



雲建綠砼
— GHPC —

2024

Environmental, Social
and Governance Report

環境、社會及
管治報告



雲建綠砼
— GHPC —



雲南建投綠色高性能混凝土股份有限公司
YCIH Green High-Performance Concrete Company Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立的股份有限公司)

Stock code 股份代號: 1847



About the Report

This Environmental, Social and Governance Report (hereinafter referred to as “the Report”) describes the environmental, social and governance performance of the Group to enable each stakeholder to have a better understanding of the Group’s sustainability philosophy, management approaches, measures and related performance. The Report sets out the principles that underpin the Group’s corporate social responsibility and describes the Group’s vision and commitment to corporate social responsibility.

- **Reporting Boundary**

The Report covers the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as “2024” or “the Reporting Period”). To enhance the reference value of the content, the time frame for certain sections extends to the most recent developments. The income of ready-mixed concrete business accounts for a majority of our operating income, with other operations closely related to ready-mixed concrete. The scope of the Report mainly focuses on the ready-mixed concrete business, covering YCIH Green High-Performance Concrete Company Limited, and its subsidiaries jointly engaged in the aforesaid business.

- **Appellation Description**

For ease of presentation, references to “the Group” “the Company” “we” “us”, “our” and “GHPC” in the Report all refer to “YCIH Green High-Performance Concrete Company Limited and its subsidiaries jointly engaged in the aforesaid business”.

- **Reporting Framework**

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the “Guide”) as set out in Appendix C2 of the Rules Governing the Listing of Securities (hereinafter referred to as the “Hong Kong Listing Rules”) on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”), of which the contents are also defined and disclosed on the principles of materiality, quantitative, consistency and balance. The Report complies with the “mandatory disclosure requirements” and “comply or explain” provisions set out in the Guide in respect of the environmental and social impacts on the Group’s businesses and operations.

- **Reporting Principles**

Materiality: We regularly communicate with relevant stakeholders to assess the importance of various sustainability areas and identify key ESG issues. All assessment results are subject to approval by the board of directors.

Quantitative: The Report calculates data based on the standards, methods, and relevant assumptions prescribed in the Guide, with key performance indicators supplemented by explanatory notes to establish benchmarks where possible.

Consistency: Unless otherwise stated, the Report employs consistent methods for compiling and presenting ESG data to facilitate meaningful comparisons.

Balance: We engage external sustainability consultants to prepare the Report, objectively disclosing all positive and potential negative data, providing an unbiased picture of the Group’s ESG performance. This ensures the public accesses accurate data that is not improperly used to influence readers’ decisions or judgments, and avoids selective omission or other forms of manipulation.

- **Data Description and Reliability Assurance**

The compilation of key performance indicators herein is with reference to the calculation standards and methods provided in the *Guide*. The calculation method and the coverage are consistent with those of our ESG report in the previous year. Any selections, omissions or presentation formats that may inappropriately influence a decision or judgment by the report reader are avoided. The data and information involved in the Report are derived from the Group’s internal documents and statistical reports, and any amount mentioned is denominated in RMB. The Group undertakes that there are no false records, misleading statements or material omissions in the Report and is responsible for its truthfulness, accuracy and completeness.

- **Review and Approval**

The Report undergoes a series of steps including benchmarking against industry peers, conducting surveys, collecting information, reviewing data, writing the report, and reviewing by the management to ensure the completeness, truthfulness, and balance of the report. Following confirmation by the management, the Report was approved by the Board of Directors on March 25, 2025.

- **Contact Us**

The development of the Report relies on valuable input from stakeholders. If you have any questions or feedback regarding the Report, please feel free to contact the Group via the following channels: email the Chairman via GHPC01@ynhnt.com or the Board Secretary via GHPC02@ynhnt.com. The Report is available in both Chinese and English electronic versions (if there are slight differences, the Chinese version shall prevail) and can be downloaded from the Company’s official website www.ynhnt.com and the website of HKEX news www.hkexnews.hk.



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Message from the Chairman

In 2024, as a critical year for achieving the goals of the “14th Five-Year Plan”, all the people of the Group worked under pressure and made breakthroughs. In 2024, we set the development goal of “striving to become a national leader in the concrete industry”, leveraged our professional expertise to deepen the green and low-carbon transformation. We continued to integrate sustainable development concepts into our corporate strategy, writing a new chapter of high-quality development for the “Green YCIH”.

In 2024, we firmly adhered to the green and low-carbon development guidelines, driving the green energy transition of the Group. In response to the national carbon peaking and carbon neutrality goals (“Dual Carbon” goals), we actively practiced green development concepts, strictly following a three-step strategy of clean energy substitute, strategic transition, and green transformation, in a bid to promote green innovation in the ready-mixed concrete industry. We built a green and low-carbon industrial park integrating green facilities, green production, green products, and green logistics fueled with new energy, and developed it into a large-scale and well-established system with complete functions. We continued to improve the green, new energy and low-carbon logistics system. By the end of 2024, two phases of photovoltaic power stations had cumulatively generated **2.06 million kWh** of electricity (grid-connected electricity sales reached 876,700 kWh). This saved approximately **RMB870,000** in electricity costs, generated about **RMB289,600** in electricity sales income, and reduced carbon dioxide emissions by around **1,569 tons**. The

Company has become the first “Zero Carbon Factory” and “Carbon Neutral” certified enterprise in the ready-mixed concrete industry in southwest region. Besides, we successfully hosted the Promotion Meeting of Application of New Energy Heavy-Duty Trucks in Yunnan Province, emerging as a model for the practical application of new energy heavy-duty trucks in the logistics sector in the province. For the first time, we were selected as a “2024 Sustainable Development Practice Cases in Green Industry” at the ESG Development Session at the 16th Environment and Development Forum.

