility ESG indicator system and other rules.

Scope of the Report

Unless otherwise specified, the Report mainly describes the environmental, social and governance performance of Chongqing Iron & Steel and its subsidiaries in terms of their practices in social responsibility fulfilment and performance during the period from 1 January 2024 to 31 December 2024. The currencies involved in the Report shall be in CNY unless otherwise stated.

Name Description

"China Baowu" "Baowu Group" used in the Report is the shorted form of China Baowu Steel Group Corporation Limited. "Zhongnan Iron and Steel" used in the Report is the shorted form of "Zhongnan Iron and Steel Co., Ltd. of Baowu Group". "Chongqing Iron & Steel", "Company", and "We" are the shorted form of "Chongqing Iron & Steel Company Limited".

2024 Environmental, Social and Governance Report (Continued)

Preparation Process

Investigation of the concerns of stakeholders – Report planning – Report framework construction – Report preparation training – Collection of materials – Report preparation – Internal discussion – Report design – Solicitation of opinions – Report revision – Management review – Board of Directors review – Release of the final draft.

Text Language

The Report is available in simplified Chinese, traditional Chinese and English. The traditional Chinese and English versions differ in layout and design from the simplified Chinese version. In case of any discrepancies, the simplified Chinese version shall prevail.

Form of Release

The Report will be published in PDF electronic version and it can be downloaded and read on the Company's official website and the websites of the Shanghai Stock Exchange and the Stock Exchange. For more information, please visit the official website, WeChat official account or the annual financial report of the Company.

MESSAGE FROM THE CHAIRMAN

For Chongqing Iron & Steel, 2024 was a year full of both challenges and opportunities, a year in which all cadres and employees united as one, forged ahead with determination and demonstrated resilience. In the face of a complex external situation of continuous downturn in the industry, multiple pressure from production and operation as well as reform and development, arduous tasks of cost reduction, efficiency enhancement and structural adjustment, and the requirements of the era for ultra-low emissions and energy conservation and emission reduction, the Company remained steadfast in taking Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle, earnestly studied and implemented the spirit of the 20th CPC Central Committee's Third Plenary Session, and consistently upheld the core values of "Integrity, Innovation, Greenness, and Coordination". By comprehensively advancing the integration of ecological protection, resource efficiency, technological innovation, industrial coordination and employee care, the Company laid a solid foundation for its objectives of "survival and revitalization".

I. Building a Green Foundation to Strengthen the Ecological and Environmental Defense Line

Ecological and environmental protection is the lifeline of corporate survival and development, and a solemn commitment to future generations. In 2024, Chongqing Iron & Steel invested RMB887 million in environmental protection, comprehensively advancing "three wastes" management. No environmental emergencies occurred, and no environmental penalties were imposed. The Company formulated a self-monitoring plan, strengthened the standardized operation and management of online monitoring facilities, and conducted self-monitoring strictly in accordance with the plan, achieving 100% coverage of monitoring points and factors. Environmental information was disclosed as required to ensure compliant emissions. The Company also passed the reassessment of its Environmental Management System (ISO 14001), maintaining system certification. Carbon emissions were reduced by 85,300 tonnes year-on-year, and carbon emission intensity per tonne of steel decreased to 1.476t/t.

2024 Environmental, Social and Governance Report (Continued)

II. Enhancing Efficiency through Intensive Utilization to Promote Energy and Resource Recycling

Efficient utilization of energy and resources is key to achieving sustainable development. Through the implementation of intelligent energy management systems, enhanced process coordination, and power generation using surplus coal and gas, the Company reduced its comprehensive energy consumption per tonne of steel by 13.7 kgce/t, achieving a record low. The cumulative self-generated electricity rate reached 90.63%, representing an increase of 5.74 percentage points compared to 2023. The Company was recognized as one of the third batch of benchmark enterprises for energy efficiency by the China Iron and Steel Association. In water resource management, measures such as quality-separated water supply and recovery of residual heat condensate water were adopted, resulting in a reduction of 8.703 million tonnes in new water consumption and an increase of 1.35 percentage points in industrial water recycling rate year-on-year. The Company strengthened the recycling and utilization of industrial solid waste and scrap steel, with qualified materials reused in production or sold externally. In 2024, a total of 5.1125 million tonnes of solid waste was generated, achieving a 100% recycling rate.

III. Advancing Technological Upgrades to Reinforce the Foundation of Innovation

Technological innovation is the driving force for sustainable corporate development. Leveraging its core role in innovation, the Company adhered to a development path characterized by “high-end, intelligent, green and efficient” strategies. In 2024, R&D investment reached RMB1.045 billion, with 22 new corporate-level research projects and 28 key problem-solving initiatives launched. A total of 36 invention patents were granted, and the Company was honored as a “National Intellectual Property Advantage Enterprise.” Employee-driven innovation achieved notable breakthroughs, including two gold and three silver awards at the 27th National Invention Exhibition • Belt & Road and BRICS Competition of Skills Development and Technology Innovation. The Liu Xiaofeng Innovation Studio was recognized as a model employee innovation studio by Baowu Group, and the “Coke Oven Heating System Function Precision Improvement and Research Project” received the “Outstanding Achievement Award” in the 2024 Chongqing Employee “Five Smalls” Innovation Competition.

The Company continued to advance intelligent manufacturing. The Smart Center Construction Project passed final inspection and acceptance, pioneering a new “OneMill” integrated control and operation model. The digital intelligence index reached 78.26%, representing an increase of 2.93 percentage points year-on-year, and the Company maintained certification for the integration of informatization and industrialization management systems.

2024 Environmental, Social and Governance Report (Continued)

IV. Deepening Synergistic Development to Pool Growth Momentum

Corporate development relies on the effective integration of internal and external resources. Chongqing Iron & Steel deeply aligned employee growth with corporate progress, actively promoting government-enterprise exchanges, business collaboration, and industry-academia-research cooperation with an open posture to foster synergies for development. In 2024, the Company received research and guidance visits from the Chongqing Municipal Government, Municipal Economic and Information Commission, Chongqing Maritime Safety Administration, Changshou District Government and Changshou Economic Development Zone. By participating in the formulation of industry standards and high-quality development forums, it advanced strategic cooperation and industry-academia-research partnerships to support industrial chain growth. The Company also facilitated employee development through open career pathways, diverse training formats, and a combination of learning and competitions. Training investment totaled RMB7.7295 million, with an average of 121.3 training hours per employee. A total of 56 company-level skill competitions were held, involving 2,196 participants, and 1,042 employees improved their technical competencies, with 17.6% of operational and maintenance personnel reaching technician level or above.

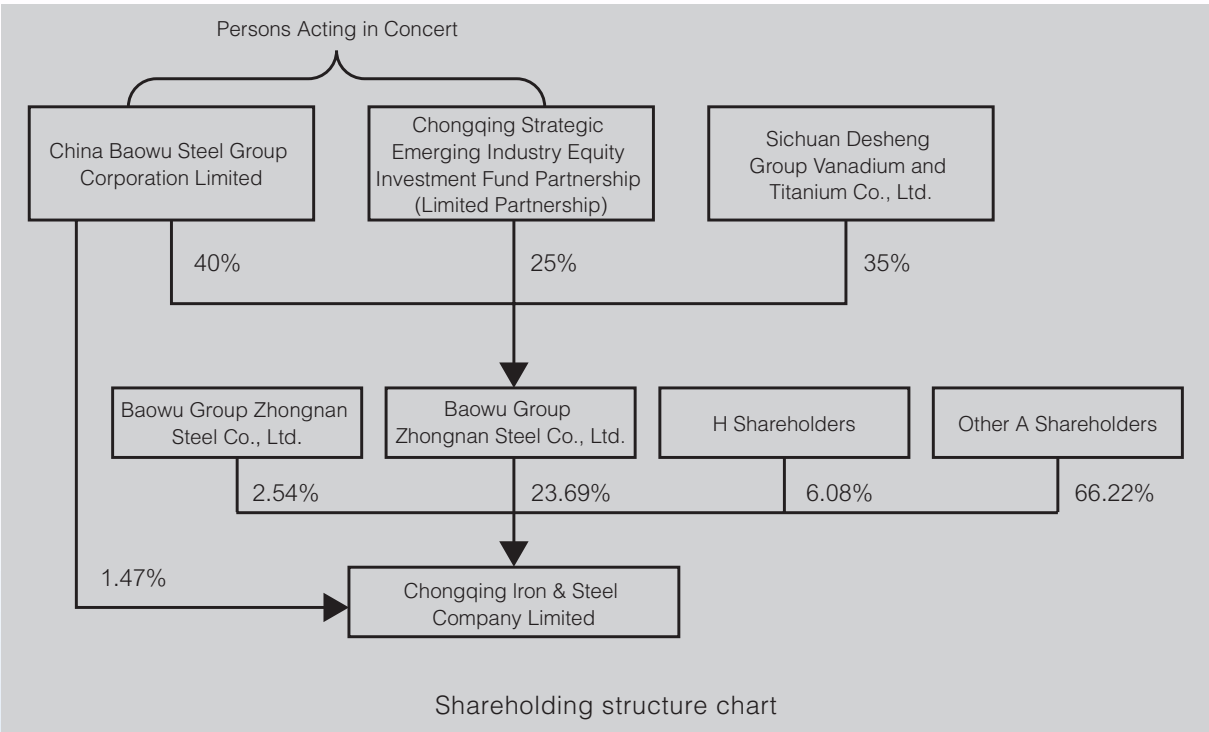
ESG is not only a response to the call for sustainable development but also a declaration of future competitiveness. In 2025, we will continue to uphold our core values of “Integrity, Innovation, Greenness and Coordination”, actively fulfill our responsibilities as a listed Company under a centrally administered state-owned enterprise, and ensure that both Party committees and governments assume their responsibilities for environmental protection in performing their duties, improve employee care mechanisms, accelerate the development of industrial parks and ecological clusters, and foster a new model of harmonious coexistence. We firmly believe that only by embedding sustainable development into our corporate DNA can we ensure long-term prosperity, and only by working hand in hand with stakeholders can we achieve a shared and successful future.

ABOUT CHONGQING IRON & STEEL

(I) Company Profile

Founded in August 1997, Chongqing Iron & Steel Company Limited issued H shares (stock code: 1053) on the Stock Exchange of Hong Kong (HKEX) in the same year, and A shares (stock code: 601005) on the Shanghai Stock Exchange in 2007.

The predecessor of Chongqing Iron & Steel is Hanyang Iron Works founded by Zhang Zhidong, Viceroy of Hu-Guang, in 1890. In March 1938, Hanyang Iron Works moved west to Chongqing, and was completed and put into operation in March 1940. In January 2007, Chongqing Iron & Steel started its move for energy conservation and environmental reasons and moved from Dadukou District to Changshou District of Chongqing. At the end of 2017, Chongqing Iron & Steel completed judicial reorganisation, transforming from a state-owned holding company to a mixed-ownership enterprise; and in December 2020, China Baowu became the actual controller of the Company. Integrating into China Baowu, Chongqing Iron & Steel is resolutely striving towards high-quality development, striving to build a “Chongqing Iron & Steel Immersed in Green and Charming Landscape,” and is committed to growing into a leader in the steel industry in southwest China.



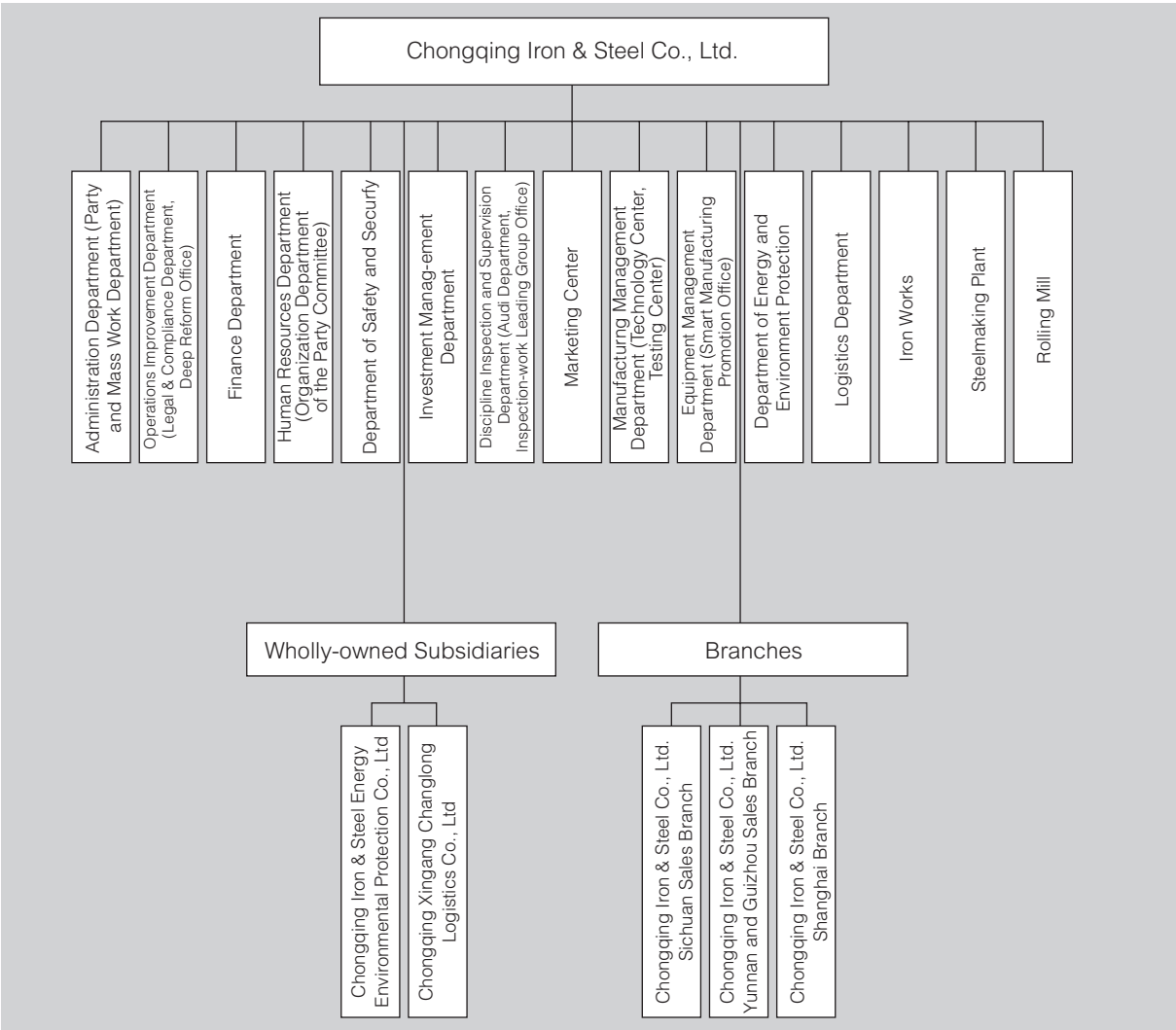
2024 Environmental, Social and Governance Report (Continued)

In 2024, the Company produced 6,768,000 tons of iron, 7,582,900 tons of steel, and 7,612,900 tons of commercial billets, with revenue for the year on a consolidated basis totaled RMB27.244 billion and a total profit of RMB-3,292 million.

Chongqing Iron & Steel has an annual steel production capacity of 10 million tons with the following main production lines: 4,100mm wide and thick plate, 2,700mm medium plate, 1,780mm hot rolled sheet, double high rods, high speed wire rods and bar materials. The products are applied in industries such as machinery, construction, engineering, automotive, motorcycles, shipbuilding, offshore oil, gas cylinder, boiler as well as oil and gas pipelines. The products of the Company are mainly sold in Chongqing and southwestern regions, and have met the development demands in southwestern regional markets. The products are highly recognized in regional markets. The Company's steel products used in hull structure, boilers and pressure vessels were rewarded the title of "Chinese brand products" and four other products were awarded the title of "Chongqing's brand products". Chongqing Iron & Steel successively obtained the following titles of honor: national Labor Day certificate, National Advanced Enterprise in Implementing the Performance Excellence Model, Chongqing famous trademark, Chongqing quality benefit enterprise and Chongqing contract-abiding and trustworthy enterprises.

In 2024, the Company's structural steel hot-rolled wide-thick steel plates AH36 for ships and offshore engineering was recognised as "Golden Cup Quality Products" in the Metallurgical Product Physical Quality Brand Cultivation Program. It was also awarded the honorary titles of "cultivation enterprise for benchmark demonstration plants in dual-carbon best practices and energy efficiency" and "advantageous enterprise in terms of national intellectual property".

(II) Organisational Structure



(III) Corporate Culture

Culture instils in us confidence. Chongqing Iron & Steel's corporate culture is underpinned by our position and belief. Over the past 100 years, these position and belief have been translated into the mission, vision and value proposition of employees at Chongqing Iron & Steel. These are fused into our work and life, become our collective personality, and evolve into Chongqing Iron & Steel people's commitment to the future vision.

Mission:	Keep the national strength of steel alive and build a green and wonderful life
Vision:	To become a leader in the steel industry in Southwest China
Core values:	Integrity, innovation, greenness and Coordination
Concept of Social Responsibility:	Adhering to the concept of green development to create a "Chongqing Iron & Steel Immersed in Green and Charming Landscape."

(IV) Big Events in 2024

On 10 January, the first shipment of extra-wide and extra-long steel plates was dispatched, marking a further enhancement of the Company's rail shipment capacity and level, which has positive significance for promoting future business expansion.

On 27 February, the Company's President and Deputy Secretary of the Party Committee, Meng Wenwang, led a team to visit State Power Investment Corporation Guizhou Jinyuan Suiyang Industrial Co., Ltd. (Suiyang Company) and Guiyang Kaipingsheng Metal Materials Processing Co., Ltd. (Kaipingsheng), where they held discussions with General Manager Sun Yunhu of Suiyang Company and General Manager Wang Jinwen of Kaipingsheng.

On 12 March, the Company successfully rolled ASTM A240M standard stainless steel 316L plates. This expands the Company's stainless steel product range to include both 304 and 316L series, creating favorable conditions for market expansion of the thick plate production line.

On 25 April, the trial rolling of stainless steel single-sided composite steel plates on the thick plate production line was successful. This achievement marks the first full-process production of stainless steel single-sided composite plates using self-supplied raw materials, billets and rolling. It not only enriches the Company's stainless steel product structure but also accumulates valuable experience for the future rolling of double-sided composite steel plates.

On 8 May, the successful development of 70mm ultra-thick high-performance structural steel Q390GJCZ25 met performance, plate shape and surface quality requirements, marking the high-performance building structural steel varieties to achieve greater thickness and higher strength range of coverage.

2024 Environmental, Social and Governance Report (Continued)

On 4 June, the Chongqing Changshou District Cultural and Tourism Commission announced that Chongqing Iron & Steel's industrial tourism site has been designated as a national AAA-level tourist attraction. This makes the Company the first AAA-level industrial tourism site in Chongqing.

On 25 July, the Company received its first order for the new 750L automotive beam steel, marking a solid step forward in meeting customer needs and expanding market reach.

On 14 August, Jiang Duntao, Vice Mayor of Chongqing, led relevant officials from the Municipal Economic and Information Commission to visit the Company for a research tour. They highly recognized the application of informatization and digitalization and expressed hope for further development of big data models to better empower manufacturing through data.

On 29 September, the Phase II dust collection system of the coke dust removal project was successfully commissioned. After the project's launch, the dust emission concentration from the exhaust chimney is $\leq 8 \text{ mg/m}^3$, meeting the ultra-low emission standards.

On 25 October, Hu Wangming, Secretary of the Party Committee and Chairman of China Baowu, conducted a research visit to the Company. Hu Wangming visited the production site to understand the production operations, reform, and development efforts in detail, and held a discussion with the management team.

On 13 November, Chongqing Iron & Steel signed a network steel plant cooperation agreement with Hexing Steel. Both parties will complement each other's advantages and work together for mutual benefit under the "Network Steel Plant Management + Brand Operation" model. Hexing Steel is a short-process steelmaking enterprise in Guizhou with an annual output of 500,000 tons of construction steel, covering regions such as Guizhou, Hunan, and Chongqing.

On 25 December, the Company held the groundbreaking ceremony for its energy storage power station project. Deputy District Governor of Changshou, Jiang Faping; Secretary of the Party Committee of State Grid Changshou Company, Liu Jiaxiong; and Secretary of the Party Committee and Chairman of the Company, Wang Huxiang, attended the ceremony. Once completed, the project will help the Company shift peak electricity load by 19.8 million kWh annually, making a significant contribution to energy structure optimization, energy conservation, emission reduction, cost reduction and efficiency improvement. After the ceremony, the Company also signed a framework cooperation agreement for a distributed photovoltaic power generation project with State Grid Changshou Company.

ESG GOVERNANCE

ESG Statement of the Board of Directors

Chongqing Iron & Steel recognises the importance of ESG issues to the Company's risk management and sustainable development. The Board of Directors is the highest leadership body for the Company's ESG efforts, and the Strategic and Risk Committee of the Board of Directors is responsible for the ESG work of the Company and makes relevant recommendations to the Board of Directors. The Board is committed to ensuring that the Company's ESG efforts comply with legal, regulatory and standard requirements, controlling ESG-related risks, and ensuring that the Company's ESG objectives and implementation processes are effective.

The Board of Directors continues to identify and assess important ESG topics, employs various channels to communicate with key stakeholders, and determines the priority of ESG topics of the Company based on the external economic and social environment and the Company's strategy, to provide references for the ESG information disclosure.

The Board of Directors attaches great importance to achieving important ESG goals such as workplace safety, energy and environmental protection, and has set a number of indicators to review the progress of relevant goals.

This report discloses in details the progress and effectiveness of the ESG work of Chongqing Iron & Steel for 2024. The Board of Directors and all Directors of Chongqing Iron & Steel warrant that there are not any false statements, misleading statements contained in, or material omissions from this report and accept individual and joint liabilities for the truthfulness, accuracy and completeness of its contents.

1. Governance structure

The Company adheres to the concept of green development and builds “Chongqing Iron & Steel Immersed in Green and Charming Landscape” and integrates external ESG supervision requirements into the development strategy and production and operations, thus forming a vertically-implemented and horizontally-covered ESG management structure. The Management is responsible for ESG management affairs in the field as per their duties. Each unit implements ESG matters in the field according to their functional responsibilities, and maintains close communication with stakeholders to create an influential and sustainable responsible brand.

The Board of Directors	<p>Highest Leadership Organisation for the Company’s ESG management, with the following main responsibilities:</p> <ol style="list-style-type: none">1. Review the risks and significance related to the Company’s ESG matters;2. Review and approve the Company’s ESG strategy, goals, and basic policies;3. Supervise and review the management, performance, and progress of the Company’s ESG-related matters;4. Review and approve the public disclosure of the performance of the Company’s ESG-related matters;5. Review and examine major negative ESG events of the Company.
------------------------	---

The Strategic and Risk Committee of the Board of Directors	<p data-bbox="683 332 1433 405">Responsible for the Company's ESG work and makes relevant recommendations to the Board of Directors, including:</p> <ol style="list-style-type: none"><li data-bbox="683 448 1433 556">1. Formulate the ESG management policy, review the ESG strategies and basic system to ensure compliance with relevant laws, regulations and standards;<li data-bbox="683 599 1433 707">2. Assess and sort out the relevant ESG risks and opportunities and make recommendations to the Board of Directors;<li data-bbox="683 750 1433 858">3. Review the ESG management and internal control systems and make recommendations to the Board of Directors on their adequacy and effectiveness<li data-bbox="683 901 1433 1009">4. Review and supervise the goals and implementation of the relevant ESG work, assess the performance and make recommendations to the Board of Directors;<li data-bbox="683 1052 1433 1159">5. Review the annual sustainability performance (such as the achievement of KPIs and goals) and link it to management performance;<li data-bbox="683 1203 1433 1332">6. Review the externally disclosed ESG report, ensuring it is prepared and disclosed in accordance with regulatory rules and relevant guidelines, and provide recommendations to the Board of Directors;<li data-bbox="683 1375 1433 1455">7. Other responsibilities assigned by the Board of Directors.
--	---

ESG Working Group	<p>The main coordinating and executing body for the Company's ESG management, providing professional support to the Strategic and Risk Committee of the Board of Directors, including:</p> <ol style="list-style-type: none">1. Develop systems, documents and action plans that are in line with the Company's strategy and ESG goals;2. Manage ESG-related risks in the Company's daily operations;3. Responsible for the communication with the Company's units to coordinate and promote the implementation of ESG-related matters;4. Collect, compile and review the Company's public disclosure materials on ESG-related matters;5. Other ESG-related matters.
-------------------	--

2. ESG capacity building

2.1 Responsibility indicator system

During the Reporting Period, the Company improved our indicator system covering governance, environmental and social aspects, and enhanced ESG management and report preparation based on the regulations of regulatory agencies, capital market concerns and the practices of outstanding industrial peers.

2.2 Responsibility performance assessment

According to the division of labour and functional responsibilities of management and department (unit) heads, the Company incorporated ESG indicators such as environmental incidents, "three wastes" management, safety production, and product quality into performance assessment to promote the performance and ensure the implementation of key ESG indicators.

2.3 Responsibility capacity building

The Company strengthened the capacity building, enhanced the awareness of social responsibility, and cultivated a responsible corporate culture. In 2024, participated in a total of 2 professional ESG management training and exchange sessions organized by the Shanghai Stock Exchange, Baowu Group, and third-party institutions, with a total training duration of 20 hours, enhancing the ability to fulfill responsibilities.

2024 Environmental, Social and Governance Report (Continued)

3. Communication with stakeholders

The Company engages with stakeholders through methods such as shareholder meetings, performance briefings, visits to suppliers and customers, and identifies the expectations of stakeholders for the Company and responds positively to enhance stakeholders' cognition and trust of the Company.

Stakeholder demands and response of Chongqing Iron & Steel

Stakeholders	Expectations and Demands	Communication and Responses
Government	Observe discipline and law Pay taxes according to law Support local development	Integrity and compliance governance Pay taxes proactively Provide employment opportunities Response to major employment incentive policies
Shareholders and investors	Protect shareholders' rights and interests Improve corporate governance Strengthen risk control	Improve operating performance Enhance information disclosure Raise internal control level
Employees	Protect the rights and interests of employees Help employees grow Balance employees' work and life Health and safety	Improve the level of salary and welfare Pay attention to the physical and mental health of employees Enhance the training and promotion mechanism Organize cultural and sports activities Strengthen employee communication
Customers	Product and service innovation Protect the rights and interests of customers Improve customer satisfaction	Attach importance to scientific and technological innovation and management innovation Strengthen product quality and service management Adhere to business ethics
Partners	Drive industry development Partners' win-win results Implement responsible procurement	Build jointly the ecosystem Adhere to business ethics Build a responsible supply chain
Community	Actively integrate into the community Carrying out volunteer activities Help people in need	Carry out public welfare projects Build a volunteer service team Contribute to rural revitalisation
Community	Conserve energy and reduce emissions Protect the ecology Make rational use of resources Respond to climate change Save water resources	Advance green manufacturing Develop new environmental-friendly products Promote resource conservation

3.1 Identification of issues

In order to accurately present the Company's ESG performance and work progress, the Company has established a standardised issue identification and evaluation process, constructed a matrix of substantial issues, identified key ESG issues and highlighted them in this report.

3.1.2 Identification and evaluation process of substantial issues

(1) Identification of issues

Update the topic database according to regulatory requirements. In January 2025, send surveys to stakeholders to collect topics of concern from stakeholders.

(2) Evaluation of issues

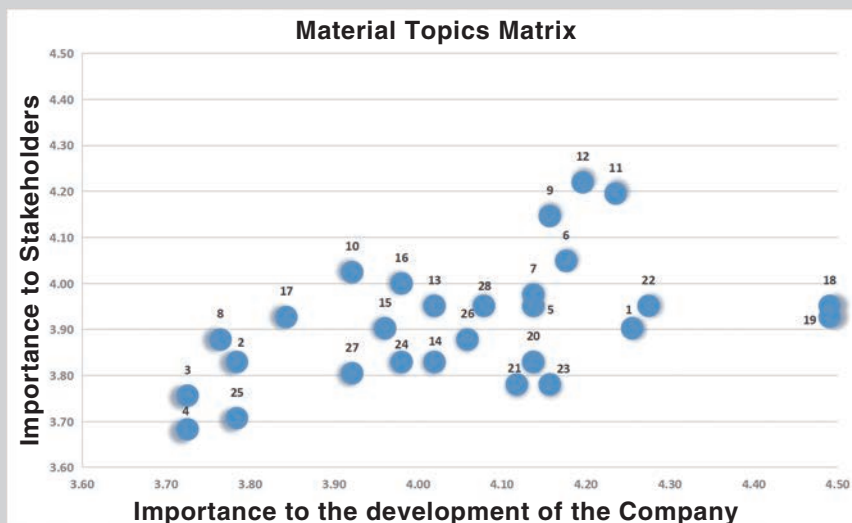
The ESG working group and functional business departments jointly select material issues that need to be disclosed, and establish a matrix of material issues from the two dimensions of "significance to stakeholders" and "significance to the Company's development".

According to the results of the questionnaire survey, the Company found that stakeholders prioritise issues such as environmental compliance management, pollutant emissions, and waste disposal. We focused on disclosing such issues to respond to the demands of stakeholders.

2024 Environmental, Social and Governance Report (Continued)

(3) Review and confirmation

The Strategic and Risk Committee of the Board of Directors and Board of Directors of the Company conduct the final review.



No.	Issue	No.	Issue
1	Corporate governance	15	Circular economy
2	Information disclosure and investor relations	16	Addressing climate change
3	ESG governance	17	Ecosystem and biodiversity conservation
4	Stakeholder communication	18	Employee rights and development
5	Risk management, internal control and auditing	19	Occupational health and safety
6	Operation in compliance with regulations	20	Innovation-driven
7	Anti-commercial bribery and anti-corruption	21	Smart manufacturing
8	Anti-unfair competition	22	Product and service safety and quality
9	Environmental compliance management	23	Data security and customer privacy protection
10	Green products and transportation	24	Supply chain security
11	Pollutant emissions	25	Equal treatment of small and medium-sized enterprises
12	Waste disposal	26	Development of service locations
13	Energy utilization	27	Rural revitalization
14	Water resource utilization	28	Social contribution

INTEGRITY: LAY THE FOUNDATION OF GOVERNANCE

Chongqing Iron and Steel places integrity at the core of its values, establishing a standardized and efficient governance system, safeguarding shareholder rights, and adhering to business ethics. We have established a foundation of integrity and laid a solid foundation for development in a responsible attitude towards all stakeholders.

(I) Party Building Guidance

In 2024, the Party Committee of Chongqing Iron & Steel, guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the spirit of the 20th National Congress of the Communist Party and the Third Plenary Session of the 20th Central Committee. The committee played its role in "setting direction, overseeing the overall situation and ensuring implementation", continuously promoting the deep integration of Party building with production and operations, and leading and ensuring the Company's high-quality development through high-quality Party building.

1. *Solidly carry out Party discipline study and education to promote comprehensive and strict governance of the Party*

To promote Party discipline study and education go deep and practical, the Party Committee of the Company established a dedicated team to develop and implement list, integrating theoretical study, case warnings and training into daily activities. Members of the Party leadership team gone deep into the grassroots to provide guidance, and establish a mechanism for regular reminders, verification and summarization to ensure effective learning and education. Through holding special meetings, organizing reading classes, carrying out special study seminars and other forms, we strengthened the ideological and theoretical armament, and built a firm ideological line of defense for strict discipline. The Company also utilized typical cases for warning education, promoting all Party members to consciously accept "political check-ups". Diverse forms and channels were employed to deeply promote Party discipline study and education.

2. *Strengthen political construction to lead high-quality development*

The Company adhered to the correct political direction, placing political construction first. It upheld the banner of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, deeply studying and implementing General Secretary Xi Jinping's important speeches and instructions. Political learning was enhanced to improve political capabilities, aligning with Baowu Group's strategic goals, actively supporting reform and development, and deeply promoting the Company's reform and development. The Company also conscientiously implemented the spirit of the Third Plenary Session of the 20th Central Committee, formulating detailed work plans to ensure effective implementation. Throughout the year, the Party Committee's theoretical study center group held eight study sessions, and the Party Committee convened 66 meetings, with a 100% execution rate for first-agenda items.

3. *Strengthen ideological construction to cultivate the connotation of high-quality development*

Upholding the principle of Party management over ideology, the Company reinforced public opinion control to ensure safe and orderly production and operations. Efforts were made to enhance the Company's image by widely publicizing the achievements of its reform and development. Centered on promoting the "One Baowu" culture, the Company vigorously carried forward the Baowu spirit, defined annual cultural themes, and organized a series of cultural activities. Factory education was deepened to unify thoughts and consolidate morale. Throughout the year, the official WeChat account "Chongqing Iron & Steel Immersed in Charming Landscape" published 835 articles, China South Steel published 397 articles, and China Baowu published 190 articles. The video account released 295 episodes, and external media platforms published 1,427 articles, including 31 by central media.

4. *Strengthen organizational construction to solidify the foundation for high-quality development*

The Company continuously improved Party building mechanisms, clarified responsibilities for Party governance, and strengthened basic management by building strong foundational organizations. Systematic planning and precise efforts were made to promote standardization and normalization of grassroots Party organizations. Efforts were made to enhance the quality of Party members and build excellent teams through training and practical teaching. Responsibilities for Party building were implemented, and basic systems were improved to strictly implement the responsibility system of Party building and regulate intra-Party political life. The Company established seven Party Committees, three Party general branches, and 57 Party branches, with a 95% flag-raising rate among on-duty Party members.

5. *Strengthen work style construction to enhance the driving force for high-quality development.*

The Party Committee adhered to the principle of Party management over cadres, strengthened performance incentives, and selected and appointed outstanding leaders at all levels. Diverse talent development methods were adopted to enhance the competitiveness of the employee team, providing talent support for the Company's high-quality development. At the same time, efforts were made to strengthen work style construction, promote reforms in the "able to go up, able to go down" system, and stimulate the motivation of cadres.

6. *Strengthen discipline construction to optimize the environment for high-quality development.*

The Party Committee placed high importance on enforcing the Party's political discipline and rules, strengthened political supervision, and reinforced responsibility implementation. Efforts were made to promote Party conduct and clean government, unswervingly correcting work styles, and ensuring comprehensive and strict governance of the Party. Risk prevention and control was strengthened to build a clean governance barrier, and Party conduct and clean government education were deepened to enhance the supervisory capabilities of the discipline inspection team.

2024 Environmental, Social and Governance Report (Continued)

(II) Corporate Governance

In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Rules Governing the Listing of Securities on the HKEx and other laws and regulations and regulatory documents, the Company established a corporate governance structure with a clear division of labour and mutual checks and balances among the General Meeting, the Board of Directors, the Supervisory Committee and the Managers. In 2024, in accordance with the latest regulatory requirements, we revised the Board Strategy Committee Working Rules, and introduced the ESG Management System to ensure Company's standardized and efficient operations.

1. Directors and the Board of Directors

1.1 Composition of the Board of Directors

In June 2024, the term of office of the ninth session of the Board of Directors expired, and the tenth session of the Board of Directors was elected at the 2023 Annual General Meeting. The current Board of Directors includes one female member and consists of nine members in total, among whom three are independent directors. The Board members possess extensive management experience and have professional backgrounds in various fields such as metallurgy, accounting, and law. Their diverse skills, knowledge, and experience contribute to optimal decision-making, enhance Board efficiency, and improve the Company's governance standards.

Name	Gender	Position	Executive Director	Non-executive Directors	Independent Non-executive Director
Wang Huxiang	Male	Chairman	✓		
Song De'an	Male	Vice Chairman		✓	
Meng Wenwang	Male	Director and President	✓		
Lin Changchun	Male	Director		✓	
Kuang Yunlong	Male	Director, Senior Vice President, Chief Financial Officer, Secretary to the Board, General Counsel	✓		
Zhou Ping	Male	Director		✓	
Sheng Xuejun	Male	Independent Director		✓	✓
Tang Ping	Female	Independent Director		✓	✓
Guo Jiebin	Male	Independent Director		✓	✓

1.2 Meeting of the Board of Directors

The “Rules of Procedure of the Board of Directors” have been formulated to clarify the discussion methods and decision-making procedures of the Board of Directors. During the Reporting Period, the Company’s Board of Directors held 15 meetings, reviewed six reports, and thoroughly discussed and prudently decided on 47 proposals, including periodic reports, fixed asset investment plans, appointment of senior management personnel, remuneration plans for directors, supervisors, and senior executives, and share repurchase and cancellation. None of the directors was absent or failed to attend the meeting in person for two consecutive times.

1.3 Special Committees of the Board of Directors

The Board of Directors has four special committees: Audit Committee, Nomination Committee, Salary and Remuneration Review Committee and Strategic and Risk Committee. The number meetings for convened by the four special committees in 2024 is seven, three, three and three, respectively, to provide suggestions or opinions on the Company’s financial reporting, internal control effectiveness, professional competence and quality of the candidates for directors and senior managers, etc., and effectively promote the standardised operation and scientific decision-making of the Board of Directors.

1.4 Responsibilities of the Board of Directors and Senior Management

The Board of Directors, under the leadership of the Chairman, is collectively responsible for the management and operation of the Company. The Board of Directors formulates the Company’s overall strategy, sets the Company’s business direction and financial performance goals, and ensures that the Company establishes and implements good corporate governance frameworks and procedures. The Senior Management is responsible for the Company’s production and operations and implementing the policies formulated by the Board of Directors. The Company’s Chairman and President are held by different individuals, with a clear division of responsibilities; the Chairman is Mr. Wang Huxiang, who is responsible for presiding over the daily work of the Board of Directors; the President is Mr. Meng Wenwang, who is responsible for production, operation and management.

2. *Supervisory Committee*

In 2024, the term of office of the ninth session Company's Supervisory Committee expired. Through elections held at the 2023 Annual General Meeting and the second joint meeting of the Second Workers' Representative Conference, the tenth session of the Supervisory Committee was formed, consisting of three shareholder supervisors and two employee supervisors. In 2024, the Supervisory Committee convened in accordance with laws and regulations to prudently consider and express opinions on the resolutions. Throughout the year, the Supervisory Committee convened 10 meetings, deliberating and approving 21 regulations. The Supervisory Committee focused on supervising the Company's legal operations, major matters, financial status, and the performance of duties by directors and senior management. It provided supervisory recommendations to effectively safeguard the interests of the Company, its employees and shareholders.

3. *Duty performance training for directors, supervisors and senior management*

The Company's directors, supervisors and senior managers participate in training on securities laws, regulations and exchange rules organised by regulatory agencies and professional institutions, as well as training on integrity and business ethics, to continuously enhance their self-discipline awareness and ability to perform their duties. In 2024, 38 individuals of the Company's directors, supervisors and senior management participated in initial and follow-up training and special training, covering the the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and compliance in performing duties.

(III) Protect Investors' Rights and Interests

1. *General Meeting*

As the Company's authority, the General Meeting reviews and approves major matters such as the Company's operating policies and investment plans, annual financial budgets and final accounts, equity incentive plans, etc. The Company convenes the General Meeting in accordance with relevant laws and regulations, the Articles of Association, the Rules of Procedure for General Meetings and other provisions. The chairman, president and other senior managers of the Company respond to shareholders' inquiries and listen to their opinions and suggestions to ensure that shareholders exercise their rights in accordance with the law and safeguard their legitimate rights and interests. In 2024, the Company convened three general meetings, during which 14 resolutions were reviewed and approved, including the annual budget, re-election and appointment, reappointment of accounting firm, remuneration plans for directors and supervisors, and change of use and cancellation of repurchased shares.