In 2024, we were dedicated to pursuing innovation-driven development, showcasing the Company's pioneering spirit and strong capabilities. We accelerated the development of new quality productive forces, and initiated the concept of using phosphogypsum to produce “artificial phosphogypsum stone” in China. Our research achievements were included in the compilation of typical cases for the “Green State-Owned Assets” construction of enterprises in Yunnan Province. Additionally, we obtained a Level I certification for intellectual property innovation management standards in the phosphogypsum building materials field and completed one patent navigation report. Through independent research, development, and process design, our Jingkai Green Production Base has established a pilot production line capable of processing 50 tons of phosphogypsum on a daily basis. The artificial phosphogypsum stone is processed into aggregates of various specifications and used in concrete production. We also paved roads at the Jingkai Green Production Base using self-produced phosphogypsum aggregates, continuously expanding the application scenarios for phosphogypsum-based concrete. In 2024, the Company led the development of one local standard, participated in the compilation of three national standards and two industry standards, obtained



25 authorized patents, and published nine scientific and technological papers. Our scientific research and innovation continued to drive the development of new quality productive forces.

In 2024, we remained steadfast in sticking to the bottom line of quality and safety, and continuously perfected our delivered services. The Company pushed forward with the reform and innovation of quality-related matters, so as to improve quality management capability. Through the “Quality Month” campaign, we actively explore smart construction pilot projects and advance the establishment of industry benchmarks in a standard, green, and smart manner. We gained deeper insights into customer needs, proactively engaged with both internal and external customers, and provided better services, which earned their trust and recognition. We strengthened the implementation of safety production responsibilities and advanced the “Three-Year Action Plan for Fundamental Improvement in Safety Production”. In 2024, the Company recorded zero production safety accidents or environmental pollution incidents, maintaining a stable and controllable safety production environment. We promoted sustainable supply chain management, accelerated the construction of the banking channel for digital supply chain finance platform “Concrete Information”, and fully supported the smooth operations of upstream and downstream supply chains.

In 2024, we have been firmly committed to the goal of building a “Happy YCIH”, and ensured that the Company's development achievements are jointly created and shared. The Company was fully committed to building a union brand themed “green steering our course, innovation weaving our dreams, and engineering shaping our future”. Building upon new business initiatives, we collaborated with Yunnan Provincial Construction Technical Vocational School and Yunnan Infrastructure Investment Co., Ltd. to create the “Small Station, Big Energy” trainee station, and established a platform integrating “station + green mobility + display platform”. We actively organized our outstanding employees to file applications for the “Yunling Craftsman” designation and set up an Employee Innovation Studio to build platforms for employee innovation and efficiency. Through collective efforts, the Company launched the “GHPC Well-being” series of themed activities, as part of the efforts to elevate employees' sense of fulfillment, happiness, and security. We wholeheartedly took part in major livelihood projects and infrastructure construction projects in Yunnan Province. Moreover, we actively involved ourselves in social welfare and volunteer services, integrating corporate development with social responsibilities.

It is the right time to set sail and work diligently. As we approach the end of the “14th Five-Year Plan” period, we will continue to adhere to the leadership of technological innovation and seek green and low-carbon goal. With cooperation and exchange as the bridge, we will join hands with our stakeholders to chart a new chapter of high-quality sustainable development for GHPC, contributing to maximizing economic, social, and environmental value.





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A. About the Company

On October 31, 2019, with the support of the Communist Party of China Yunnan Provincial Committee, the People's Government of Yunnan Province, the State-owned Assets Supervision and Administration Commission (SASAC) of Yunan Province, and the controlling shareholder Yunnan Construction and Investment Holding Group Co., Ltd., YCIH Green High-Performance Concrete Company Limited was listed on the main board of the Hong Kong Stock Exchange, with the short name of "GHPC" and the stock code 1847.HK. Founded in 2007. GHPC is a national high-tech enterprise and an AAA credit-rated company in Yunnan Province. It has been one of the first batch of enterprises in Yunnan Province to obtain the Three-Star Green Building Material certification. The Company and its four subsidiaries are recognized as National High-Tech Enterprises. GHPC has been selected 11 times as one of the "Top Ten Concrete Enterprises in China". Since 2017, its concrete production and sales volume has ranked sixth in China for four consecutive years.

GHPC holds the national qualification for professional contracting of ready-mixed commercial concrete. Its main products include ready-mixed concrete, polycarboxylate superplasticizer, aggregates, functional mineral dope, UHPC, commercial mortar, and eco-friendly concrete products, among others, as the foundation of green and low-carbon building materials. Among these, the annual production capacity of ready-mixed concrete can reach 16 million cubic meters, supplying projects in various infrastructure sectors such as airports, expressways, culture and education, and public health undertakings. It also supplied social livelihood projects such as affordable housing and resettlement of immigrants, as well as housing construction projects such as commercial complexes and residential communities. Over the past 20 years, it has been involved in the construction of hundreds of major projects in Yunnan Province.