2. *Voting mechanism for small and medium-sized investors*

The Company complies with the Further Enhancing the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market and other relevant laws and regulations, implements the voting mechanism for small and medium-sized investors, and convenes General Meeting using the "onsite + online voting" method; when reviewing major matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors are counted separately, and the results of the separate counting is publicly disclosed in a timely manner.

3. *Information disclosure and investor relations*

The Company has formulated an “Information Disclosure Management System”, which stipulates management responsibilities, matters and processes that need to be disclosed, and carries out information disclosure in a true, accurate, complete, timely and fair manner. In 2024, the Company disclosed a total of 187 announcement documents focusing on matters closely related to production and operations, such as periodic reports, share repurchase, and re-election of directors, supervisors and senior management. Meanwhile, the Company strictly complied with relevant regulations in managing insider information and persons with access to such information, including confidentiality, registration, and reporting procedures. No incidents of insider information leakage or insider trading occurred. Based on the comprehensive assessment conducted by the Shanghai Stock Exchange, the evaluation result of the Company’s information disclosure work for the year 2023–2024 maintained a Grade B rating.

The Company actively engages with investors through various channels, including general meetings, performance briefings, on-site interactions, public investor hotlines, and online Q&A platforms, aiming to showcase its investment value and enhance investor recognition of the Company’s intrinsic worth. In 2024, the Company held a total of seven performance briefings and on-site investor interaction events, responded to over 200 investor phone inquiries, and answered 81 questions via the online interaction platform. Since the second half of 2024, the Company’s stock price has continued to decline. In response, the Company has actively promoted share repurchase and cancellation efforts to safeguard investor interests. On 18 February 2025, the Company cancelled 66,838,500 A-shares that had been repurchased, accounting for 0.749% of the total share capital before cancellation. Upon completion of the cancellation, the total share capital of the Company was reduced from 8,918,602,267 to 8,851,763,767.



2024 Environmental, Social and Governance Report (Continued)

(IV) Risk Management

The Company continues to implement the Comprehensive Risk Management Measures in accordance with the Chongqing Iron & Steel 2024 Annual Comprehensive Risk Management Work Plan. Risk identification and management measures have been gradually refined, with risk prevention and control integrated into decision-making, institutionalized in policies, embedded in business processes, assigned to specific positions, and reinforced through supervision. The Company adopts a scientific approach to foresee development trends and identify both potential risks and opportunities. Functional departments, business units, and audit and supervision departments work in close coordination, fulfilling their respective responsibilities to firmly uphold red lines for safety and environmental protection, strictly adhere to the bottom line for operational risks and consolidate risk prevention system. No major risk events occurred in 2024, the risk management system is sound, operates effectively, and overall risks are well controlled.

The Company fully implemented the Basic Standards for Enterprise Internal Control and supporting guidelines, and further clarified the key elements of the internal control system, as well as the division of responsibilities and business requirements. Focused on risk prevention, the Company closely integrated its corporate governance structure, industry characteristics, risk appetite and risk tolerance, systematically reviewed the scientific and implementation effectiveness of the existing internal control system, and accurately identified potential risk points in different business processes as well as effectively converted audit results into management effectiveness in different professional fields.

(V) Business Ethics

Chongqing Iron & Steel strictly complies with the Criminal Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and other relevant laws, regulations, and normative documents. During the Reporting Period, the Company continued to advance the internalization of external regulations by updating various management systems, including the Confidentiality Management Measures, Raw Material Supplier Management Standards, Construction Project Supplier Management Measures, Equipment Maintenance Supplier Qualification Standards, and the Steel Product Pricing Management Measures. The Company adheres to integrity and compliance in its operations, firmly opposes unfair competition, monopolistic practices, and commercial bribery, and is committed to upholding a fair and orderly market environment. No incidents of unethical business practices, including unfair competition, monopolistic behavior, insider information leakage, or information security breaches, occurred during the Reporting Period.

1. *Compliance Audit*

1.1 Compliance Management

The Company continued to implement the mechanisms stipulated in the Compliance Management System, including risk identification and early warning, compliance review, compliance risk response and reporting, rectification of violations, accountability for non-compliance, compliance evaluation, and collaborative operation. During the Reporting Period, the Company reviewed 147 management systems, 5,591 economic contracts, 6 major decision-making matters, and 157 other items, providing 148 recommendations and suggestions, and tracked the adoption of review comments, achieving a 100% target completion rate.

The Company revised the Implementation Measures for Accountability of Irregular Operations and Investments, clearly defining 79 accountability scenarios across 11 areas, including violation of procurement and sales management, engineering contract management, and equity management. Coordination between disciplinary inspection and departments such as audit, finance, operation and reform and human resources was further strengthened to foster a regular and effective integrated supervision system, particularly focusing on key areas such as major project decisions, large-sum fund utilization and important personnel appointments and dismissals.

The Company created a legal compliance culture through different forms and organised legal compliance publicity and education sessions. In 2024, it organized and participated in 15 compliance training sessions on topics such as capital markets and procurement and sales risks, with a total of 125 participants.

1.2 Audit Management

The Company complied with the “Audit Law of the People’s Republic of China” and other laws, regulations and requirements, and formulated the “Internal Audit System” and “Internal Audit Project Implementation Control Standards” to clarify the management responsibilities and operating mechanism of internal audit. The Company also revised and issued the “Audit Issue Rectification and Outcome Application Management Measures”. In 2024, the Company completed 7 audit projects, identified 123 issues, and achieved a 100% completion rate for issues to be rectified according to the specified timeframes in the rectification plan. The Company made 72 audit recommendations and revised and improved 17 systems, generating an audit value of RMB1.8791 million.

The Company renewed its appointment of Ernst & Young Hua Ming LLP to be responsible for the Company’s 2024 financial audit and internal control audit, and the firm has completed the audit, issued the relevant audit report, and stated its relevant reporting responsibilities in its audit report.

2. *Integrity Building*

The Company established several integrity management systems, including the Supervision Work Management Measures, Implementation Rules for Handling Violations and Disciplinary Infractions, and the Disciplines and External Business Economic Contracts and Integrity Agreement Double Signing Management Rules, which clearly define management responsibilities, requirements, and accountability mechanisms. The Company held a meeting on Party Conduct, Integrity Construction, and Anti-Corruption Work, where the 2024 Work Plan was outlined, and the 2024 Key Tasks and Responsibilities for Party Conduct, Integrity Construction, and Anti-Corruption were distributed to ensure the implementation of the Party Committee's primary responsibilities, the responsibility of the first Party leaders, the discipline inspection commission's supervisory responsibilities, and the "dual responsibility" for team leaders.

2.1 Measures and Results

2.1.1 The Company strengthened integrity and anti-corruption efforts

The Company rigorously advanced "not daring to be corrupt". It strengthened the collection of problem clues, receiving 18 clues in 2024. The Company also intensified disciplinary actions, issuing 10 Party disciplinary sanctions, 89 organizational penalties, economic penalties amounting to RMB71,500, and recovering RMB1.534 million in misappropriated assets. Furthermore, the Company worked to ensure the second half of the case investigation process by having the Disciplinary Inspection Supervision Department announce disciplinary decisions to the involved units, conduct case warning education, and issue supervisory suggestions to ensure the rectification of issues.

2.1.2 The Company improved integrity risk prevention and control.

The Company systematically promoted "not being able to be corrupt" by improving processes and systems, including revising and issuing the Chongqing Iron & Steel Sensitive Positions and Personnel Management Measures. The Company strengthened supervision and management of sensitive positions, dynamically updating information. As of December 2024, the Company had 176 sensitive positions, 271 sensitive personnel, and 496 monitoring subjects. The Company also carried out a specialized campaign to address "illegal business operations", organized the self-examination and declaration for sensitive position personnel and their family members who have the right to dispose of business, verified and validated business operation information of employees and their relatives who are included in the scope of declaration through the information system of the Changshou District government departments, and rectified and dealt with the problems of inaccurate and incomplete information reporting of 51 individuals; carried out the special inspection of illegal dining and official travel, and supervised the rectification of 5 problems.

2.1.3 The Company emphasized the effectiveness of integrity education

The Company effectively promoted “having no desire to be corrupt” by conducting the “Five First Lessons” integrity education, which includes: first lesson for new employees, first lesson for new position education, first lesson for key position risk education, first lesson of pre-festival integrity education, first lesson of education on party conduct and party discipline. The Company also launched the “Building Integrity Families, Creating the Most Beautiful Families” initiative, signing 437 Integrity Family Commitment Letters, conducting 12 integrity family visits, and establishing 9 model integrity families. A Corporate Integrity Culture Base was established and used, with the Integrity Culture Education Base Usage Regulations issued. The Company trained 25 guides for the base, and a total of 43 Party organizations, including 17 units outside the Company, visited the base, with 1,208 visitors in total. The Company standardized the “Four Integrity Talks”, strengthening warning education using typical cases, and solidified the ideological defense line.

2.1.4 The Company strengthened integrity risk prevention and control

The Company focused on specialized supervision of key integrity risk areas, identifying 92 specialized supervision projects and finding over 300 issues. 76 supervisory suggestions were issued, and rectifications were taken. Organizational measures, including interviews, criticism and education, and reminder talks, were employed for those responsible. The Company also conducted regular supervision, inspecting nine key integrity risk areas such as marketing procurement and incoming quality inspections. In total, 15 regular supervision checks were carried out throughout the year, identifying 41 management issues, with rectifications taken.

2.1.5 The Company continuously strengthened the construction of the disciplinary inspection team

The Company improved the quality of its disciplinary inspection team by organizing approximately 136 individuals to attend online training courses on the interpretation of the Central Commission for Discipline Inspection's Third Plenary Session and investigation and audit training offered by Baowu Steel Group, among other theoretical and practical training programs, building a loyal, clean, and responsible disciplinary inspection team.

The Company also strengthened the Party Conduct Supervision Team by re-appointing 20 Party Conduct Supervisors, refining their responsibilities, and providing business knowledge training. Throughout the year, 4 clues were submitted by Party Conduct Supervisors, with 2 of the clues currently under investigation by the Company's Discipline Inspection Commission.

In terms of internal control management for disciplinary inspection, the Company abolished the Disciplinary Inspection Supervision Department's subordinate Disciplinary Inspection Office and established the Case Management and Trial (Inspection) Office and the Disciplinary Review Office to separate the responsibilities of supervision and case review, ensuring the independence and effectiveness of case investigation and trial.



Integrity Culture Education Base



Disciplinary Inspection and Supervision Training

2.2 Reporting and Investigation

The Company has established the Violation and Disciplinary Reporting and Reward and Punishment Management Measures, which clearly define the reporting methods and requirements, protection mechanisms for reporting, the reward and punishment system, as well as the procedures for receiving, investigating, and handling reports in accordance with disciplinary standards. These measures aim to encourage and motivate employees to actively combat various violations and illegal activities, jointly safeguarding the interests of the Company and its employees, and fostering a positive and clean work environment.

The Company has set up anti-corruption reporting mailboxes in key fields and external communication windows and included a reporting hotline in the integrity agreements. In 2023, the Company opened the “Anti-corruption and Integrity Code Reporting” online supervision channel.



3. *Information Security*

In accordance with relevant laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Company formulated the "Cybersecurity Management Measures" and "Network and Information Security Emergency Plan". In 2024, adaptive revisions were made to improve specific cyber and information security management responsibilities, operating mechanisms, and cybersecurity incident handling procedures. The Company implements the responsibilities for cybersecurity in accordance with the principles of "whoever builds is responsible, whoever is in charge is responsible, whoever operates is responsible, whoever uses is responsible" and "domain management". The Company's units promote cybersecurity construction, formulate cybersecurity emergency plans, and improve cybersecurity and emergency response capabilities.

During the Reporting Period, 103 information security incidents were handled, all of which were successfully closed; no major network security incidents occurred, and there were no incidents of the Company's website being tampered with. The network security achieved a dual "zero" target, with no incidents.

INNOVATION: BUILD MOMENTUM FOR DEVELOPMENT

Technology Innovation is key to enhancing a Company's competitiveness. To address the challenges that constrain high-quality development, it is essential to strengthen the capacity building of technology empowerment and independent innovation systems, thus enhancing core competitiveness. In 2024, Chongqing Iron & Steel adhered to the philosophy that "only innovators progress, only innovators grow strong, and only innovators succeed", and pushed forward innovation work to a deeper and more practical level.

(I) Innovation-driven Development

Leveraging the core driving role of technological innovation, the Company adhered to the development directions of "high-end, intelligent, green and efficient", and launched 22 new Company-level research projects and 28 key projects. The Company was also awarded the title of "National Intellectual Property Advantage Enterprise".

1. *Innovation Mechanism*

Technology innovation management system: Decision-making level (Technology Innovation Committee), consulting level (expert resource base), management level (Manufacturing Management Department and other management departments), and implementation level (all units of the Company).

Technology innovation management principles: overall planning and policy orientation; industry synergy and resource sharing; centralised management and promotion level by level.

2. *Measures and Results*

2.1 Research Projects

A total of 22 new Company-level scientific research projects were launched, along with 28 key research initiatives.

2.2 New Product Development

Chongqing Iron & Steel trial-produced 69 new grades and specifications, achieving the highest domestic order volume for weathering steel.

In the heavy plate segment, 23 new grades and specifications were trial-produced, accomplishing 128% of the annual target. These covered eight major categories, including bridge steel, high-rise building steel, container steel, wind power steel, weathering steel, low-alloy steel, clad plates, and carbon steel, with a total output of 42,000 tons. The value created per ton of steel was RMB165 per ton, with the low-alloy steel Q355MCZ35 achieving the highest value of RMB604 per ton. Notable R&D successes included the development of the -40℃ Q355NHE low-temperature product in the weathering steel series, the Q370qD railway bridge steel in the bridge steel series, and the successful trial rolling of the C316+235 clad plate.

Newly developed products were applied in major projects such as the Yunyang Fuxing Yangtze River Bridge, the Huangniliangzi Grand Bridge, the Kangxin Expressway at an average altitude of 3,500 meters, the second phase of the Guangyuan Jiange project, and the Beishan wind power project in Liangshan Prefecture.

In hot-rolled products, 46 new specifications were developed, achieving 307% of the target. These covered 12 major categories, including 750L high-strength automotive steel, SAE1006 and SAE1008 export coils, and C304+235 weathering steel composite coils, totaling 99,600 tons.

2.3 Intellectual property right management

- (1) Improvement of the intellectual property management system, the Intellectual Property Management Measures (Version 4) integrates four systems, namely, Management Measures for Patent Work, Management Measures for Technical Secrets, Management Standards for Scientific and Technological Paper Awards, and Management Standards for Intellectual Property Awards, so as to improve the systematic nature of the system and the efficiency of staff searching.
- (2) A total of 260 patent applications were filed, including 205 invention patents, accounting for 77.69%. A total of 58 patents were granted, comprising 36 invention patents and 22 utility model patents.
- (3) Company-level intellectual property (IP) training sessions were conducted, helping 25 employees improve their patent authorization rates and enhancing overall awareness of IP protection.

- (4) The Company was awarded the title of “National Intellectual Property Advantage Enterprise”, achieving cost savings of over RMB300,000 through intellectual property management and maximizing the value of its proprietary IP assets.



2.4 Post innovation

Through the establishment of innovation platforms, the implementation of innovation and efficiency initiatives, and the organization of innovation-themed labor competitions, employees' innovation capabilities have been continuously leveraged, yielding outstanding results. The annual efficiency gains reached approximately RMB54.781 million.

- (1) Precise benchmarking and timely revising the Employee Post Innovation Activity Guidelines, clarifying the work objectives and implementation mechanisms, stimulating value creation of all employees around six key aspects of suggestions, achievements, intellectual property, platforms, talent development and value creation, and challenging the per capita efficiency creation of RMB10,000.
- (2) Proportion of patents for innovation studios continued to expand. 214 patents were applied for by 15 innovation studios, accounting for 82.3% of the Company's total, representing an increase of 16% compared to 2023.
- (3) The Company declared 274 employees job achievements and 100 advanced operation methods, of which 45 job innovation achievements and 6 advanced operation methods were selected, generating an efficiency of RMB54.781 million.
- (4) Job-driven innovation achieved notable breakthroughs. Participating in the 27th National Invention Exhibition • Belt & Road and BRICS Competition of Skills Development and Technology Innovation, the Company won two gold and three silver awards. The Liu Xiaofeng Innovation Studio was recognized as a model employee innovation studio by Baowu Group, won a second prize and seven third prize of the excellent post innovation achievements of Baowu Group, and the “Coke Oven Heating System Function Precision Improvement and Research Project” received the “Outstanding Achievement Award” in the 2024 Chongqing Employee “Five Smalls” Innovation Competition.

2.5 Management innovation

In addition to technology innovation, the Company also deepened management innovation, and constantly introduced new ideas and new methods to promote the cultivation, summary and application of management innovation results, thus improving the Company's management level. In 2024, the Company solicited a total of 25 management innovation results, with two projects winning awards from Baowu Group, Management and Practice of Working Capital Occupation Control and Innovation and Practice of Intelligent Logistics Management for Heavy Plate Finished Products were awarded the Third Prize for Innovation Achievements by Baowu Group.

2.6 Industry-university-research cooperation

We coordinated resources from universities and research institutes to conduct collaborative research on generic technologies in specialized fields. In 2024, we established industry-academia-research partnerships with Beijing University of Technology, University of Science and Technology Beijing, Chongqing University, and Northeastern University.

2.7 Cultivation of innovative talents

Guided by the "Current Talent Structure and Scientific Innovation Talent Echelon Development Plan", we implement targeted cultivation programs tailored to the characteristics of S&T innovation talents across all sequences and levels. This approach enhances their "soft competencies" and establishes a "highland for talents" of S&T innovation. As of the Reporting Period, R&D personnel accounted for 16.73% of total workforce.

(II) Intelligent Manufacturing

1. Management system

Chongqing Iron & Steel Smart Manufacturing Steering Committee	
Primarily responsible for reviewing the Company's intelligent manufacturing plan, studying and making decisions on key initiatives and critical issues in the promotion of intelligent manufacturing.	
Chairperson of the Committee	The Chairman of the Board and the President serve as Chairperson of the Committee
Vice Chairperson of the Committee	Company Executive in Charge of Intelligent Manufacturing
Committee Member	Heads of All Business Units
Intelligent Manufacturing Promotion Office	
The Head of the Equipment Management Department (Intelligent Manufacturing Promotion Office) acts as the Office Director, primarily responsible for handling the Committee's routine affairs, and driving the Company's automation, informatization, and digital upgrading and transformation	
Working Group	
Formed by project teams from different units, in charge of smart manufacturing development in the region	

Tip: The Intelligent Operation Management and Control Platform of Chongqing Iron & Steel



2. Measures and Results

In 2024, the intelligence Index increased to 78.26%, up by 2.93 percentage points compared to 2023. Among them, the the four indexes composite index reached 68.86% (ACC Index: 68.75%, AOM Index: 50.25%, AMI Index: 54.45%, ASP Index: 102%), and the “Triple-Cross Integration” index achieved 9.4%, accomplishing the intelligence target; the Company maintained the certification of the integrated informatisation and industrialisation management system.



- (1) The Optimization and Upgrade Project of the Intelligent Operation Management and Control Platform has been fully completed. The Company competed the implementation of a dynamic energy control system and an intelligent equipment management system, optimised its decision support system, and dynamic logistics control system, took the optimization and upgrading of the operation and control wisdom platform as an opportunity to launch the construction of “planned value management” and “CE Plus system”, realised the multidimensional analysis of the real profitability of various varieties and grades, provided visibility into production contract organization status and enhancing value-based management capabilities and fully supported the business analysis and decision-making on supply, production and marketing.
- (2) On 23 August 2024, the Intelligent Centre of Chongqing Iron & Steel Construction Project completed project handover and acceptance, establishing a new “OneMill” intelligent centre integrating production operation mode. The project constructed edge data nodes for raw material transportation, chemical production, ironmaking, and energy & environment (including power generation), aggregated production line operational data, strengthened the foundation for smart application expansion, data governance, and big data center nodes, while also creating conditions for the group company’s cross-space transparent management and technical support project construction and implementation.

- (3) Implemented the hot coil production line Automation and Equipment Capability Enhancement Project. For instance, the slab number identification feature achieves fast recognition speed and low labor intensity while ensuring complete data accuracy; the R1 sickle bend detection device adds inspection capability for strip steel bending, improving rolling control accuracy to mitigate bending conditions; enables precise bend identification and alarm triggering to enhance production efficiency and achieve reduced-manpower production; the Steel Coil End Face Quality Inspection Device strengthens intrinsic production safety while effectively resolving missed inspection rates caused by visual checks.

Case: Solid Advancement in Digital Metrology to Accelerate New Quality Productive Forces

The Company has vigorously pursued the digital transformation of its metrology systems through intelligent and smart technologies. By adopting advanced measurement tools, it continuously optimizes production efficiency, with precision metrology emerging as a key driver for energy conservation, emissions reduction, and green development.

The Smart Weighbridge System, equipped with high-precision sensors and real-time data processing, automatically identifies vehicle information, completes weighing rapidly, and transmits data to the central control system. This enables real-time monitoring and data collection of vehicle weights before and after material loading/unloading. The Energy Metrology Management System provides real-time monitoring and recording of energy consumption data. It not only helps the Company accurately track usage and pollutant emissions but also identifies anomalies in energy management through data analytics, enabling process optimization and reduced energy waste.



Case: Achieving “Unmanned Operation” in Stockyard! “Smart Stockyard” System Officially Launched

On 30 June 2024, “the Intelligent Stockyard” system was officially launched, representing a significant breakthrough in the digital transformation and intelligent upgrading of the stockyard belt conveyor system. This achievement delivers a comprehensive belt conveyor solution for bulk material logistics in metallurgical operations and accelerates the digital, intelligent and green transformation of stockyard storage and transportation management

The “the Intelligent Stockyard” represents both a “Green Intelligent Transportation Equipment Product” and an “Integrated Digital Service Platform.” Through the integrated application combining traditional belt conveyor transportation with advanced technologies such as artificial intelligence, autonomous stacker-reclaimer operation, video surveillance linkage, and digital twin, it effectively improves the coordination efficiency between all stages of belt transportation and reduces the workload of production dispatchers. Furthermore, it decreases empty-load belt operation, reduces energy consumption, and cuts transportation costs.



GREENNESS: FEATURE CHONGQING IRON & STEEL'S CORPORATE IMAGE

Following the concept that “green waters and lush mountains are invaluable assets”, the Company earnestly implemented Xi Jinping’s Thought on Ecological Civilisation. It proactively advanced its energy conservation and emission reduction efforts and stayed committed to the path of green and low-carbon development, playing its role in promoting high-quality development of the Yangtze Economic Belt and Chengdu-Chongqing Economic Circle.

(I) Environmental Management

Environmental protection policy: Law-abiding integrity, green manufacturing; prevention first, comprehensive management; all employee participation, continuous improvement;

Environmental protection goals: Green, low-carbon and environmentally friendly development.

1. Management system

During the Reporting Period, the Company improved its environmental protection management system, covering environmental responsibility mechanisms, compliance management, waste gas, wastewater, solid and hazardous waste, soil, noise, monitoring, etc. It also conducted multi-level and multi-form training and awareness campaigns to strengthen the sense of responsibility for ecological environmental protection. In accordance with the requirements of the Environmental Management System (ISO 14001) documentation, a re-audit was conducted to maintain the environmental management system certification.



2. *Environmental protection performance*

The Company formulated the Energy and Environmental Protection Work Plan for 2024 and the Targets and Indicators of Environmental Protection Management and the Supporting Breakdown Table for 2024. All emission reduction targets were met as required. It developed an Environmental Protection Responsibility Checklist, organised production units to complete the signing of Energy Conservation and Environmental Protection Target Responsibility Statement, clarified the main responsibility of environmental protection, and incorporated it into performance evaluation.

The Company made unceasing efforts to consolidate its achievements in the construction of green urban steel factories with a total of RMB887.2 million invested in environmental protection. No environmental emergencies as stipulated in “Management Measures for Environmental Emergencies”, and no environmental protection penalties were imposed.

Table of Completion of Indicators					
No.	Indicator	Unit	Indicator	Number in 2024	Performance
1	Environmental emergencies	Times	0	0	Completed
2	Total emissions of sulphur dioxide	ton	<3,600	2,182	Completed
3	Total emissions of nitric oxides	ton	<5,600	5,211	Completed
4	Total emissions of COD	ton	<110	79.34	Completed

3. *Measures and Results*

3.1 Environmental impact assessment

In accordance with the Environmental Impact Assessment Law of the People's Republic of China and other environmental regulations, the Company adhered strictly to requirements of the three simultaneous system, environmental protection requirements. In 2024, the Company completed the environmental acceptance inspection for three newly constructed projects: a 50,000 m³/h oxygen generation unit with supporting 110kV power station, a primary steel slag system, and a high-efficiency power generation project utilizing excess coal gas at the steelmaking plant.

3.2. Environmental risk early warning and emergency mechanism

According to the requirements of the Technical Guidelines for Self-monitoring of Pollutant Discharging Units – General Rules (HJ 819-2017), Technical Guidelines for Self-monitoring of Pollutant Discharging Units – Iron and Steel Industry and Coking Chemical Industry (HJ 878-2017), and other relevant regulations, Chongqing Iron & Steel's 2024 Self-monitoring Plan has been formulated. Self-monitoring is carried out strictly in accordance with the plan, achieving 100% coverage of monitoring points and factors. Additionally, environmental information disclosure for 2024 has been conducted as required by the Management Measures for the Disclosure of Enterprise Environmental Information in Accordance with the Law.

In accordance with the approach of “prevention is first”, the Company formulated the Chongqing Iron & Steel Environmental Emergency Plan, and launched all-level environmental emergency response drills as planned. The Company has improved its environmental risk prevention system and formulated the 2024 Emergency Drill Plan for Sudden Environmental Incidents, hosting the environmental emergency response drill in accordance with the plan.

3.3 Environmental Supervision and Inspection

To ensure effective control of environmental risks, Chongqing Iron & Steel has implemented a compliance-focused environmental management system, utilizing environmental risk identification and hazard screening as measures. In 2024, the Company carried out self-inspections and self-correction initiatives, underwent various environmental supervision audits by higher-level environmental authorities as well as Baowu Group and Zhongnan Iron & Steel, implemented a half-day on-site supervision system, established a morning briefing mechanism for critical issues, ensured immediate rectification of identified problems, and achieved a 100% corrective action rate.

3.4 Training and education on environmental protection

The Company rigorously advanced environmental education initiatives, including training on environmental laws and regulations, as well as promotional activities for World Environment Day (5 June), to improve environmental awareness among employees and stakeholders. They attended 6 periods of training on ecological civilisation on average in a year, with a cumulative participation of 5,506 trainees. These efforts encourage employees to voluntarily fulfill their environmental protection responsibilities and become practitioners and promoters of ecological civilization.

3.5 Biodiversity Protects

As a riverside steelmaker, Chongqing Iron & Steel consistently adheres to the principle of “prioritizing ecological conservation and green development over large-scale exploitation”, aligning corporate growth with Yangtze River ecology. During the Reporting Period, the Company implemented the Yangtze River Protection Law of the People’s Republic of China and formulated the Work Plan for Yangtze River Protection in 2024 according to Baowu Group’s Master Plan for Yangtze Basin Environmental Protection and its own Yangtze Conservation Environmental Plan. The Company consistently advanced its initiatives in “Ultra-low Emission of Waste Gas”, “Zero Waste Water Discharge” and “No Solid Waste Leaving the Factory”, while accelerating the development of a green urban steel plant. By strictly controlling corporate environmental risks, it has ensured water quality safety in both the mainstream and tributaries of the Yangtze River near the plant, effectively protecting biodiversity.

Measures and Results:

- (1) The Company promoted the use of shore power at its own terminals to reduce sulfur and nitrogen oxides, particulate matter, and greenhouse gas emissions generated by fuel-powered ships during port stays, thereby improving air quality and eliminating noise pollution. In 2024, the shore power implementation rate reached 100%, supporting the low-carbon transformation of shipping and achieving a win-win situation for both ecology and industry.
- (2) The Company enhanced environmental risk control and conducted emergency drills, with zero sudden environmental incidents occurring in 2024.

- (3) Continuous improvement and enhancement of factory environment. In 2024, greening rate of the plant area was maintained at 35.5%; the Company has built a clean, green and beautiful urban steel plant and successfully established an AAA-level industrial tourism scenic spot, becoming the first AAA-level industrial tourism site in Chongqing.

Case: Preventing the Yangtze from “Dropping Loot” – How Qingfeng Volunteers Practice “Subtraction”

With hoes and sickles in hand, Qingfeng Volunteers worked together—clearing weeds, picking up trash—along the 1.5-kilometer riverside trail near the plant’s dock area. Wading through the shoreline wetlands, they collected scattered plastic bags, foam boards, and other debris, standing guard for the Yangtze’s clear waters and blue skies.





(II) Emission Compliance

1. Ultra-low Emission of Waste Gas

1.1 Management system

An ultra-low emission retrofit leadership team headed by the chairman was established to oversee the overall advancement of ultra-low emission retrofit work. In compliance with laws, regulations and normative documents including the Air Pollution Prevention and Control Law of the People's Republic of China, Technical Guide for Ultra-low Emission Retrofitting of Iron and Steel Enterprises, and Opinions on Promoting Ultra-low Emissions in the Coking Industry, Chongqing Iron & Steel formulated the Work Plan for Ultra-low Emission Retrofitting of Waste Gas, establishing project responsibility system, progress promotion mechanism, meeting mechanism, task closure mechanism, evaluation mechanism, which formed a comprehensive implementation system with responsibilities assigned to departments, zones, positions, individual personnel, thus a full compliance with waste gas emission standards has been ensured and measurable progress in ultra-low emission transformation has been achieved.

Indicator	2022	2023	2024
Total emissions of sulphur dioxide (ton)	2,948	2,759	2,182
Total emissions of nitric oxides (ton)	7,817	5,792	5,211
Total emissions of particulate matter (ton)	5,250	5,600	4,512

1.2 Measures and Results

- (1) Organized Retrofitting Projects: Sintering Flue Gas Desulfurization & Denitrification, Coke Oven Flue Gas Desulfurization & Denitrification, Coke Oven Gas Precision Desulfurization, Surplus Gas Power Generation Desulfurization & Denitrification, Coke Oven Machine-Side Dust Removal System Retrofit, Newly Implemented Key Projects, Coal Charging/Coke Pushing/Coke Screening Dust Removal Systems (Coke Oven Operations) and Primary Dust Removal System Retrofit (Steelmaking Process).
- (2) Unorganized Emission Retrofitting projects: Disclosure of Stockyard B1 & B4 sheds, sintering circular cooler modification, steelmaking plant building enclosure, coking wastewater tank covering system, environmental enclosure retrofitting for material transport corridors and transfer stations.
- (3) Clean Transportation: In October 2023, completed ultra-low emissions public disclosure. In 2024, continued advancement of clean transportation for bulk raw materials and products to fully meet the requirements of the "Implementation Opinions on Promoting Ultra-low Emissions in the Steel Industry" regarding clean transportation.

2. Wastewater Management

2.1 Management System

In strict compliance with the Water Pollution Prevention and Control Law of the People's Republic of China, the Company achieved full compliance with both water quality and discharge volume standards during the Reporting Period, and effectively promoted wastewater discharge compliance. The Company formulated and issued the "2024 Zero Wastewater Discharge Special Action Work Program", establishing 25 concrete measures with full implementation effectiveness.

Indicator	2022	2023	2024
Total wastewater discharge volume (ton)	767.75	735	652.8
Total emissions of COD (ton)	155	109.6	79.34
Total Ammonia Nitrogen Emissions (ton)	11.68	8.3	4.67

2.2 Measures and Results

2.2.1 Stormwater-Sewage Separation & Source Reduction

The Company has built initial rainwater treatment facilities, rainwater drainage network and wastewater network in the factory area to collect, treat and reuse rainwater and wastewater discharged separately, so as to reduce the volume of discharged wastewater and the volume of water withdrawn from the outside; and reduce wastewater discharged by improving water craftsmanship, reinforcing the laddering use of water, and eradicating the measures of running, risking, dripping and leaking.

2.2.2 Regional Governance and Focused Breakthroughs

The Company has taken the factory or workshop as a unit, and has implemented wastewater segregated treatment and comprehensive reuse system; the Company focused on waste water with greater environmental impact, focused on promoting the deep treatment of coking wastewater while gradually expanding the scale of regional zero-discharge wastewater, and accelerating the realisation of total zero-discharge wastewater.

In 2024, the special wastewater treatment system will be incorporated into the production operation control, realising that the water quality of high-concentration slag leachate and coal gas water sealing water will reach the standard of industrial water after treatment, and will be directly reused, reducing the wastewater discharge by 5,000 m³/d.

2024 Environmental, Social and Governance Report (Continued)

The Company has commenced a special remedial action for the whole factories gas drainage system to reduce the environmental hazards of phenol pit overflow, seepage and groundwater contamination, and to ensure that highly concentrated polluted wastewater will be treated and discharged in a compliant manner.

2.2.3 Comprehensive Measures to Prevent Secondary Pollution

For wastewater treatment facilities that are prone to generating volatile organic compounds, closed collection and odour treatment measures were adopted in the fugitive section. For example, the ultra-low emission renovation project for the pool of the coking water treatment station has successfully met the standards and effectively improved the quality of the surrounding environment.

3. *No Solid Waste Leaving the Factory*

In accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Measures for Construction Waste Management and the Measures for Industrial Solid Waste Management and the Measures for Hazardous Waste Management, the Company has continued to consolidate the results of the “No Solid Waste Leaving the Factory”.

Indicator	2022	2023	2024
Comprehensive utilisation rate (%)	99.92	100	100
Return to production rate (%)	19.38	22.74	21.36
Recycled product selling rate (%)	100	100	100
Rate of hazard waste compliance disposal (%)	100	100	100
Rate of no solid waste leaving the factory (%)	99	100	100

3.1 Measures and Results

- (1) Continue to promote the reduction of solid waste at source and the utilisation of resources, launching the sorting, baling and coordinated disposal of industrial waste, minimising the amount of landfill, and planning a special construction programme for the iron dust bar mill processing and rotary kiln.
- (2) Launch a special inspection and rectification of the use of desulphurisation ash and the sale of industrial solid waste for environmental compliance, and improved the monitoring system for the sale of industrial solid waste, so as to ensure the compliance of the use of industrial solid waste in the society.
- (3) Establish the “three diagrams and one table” (disposal process diagram, transport route diagram, disposal point distribution diagram, disposal situation table) tracking mode of industrial solid waste to ensure that the flow of industrial solid waste is clear and the environmental risks are controllable.

3.2 Hazardous waste management

The Company has obtained the Hazardous Waste Operation Permit (HW08; HW49), and the iron packaging barrel resource utilisation project has been completed and put into operation. It has implemented the requirements of new norms and standards for hazardous waste, and the hazardous waste warehouse has been updated with labelling signs and accounts to ensure that the collection, storage and disposal of hazardous waste are in compliance with the regulations.

4. *Prevention of Radiation and Noise Pollution*

In accordance with the Law of the People's Republic of China on the Prevention and Control of Radioactive Pollution and the Regulations on the Safety and Protection of Radioisotopes and Radioactive Devices and other laws and regulations, the staff of the radiation post participated in the training on radiation safety and protection and carried the radiation dosimeters according to the regulations, and sent the radiation dosimeters to the third party to carry out the monitoring on a quarterly basis, with all the monitoring reports being satisfactory; and the inspection of radioactive sources and radiation devices were carried out to ensure compliance with laws and regulations and environmental protection requirements.

In accordance with the *Environmental Noise Pollution Prevention and Control Law of the People's Republic of China* and related regulations, all types of fans in the factory were equipped with silencers, large fans were equipped with independent fan rooms for sound insulation, small outdoor fans were wrapped with sound insulation, and fans installed on platforms or structures prone to vibration were equipped with vibration reduction measures, and the noise monitoring and monitoring results during the year complied with the requirements of laws and regulations.

5. *Soil Pollution Prevention and Control*

In accordance with the Soil Pollution Prevention and Control Law of the People's Republic of China, the Technical Guidelines for Soil Pollution Hidden Hazard Detection and other regulations and standards, Chongqing Iron and Steel 2024 launched soil self-monitoring and hidden hazard detection, and the results of the monitoring met the relevant requirements of the Soil Pollution Risk Control Standards for Soil Environmental Quality of Construction Land (for Trial Implementation).

(III) Energy and Resource Utilization

1. Energy management

1.1 Energy management system

Guided by the principle of “pursuing energy efficiency benefits while safeguarding environmental red lines”, the Company has promoted the coordinated development of energy and environmental protection. Strictly implemented energy-related laws, regulations, and other normative documents, as well as the Company’s Energy Management Measures and Energy Metering Management Measures. The Measures for Daily Energy Supervision, Inspection and Evaluation Management were revised to improve management efficiency. In 2024, the Company maintained its energy management system certification.



1.2 Energy efficiency management

Formulating the “2024 Energy and Environmental Protection Work Plan” and “2024 Key Energy Conservation, Carbon Reduction and Environmental Protection Work Plan”, the Company established an energy target system and responsibility system, refined and decomposed annual target values and key work tasks, issued annual energy and environmental protection target responsibility letters, and continuously carried out dual energy consumption control work.

- (1) Selected as a Cultivation Enterprise for the Third Batch of Energy Efficiency Benchmarking Initiatives
- (2) Achieved a 13.7 kgce/t reduction in comprehensive energy consumption per ton of steel, setting a new historical record
- (3) Cumulative self-generation rate of 90.63%, representing an increase of 5.74 percentage points compared to 2023

Indicator	2022	2023	2024
Comprehensive energy consumption (10,000 tons of standard coal (equivalent value))	529.05	608.68	471.39
Comprehensive energy consumption per ton of steel (kgce/t)	533.1	512.95	499.24

1.2 Measures and Results

- (1) An Intelligent Equipment Management System

The Company completed the dynamic energy management and control system, integrating it with intelligent energy solutions to establish an energy dynamic precision control information platform. This enhances process control and predictive analysis, enabling centralized and refined energy management, supporting “accounting operations” for process energy.

- (2) Accounting Operations with Enhanced Target Management

Monthly according to the production and operation plan, according to the principle of extreme energy efficiency and limit consumption, accurate accounting of energy recycling and consumption indicators; energy indicators are broken down by level and issued to each process, and the process is broken down at each level to fulfill the responsibility, so as to achieve daily tracking, daily analysis and weekly evaluation, and to find anomalies, and to formulate solution measures quickly.

(3) Process Synergy for Enhanced Energy Efficiency

Strengthened the control of iron and steel interface processes, increased the turnover rate of Hot metal ladle to 5.57 times/d, and lowered the temperature drop of molten iron; integrated steel rolling mill scheduling, and further increased the hot-loading rate of hot coils to 84.2% and the hot-loading rate of heavy plates to 72.3%, thus reducing the energy consumption of the process interface.

The Company tracked the pressure of the gas cabinet, coordinated the production, supply, transmission, distribution and use of gas energy, and improved the efficiency of its use, with a 16% year-on-year increase in the grid-connected electricity per tonne of steel. Adopting the “turn and fill high” mode, the Company has significantly reduced the dispersion of gas from the converter, with the gas dispersion rate of the blast furnace at 0.06%, the gas dispersion rate of the coke oven at 0.6%, and the gas dispersion rate of the converter at zero, which, except for coking coal, is higher than that required by the national standard.