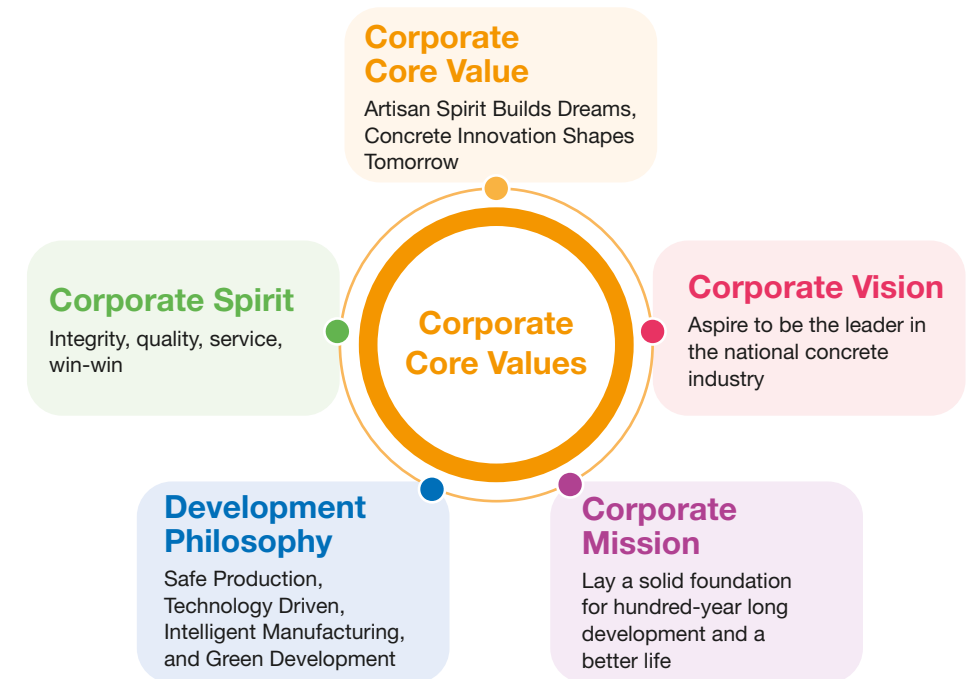
The Group has established long-term and stable cooperative relationships with Tsinghua University and many other well-known domestic universities and scientific research institutes. It has set up provincial-level research and development platforms including the Yunnan Enterprise Technology Center, High-Performance Concrete Engineering Research Center, Academician Xu Delong Workstation, and Industrial (ready-mixed concrete) Product Quality Control and Technical Evaluation Laboratory. The Company has undertaken over 20 provincial and municipal science and technology projects, overcoming a series of key technical challenges in concrete engineering. Several achievements have been appraised to have reached the leading domestic and world advanced levels.

GHPC adheres to the leadership of technological innovation, pursues green development, and focuses on the goals of reform and innovation. Building upon the transformation and upgrading of the industry, GHPC provides industry-leading examples for demonstration, promotes the resource utilization of solid waste, advances the construction of the green manufacturing system, so as to continuously consolidate the foundation for green and high-quality development.

In the future, GHPC will adhere to the development orientation of "striving to become a leader in the national concrete industry". We will stay committed to building a high-quality, green, digital, incorruptible, and well-being YCIH, to build green homes and create better life for thousands of households.



B. Corporate Philosophy



Operation Philosophy

- Passion, innovation, cooperation, sharing

Production and Management Philosophy

- Strengthen process control, set a model for the industry

Employment Philosophy

- Working is the best training, and good performance is the greatest recognition

Safety Philosophy

- Respect life, mindful operations

Technology Philosophy

- Technology creates classics, innovation leads the future

Quality Philosophy

- Based on profession, win by quality

Service Philosophy

- Meet requirements, pursue excellence

Environmental Protection Philosophy

- What takes from nature goes back to nature

As a product and service-oriented company, the Group has always been a devout believer in craftsmanship, creation, excelsior, customer-first services. We cultivate the future with our original aspiration to prop up the construction of green homes, with the core value of "Artisan Spirit Builds Dreams, Concrete Innovation Shapes Tomorrow". We adhere to Safe Production, Technology Driven, Intelligent Manufacturing, and Green Development, proactively changed our development mode, paid more attention to ecological environmental protection and energy conservation, and strived to achieve the goal of "energy saving, consumption reduction, and efficiency improvement", which has brought comprehensive benefits to our economy, society and resource environment and improved our market competitiveness. We believe that the development of green building materials has changed people's perspective on urban construction. As a resource-consuming enterprise, we must make the best use of the power of science and technology from the very beginning of production, in an effort to protect nature. Additionally, we strive to make sure what takes from nature goes back to nature to promote harmony between people and nature.

C. Awards and Recognitions



Awarded the “Zero-Carbon Factory” Certification

In December 2024, the Company obtained the “Zero-Carbon Factory” certification from China Quality Mark Certification Group (CQM), becoming the first enterprise in the ready-mixed concrete industry in southwest region to achieve “Zero-Carbon Factory” certification.



Selected as a “2024 Sustainable Development Practice Cases in Green Industry” for the First Time

In November 2024, the “2024 Sustainable Development Practice Cases in Green Industry” were released at the ESG Development Session of the 16th Environment and Development Forum, which was hosted by the All-China Environment Federation and organized by the ESG Professional Committee of the All-China Environment Federation and other organizations. GHPC, as the only Yunnan-based enterprise specializing in green and low-carbon building materials to be included in this recognition.



Selected as One of the “Top 500 Strength of Building Materials Enterprises in 2024” for Five Consecutive Years

In December 2024, through recommendations from building materials associations of various provinces, municipalities, and autonomous regions, large building materials groups, and various building materials professional associations, as well as enterprise self-recommendations and public information collection, GHPC was awarded the honorary certificate of “Top 500 Strength of Building Materials Enterprises in 2024” by the China Building Materials Enterprise Management Association for the fifth consecutive year.



Received Dual Recognition as a “Specialized Refined, Featured and Original SMEs” and an “Innovative SME”

As a national high-tech enterprise (since 2017), GHPC received the dual recognition as a “Specialized Refined, Featured and Original SMEs” and an “Innovative SME” in Yunnan Province for the first time in June 2024.



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Promote Low-Carbon Transformation for Shared Development

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Contribution to UN SDGs



Promote Low-Carbon Transformation for Shared Development

Pursuing the philosophy of “green development and intelligent manufacturing”, GHPC adheres to the leadership of technological innovation and green, low-carbon, circular development. We actively address climate change, facilitate the efficient recycling of resources, enhance pollution and waste reduction, and build a green, low-carbon, circular industrial development system. Through this comprehensive approach, we fully support the green, low-carbon transformation and upgrading as well as the sustainable development of the building materials industry.

A. Leading Industrial Development with Green and Low-Carbon Initiatives

(a) Green and Low-Carbon Certifications

Building on the initial certification of China's Green Environmental Label Product in 2006 and subsequent renewals, the Company completed its first product carbon footprint verification and greenhouse gas emissions verification during the Reporting Period. It also obtained the “Carbon Neutral” certification and “Zero Carbon Factory” certification, becoming the first company in the southwest region of the ready-mixed concrete industry to be awarded dual certifications. During the Reporting Period, the Company continued to pursue green factory and green building material product certifications.



China Environmental Label Product Certification
(renewed in 2023, valid for three years)

■ “Zero-Carbon Factory” Certification

In December 2024, both the Company and its subsidiary, Yunjian Green Concrete Kunming Green Building Material Co., Ltd. (Hereinafter referred to as “Kunming Green Building Material”), received the “Zero Carbon Factory” certification.



■ “Carbon Neutral” Certification

In December 2024, through the cancellation of an equivalent quantity of verified international voluntary emission reduction projects to offset greenhouse gas emissions, the Company's headquarters office building and 11 batching plants achieved carbon neutrality and were awarded the “Carbon Neutral” certification.

■ Verification of Product Carbon Footprint

In July 2024, the Company carried out the carbon footprint verification of ready-mixed concrete products in the whole life cycle. The Company, along with its Dehong branch, Yunjian Green Concrete Chuxiong Green Building Material Co., Ltd. (Hereinafter referred to as “Chuxiong Green Building Material”), Kunming Green Building Material, Jiantou Group Lijiang Green Building Material Co., Ltd., and YCIH Yuxi Building Material Co., Ltd., all obtained product carbon footprint verification certificates.

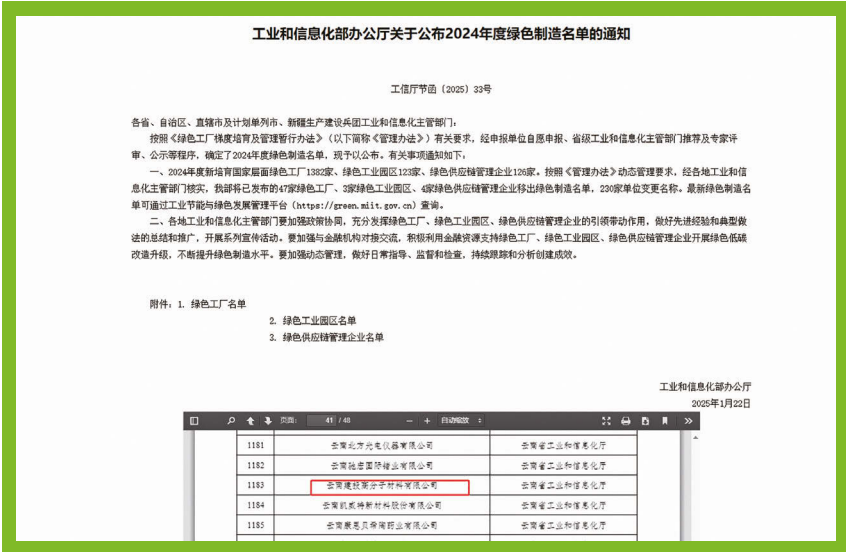


■ Verification of Greenhouse Gas Emission

In July 2024, the Company completed the verification of greenhouse gas emissions for its headquarters office building and 11 batching plants from January 1, 2023, to December 31, 2023, and obtained the verification certificate. In addition, in March 2025, the company further expanded the scope of greenhouse gas emission verification, completed the greenhouse gas emission verification of the headquarters office building and 13 batching plants during 2024, and obtained the verification certificate.

■ Green Factory Evaluation

In 2024, YCIH Polymer Material Co., Ltd. was awarded the “Provincial Green Factory” of Yunnan Province and recognized as a national-level green factory for 2024. Additionally, by the end of the Reporting Period, the Company had eight sites certified as “Green Factories in the Ready-Mixed Concrete Industry” by the Ready-Mixed Concrete Branch of the China Concrete & Cement-based Products Association.



■ Green Building Material Product Certification

In 2024, the subsidiary Kunming Green Building Materials obtained two “Three-Star” green building material product certifications and one “Two-Star” green building material certification. By the end of the Reporting Period, the Company had seven sites with three-star green building material certifications and two sites with two-star certifications.



(b) Advancing a New Low-Carbon Logistics System

The Company continues to innovate in the field of concrete production and transportation business. It has launched an upgrade and transformation project for a green production base in the Kunming Economic and Technological Development Zone. It has pioneered a multi-integrated green new energy low-carbon logistics system in the national industry, which consists of a “photovoltaic power generation system + intelligent charging, battery swapping and energy storage facilities + new energy transportation equipment + unmanned driving equipment”. A green and low-carbon building materials industrial park featuring the circular utilization of industrial solid waste and a demonstration of new energy has been built, delivering remarkable results in promoting green and low-carbon transformation and accelerating the cultivation of new quality productive forces.

By the end of 2024, the photovoltaic power generation system had cumulatively generated 2.06 million kWh of electricity, reducing carbon dioxide emissions by 1,569 tons. New energy electric transport vehicles had traveled a cumulative 2.66 million kilometers, cutting carbon dioxide emissions by 6,937 tons. The existing battery charging and swapping stations had cumulatively charged and swapped 8.65 million kWh of electricity, which has saved cost, enhanced efficiency, and conserved energy.

As of the end of 2024,

Cumulative power generation:

2.06 million kWh

Cumulative distance traveled by new energy electric transport vehicles:

2.66 million kilometers

Cumulative battery charging and swapping:

8.65 million kWh

Cumulative carbon dioxide reduction from the new low-carbon logistics system:

8,506 tons



■ Promoting rooftop distributed photovoltaic and green energy utilization

The Company has constructed distributed photovoltaic systems on the rooftops of its Kunming Jingkai Green Production Base in two phases. The grid-connected electricity sales began during the Reporting Period, and achieved “self-generation and self-consumption, with excess electricity fed into the grid”, significantly reducing the base’s electricity costs. By the end of 2024, the Company had built and operated one rooftop distributed photovoltaic power station with an installed capacity of 2.29 MWp, covering an area of approximately 11,000 square meters with its own photovoltaic panels. In 2024, a total of 1.59 million kWh of power was generated, and 876,700 kWh of grid-connected power was sold, generating an income of RMB289,600. This saved 485 tons of standard coal, equivalent to reducing carbon dioxide emissions by 1,209 tons and carbon dust by 330 tons.