(4) Technology Application to Promote Energy Saving and Consumption Reduction

The Company promoted the application of energy-saving technologies and completed 6 energy-saving projects, such as 3# and 4# coke ovens barren coal gas residual heat recovery, 3# sintering main extractor energy-saving upgrading, 3# dry quenching coke economiser modification, and upgrading of the slab cutting in the steel mill, which saved 20,000 tons of standard coal annually after commissioning; among them, the 3# and 4# coke ovens barren coal gas residual heat recovery and utilisation project saved 10,700 tons of standard coal annually.

(5) Dual-Pronged Approach: Supervision + Education to Improve Energy Conservation Awareness

The Company established an energy inspection mechanism to regulate on-site energy management. From the establishment of the energy system, daily control of energy, the normality of energy use, daily energy control, energy quality control road marking and other aspects of the supervision, a total of 202 issues were investigated and exposed, and 187 rectifications were completed, with a completion rate of 92.5%, which has greatly reduced the waste of energy.

The Company strengthened related personnels' energy-saving awareness with monthly energy meetings, WeChat group under the theme, WeChat official account and other platforms to promote energy policies and knowledge, as well as the action programmes of Baowu Group, Zhongnan Iron & Steel, and Company's Energy Efficiency and Benchmarking Programme.

Case: Surplus Coal Gas Power Generation for Enhanced Energy Efficiency

In October 2018, the Chongqing Iron & Steel launched the self-generated electricity project to maximise the absorption of surplus coal gas emitted during the steel production, and power generated was reused in the production process to promote efficient energy recycling. In 2024, the power generation per tonne of steel was increased by 61kWh/t, and the cumulative self-generated electricity rate was increased to 90.63%, with the self-generated power rate for a single day in December exceeding 100%; the Company was awarded the “Best Practice Team of Accounting Operation” by Baowu Group for its power and energy cost reduction.



Chongqing Iron & Steel Intelligent Power Generation Brand Image-Electricity
Little “YUAN”

2. Water resources management

Following the Water Law of the People's Republic of China and other laws and regulations as well as water policies, the Company audited the Administrative Measures for Industrial Water and Water Quality and Emergency Plan for Water Supply Disconnections, and improved the management responsibilities and business processes for domestic water, industrial water (new water), whole-plant recycled water and condensed water in the factory area. In 2024, the Company promoted water conservation management based on the concept of "prioritising the use of non-conventional water resources".

Indicator	2022	2023	2024
Total annual new water consumption (10,000 tons)	3,523.45	4,584.02	3,713.72
New water consumption per ton of steel (cubic meter/ton)	2.83	2.66	2.74
Amount of industrial water reuse (10,000 tons)	157,101.63	170,402.73	166,645.07
Industrial water reuse rate (%)	98.10	97.38	98.73

2.1 Measures and Results

(1) Water withdrawal according to regulations

According to national or industrial water withdrawal regulations and indicators, the Company regularly designated water consumption indicators and decomposed them to each secondary water-user unit to ensure compliance water withdrawal and strengthen source management.

(2) Lean Water Management Implementation

By adopting measures such as quality-separated water supply, recovery of residual heat condensate water and point inspection of water resource equipment and facilities, we will increase the consumption of recycled water in production processes and reduce new water consumption, new water consumption was decreased by 8,703,000 tons in 2024 compared to that last year, and the reuse rate of industrial water was increased by 1.35 percentage points compared to last year.

Case: Water Conservation and Consumption Reduction: Protecting a River of Blue Water

Relying on the geographic location of the Yangtze River, Chongqing Iron & Steel has taken “prevention and control at the source, stringent management in the process, and efficiency enhancement at the end” as the network to build a whole-process water management system, and has implemented measures such as strengthening the management of water consumption at the source, strictly enforcing the system of permits for water abstraction, and actively promoting the application of water-saving technologies and new technologies for the use of non-traditional water sources.

In recent years, it has built three major systems, namely the Zero Wastewater Discharge in Central Area, the Rainwater Reuse, and the Special Wastewater Treatment, reducing the amount of water withdrawn from the Yangtze River by 20,000 m³/d; 25 kilometres of reuse water pipeline network is connected to the plant area, and 34 fire hydrants inject reclaimed water into the greening and cleaning sectors, so that every drop of water completes the closed-loop journey from the riverside to the workshop and then back to the riverside.



3. Resource Utilisation

The Company attached great importance to the saving and utilization of resources, and formulated management documents such as Regulations on the Management of Mining (Coal) Allotment, Regulations on the Management of Resources Utilised for Returning to Production, Regulations on the Management of Self-recirculating Waste Steel, etc., and carries out lean management in the production engineering to improve the efficiency of resource utilisation.

3.1 Raw Fuel Material Conservation

Adhering to the production organisation mode of “Blast furnace-centred” and the principle of optimal cost of molten iron, the Company has enhanced the stability of the blast furnace through the optimisation of coal and ore allocation and charge structure, fine operation and precise maintenance of equipments, etc., so as to save raw fuels materials and reduce the cost of production while guaranteeing the quality of molten iron. The #4 blast furnace was awarded the title of ‘Cost Champion Furnace’ in the first quarter of 2024 by the Chinese government. The #4 blast furnace was awarded the title of ‘Cost Champion Furnace’ in the first quarter of 2024 in Baowu Group under 2,000 cubic-level.

Indicator	2022	2023	2024
Total raw coal consumption (10,000 tons)	152.37	178.90	117.63
Total cleaned coal consumption (10,000 tons)	412.95	441.78	384.46
Total coke consumption (10,000 tons)	312.90	337.15	293.43

3.2 Resource Circularity

In addition to the recycling of water resources, the recycling of industrial solid waste and scrap steel has been strengthened, industrial solid waste and scrap steel that meets the standards is returned to production and utilised, while those that meet the standards for external sales are sold externally. 5,112,500 tons of solid waste was generated in 2024, with a recycling rate of 100%.

Tips:

- (1) Return to production and utilisation of resources: refers to all kinds of solid and semi-solid resources in solid waste that can be directly returned to production and utilised without processing, or all kinds of solid and semi-solid resources that meet the requirements for use in the production plants at a reasonable cost after processing and sorting of the solid waste, represented by slagged steel, slagged iron, steel slag, oxidised iron skins, first and second ashes from blast furnaces, all kinds of iron dust and mud, as well as miscellaneous coals and minerals.
- (2) Self-circulating steel scrap: steel scrap generated in production, inspection and repair, engineering, and fixed asset scrapping, including productive steel scrap, such as rolled steel cut ends, cut tails, cut edges, scrap billets, and scrap secondary materials, and non-productive steel scrap, such as various types of domestic steel scrap, iron packaging, inspection and repair scrap, and steel scrap generated by other units in the plant.

(IV) Climate Change Response

Climate change is a major threat to human sustainable development. China's strategy of "Carbon Peaking and Carbon Neutrality" has made it clear that the iron and steel industry needs to undergo a green transformation. On the basis of achieving carbon peak by 2023, the Company continued to implement planning for carbon reduction, efficient carbon reduction, technical carbon reduction, technological carbon reduction, green carbon reduction, carbon reduction within its area, and moved closer to the goal of carbon neutrality in order to make all-out efforts to cope with climate change.

1. Governance Structure

The Company's Board of Directors is the highest decision-making body for ESG management and oversees performance on ESG issues, including response to climate change.

The Carbon Neutrality Promotion Committee is responsible for promoting green and low-carbon development. It also established a Carbon Neutrality Office, with the director being the Company's senior vice president in charge of energy and environmental protection, and the deputy director being the head of the Energy and Environmental Protection Department. The works of the Office included promoting innovation, cooperation, and best practice promotion in the field of green and low-carbon scientific technology, as well as daily work such as carbon data and carbon asset management of the Company.

The Security Department is responsible for identifying and handling natural disasters and risks caused by climate change.



On 10 January 2024, Chongqing Iron & Steel convened a meeting on production safety, energy conservation and carbon reduction and environmental protection for 2024, and President Meng Wenwang signed a "Letter of Responsibility for Energy Conservation and Carbon Reduction Targets" with relevant units.

2. Low Carbon Strategy

Adhering to the concept of green development, the Company fully implemented China Baowu Group's low-carbon metallurgical roadmap and took the guidance of the 6C carbon reduction path of Zhongnan Iron & Steel to create "Chongqing Iron & Steel Immersed in Green and Charming Landscape", which ensured that the goal of carbon neutrality has been realized as scheduled.

Strategic Planning: Carbon Peak Achievement and Carbon Reduction Planning for Chongqing Iron & Steel Company Limited

Target Indicators: obtaining the technological capability to reduce carbon by 30% in 2025, and carbon neutrality in 2050

Six pathways: planning for carbon reduction, efficient carbon reduction, process carbon reduction, technological carbon reduction, green carbon reduction, carbon reduction within its area

3. Risks and Opportunities

Risk Type	Risk Counterpart	Potential Impact	Response Measures
Entity Risk	Flood risk	<p>The Company's plant is located next to the Yangtze River and relies on waterways to transport raw materials and finished products. Once the flood season brings a lot of rainfall in the upstream and downstream areas, the water level may rise rapidly, which will bring great challenges to the Company's water transport logistics and affect the supply of raw materials and the timely shipment of finished products.</p> <p>Meanwhile, the flood season may also cause damages such as surges and waves hitting the shore, dam waterfront slopes and platforms being damaged by scouring, and vessels or floating objects hitting the dams.</p>	<p>Natural disasters caused by extreme weather may affect the Company's production, and in serious cases, may lead to production interruptions and losses. We take the following measures:</p> <p>(1) Formulate natural disaster and related contingency plans and conduct timely drills to enhance employees' awareness of emergency response and their ability to respond to natural disasters.</p>

2024 Environmental, Social and Governance Report (Continued)

Risk Type	Risk Counterpart	Potential Impact	Response Measures
Transformation Risks	High temperature weather risk	The Company is located in Changshou District of Chongqing City. Due to its geographical location and climate factors, the Company is susceptible to persistent extreme high temperatures in the summer, which affects the efficiency of on-site staff and equipment, and aggravates the escalation of energy consumption and the tension in power supply; in addition, persistent high temperatures are prone to lead to hill fires and other potential safety hazards.	(2) Formulate plans for procurement of raw materials, product delivery and logistics according to the climate and environmental conditions of the location. (3) Strengthen the construction of emergency rescue team and consolidate the professional rescue force.
	Other natural disaster risks	The rainstorm may have a great impact on the safety of numerous underground pipe galleries, underground spaces for equipments, and electrical facilities in the plant area: Landslides may be caused by strong earthquakes and heavy rainfall.	
	Low carbon environmental compliance risk	The Company, as a long-process steel enterprise, faces rising carbon costs, bottlenecks in low-carbon technologies and tightened environmental policy constraints, resulting in rising costs of low-carbon environmental protection; In 2024, the SSE and the Stock Exchange issued new ESG information disclosure standards, which put forward more specific and stringent requirements on the disclosure of ESG information by listed companies	Strictly comply with low-carbon environmental protection and information disclosure laws and regulations and other regulatory documents, and promote environmental protection and A-creation work in accordance with the Company's carbon reduction plan; launch professional training to improve ESG information disclosure standards.
	Consumer behavioural risk	As demand for green steel increases in the downstream industry, traditional products may be replaced; consumer preference will force companies to bear higher certification and production costs. Failure to respond in a timely manner will result in loss of market share, damage to brand reputation and risk of supply chain rejection.	Promote the use of clean energy, improve the efficiency of production energy and resource utilisation, apply low-carbon and environmentally friendly technologies, and produce green products.

2024 Environmental, Social and Governance Report (Continued)

Against the background of coping with climate change and achieving sustainable development, the Company will turn pressure into internal drive, and at the same time make good use of the various policy support, seize the opportunities for green development, and continue to promote the optimisation of the energy structure, process upgrading, and the transformation of the product structure into green and high-end, and take the road of high-quality development.

4. Indicators and Actions

Indicator	2022	2023	2024
Total emissions of carbon dioxide (ton)	13,434,587	15,640,240	11,605,195
Emissions of carbon dioxide (Scope 1) (ton)	12,901,331	15,460,987	11,813,841
Emissions of carbon dioxide (Scope 2) (ton)	533,256	179,253	-208,646
Emissions of carbon dioxide per ton of steel (ton/ton)	1.578	1.487	1.476

In accordance with the standards of enterprise GHG emission accounting and report filling instructions issued by Chongqing City, it is estimated that carbon emissions will be reduced by 85,300 tons and carbon emissions per tonne of steel will be lowered to 1.476t/t as compared with 2023.

4.1 “6C” carbon reduction

- (1) Planning for carbon reduction: the Company improved the top-level design and updated the Carbon Peak and Low Carbon Development Plan, specifying the pathway for achieving carbon neutrality, as well as the key projects and timetables, and implemented them one by one in accordance with the plan.
- (2) Efficient carbon reduction: the Company strengthened detailed control to achieve energy saving and carbon reduction and promoted advanced and applicable energy-saving and low-carbon technological reform projects; increased the self-generation rate of residual heat and energy to reach 90% by 2024; promoted the creation of energy-efficiency benchmarks for the key processes of blast furnaces, converters and coke ovens, and became one of the third batch of enterprises cultivated by the China Iron and Steel Association for the “Energy-Efficiency Benchmarking Demonstration Plants for Double-Carbon Best Practices”.
- (3) Technical carbon reduction: the Company optimised the chemical structure and promoted green and low-carbon transformation. Optimised the structure of raw fuels to reduce solid fuel consumption; enhanced the hot-loading rate of rolling mills and completed the project of removing ‘live sets’ from rolling mills; optimised the structure of energy consumption and strengthened the use of secondary energy to replace solid fuel consumption.

- (4) Technical carbon reduction: the Company studied the application of converter large scrap ratio technology, reduced steel consumption, followed up the research and development and application of cutting-edge low-carbon technologies, launched benchmarking in accordance with the 'China Baowu Extreme Energy Efficiency Technology Recommendation Catalogue (2024)', learned advanced green and low-carbon technologies and promote their timely application.
- (5) Green carbon reduction: the Company completed the digitalisation of the material yard, realised the automatic preference of the operation process; giving priority to the use of clean methods such as railway, pipeline or tubular belt conveyor and new energy vehicles for transportation, and fully implemented the construction of belt, rail and roller transportation system; promoted the use of clean energy, implemented the renovation of photovoltaic street lamps, and promoted distributed photovoltaic power generation in the factory area.
- (6) Carbon reduction within its area: the Company promoted the development of upstream and downstream industries and built a circular industrial chain. Insisting on the principle of 'reduce, reuse and resource' of solid waste, the Company carried out the reduction of solid waste at source, returned to production and utilisation, and productised the application of solid waste, and by 2024, the Company recycled all the solid waste generated, and successfully created a waste-free factory.

4.2 Strengthen the management of carbon emission data

In 2024, the Company completed the verification of carbon emission data for the year 2023, reasonably reduced carbon emissions by 50,000 tons, and ultimately realised a surplus of 200,000 tons of carbon allowances, the first surplus of carbon allowances since entering the Chongqing carbon market. Organised staff to participate in carbon emission data quality control training to improve the quality of carbon emission data reporting; established a carbon emission information system on the management platform to realise the full process of carbon emission management.

4.3 Carbon quota performance and trading

Chongqing Iron & Steel and its wholly-owned subsidiary, Chongqing Iron and Steel Energy and Environmental Protection Co., Ltd., completed the 2022 Carbon Compliance Agreement in March 2024, purchasing 450,000 tons of allowances for a total amount of RMB20,331,330; and the 2023 Carbon Compliance Agreement was completed in December 2024, with 80,000 tons of Carbon Quota Allowances ("CQEAs") retained in the Company's carbon system account.

2024 Environmental, Social and Governance Report (Continued)

4.4 Green products

Chongqing Iron & Steel has applied for EPD certification since 2022, and has cumulatively issued six EPD environmental product declarations, disclosing environmental data including the carbon footprint of its products, which is not only conducive to its own more scientific implementation of the 'dual-carbon' policy, but also helps downstream enterprises accurately obtain environmental information on iron and steel materials and achieve green procurement. There will be no new EPDs in 2024.



4.5 Utilisation of clean energy

The Company promote distributed photovoltaic power generation, utilising the Company's solid waste and hazardous waste plants to build the first phase of a distributed photovoltaic power generation project to increase self-generated electricity.

Utilising non-fossil energy sources such as residual heat and pressure in the production process, electricity with a capacity of 1,534 million kWh was generated in 2024. Although not directly attributable to traditional clean energy sources (e.g. wind power, solar power, etc.), it can be regarded as a complementary form of clean energy as it significantly reduces energy waste and carbon emissions.

4.6 Cultivating professional talents

The Company organised staff to participate in the 2024 Citywide Total Control and Climate Change Management Work and Training Conference, the Carbon Emission Manager Training Course, the Chongqing Carbon Emission Management Business Training Conference, and the meetings of Sinosteel and CMT Sedi on the improvement of the low-carbon platform for iron and steel, to exchange ideas and learn from peers and experts; and organised the interpretation of the “Guidelines for Carbon Emission Accounting in the Country – Iron and Steel Sectors”, which included accounting boundaries, Company-level and process-level calibration algorithms, and data sources, to enhance the ability of professional staff to perform their duties.

4.7 Green office

The Company formulated the Management Standards for Energy Conservation, which clearly defined the energy conservation standards for power, domestic water, gas, steam and other energy media used in the normal production and work process. The Company continuously enhanced employees' awareness of energy conservation, cultivated good energy-saving habits, and regulated their daily energy-using behaviours in order to create a green Chongqing Iron & Steel.

Saving Electricity	Power supply of office equipment should be turned off when it is not used for a long time (after work);
	Reduce corridor lighting according to weather conditions……
Saving Paper	Non-confidential documents should be transmitted through the network as much as possible to reduce the printing of paper documents;
	Double-sided printing of paper should be adopted, and the waste paper with non-confidential content should be used under more circumstances……
Saving Water	Stopcocks at office and recreational venues must be turned off after use to prevent water waste;
	Water stopcocks and valves at all places should be kept in good condition……

COORDINATION: STAY TRUE TO THE ORIGINAL ASPIRATION OF SERVING THE COUNTRY

The enterprise belongs to society, and it is duty-bound to fulfil environmental and social responsibilities. Chongqing Iron & Steel is committed to pursuing win-win cooperation with partners, customers, employees, and communities, thereby contributing to industry development and giving back to society wholeheartedly. By establishing a responsible supply chain, providing considerate services to users, prioritising employee development, and contributing to local development, we are fulfilling our initial aspiration of serving the country through the iron and steel industry.

(I) Employee Development

1. *Basic Rights and Interests*

1.1 Equal employment

The Company strictly follows the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other laws and regulations. In accordance with the principle of equality and consensus, the Company signs labour contracts with employees to clarify the rights and obligations of both the employer and employees. We prohibit any form of discrimination, treat employees of different nationalities, races, genders, religious beliefs and cultural backgrounds in an equal manner, and protect and safeguard the legitimate rights and interests of every employee in accordance with the law.

There is no employment of child labour, forced labour, harassment and abuse in the Company. In the Recruitment Management Measures and the Labour Discipline Management Measures of the Company, it is clearly stipulated that the applicants must be at and above 18 years old and meet the national labour and employment policies. At the same time, the Company actively provides jobs for persons with disabilities, assisting them in enhancing their professional skills and realising their life's value.

2024 Environmental, Social and Governance Report (Continued)

Employee Composition of Chongqing Iron & Steel in 2024

Category	Name	No. of People	Proportion (%)
Gender structure	Male employees	4,608	83.7
	Female employees	898	16.3
Mix of educational backgrounds	Doctoral degree	3	0.1
	Master's degree	99	1.8
	Bachelor's degree	1,088	19.8
	Junior college degree	1,992	36.2
	Others	2,324	42.2
Persons with disabilities		53	0.96
Age	At and below 35	1,639	29.8
	Age 36–45	1,886	34.3
	Age 46–55	1,792	32.5
	Age 56–60	189	3.4

1.2 Remuneration and benefits

Strictly implement national and local salary and welfare policies and regulations, and determine the salary distribution system, the form of salary distribution and the level of salary payment independently based on the Company's economic efficiency status and the results of evaluation and distribution within the budgeted total amount of salary. The Company will continue to operate a remuneration incentive mechanism and management system that is internally fair, externally competitive and in line with the market, and determine remuneration based on factors such as the sequence, level and nature of positions.