■ Developing a Digital Monitoring System for Real-Time Optimization of Energy Allocation

The Company independently designed and developed a monitoring platform for its photovoltaic systems integrating energy storage, charging, and battery swapping. This platform can monitor real-time data on photovoltaic power generation, usage and carbon reduction in the battery swapping station, providing insights into power generation trends and power curves. By optimizing energy allocation based on actual production conditions, it empowers the efficient management of new energy in the industrial park.

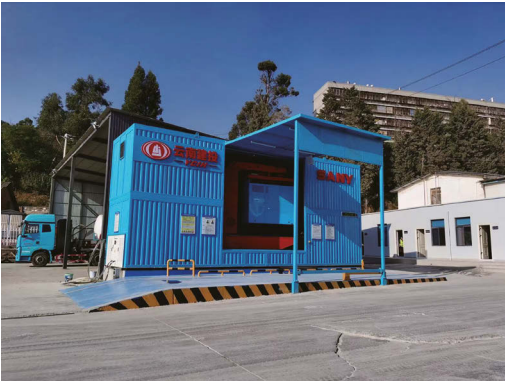


■ Building Integrated Facilities for Charging, Battery Swapping, and Energy Storage to Enhance Energy Utilization Efficiency

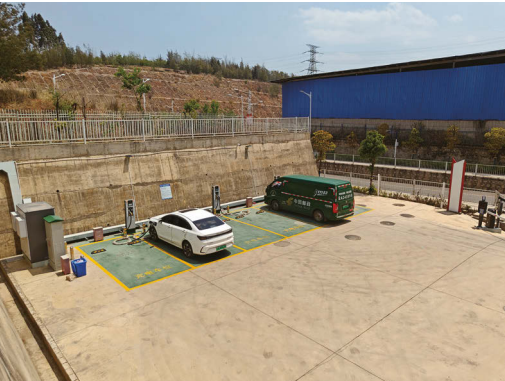
Yunnan’s first integrated energy station for heavy-duty truck charging, battery swapping, and energy storage, which was constructed by the Company, is equipped with seven batteries and three charging piles, with a swapping power of 2,100 kW. Various advanced technologies are leveraged to achieve unmanned operation of the station. Within the plant, vehicles like mixers and dump trailers can complete a battery swap in just two to three minutes, while specialized vehicles like loaders use a rotating charging system. The station can provide 72 charging sessions and 168 battery-swapping sessions daily, significantly improving the speed of energy replenishment. By the end of 2024, the Group had built and operated one integrated energy station for heavy-duty truck charging, battery swapping, and energy storage, three mini battery swapping stations, and 21 charging stations.



Integrated energy station for heavy-duty truck charging, battery swapping, and energy storage



Mini battery swapping station at the East Station



Green Development Co., Ltd. charging station

■ Creating a Green + Smart Logistics System with Integrated Hardware and Software

On the hardware side, the Company has introduced various types of electric transport equipment in batches, including lightweight mixers, pure electric loaders, and electric mixers, significantly improving concrete transportation efficiency and reducing greenhouse gas emissions during transportation.

On the software side, the Company has developed intelligent gateways and human-machine interaction systems, achieving unmanned intelligent driving for pure electric loaders in batching plants scenarios at the Kunming Jingkai Green Production Base.



(c) Green Manufacturing

■ Promoting the Resource Utilization of Phosphogypsum

The Company pioneered the concept of using phosphogypsum to produce artificial phosphogypsum stones in China. It has developed a series of phosphogypsum-based products, including artificial phosphogypsum stone, artificial phosphogypsum aggregate concrete, and phosphogypsum roadbed materials. A pilot production line with a daily processing capacity of 50 tons of phosphogypsum was established at the Jingkai Green Production Base. Multi-specification aggregates have been innovatively applied in the field of commercial concrete production. A wide range of achievements have been included in the compilation of typical cases for the “Green State-Owned Assets” construction of enterprises in Yunnan Province, further enhancing our social influence. In 2024, the Company utilized approximately 200 tons of phosphogypsum.



Phosphogypsum products



Pilot production line for phosphogypsum products

By the end of 2024,

the amount of all kinds of pure electric transportation equipment of the Company

114

the amount of fuel use reduction

2.63 million liters

equivalent to the amount of carbon dioxide reduction

6,937 tons

■ Advancing Waste Recycling and Utilization

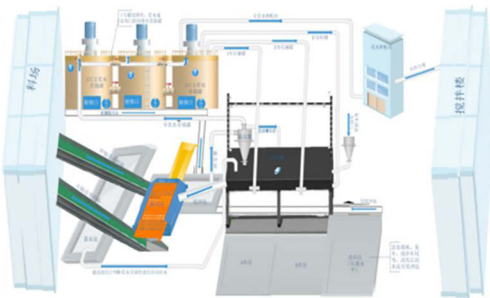
Over the years, the Company has recycled and used a huge amount of industrial solid waste, such as fly ash, slag powder, and microsilica, as raw materials (admixtures) for concrete production, replacing part of the cement. This not only improves the performance of concrete but also transforms industrial solid waste into valuable resources. During the Reporting Period, the Company utilized a total of about 172,567 tons of industrial solid waste, including fly ash, slag powder, metakaolin, microsilica, composite admixtures, and ceramsite.