We ensured employees' labour remuneration and social insurance benefits in accordance with the law. In addition to basic wages and bonuses, overtime pay, high temperature allowances, subsidies for combat (nuclear-related) personnel, Muslim subsidies, and single-child allowances as per national regulations were promptly and fully distributed. The Company formulated Measures for the Administration of Employee Welfare Benefits to provide in-time birthday care, wedding greetings and funeral condolence, and other subsidies for employees. Achieving full coverage for every individual, this approach comprehensively inspired the vitality of employees, fully leveraging the role of performance orientation, and ensuring that employee income was aligned with individual performance and Company operational performance.

1.3 Democratic management

The Company enhanced the quality of the Staff Council, the Company insisted on democratic management in the form of staff congress, we completed the renewal of the Company's staff congress and workers' congress, and organised 180 staff representatives to gather together to listen to and examine the annual administrative work report, safety and energy and environmental protection work report, and the annual collective contract, so as to clarify the annual objectives and tasks, and gather the people's hearts and minds.

Collective democratic negotiation was upheld. We used collective contract negotiation as a starting point, enriched its content and optimised negotiation paths, making sound procedures, standardised operations, full negotiation, and democratic processes important criteria of improving the quality and efficiency of collective negotiation, so as to enhance the level of collective negotiation and the quality of negotiation.

We implemented the Workers' Congress Joint Meeting system. Any matters related to employee interests are strictly reviewed and approved by the Joint Meeting in accordance with prescribed procedures and confirmed at the Workers' Congress. In 2024, we held nine Workers' Congress Joint Meetings to consider 13 systems and programs involving employees' interests; and elected two employee supervisors for the tenth session of the Company's Board of Supervisors.

2024 Environmental, Social and Governance Report (Continued)

We strengthened democratic supervision of labour protection. In strict accordance with the Management Measures for Representatives of Employee Occupational Health and Safety, the Company guided the establishment of safety and health representatives in grass-roots work groups, set up a team of safety and health representatives, and organised and carried out union labour safety protection supervision activities, with 108 “safety and health representatives” effectively fulfilling their work duties. Throughout the year, “Safety and Health Representatives” investigated 6,832 safety hazards with a 100% rectification rate. We persisted in organising worker representatives to participate in safety committee meetings every quarter, where they received reports on safety production and proposed suggestions on production safety, effectively safeguarding the safety rights of employees.

The Ad Hoc Committee for the Protection of Employees’ Rights and Interests was organised to carry out inspections of labour insurance products, canteen hygiene and accommodation for three times, with the participation of 36 representatives of the employees, who made seven suggestions and recommendations, all of which have been rectified.



2. Talent Cultivation

2.1 Guaranteeing a smooth development channel

We implemented the Management Measures for Reserve Talent Cultivation and Management Measures for the Selection of (Competing for) Managerial Positions and Technical Positions at and below the Factory and Department Level, advancing talent team construction. We established a career development system with “three channels” for management, technical business, and operation and maintenance, used “six clear standards” as our work standard, and implemented three major talent projects of management personnel training program, experts training program and craftsmen training program, to broaden employees’ career paths and growth paths, thereby stimulating the development vitality of the organization.

The “Three Channels” Career Development System

- **The managerial sequence**

Operation Officer Management/Office Director Management → Factory Management → Company Management

- **The technical business sequence**

Technical Associate (Host Commissioner) → Regional Engineer (Commissioner in charge) → Chief Engineer (Chief Manager) → Senior Director Engineer (Senior Manager) → Chief Engineer (Chief Manager).

- **The operation and maintenance sequence**

General Operator (spot inspection and maintenance) → Main Operator (spot inspection and maintenance) → Senior Operator (spot inspection and maintenance) → Chief Operator (spot inspection) → Technology Specialist

Case: “Honour Day” Event

On 28 March 1958, the great leader Chairman Mao personally inspected Chongqing Iron & Steel, giving tremendous encouragement to the employees of Chongqing Iron & Steel. This day also became the “Honour Day” cherished by all Chongqing Iron & Steel employees. On 28 March 2023, representatives of honorary employees and their families, employees of the Company and Eco-circle units who participated in the mini-marathon competition gathered at the honorary forest square to gather and continue the power of advancement with planting honorary trees and carrying out the mini-marathon competition.



2.2 Training Enablement

Chongqing Iron & Steel adhered to the strategy of strengthening the enterprise with talent, formulating annual training implementation plans in line with the high-quality development plan and the three-year capacity improvement goals for human resources. Through a combination of internal autonomous training and external training, we further strengthened the construction of talent teams, promoting overall quality improvement for all employees. The Company's total investment in training in 2024 was RMB7,729,500.

Based on the production and operation development and key work requirements, with a focus on the development needs of management talents, technical business talents, and skill talents, we primarily conducted training in forms such as independent classes, benchmarking to identify areas for improvement, online training, special external training, mentorship programmes, and competition based training. A total of 84,393 person participated, with an average of 121.3 training hours per person. Training plan implementation rate, special operation certification, and skill level certification, among other training indicators, all achieved annual targets.

Case: Digital Transformation, Talent Enablement

The Company has actively implemented the 'Implementation Plan of Knowledge Renewal Project for Professional and Technical Talents' and the 'Action Plan for Cultivation and Gathering of Excellent Engineers in Chongqing' to improve the standard of digital management of all staff. 2024 became the first unit in Changshou District to invite Chongqing Human Resource Development Service Centre to launch digital management training for digital technology engineers cultivation project. The training adopts a combination of theory and practice to cultivate trainees' digital thinking habits and practical ability, and after obtaining the training certificate, trainees can be qualified to participate in the evaluation of the title of digital technology professionals on an exceptional basis. 4 training sessions were completed in 2024, with 200 people participating in the training (the number of trainees ranked the first in Chongqing), and 194 people were awarded certificates of proficiency.

Through training, employee Li Ying participated in the Global Excellent Engineer Competition's Digital Technology Engineer Special Challenge and won first place in the specialized competition under China's first national digital technology engineer development program. She was awarded a prize of RMB50,000 and obtained the Digital Technology Engineer professional title certificate.



2.3 Combining Learning with Competitions

We actively foster a strong atmosphere of valuing and respecting technical skills. By integrating learning with competitions, we have developed a talent pipeline for skilled workers. The Company held 56 skill competitions, with 2,196 participants; 1,042 employees improved their skills, and 17.6% of operational and maintenance personnel achieved technician level or above.

In the 3rd Employee Skills Competition of Zhongnan Iron and Steel, our team won 3 first-place titles, 4 second-place, and 3 third-place awards.

In the 4th China Baowu Employee Skills Competition–Business Analysis and Accounting Challenge, two of our employees achieved second and fourth place respectively.



3. Employee Services

3.1 Cultural and Sports Activities

We organized a variety of cultural and sports activities that were well-received by employees and invited enterprises within the industrial park to participate, fostering a shared and harmonious ecosystem. A total of 27 events were held, including the “Spring Festival Gathering,” “International Women’s Day Celebration,” mini-marathon, tug-of-war competitions, and more, with 2,025 total participants. These activities greatly enriched the cultural and recreational life of our employees.



Table Tennis Tournament

Tug-of-War Competition

Mini-marathon

Reading Day activities

2024 Environmental, Social and Governance Report (Continued)

3.2 Care for Employees

On New Year's Day, International Women's Day (March 8), Labor Day (May 1), Children's Day (June 1), Dragon Boat Festival, and Mid-Autumn Festival, the Company extended holiday greetings and care to employees and their families by distributing gifts valued at RMB4.2746 million to 42,347 recipients. Additionally, RMB1.4615 million in assistance funds were provided to 673 individuals. Company leaders visited 97 employees in need and model workers, delivering RMB166,000 in support funds. Furthermore, RMB763,100 was provided to 446 employees for hospitalization, children joining the military, or the loss of immediate family members.

The Company also reimbursed mutual medical aid totaling RMB443,400 for 61 employees with illnesses. Since 2021, we have purchased comprehensive group accident insurance for employees to reduce the financial burden of illness on families. As part of the "Golden Autumn Education Assistance" initiative, RMB42,000 in scholarships were granted to 18 employees' children.



Summer Heat Care Action



New Year Care Action



Golden Autumn Education Assistance

2024 Environmental, Social and Governance Report (Continued)

We continued to carry out the “do practical things for employees” projects, implementing 50 Company-level and 83 plant-level practical projects, effectively addressing employees’ urgent needs and concerns.

We also show care for female employees. In the Labour Discipline Management Measures, it is clearly stipulated that female employees can enjoy maternity leave, birth control leave, nursing leave, rest and work leave and special menstrual leave in addition to marriage leave and paid annual leave, also a clause to protect the special rights and interests of female employees has been added in the collective contract, so as to effectively safeguard the legitimate rights and interests of female employees.

4. Health and Safety

4.1 Management system

In accordance with the annual work plan for production safety and the principles of “joint responsibility between the Party and governments, dual responsibility of one position, joint management by all, and accountability for negligence” as well as the “Three Managements and Three Musts” principle, we have established a comprehensive safety management responsibility system that covers all departments horizontally and reaches every level vertically.

Benchmarking against Baowu Group and Zhongnan Iron and Steel, we developed a standardized safety management system and streamlined safety-related regulations, reducing the number of safety policies from 118 to 65, a reduction of 44.9%. we conducted system training for more than 110,000 person to ensure that safety management within the Company is rule-based, systematic, and compliant. During the Reporting Period, we maintained our certification for the Occupational Health and Safety Management System.



2024 Environmental, Social and Governance Report (Continued)

4.2 Measures and Results

Item	Unit	2022	2023	2024
Number of employee occupational fatalities	Case	0	0	0
Number of third-party occupational fatalities	Case	1	1	0
Employee occupational accident injury frequency	Number of injured person per million work hours	0	0	0.08
Third-party occupational accident injury frequency	Number of injured person per million work hours	0.2	0.04	0.06
Safety investment	RMB100 million	0.64	0.63	0.42

4.2.1 Safety Responsibility

A total of 422 graded safety responsibility agreements were signed, and 1,136 individualized safety responsibility records were completed. A “responsibility map” for safety management personnel was developed, and duty performance evaluations were conducted for plant-level leaders. We upheld the “one-vote veto” system for safety production and carried out accident investigations and accountability measures, integrating them into safety performance assessments to ensure employees fulfill their responsibilities.

4.2.2 Occupational Health

Adhering to the principle of “prevention first, combining prevention with treatment” and the “three-level prevention” strategy, we fully implemented occupational disease prevention measures. Occupational health assessments were conducted simultaneously with construction for 35 projects. Regular monitoring was carried out for 20 key positions. We supported the Changshou District Health Commission in an investigation of the radiation equipment occupational protection facilities to ensure legal and compliant operation. Occupational health checks were provided to 4,163 employees. A total of 6,801 cooperative personnel received pre-employment health examinations. 5,867 sets of summer workwear were issued in accordance with labor protection standards to meet employees’ safety and protective needs.

Additionally, 14 occupational health awareness initiatives, including lectures, training sessions, and promotional activities, were conducted, significantly raising employee awareness of occupational health risks.

Annual health check-ups were organized for all employees, achieving 100% coverage.

4.2.3 Identification and rectification of hazards

We conducted re-identification and dynamic assessment of hazardous sources, addressing 282 issues to ensure that hazard management remains under control. By implementing a “dual-track” evaluation incentive mechanism combined with an employee operational support system, we achieved a rectification rate of 99.6%.

Focusing on key risk areas, such as molten metal, metallurgical gas, hazardous chemicals, confined spaces, and environmental dust removal, we identified and rectified 15 major accident hazards, representing a 95% year-on-year reduction and achieving dynamic zero for major safety risks.

We further improved the fire safety management system and strengthened fire risk control by targeting critical areas and closely monitoring hot work operations. Enhanced hazard identification and rectification efforts effectively curbed fire incidents, resulting in a 37.5% year-on-year decrease in fire cases.

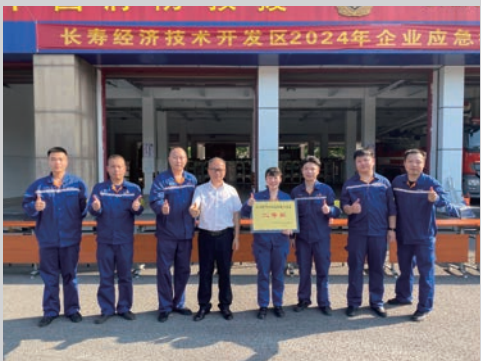
4.2.4 Emergency management

We reviewed emergency resources and revised the Company's emergency response plans. Comprehensive emergency plan and skills training sessions were conducted for all employees, and 536 emergency drills were carried out as scheduled. Twelve volunteer rescue teams were established, comprising 2,355 members. A total of 3,479 instances of specialized training were provided, with team members participating in 39 emergency drills, 53 production support tasks, and 8 emergency rescue operations. Emergency supplies management was standardized by updating the inventory to include 1,066 categories and 7,654 pieces (or sets) of equipment. These inventories are regularly updated and maintained to ensure that emergency supplies are "available, usable, and reliable".

Case: Chongqing Iron & Steel Wins Multiple Awards in Emergency Response Skills Competition

On May 22, the Emergency Center of the Changshou Economic Development Zone hosted the 2024 Emergency Response Skills Competition for enterprises. The event was divided into two segments: a theoretical knowledge test and practical emergency response drills.

Chongqing Iron & Steel achieved remarkable results, winning First Place in the "In-Depth Firefighting Drill," First Place in the "Three-Person, Three-Hose Firefighting Drill," Third Place in the "Theoretical Knowledge Test," and Second Prize overall in the 2024 Emergency Response Skills Competition of the Changshou Economic Development Zone.



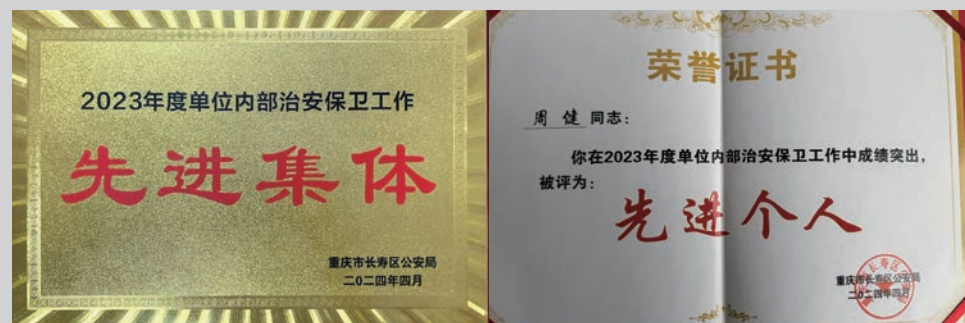
4.2.5 Safety Intelligence

We built a visualized interface for the “Tech-based Safety Steward” system, covering 49 monitoring points to enhance the efficiency of safety management. A total of 15 projects involving 3D job replacement were implemented, each resulting in a two-level reduction in risk levels. A major risk monitoring platform was also established, with data integrated with government systems to strengthen abnormal situation reporting and emergency response capabilities, enabling timely mitigation of safety production risks.

4.2.6 Security management

Leveraging an information management system, we implemented a reservation-based management process for the repair of materials and spare parts leaving the premises. This standardized supervision of outbound materials and ensured safety and compliance. In collaboration with local public security authorities, 10 theft-related cases were solved, representing a 17% year-on-year decrease. A total of 13 criminal suspects were apprehended, and RMB144,400 in losses were recovered, effectively deterring and cracking down on illegal activities.

In April 2024, the Changshou District Public Security Bureau recognized outstanding collectives and individuals for their strict implementation of internal security responsibilities in 2023, which effectively maintained workplace safety and stability and achieved notable results. Chongqing Iron & Steel was awarded the title of “Advanced Collective in Internal Security Work for 2023,” and employee Zhou Jian was honored as an “Advanced Individual in Internal Security Work for 2023”.



4.2.7 Safety Culture

Regular certification training was conducted for safety management personnel and special operations workers, with 2,579 participants, ensuring 100% certification for key personnel, safety managers, and special operations staff.

Through platforms such as the Safety Experience Center, “Safe Chonggang” campaign, and the National Work Safety Month, comprehensive safety education was delivered to all employees. A total of 680,000 participants received tiered safety training, significantly enhancing awareness and operational skills.

In addition, specialized training for Certified Safety Engineers was provided to 85 employees, with 47 successfully obtaining certification, thereby improving the professionalism of the safety management team.

4.3 Safety Incident Handling

The Regulations on Safety Incident Reporting, Investigation, Statistics, and Accountability Management were revised to standardize the procedures for handling safety incidents. This includes regulations for information reporting, on-site response, incident investigation, and post-incident management, ensuring a standardized approach to incident handling.

4.4 Hazardous Chemicals Management

In accordance with national regulations and industry standards, the Company conducted a safety design diagnosis and explosion hazard zoning for ironmaking chemical by-products. It also completed the legal entity change for the hazardous chemicals operation license, ensuring legal compliance in hazardous chemical production and operations. An electronic work permit approval system was implemented for eight high-risk operations in the oil depot area to enhance efficiency. Training sessions on Hazardous Chemicals Safety and Criteria for Identifying Major Accident Hazards were provided to 1,798 participants to improve hazard identification capabilities. Special inspections and rectifications were conducted for explosion-proof electrical systems and process interlocks, identifying 492 issues and rectifying 491, effectively keeping hazardous chemical operations under control.

4.5 Safety of Related Parties

The Company strengthened access management for contractors, enforced strict process controls, and established an evaluation and exit mechanism to encourage contractors to improve their autonomous safety management capabilities, fostering shared responsibility in safety governance. A rigorous “entry gate” was enforced, approving access for 189 contractors and providing competency enhancement training for 5,150 contractor personnel. Focused heavily on “process control,” daily inspections were carried out for high-risk contractor operations, encouraging standardized operations. Safety agreements were signed to clearly define mutual rights and obligations. The “exit gate” was standardized by conducting second-party audits and routine evaluations of long-term suppliers, resulting in the removal of 656 unqualified contractor personnel.

(II) Partner Responsibility

1. *Supply chain management*

1.1 Management system

The Company’s suppliers include raw material suppliers, production and maintenance contractors, construction project suppliers, spare parts suppliers, and professional service providers. The Company has established management systems such as the Supplier Management Measures for Construction Projects, Raw Material Supplier Management Standards, and Equipment Maintenance Supplier Qualification Standards to enhance procurement standardization, mitigate operational risks, and foster a competitive environment focused on integrity, quality control, and pricing advantages.

1.2 Management Measures and Results

The Company has integrated elements of ESG management concepts into supplier access, evaluation, and exit mechanisms to ensure supply chain security and promote sustainable development.

(1) Supplier admission

Suppliers undergo a review and assessment process that covers qualifications, product and service quality, pricing, overall capability, and management system certifications. Those who meet the requirements are approved as qualified suppliers.

(2) Supplier evaluation

Suppliers are evaluated both dynamically and annually. Evaluation dimensions include delivery performance, price/cost, quality, service, technical capability, asset status, compliance with commitments, management system certifications, and communication/cooperation. For example, raw material suppliers are graded annually into five levels: A, B, C, D, and E. A-level suppliers may be promoted to higher tiers, while suppliers rated D or E lose their qualified status.

In 2024, the Company conducted second-party audits for 17 suppliers, encouraging partners to fulfill their responsibilities.

(3) Supplier exit

Clear exit conditions are defined, such as providing false information that causes major impacts, failing to meet quality requirements after rectification deadlines, violating the Company's integrity policies causing significant harm, or being blacklisted by the group or the Company.