Table Utilization of Industrial Solid Waste

Indicator	Unit	2024	2023
Total amount of utilized industrial solid waste	Ton	172,567.44	320,413.07
Including:			
Amount of fly ash utilized	Ton	86,263.36	171,737.46
Amount of slag powder utilized	Ton	58,206.93	101,557.68
Amount of metakaolin utilized	Ton	33	0
Amount of microsilica utilized	Ton	2,243.66	4,126.01
Amount of composite admixture utilized	Ton	25,685.76	42,707.85
Amount of ceramsite utilized	Ton	134.73	284.07

Note: In 2024 and 2023, the Company's production and sales of commercial concrete decreased, leading to a reduction in the total utilization of industrial solid waste.

Meanwhile, the Company independently developed a waste residue and slurry recycling treatment system, as well as waste slurry blending application technology, which has obtained national utility model patents and computer software copyrights. It introduced a sand-making production line to recycle waste concrete test blocks (originally used for strength testing) and sediments recovered from waste slurry and wastewater. These materials are reused in the production of low-grade concrete or related products, achieving the recycling and utilization of solid waste generated internally. The Company has achieved 100% recycling of concrete and wastewater in the plant, with zero discharge. In 2024, the Company cumulatively used 5,924 tons of waste slurry water and 15,008 tons of recycled aggregates, saving material costs by RMB718,200.



Process flow of sand and gravel separation and slurry water recycling system



Sand and gravel separation + slurry blending and recycling system

■ Multiple Dust Control Measures

The Company has set up monitoring points within the plant to continuously measure PM values and other environmental indicators. An automatic alarm is triggered if levels exceed the set standards. Meanwhile, the Company researched optimal material feeding processes and improved procedures to reduce dust generation during feeding and discharging. Measures include installing automatic vehicle washing machines for incoming and outgoing vehicles, constructing fully enclosed batching plants and material yards, and implementing multiple dust control strategies such as water spraying, mist suppression, negative pressure dust collection, and sealed dust prevention to minimize the impact of dust on the surrounding environment.



Automatic vehicle washing machines



Fully enclosed material yard + automatic sprinkler system



Fully enclosed batching plant



High-pressure misting dust suppression systems

■ Noise Reduction Measures

The Company strictly complies with the *Emission Standard for Industrial Enterprises Noise at Boundary*, and takes energy-saving and noise-reduction measures such as using low-noise equipment, adopting isolation measures, setting up a remote operation control center, and reasonably arranging production operation time. It also conducts strict monitoring of the noise emissions in the production area. The Company has set the target that the noise emissions during the day should not exceed 65 decibels, and should not exceed 55 decibels at night. During the Reporting Period, the Company's noise emissions did not exceed the standard.

Mechanical noise sources	Secondary noise sources
Equipment noise generated during the operation of loaders, concrete mixing trucks, pump trucks, bulk cement trucks, and concrete mixers	Noise in the production workshop (noise from the operation of the feeding machine and concrete mixing), noise from laboratory equipment, and noise in the cafeteria (noise from range hoods and fume purification devices)

Carry out closed operations: Adopt a fully enclosed layout for the concrete production system and control the source intensity of the system noise sources. The belt conveyor uses a fully enclosed system to transport aggregates, and sound-absorbing materials are used to reduce noise pollution.



The enclosed material yard shed controls noise pollution



The enclosed belt of the production system controls noise pollution

Select low-noise equipment and processes: Strengthen the maintenance and upkeep of equipment, keep the machinery lubricated to reduce operating noise. Introduce gas-liquid combined buffer cylinders. Use porous sound-absorbing materials in the maintenance and equipment operation workshops, and establish sound insulation barriers, sound insulation enclosures, and sound insulation rooms, etc.



Advocate civilized construction: Strengthen the training of human-induced noise management to enhance the awareness of all construction and production personnel about preventing noise from disturbing the people. Select shrub and tree species that can suppress dust and reduce noise in the office area and living area within the plant area. Plan the transportation routes and try to avoid the living area, office area, etc.



Select shrub and tree species that can suppress dust and reduce noise in the living area



Green and low-carbon bulk material transporters with the characteristic of low noise

(d) Green Office

The Company advocates and continuously implements the concept of green office operations. We have formulated institutional documents such as the *Administrative Measures for Office Supplies*, the *Administrative Measures for Office and Living Facilities*, the *Administrative Measures for the Office Area and Logistics*, the *Administrative Measures for Travel Expenses*, the *Administrative Measures for Official Vehicles*, and the *Administrative Measures for Printed Materials*. These frameworks standardize the practices and enhance employees' environmental protection awareness, so as to raise their awareness of green office.



The Company's initiatives related to green office operations are as follows:

Paperless office	<ul style="list-style-type: none">• Install the Yingfei paperless conference system;• Promote paperless office operations and the use of electronic documents;• Use double-sided printing for the printing of daily documents and materials;• Complete all internal work processes on the OA office system;• Post signs for saving paper in the restrooms.
Energy conservation	<ul style="list-style-type: none">• Use energy-saving equipment, and adopt high-efficiency electrical appliances such as LED lights and energy-saving air conditioners;• Use the air conditioner reasonably, set an appropriate temperature, and avoid excessive cooling or heating;• Reduce standby energy consumption, and turn off the power of equipment such as computers and printers after work;• Try to use natural light to reduce the demand for lighting.
Water conservation	<ul style="list-style-type: none">• Install water-saving equipment, and use water-saving faucets, toilets, etc.;• Recycle water, and reuse water resources such as domestic water and waste slurry water.
Green transportation	<ul style="list-style-type: none">• Establish a photovoltaic power generation system, and the daily office electricity at the Jingkai Green Production Base is all powered by self-produced photovoltaic power;• Install charging piles for employees' vehicles to encourage green transportation.
Save office supplies	<ul style="list-style-type: none">• Reduce the use of disposable office supplies, and reuse office items such as file folders and archive boxes;• Give priority to environmentally friendly and recyclable office supplies;• Organize the recycling and reuse of waste newspapers, magazines, etc.
Save food	<ul style="list-style-type: none">• Post publicity slogans for saving food in the cafeteria, and conduct statistics on food waste every month;• Advocate the "Clean Plate Campaign".