(4) Transparent procurement

The Company has developed systems such as the Tender Invitation Management Measures, Inquiry and Comparison Purchasing Management Measures, and Raw Material Procurement Management Measures, which define procurement procedures based on project type and budget amount. In 2024, the comprehensive tender management responsibility was consolidated under the Investment Management Department, rationally integrating business functions, optimising management interfaces, and standardising management processes. The Company upholds the principle of "should invite, must invite, and invite as many as possible" and conducts tenders through the unified China Baowu bidding platform to ensure legal and compliant processes.

The Marketing Center reviewed procurement models for 11 categories of raw materials, auxiliary materials, logistics, and service items (e.g., ores, insurance, freight forwarding, processing, coal, coke, scrap steel, pig iron, alloys, fluxes, and logistics). Bulk ore procurement, long-term coal contracts, and resource-based pricing were handled via PLMS and PSCS platforms, while other projects were procured through Obei and SOTC platforms, achieving 100% online procurement.

Office supplies, maintenance materials, and equipment procurement continued through Baowu's centralized online platform.

2024 Environmental, Social and Governance Report (Continued)

(5) Training and Education

In accordance with regulations such as the Safety Production Responsibility Regulation, Dual Signing Management Measures for External Business Economic Contracts and Clean Agreements, Environmental Protection Management Measures, and Confidentiality Management Measures, the Company conducted training and education on safety, energy conservation and environmental protection, integrity, and employee health and safety for suppliers, signing professional agreements on safety, integrity, and confidentiality, and making clear ESG requirements. The Company also organizes cultural and sports activities such as mini-marathons and tug-of-war competitions, inviting in-plant suppliers to participate, thereby fostering a shared and inclusive ecosystem.

(6) Visits and Communication

The Company conducts regular visits and exchanges with suppliers each year to discuss resource supply assurance, expansion of goods or service categories, upstream and downstream industry collaboration, and expansion of cooperative relationships, aiming to achieve mutually beneficial development.



Visits and Communication with Selected Suppliers

2. Quality Products

2.1 Strengthen quality responsibility

2.1.1 Management system

In accordance with the principles of scientific rigor, standardization, and feasibility, the Company has carried out quality system development to continuously strengthen process quality control, address shortcomings and weak links in quality management, and enhance overall system capability. It has formulated a series of product quality management documents, including the Quality, Environment, Occupational Health and Safety, and Energy Management, Management Measures for Technical Standards, Management Measures for Product Quality, Management Measures for Nonconforming Products, providing strong institutional support for quality assurance.

Through internal quality system audits, special audits, product audits, and process audits, a total of 355 issues were identified. All corrective actions were completed by the deadlines, achieving a 100% completion rate. The quality management system continues to operate effectively, and the Company maintained its quality management system certification in 2024.



2.1.2 Measures and results

(1) Raw material quality

The Company has implemented an integrated management system for raw and auxiliary materials and established a comprehensive evaluation system to ensure stable production processes. Focusing on raw coal, flux, scrap, and alloys, the Company conducts monthly quality spot inspections with no fewer than 22 batches each month. Any quality abnormalities are promptly reported to the procurement department, which includes them in material settlement and urges suppliers to make necessary corrections, thereby ensuring the stable quality of incoming materials.

(2) Finished product quality

The Company's Quality Inspection Center is a CNAS-accredited laboratory and has established an advanced intelligent inspection system to ensure more accurate test data, faster information transfer, more proactive production support, and more efficient inspection processes.

A. Testing capability

The Company operates a professional CNAS-accredited inspection and testing laboratory. Firstly, it is equipped with a fully automated rapid analysis system for comprehensive process analysis across the production line, including blast furnace, hot metal pretreatment, converter smelting, refining, continuous casting molten steel, scrap, slag, and gas composition in steel; it also participates in the quality monitoring of the production process, and provides fast and timely feedback to the analysis requirements and tasks put forward by the production line. Secondly, it is equipped with physical performance testing system, which is mainly responsible for mechanical property testing of thick plates and hot rolled products, realizing automated control of the whole process of receiving, registering, transmitting and testing samples, and uploading the testing results to the operation control system to support the operation decision-making.

B. Index control

The Company focuses on quality control throughout the production process and has defined 63 key quality indicators. Monthly performance against these indicators is monitored and analyzed for continual improvement.

C. Capability enhancement

The Company has cooperated with Baosteel Central Research Institute and WISCO Technology Center on 12 joint projects covering 23 key indicators. These projects focus on quality improvement, product development, process optimization and application, enhancement of testing capabilities, and strengthening of steelmaking and rolling capabilities. A total of 57 optimization tasks related to steelmaking and rolling processes were carried out.

D. Customer satisfaction

The Company emphasizes quality management as a key aspect of customer service across pre-sale, in-sale, and post-sale stages to improve customer satisfaction. Throughout the year, it conducted 49 customer visits focused on product quality and carried out annual customer satisfaction surveys. Quality issues raised by customers were promptly addressed and continuously improved.

2.1.3 Product Quality Certification

In 2024, the Company successfully passed factory re-certification by Bureau Veritas and DNV (Det Norske Veritas), as well as annual audits by CCS (China Classification Society) and Lloyd's Register. The product certification rate reached 100%, with a total of 134,500 tons of shipbuilding plate products certified.



2024 Environmental, Social and Governance Report (Continued)

In 2024, the Company's Structural Steel Hot-Rolled Wide-Thick Steel Plates AH36 for Ships And Offshore Engineering, was recognised as "Golden Cup Quality Products" in the Metallurgical Product Physical Quality Brand Cultivation Program.



3. Intimate customer service

3.1 Service system

The Company is committed to co-creating value with customers by closely aligning with their needs and delivering integrated solutions aimed at maximizing customer value. To this end, we have established three key management systems: the Customer Maintenance Strategy Management Measures, Customer Satisfaction and Loyalty Evaluation Management Measures, and Management Measures for Customer Interview (Visit). These policies comprehensively cover all stages of the product lifecycle, from pre-sale consultation and in-sale service to post-sale support, ensuring a high-quality, full-lifecycle customer service experience.

3.2 Visit customers

We revised and optimised regulations and policies such as the Visit Evaluation Guidelines, strengthened management of end-user visits, set a target of terminal visit proportion $\geq 75\%$ in the evaluation index, and increased the proportion of end-user visits. We established and improved one table for one household, dynamically updated and tracked management of graded customers quarterly, continuously promoting high-quality and efficient visit work. During the Reporting Period, a total of 1,942 customer visits were conducted, achieving an average of 162 visits per month. Among them, 1,619 were terminal visits, accounting for an average of 83% of terminal visits per month, consistent with the average level in 2023.

2024 Environmental, Social and Governance Report (Continued)

3.3 After-sales services

Adhering to the principle of customer-first, we implemented a graded customer management strategy and a professional service team has been established for key and high-value clients. This ensures timely understanding of customer needs and rapid resolution of any issues encountered during product use. Feedback from customer satisfaction surveys, especially complaints, is meticulously documented in the Chongqing Iron & Steel Company Limited Customer Satisfaction and Loyalty Measurement Analysis Report. The Marketing Center tracked the implementation of rectification actions, monitored their effectiveness, and provided timely feedback and follow-up visits to customers, managing customer feedback in a closed loop manner for handling customer feedback, from collection to resolution.

Item	Unit	2022	2023	2024
No. of customer complaints accepted	Case	622	382	154
Customer complaint resolved rate	%	100	100	100
Customer satisfaction	%	86.12	91.39	91.46

3.4 Responsible marketing

We provided products and services in a transparent and user-informed manner. We provide steel products accompanied by Product Quality Certificates, which included important information such as designation, furnace number, specifications, chemical composition, yield strength, etc.

During the Reporting Period, our production and operational activities strictly adhered to safety standards, and no incidents occurred that harmed customer health and safety.

In addition, we rigorously protect customers' intellectual property and personal information. Relevant data is circulated internally on a strict need-to-know basis, and disclosure to third parties is strictly prohibited. During the Reporting Period, we successfully safeguarded the confidentiality of customer information, with zero information security incidents.

Case: Chongqing Iron & Steel Holds 2024 Annual Customer Symposium

On 10 January 2025, Chongqing Iron & Steel held its 2024 Annual Customer Symposium in Liangjiang New Area, Chongqing under the theme “Recasting the Steel Foundation, Advancing Together for the Long Haul”. Nearly 200 customers gathered to review the collaborative journey of 2024 and envision new prospects for cooperation in 2025. At the event, Dr. Su Chang, Chief Economist at Hongze Research, shared insights on the latest market trends. Company leadership presented honors to outstanding partners from 2024, including awards for “Excellent Cooperation Channels,” “Value-Creation Partners,” and “Chain Co-Building Partners”. The development of Chongqing Iron & Steel would not be possible without the support and collaboration of its partners. Moving forward, the Company will continue to uphold its philosophy of “Integrity, Win-Win Cooperation, Innovation, and Development”, further strengthening communication and exchanges, deepening strategic partnerships, expanding areas of cooperation, and elevating the level of collaboration to jointly overcome challenges and create a brighter future together.



3.5 Participation in important project construction

In 2024, Chongqing Iron & Steel continued to support key national and regional strategies by participating in major infrastructure projects such as railways, expressways, and bridges—contributing the strength of steel to national development. The superior performance of its products and service capabilities has received high recognition from customers.

- (1) **Xi'an–Chongqing High-Speed Railway:** The Xi'an–Chongqing High-Speed Railway is a critical part of the Beijing–Kunming corridor and the Baotou/Yinchuan–Haikou corridor, both of which are major routes in China's "Eight Vertical and Eight Horizontal" high-speed rail network. This project represents the largest single awarded contract in the Company's history. During the construction of the Tiefengshan Tunnel, the longest tunnel on the Kangyu section of the line, steel supplied by Chongqing Iron & Steel accounted for 12% of all steel required for the tunnel construction.
- (2) **Sichuan–Xizang Railway, Ya'an to Kangding Section:** Dubbed "China's most difficult sky road," the Ya'an to Nyingchi section of the Sichuan–Tibet Railway is more than twice as expensive to construct per kilometer as ordinary high-speed rail, making it the most expensive railway in the world. Construction began in November 2020 with a planned 10-year timeline. By the end of the Reporting Period, the Company's hot-rolled coil products accounted for 45% of the steel used in the Ya'an to Kangding segment.
- (3) **Phase IV Expansion of the Chengdu–Leshan Expressway:** This project is a pilot for large-scale application of weathering steel in urban elevated bridge construction within Sichuan Province. The total route length is 25.496 kilometers. Chongqing Iron & Steel was the exclusive supplier of weathering steel plates for both the first and second batches.
- (4) **Chongqing–Suining Expressway Parallel Line:** In 2024, the section from Beibei to Tongliang in Chongqing ("Chongqing–Suining Expressway Parallel Line") was officially completed and opened to traffic. It is one of the capacity expansion projects in Chongqing's "Four Loops, Twenty-Two Radials, and Sixty Connectors" expressway network, spanning a total length of 27.238 kilometers. Chongqing Iron & Steel supplied 24% of the construction steel used in this project.
- (5) **Chongqing–Wuhan Expressway Parallel Line:** This project is a key component of the Chengdu–Chongqing economic circle. Chongqing Iron & Steel provided medium-thick plates and construction steel for the Zhongliang Mountain Tunnel and the Caostreet Jialing River Bridge, contributing to the timely completion and opening of the entire line.

- (6) Chongqing–Kunming High-Speed Railway: This line is a vital part of the Beijing–Kunming corridor in China’s “Eight Vertical and Eight Horizontal” high-speed rail network. Starting from Chongqing West Station, it passes through Chongqing, Sichuan, Guizhou, and Yunnan, terminating at Kunming South Station, with a total length of 699 kilometers. Chongqing Iron & Steel supplied “Sanfeng” branded rebar for the project.
- (7) Chongqing Science Hall Project: With a total construction area of approximately 247,000 square meters—comparable to the Bird’s Nest stadium—and total steel usage of around 58,000 tons, the Chongqing Science Hall includes a technology exhibition center, a science conference center, an innovation hub, and a cultural center. All steel plates used in this project were supplied by Chongqing Iron & Steel.
- (8) China Overseas Tianfu New Area Super High-Rise Project in Chengdu: Constructed by China State Construction Steel Structure Sichuan Co., Ltd., this building is expected to reach a height of 489 meters upon completion, becoming the tallest building in Southwest China and a landmark in Sichuan Province. The project requires approximately 72,000 tons of high-strength construction steel, of which Chongqing Iron & Steel has already supplied about 18,000 tons, including Q355GJC and Q390GJC grades.
- (9) Wurong Bridge Project: This is a key provincial-level project in Fujian and part of Quanzhou’s urban traffic improvement initiative. The bridge connects the Beifeng Group’s Station Front Avenue with the Nan’an Riverside Avenue, serving as an important cross-river link. Chongqing Iron & Steel supplied 50% of the high-strength steel used in the 2.23-kilometer-long dual-direction anti-collision barriers, providing solid support for bridge safety.
- (10) Xichang–Zhaotong Expressway: This highway connects Zhaotong in Yunnan Province with Xichang in Sichuan Province and is a segment of the planned Duyun–Xiangcheng expressway in China’s national highway network. Upon completion, it will form a continuous route with the western Xixiang Expressway and the eastern Duyun–Zhaotong Expressway. Chongqing Iron & Steel was the sole supplier of steel box girders for this section of the project.

(III) Industrial Development

Chongqing Iron & Steel actively collaborates with the government, industry peers, upstream and downstream enterprises, as well as universities to deepen technological cooperation and promote resource sharing. The Company participates in the formulation of industry standards, builds platforms for industry exchange, and fosters collaborative innovation across the industrial chain, achieving a win-win outcome of enhanced corporate strength and overall industry advancement.

1. *Participating in industry standard formulation*

The Company actively participated in industry communications and industry standard discussions, promoting the improvement of relevant industry standards and continuously enhancing the level of industry quality management. In 2024, the Company participated in the formulation of 3 industry standards and 2 group standards. From 2022 to 2024, it participated in the development and revision of a total of 6 national standards, 9 industry standards, and 3 group standards. Among them, 6 national standards, 3 industry standards, and 1 group standard have been officially published and implemented.

2. *Strengthening Exchanges and Cooperation*

- 2.1 In 2024, the Company thoroughly studied and implemented the guiding principles of the Third Plenary Session of the 20th CPC Central Committee and the important instructions delivered by General Secretary Xi Jinping during his inspection tour of Chongqing. Upholding the concepts of innovation and green development, the Company actively responded to challenges in the industry and enhanced its core competitiveness. During the year, it received research visits and guidance from the Chongqing Municipal Government, the Municipal Economic and Information Commission, Chongqing Maritime Safety Administration, Changshou District Government, and Changshou Economic and Technological Development Zone.
- 2.2 To promote coordinated development across the industrial chain, the Company engaged in exchanges throughout 2024 with various industrial partners and peers—including Chuanmei Group, Da Ming International Holdings, Chongqing International Logistics Group, Chongqing Htw Corporation, Pangang Group, China Railway Nanning Group, Shenlong Group, the Metallurgical Industry Planning and Research Institute, and Xiangtan Steel. These exchanges focused on supply chain collaboration, digital transformation, service enhancement, technological innovation, and product quality improvement, aiming to leverage complementary strengths and achieve win-win cooperation.

Case: Deepening Cooperation—Chongqing Iron & Steel Signs Framework Agreement with CIMC Tongchuang

On 19 December, Chongqing Iron & Steel signed a strategic cooperation agreement with CIMC Tongchuang, marking a step forward in strengthening collaboration on scrap steel and overseas ventures, with the goal of enhancing international competitiveness across the industrial chain. CIMC Tongchuang has long been a valued partner of Chongqing Iron & Steel, with significant steel demand in its core business sectors such as vehicles, containers, and offshore engineering. The two parties see great potential for cooperation in areas such as scrap steel and overseas market expansion. Through this strategic partnership, they aim to achieve resource sharing, joint technological innovation, and collaborative market development.



- 2.3 Chongqing Iron & Steel coordinated resources from universities and research institutes to conduct collaborative research on common technologies in specialized fields. In 2024, the Company established industry-academia-research partnerships with institutions such as Beijing University of Technology, University of Science and Technology Beijing, Chongqing University, and Northeastern University.

2024 Environmental, Social and Governance Report (Continued)

- 2.4 Under the guidance of the Changshou Economic Development Zone Administrative Committee and the Sichuan Steel Logistics Association, Chongqing Iron & Steel, as one of the co-organizers, joined forces with Shanghai Ganglian E-Commerce Holdings Co., Ltd. and Sichuan Gangchen Stainless Steel Co., Ltd. to host the 2024 Sixth Southwest Hot Rolled Sheet Industry Chain Conference of Steel China in Chongqing. The event attracted industry elites from across the steel supply chain to explore new prospects for the industry and market together.



(IV) Commitment to Society

1. *Serve local development*

While advancing its own high-quality development, Chongqing Iron & Steel also contributed to the growth of the local area by promoting localized procurement, supporting rural revitalization through consumption, and practicing green production—fostering community integration and building a better life together.

In 2024, the Company partnered with 431 local suppliers, with suppliers accounting for 40.37% of total suppliers and a procurement value of approximately RMB5.867 billion.

2024 Environmental, Social and Governance Report (Continued)

Chongqing Iron & Steel organized five promotional events, including a Spring Festival Goods Fair, Spring and Autumn Carnivals, and a Special Fruit Exhibition, providing a sales platform for local rural communities and suppliers. These events attracted a total of 2,649 participants and generated sales of RMB220,000.



Promotional events

Case: Changshou Economic Development Zone and Chongqing Iron & Steel Hold Coordination Meeting

On 27 November 2024, the Changshou Economic Development Zone and Chongqing Iron & Steel held a coordination meeting at the conference center. With the continued support of the Changshou District Government, Chongqing Iron & Steel is accelerating efforts to enhance, extend, and strengthen the steel industry chain. The Company is building a comprehensive steel deep-processing industrial ecosystem that integrates production and manufacturing, advanced steel processing, and efficient logistics distribution—transforming from a “traditional manufacturing role” into a “high-quality material service provider,” thereby contributing positively to the socioeconomic development of the Changshou region. The Changshou District Government emphasized its commitment to deepening the cooperation mechanism between enterprises and local authorities. By optimizing the business environment and addressing development challenges, it aims to help enterprises achieve upgrades through technological innovation and green transformation, setting a benchmark for enterprise-local government collaboration and jointly advancing high-quality development.



Case: “Chonggang Blue” Emergency Response–Fortifying the Forest Fire Safety Line

On 10 September 2024, the Company’s emergency rescue team received an urgent notice from the emergency response department of Changshou District to carry out a forest fire hazard inspection in Gelan Town, Changshou District, in order to prevent potential forest fires. Under extreme heat reaching 40° C, the team conducted detailed inspections combining vehicle patrols and foot patrols, focusing on outdoor fire use behaviors. They increased patrol frequency in key high-risk areas such as green belts, rural zones, and forested areas, while also conducting “face-to-face” fire prohibition awareness campaigns with local residents. This initiative aimed to “educate one person, influence one household, and improve safety in the entire area”. The presence of the emergency rescue team became a strong line of defense for community safety. Team members expressed that contributing to a comfortable and secure living environment for local residents made all efforts worthwhile.

On 25 October, Peng Jikan, Mayor of Gelan Town People’s Government in Changshou District, presented Chongqing Iron & Steel with a banner inscribed with the words: “swift response to red alerts, whole-hearted service with loyalty to the people”.



2. *Assist in rural revitalisation*

The Company actively fulfilled its social responsibilities and participated in social welfare undertakings. In 2024, a total of RMB520,000 was donated to provide targeted assistance to Jiangnan Street in Changshou District, Chongqing. The funds were used to install streetlights and repair roof leaks in nine villages and communities, benefiting impoverished households, households under monitoring, minimum living allowance recipients, and five-guarantee households facing special difficulties.

To support China Baowu's targeted assistance regions in consolidating and expanding the achievements of poverty alleviation and promoting rural revitalization, a total of RMB3.3845 million was allocated. This included RMB805,000 in direct assistance funds, RMB60,000 in gratuitous aid, and RMB2.5195 million spent on purchasing local agricultural and sideline products from the assisted regions during Labor Day, Dragon Boat Festival, and Mid-Autumn Festival.