Publicity signs for saving paper



Publicity signs for saving water



Employee charging station in the Construction Building



Employee charging station in Jingkai Green Production Base



Paperless office

B. Emissions Management

The Company complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Water Law of the People's Republic of China*, the *Circular Economy Promotion Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, and the *Measures for the Environmental Emergency Response Management*. It continuously improves the environmental management system and actively promotes cleaner production. Through measures such as water conservation, dust prevention, noise reduction, and the recycling of solid waste, it makes continuous contributions to the construction of a resource-conserving and environmentally friendly society.

(a) Sound Management System

Taking “using green building materials to conserve energy and reduce energy consumption” as the environmental management policy, the Company has formulated management systems such as the *Administrative Measures for Solid Waste*, the *Administrative Measures for Environmental Factors*, the *Administrative Measures for Energy and Resource Conservation and Control*, the *Administrative Measures for Sewage, Dust and Noise Control*, and the *Administrative Measures for Oils and Chemicals*. Through these policies, the Company integrates the philosophy of green and environmental protection throughout the entire process of production and operations. In July 2024, the Company obtained the environmental management system certification. In 2024, the Company's investment in green and environmental protection amounted to RMB57,390, which included expenses for daily environmental protection management such as environmental contingency plan filing, environmental monitoring, and environmental newspapers and periodicals.



Environmental management system certification of GHPC

Environment Management Goals

The Company formulated an environmental management plan for 2024, set eight environmental management goals including noise and sewage discharge, specified the responsible departments and supervision and inspection work, and achieved the following environmental management goals during the Reporting Period. The environmental management goals set by the Company and the progress made in 2024 are as follows:

Set environmental-related goals and indicators	Achievement of objectives during the Reporting Period
<ul style="list-style-type: none">The sewage recycling rate hits 100%.	<ul style="list-style-type: none">The sewage recycling rate is 100%.
<ul style="list-style-type: none">There is no reported occurrence of environmental pollution incidents caused by the leakage of hazardous chemicals and oil.	<ul style="list-style-type: none">No environmental violations occurred.
<ul style="list-style-type: none">The noise emission complies with Class III standards in the <i>Emission Standard for Industrial Enterprises Noise at Boundary GB-12348-2008</i>, which is 65dB(A) during the day and 55dB(A) at night.	<ul style="list-style-type: none">The Company's noise emission is compliant.
<ul style="list-style-type: none">There is no visible dust on the site when there is no wind.	<ul style="list-style-type: none">There is no dust on the Company's production site.
<ul style="list-style-type: none">Solid waste and domestic waste are cleared in a timely manner, not piled up in large quantities within the station, not discharged outside the station, and no environmental pollution is caused.	<ul style="list-style-type: none">Solid waste is disposed of in compliance with regulations.
<ul style="list-style-type: none">No occurrence of fire and explosion accidents.	<ul style="list-style-type: none">No occurrence of related accidents in the Company.

Environmental Risk Management

The Company conducts regular annual identification and assessment of major environmental risks for various environmental impact factors that may occur in all areas and links of production, office and daily life. According to the assessment results, it clarifies the responsible departments, carries out classified management, and implements environmental risk control measures throughout the year. During the Reporting Period, the Company comprehensively evaluated environmental risks from seven aspects including compliance with regulations, occurrence frequency, impact scope, impact degree, community concern, output value consumption, and degree of conservation, and identified 54 general environmental impact factors and 1 major environmental impact factor.

The major environmental impact factors of the Company and the management measures are as follows:

Area	Environmental factors	Generation process	Environmental impact	Control measures
Production area	Dust	Dust generated during the blowing of powder materials and the escape of powder materials from the top of the tank	Air pollution	Strengthen the process management of powder material blowing; Strengthen the environmental protection education and training of personnel; Strengthen the inspection and regular maintenance of dust removal equipment.

Environmental Protection Emergency Management

The Company implements local management for the filing of emergency response plans for environmental emergencies. Each region has formulated its own plan and filed to the local environmental protection department. Meanwhile, the Company strengthens the supervision and inspection of the implementation of the plans to ensure their effectiveness and feasibility. In May 2024, the Company completed the revision and filing of the *Emergency Response Plans for Environmental Emergencies* of its subsidiary Chuxiong Green Building Materials and Kunming Branch, ensuring that response measures are quickly and effectively taken in case of environmental emergencies.

■ Enhancement of Environmental Protection Awareness

The Company implements environmental protection concepts through training-by-meetings. For the leadership team, environmental protection training is carried out in the form of safety production shift handover and business regular meetings. For each primary-level unit, the latest environmental protection requirements are conveyed at the weekly safety production regular meetings, and relevant environmental protection training is carried out through the Company's comprehensive inspection and security department special inspections in the form of an inspection feedback meeting. In 2024, the primary-level units carried out a total of 432 environmental protection training sessions, which were mainly carried out through pre-shift meetings, special safety and environmental protection meetings, and the publicity and implementation of environmental protection systems. Each session at each station lasted about 30 minutes, and a total of 7,282 person-times participated.



The T2 Station of Yongjin Expressway organized a study meeting on the “Regulations on Environmental Protection Management”



The Dehong Zheyuan Station carried out training on the identification and evaluation of safety risks and environmental factors



The T7 Station of Chenghua Expressway studied the environmental safety management regulations of the Group

(b) Solid Waste Management

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Pollution Control Standards for the Storage and Disposal Sites of General Industrial Solid Waste*, among other laws and regulations. It has established management measures such as the *Solid Waste Management Measures*, the *Technical Guidelines for the Use of Waste Slurry Water in Batching Plants*, and *Technical Guidelines for the Use of Recycled Fine Aggregates in Mixing Stations*. Following the principles of reduction, resource recovery, and harmless disposal, the Company implements classified management and recycling of solid waste generated during production, while centrally collecting and regularly transporting domestic waste.