3. *Engage in volunteer activities*

Since 1 June 2018, Chongqing Iron & Steel has officially registered and established a Youth Volunteer Service Team and simultaneously established Chongqing Iron & Steel Youth Volunteer Service Work Regulations. Focusing on serving others, serving enterprises, and serving society, the Company fulfilled social responsibilities, shaped the excellent personality of young employees, and demonstrated a good corporate image and social influence. In 2024, the Qingfeng Volunteer Service Team carried out 32 Company-level volunteer activities, with a total of 2,345 service hours (an increase of 21.63% year-on-year). These activities covered areas such as plant environment improvement, rural revitalization, ecological protection, emergency response, elderly and vulnerable support, and public science education.

Case: “Together with Love, Hand in Hand” Volunteer Service



On 31 May 2024, ahead of International Children's Day, the Company's Youth League Committee and General Office Union, in collaboration with the Changshou District Special Education School, held a public welfare activity themed "Together with Love, Hand in Hand" to care for children with special needs. Over 150 participants, including teachers, students, parents, and Qingfeng volunteers, gathered to celebrate a joyful and memorable Children's Day. Qingfeng volunteers listened with care, accompanied the children with love, and offered help through their actions. They performed, took photos, and painted with the students, delivering encouragement and support in the most heartfelt way. Year after year, with sincere care and compassion, they continue to write the ongoing "story of love".



OUTLOOK

As a traditional steel enterprise rooted in the Yangtze River Economic Belt, we at Chongqing Iron & Steel are deeply aware of the responsibilities and mission we shoulder. Looking ahead, we will continue to uphold the philosophy of high-quality development and steadfastly pursue the path of green and low-carbon growth. We will remain committed to the values of “integrity, innovation, green development, and collaboration,” ensuring the steady and long-term success of Chongqing Iron & Steel’s century-old legacy. We will continue to drive reform and innovation, address weaknesses while reinforcing strengths, and comprehensively enhance our core competitiveness. We will adhere strictly to environmental compliance, set new benchmarks in energy efficiency, advance green development, and strive to become a model steel enterprise in energy conservation and emissions reduction. Though the road ahead is long and difficult, our objectives will be achieved with constant effort. Chongqing Iron & Steel is committed to putting the concept of high-quality development into practical action and looks forward to working hand in hand with all partners to create a better future!

2024 Environmental, Social and Governance Report (Continued)

APPENDIX

(I) Key Performance Indicators (KPI)

Indicator	Unit	2022	2023	2024
Operating income	RMB100 million	365.62	393.18	272.44
Total profit	RMB100 million	-12.02	-17.44	-32.92
Net profit	RMB100 million	-10.19	-15.11	-31.96
Total taxes	RMB100 million	5.47	4.27	2.51
Steel production	10,000 tons	787.35	711.55	758.29
Operating profit margin (operating profit/net revenue)	%	-3.19	-4.49	-12.19
Revenue growth rate	%	-8.25	7.54	-30.71
Current ratio (current assets/current liabilities)	%	65.18	43.65	37.14
A-share market value	RMB100 million	132.41	116.49	120.68
H-share market value	RMB100 million	4.52	3.93	4.79
Number of Board members	Person	9	9	9
Number of independent directors	Person	3	3	3
Proportion of female directors	%	0	0	11
Interval days between the notice date and the convening date of the annual general meeting of shareholders	Day	29	29	29
Investor relations communication activities	Times	3	9	7
Number of confirmed employee corruption cases	Case	0	0	0
Coverage rate of anti-corruption training for directors	%	100	100	100
Number of employees participating in anti-corruption training	Person	280	710	755
Number of employees punished or dismissed for violating anti-corruption policy	Person	5	7	10
Cost of fines, penalties, or settlements related to corruption ¹	RMB'0,000	8.69	168.82	160.54
Compliance training sessions	Times	18	25	15

2024 Environmental, Social and Governance Report (Continued)

Indicator	Unit	2022	2023	2024
Number of participants in compliance training	Person-time	86	5,733	125
ESG professional training sessions	Times	1	3	2
Number of participants in ESG professional training	Person-time	15	16	6
Duration of ESG special training	Hour	30	96	20
Number of information security incidents ²	Case	0	0	0
R&D investment	RMB100 million	13.56	14.54	10.45
Total R&D investment as a percentage of operating income	%	3.72	3.70	3.84
Proportion of R&D personnel	%	13.23	17.33	16.73
YoY growth rate of R&D expenses	%	109.81	29.01	30.78
Annual total number of patents applied	Item	392	517	260
Annual number of invention patents applied	Item	270	439	205
Annual total number of new authorised patents	Item	222	109	58
Annual number of new authorised invention patents	Item	17	38	36
Total number of customers	/	242	298	527
Total number of customers in Eastern China	/	55	63	62
Total number of customers in Southern China	/	14	18	12
Total number of customers in Northern China	/	8	8	10
Total number of customers in Southwest China	/	165	206	384
Total number of customers in other regions	/	0	0	55
Total number of overseas customers	/	0	3	4
Product factory inspection pass rate	%	100	100	100
Rate of products sold or delivered requiring recall due to safety or health reasons	%	0	0	0
Number of customer complaints	Case	622	382	154
Customer complaint resolution rate	%	100	100	100
Customer satisfaction rate	%	86.12	91.39	91.46
Total number of suppliers	/	262	494	431
Number of domestic suppliers	/	259	487	412
Number of foreign suppliers	/	3	7	19
Number of suppliers reviewed by the Company during the Reporting Period	/	14	23	17
Proportion of suppliers participating in ESG training	%	/	95.14	95.59
Proportion of procurement from local suppliers	%	/	42.1	40.37

2024 Environmental, Social and Governance Report (Continued)

Indicator	Unit	2022	2023	2024
Total number of employees	Person	6,215	5,915	5,506
Total number of male employees	Person	5,188	4,964	4,608
Total number of female employees	Person	1,027	951	898
Total number of full-time employees	Person	6,215	5,915	5,506
Total number of part-time employees	Person	0	0	0
Number of employees at or below 35	Person	2,332	2,023	1,656
Number of employees aged 36 to 40	Person	1,036	1,219	1,421
Number of employees aged 41 to 50	Person	1,643	1,461	1,289
Number of employees aged 51 to 60	Person	1,204	1,212	1,140
Number of registered employees within the province	Person	5,568	5,654	5,261
Number of registered employees outside the province	Person	647	261	245
Proportion of employees with disabilities	%	0.69	0.86	0.96
Number of newly employed individuals during the Reporting Period	Person	25	32	0
Employment contract signing rate	%	100	100	100
Proportion of female managers	%	10.70	11.10	11.11
Average number of paid leave days per person per year	Day	10.78	11.50	11.60
Total amount of paid social insurance	RMB'0,000	27,731.27	25,955.30	22,965.67
Management compensation/total employee compensation	%	0.97	0.64	0.63
Employee social insurance coverage rate	%	100	100	100
Employee checkup coverage rate	%	100	100	100
Total expenditure on employee training	RMB'0,000	414.80	1,351.55	772.95
Total number of employees participating in training	Person-time	49,814	41,083	84,393
Proportion of employees participating in training	%	100	100	100
Number of male employees participating in training	Person	5,188	4,964	4,608
Proportion of male employees participating in training	%	100	100	100
Average training hours per male employee	Hour	102	153	109
Number of female employees participating in training	Person	1,027	951	898
Proportion of female employees participating in training	%	100	100	100
Average training hours per female employee	Hour	95.20	155	108

2024 Environmental, Social and Governance Report (Continued)

Indicator	Unit	2022	2023	2024
Number of management employees participating in training	Person	271	261	225
Proportion of management employees participating in training	%	100	100	100
Average training hours per management employee	Hour	125	192.30	115
Number of technical business employees participating in training	Person	904	881	886
Proportion of technical business employees participating in training	%	100	100	100
Average training hours per technical business employee	Hour	104	163.70	109
Number of operation and maintenance employees participating in training	Person	5,040	4,773	4,395
Proportion of operation and maintenance employees participating in training	%	100	100	100
Average training hours per operation and maintenance employee	Hour	99	115.50	135
Employee turnover rate	%	0.93	0.88	0.68
Turnover rate of male employees	%	1.07	0.61	0.56
Turnover rate of female employees	%	0.27	0.27	0.12
Turnover rate of employees aged below 30	%	0.40	0.37	0.32
Turnover rate of employees aged 30 to 40	%	0.20	0.37	0.27
Turnover rate of employees aged 41 to 50	%	0.10	0.08	0.07
Turnover rate of employees aged over 50	%	0.05	0.06	0.02
Turnover rate of registered employees within the province	%	0.06	0.63	0.46
Turnover rate of registered employees outside the province	%	1.82	0.26	0.22
Investment in production safety	RMB100 million	0.64	0.63	0.42
Number of production safety training	Session	27,632	34,188	31,122
Number of participants of production safety training	Person-time	382,196	731,899	680,000
Total training hours of production safety	Hour	16,532	32,546	30,187
Production safety training coverage rate	%	100	100	100
Number of occupational disease occurrences	Times	0	0	0
Number of employee occupational fatalities	Case	0	0	0
Number of severe accidents involving employees	Case	1	0	0

2024 Environmental, Social and Governance Report (Continued)

Indicator	Unit	2022	2023	2024
Number of employees with severe injuries	Person	1	0	0
Number of employees with minor injuries	Person	2	0	1
Injury rate per thousand people	‰	0.46	0	0.08
Number of accidents with third-party occupational fatalities	Case	1	1	0
Number of third-party occupational fatalities	Person	1	1	0
Lost days due to work injury	Day	6,780	6,000	80
Certified employment rate of special operation	%	100	100	100
ISO45001 certification coverage rate	%	100	100	100
Total investment in environmental protection	RMB'0,000	156,082	149,788	88,720
Greening rate of the plant area	%	35.20	35.50	35.50
Environmental impact assessment rate	%	100	100	100
Number of environmental pollution accidents	Times	0	0	0
Number of environmental penalties	Times	0	1	0
Total emissions of carbon dioxide ³	ton	13,434,587	15,640,240	11,605,195
Emissions of carbon dioxide (Scope 1) ⁴	ton	12,901,331	15,460,987	11,813,841
Emissions of carbon dioxide (Scope 2) ⁵	ton	533,256	179,253	-208,646
Emissions of carbon dioxide per ton of steel ⁶	ton/ton	1.578	1.487	1.476
Emissions of carbon dioxide per ton of steel (Scope 1) ⁷	ton/ton	1.516	1.469	1.502
Emissions of carbon dioxide per ton of steel (Scope 2) ⁸	ton/ton	0.063	0.017	-0.027
Total emissions of sulphur dioxide	ton	2,948	2,759	2,182
Emissions of sulphur dioxide per ton of steel	kg	0.35	0.27	0.28
Total emissions of nitric oxides	ton	7,817	5,792	5,211
Emissions of nitric oxides per ton of steel	kg	0.92	0.56	0.66
Total particulate emissions	ton	5,250	5,600	4,512
Particulate emissions per ton of steel	kg	0.62	0.53	0.57
Total raw coal consumption	10,000 tons	152.37	178.90	117.63
Total cleaned coal consumption	10,000 tons	412.95	441.78	384.46
Total coke consumption	10,000 tons	312.90	337.15	293.43
Total power consumption	100 million kWh	21.40	37.95	29.55
Aggregate natural gas consumption	10,000 cubic meters	1,435.42	1,258.82	542.40

2024 Environmental, Social and Governance Report (Continued)

Indicator	Unit	2022	2023	2024
Renewable energy consumption (clean energy consumption) ⁹	100 million kWh	9.63	17.08	15.34
Comprehensive energy consumption	Ten thousand tons of standard coal (equivalent unit value)	529.05	608.68	471.39
Comprehensive energy consumption per ton of steel	kg standard coal/ton	533.10	512.95	499.24
Aggregate hazardous waste generation	ton	141,841.83	145,440.06	128,776.94
Aggregate hazardous waste density	kg/ton	16.88	13.80	16.34
Aggregate hazardous waste standardised management qualified rate	%	100	100	100
Usage and disposal amount of hazardous waste	ton	141,971.34	144,171.83	129,334.61
Safety disposal rate of hazardous waste	%	100	100	100
Non-hazardous waste generation	ton	5,018,622.48	6,223,691.17	5,112,479.55
Non-hazardous waste generation density	kg/ton	589.00	590.52	648.79
Hazardous waste generation	ton	141,841.83	145,440.06	128,776.94
Hazardous waste generation density	kg/ton	16.88	13.80	16.34
Aggregate solid waste generation	10,000 tons	501.86	622.37	511.25
Aggregate solid waste usage	10,000 tons	501.46	622.37	511.25
Aggregate solid waste usage rate	%	99.92	100	100
Aggregate recyclable waste generation	10,000 tons	501.34	622.37	511.25
Aggregate non-recyclable waste generation	10,000 tons	0.39	0	0
Aggregate packaging material consumption generation ¹⁰	ton	732.42	776.57	847.18
Packaging material consumption generation density	kg/ton	0.09	0.08	0.11
Total water intake volume	10,000 tons	3,523.45	4,584.02	3,713.72
Total drainage volume	10,000 tons	767.75	735.00	664.75
Total annual new water consumption (fresh water consumption)	10,000 tons	3,523.45	4,584.02	3,713.72
New water consumption per ton of steel	m ³ /ton	2.83	2.66	2.74
Total water conservation	10,000 tons	152	1,197	148
Total wastewater discharge	10,000 tons	767.75	735.00	652.80
Total amount of industrial water reuse (recycled water)	10,000 cubic meters	157,101.63	170,402.73	166,645.07

2024 Environmental, Social and Governance Report (Continued)

Indicator	Unit	2022	2023	2024
Industrial water reuse rate	%	98.10	97.38	98.73
Total chemical oxygen demand (COD) emissions	ton	155.00	109.6	79.34
Chemical oxygen demand (COD) emissions per ton of steel	kg	0.02	0.01	0.01
Total ammonia nitrogen emissions	ton	11.68	8.30	4.67
Ammonia nitrogen emissions per ton of steel	kg	0.0013	0.0008	0.0006
Certification of environmental management systems (ISO14001) coverage rate	%	100	100	100
Environment training participants	Person-time	6,215	5,915	5,506
Environment training hours	Hour	31,075	35,490	27,530
Total external donations	RMB'0,000	18	60	52
Amount spent on purchasing agricultural products from poverty-stricken areas	RMB'0,000	258.50	264.40	338.45
Number of employee volunteers	Person	232	623	376
Total duration of annual volunteer activities	Hour	11,000	1,928	2,345
Participants in volunteer activities	Person-time	1,275	486	813

Note 1: The statistical data includes the gifts and illicit gains confiscated by the Company's Discipline Inspection and Supervision Department, as well as economic assessments.

Note 2: This indicator refers to information security incidents at Level 3 or above. According to the Company's emergency plan definition, information security incidents at Level 3 or above will have an impact on the public environment.

Note 3-8: In 2024, Chongqing Iron & Steel had its 2023 carbon emissions data verified by a professional agency designated by the Chongqing Municipal Ecology and Environment Bureau. Based on the verification results, the 2023 data was corrected accordingly. The data for 2024 is currently an estimated value, with verification expected to be completed in 2025.

Note 9: The data represents the Company's self-generated electricity using waste heat and excess pressure in the production process, thereby reducing the consumption of fossil fuels.

Note 10: The statistical scope refers to strapping bands used for hot-rolled coil products.

2024 Environmental, Social and Governance Report (Continued)

(II) Indicator index

		Shanghai Stock Exchange Listed Company Self- Regulatory Supervision Guidelines No. 14 – Sustainable Development Report (Trial)	Environmental, Social and Governance Reporting Code of Hong Kong Stock Exchange	Corresponding section
Primary heading	Secondary heading			
About the Report				P2–3
Message from the Chairman				P4–6
About Chongqing Iron & Steel	Company Profile			P7–8
	Organisational Structure			P9
	Corporate Culture			P10
	Big Events in 2024			P10–11
ESG Governance		Articles 12 and 53	Part B Governance structure reporting principle: materiality	P12–18
Integrity: Lay the Foundation of Governance	Party Building Guidance			P19–20
	Corporate Governance			P21–23
	Protect Investors’ Rights and Interests			P24–25
	Risk Management	Articles 18		P26
	Business Ethics	Articles 55–56	B7 general disclosure, B7.1–7.3	P26–32

2024 Environmental, Social and Governance Report (Continued)

		Shanghai Stock Exchange Listed Company Self- Regulatory Supervision Guidelines No. 14 – Sustainable Development Report (Trial)	Environmental, Social and Governance Reporting Code of Hong Kong Stock Exchange	Corresponding section
Primary heading	Secondary heading			
Innovation: Build Momentum for Development	Innovation-driven Development	Articles 42	B6.3	P33–36
	Intelligent Manufacturing			P37–40
Greenness: Feature Chongqing Iron & Steel's Corporate Image	Environment	Articles 32-33	A1 general disclosure, A1.1-1.6 A3 general disclosure, A3.1	P41–46
	Emissions Compliance	Articles 30-31	A2 general disclosure, A2.1, A2.4	P47–50
	Energy and Resource Utilization	Articles 31, Articles 35- 37	D Part climate-related disclosure	P51–58
	Climate Change Response	Articles 21-28		P59–65
Coordination: Stay True to the Original Aspiration of Serving the Country	Employees	Articles 50	B1 general disclosure; B2 general disclosure, B2.3; B3 general disclosure; B4 general disclosure, B4.1	P66–83
	Partner Responsibility	Articles 45, Articles 47- 48	B5 general disclosure, B5.2-5.4; B6 general disclosure, B6.4-6.5	P83–94
	Industrial Development			P95–97
	Commitment to Society	Articles 39-40	B8 general disclosure, B8.1-8.2	P97–101
Outlook				P102
Appendix	Key Performance Indicator		Reporting principle: quantitative, consistency; A1.1-1.4; A2.1-2.5; B1.1- 1.2; B2.1-2.2; B3.1-3.2; B5.1-5.2; B6.1-6.2; B7.1, B7.3; B8.1-8.2; Part D 17 (1)	P103–109
	Indicator Index			P110–111
	Feedback			P112

2024 Environmental, Social and Governance Report (Continued)

(III) Feedback

Dear Reader,

Hello! Thank you very much for taking the time to read the 2024 Environmental, Social and Governance Report of Chongqing Iron & Steel Company Limited! In order to continuously improve our ESG management, we especially hope to hear your opinions and suggestions. Please assist us in completing the relevant questions in the feedback form below and choose one of the following methods to provide feedback to us:

Chongqing Iron & Steel Company Limited Board Secretariat
No. 2 Jiangnan Avenue, Jiangnan Street, Changshou District, Chongqing
Postal Code: 401258 Telephone: 86-23-68983482
Fax: 86-23-68873189
Email: ir_601005@baowugroup.com
Website: <http://www.cqgt.cn>

Feedback can also be provided by scanning the QR code



Your information

Name: _____ Telephone: _____
Company: _____ Email: _____

Multiple choice questions (Please mark “✓” on the corresponding option)

- Please evaluate the disclosure of important and substantive ESG matters related to Chongqing Iron & Steel in this report:
☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor
- Please evaluate the responsiveness and disclosure of issues of concern to stakeholders in this report:
☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor
- Please evaluate the clarity, accuracy, and completeness of the information, indicators, and data disclosure in this report:
☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor
- Please evaluate the readability of this report:
☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor
- Please provide a comprehensive evaluation of the 2024 Environmental, Social and Governance Report of Chongqing Iron & Steel Co., Ltd.:
☐ Very Good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

Open-ended questions

- What suggestions do you have for the ESG work of Chongqing Iron & Steel?
- What shortcomings do you think exist in this report?
- What valuable ESG information do you think this report provides for you?
- What additional ESG information do you think should be disclosed in this report?