The harmful solid waste generated by the Company is mainly waste mineral oil, waste ink cartridges and waste electronic products, and the harmless solid waste is mainly waste concrete. During the Reporting Period, the total production of hazardous solid waste was 1.03 tons and 0.40 ton was recovered; the total production of non-hazardous solid waste was 522.33 tons, with a recovery rate of 100%. The recycling rate of solid waste generated in the Company's concrete production process exceeded 95%, and the Company's self-owned sand-making machine produced 8,831 tons of aggregates.

(c) Waste Gas Management

The Company strictly complies with the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Integrated Emission Standard of Air Pollutants*, the *Ambient Air-Determination of Total Suspended Particulates-Gravimetric Method*, and other relevant regulations and standards. In accordance with the *Technical Guidelines for Fugitive Emission Monitoring of Air Pollutants*, the *Ambient Air-Determination of Total Suspended Particulates-Gravimetric Method*, and the *Determination of Atmospheric Articles PM 10 and PM 2.5 in Ambient Air by Gravimetric Method*, the Company ensures that dust concentrations are controlled within the standard limit of 10 milligrams per standard cubic meter, and particulate emissions during production do not exceed 0.5 milligrams per standard cubic meter. This effectively mitigates the impact of dust generated during concrete production on the environment and surrounding communities.

Table Exhaust Emissions

Pollutant emissions	Unit	2024	2023
Nitrogen oxide (NOx)	Ton	12.16	17.34
Sulfur oxides (SOx)	Ton	0.01	0.05
Suspended solids (PM)	Ton	0.94	1.27
Total	Ton	13.11	18.66

Note: Exhaust emissions mainly include emissions generated by the Group's own vehicles and equipment. The Group's emissions are calculated based on the sum of the fuel type/kilometres driven and fuel consumption of its own vehicles by their respective emission factors, which are derived from the *Guide*.

(d) Wastewater Management

For production wastewater, domestic sewage, and rainwater, the Company strictly adheres to a rainwater and sewage diversion system for recycling. It has equipped a wastewater treatment system that covers all wastewater generated during the production process, forming a comprehensive wastewater treatment system. The treated wastewater meets the standards for reclaimed water reuse and is reused for on-site mixing, road sprinkling, and green irrigation. During the Reporting Period, the Company achieved a 100% wastewater recycling rate, realizing “zero” discharge of wastewater.

	Type of wastewater	Disposal measures
Production wastewater	Mixer cleaning wastewater, concrete transportation cleaning wastewater, concrete separation wastewater, laboratory equipment cleaning wastewater	After being precipitated in a three-level sedimentation tank, it is recycled for concrete production and processing
Domestic sewage	It comes from sources such as the cafeteria, washbasins, septic tanks, and bathrooms	The cafeteria sewage is directed into the collecting well and is regularly processed by a designated third-party manufacturer. A self-built septic tank is used for routine pretreatment of domestic wastewater
Rainwater	Sand and mud	By installing intercepting water channels, it is collected and enters the rainwater sedimentation tank. After filtering, it is recycled for greening or to supplement production water

C. Utilization of Energy and Resources

The Company complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, and the *Renewable Energy Law of the People's Republic of China*, improves resource utilization efficiency, promotes the circular economy, and builds an environmentally friendly enterprise.

(a) Energy Management

The Company adheres to the energy management policy of “full participation, compliance with laws and regulations, energy conservation, consumption reduction, energy efficiency enhancement, and continuous improvement”, and promotes the implementation of the *Administrative Measures for Energy and Resource Conservation and Control*. During the Reporting Period, the Company revised the *Energy Management System Manual*, enhancing energy management procedures across key dimensions including target setting, internal audit, training, accident emergency response, procurement, monitoring. A team was set up to build the energy management system and an energy management system covering the entire process of energy utilization was established. The audit of the energy management system certification is carried out on a yearly basis. In 2024, the Company passed the certification review of the energy management system.



Energy Management System Certification

The Company's energy consumption includes direct energy consumption based on diesel and gasoline consumed by production and official vehicles, natural gas used in the staff canteen, and indirect energy consumption generated by purchased electricity. During the Reporting Period, due to the increased proportion of the Company's self-owned distributed photovoltaics as a substitute of clean energy, the purchased electricity significantly decreased.

The Company's established energy targets and their completion status are as follows:

Energy management goals	Progress during the Reporting Period
The comprehensive energy consumption per unit product of ready-mixed concrete does not exceed 1.1 kg of standard coal per cubic meter.	The comprehensive energy consumption per unit product is 0.4211 kg of standard coal per cubic meter, hitting the target.
The power consumption per cubic meter of concrete decreases by 1% year-on-year.	The power consumption per unit product is 0.3021 kWh per cubic meter, an increase of 0.07% year-on-year.

Note: Since the Company has currently phased out diesel transport vehicles and increased the use of new energy transport vehicles as concrete transport vehicles, the power consumption has increased.

Table Energy Consumption

Indicator	Unit	2024	2023
Direct energy consumption	Liter	6,590,158.82	7,823,604.57
Direct energy consumption intensity	Liter/RMB million	9,291.60	5,565.24
Diesel consumption	Liter	672,662.84	1,474,994.77
Gasoline consumption	Liter	132,495.98	261,609.80
Consumption of natural gas	m³	5,785.00	6,087.00
Total indirect energy consumption	kWh	9,149,166.44	11,571,641.61
Indirect energy consumption intensity	kWh/RMB million	12,899.60	8,231.36
Purchased electricity	kWh	9,149,166.44	11,571,641.61

Note: The 2023 natural gas consumption data has been corrected to 6,087.00 m³, with corresponding adjustments made to the direct energy consumption density.



(b) Water Management

In order to achieve the goals of water conservation and improve water use efficiency, the Company advocates water conservation and recycling of water, sets annual water consumption targets, regularly statistics the water consumption in production, and conducts technological transformations on production links or processes with high water consumption. During the Reporting Period, the Company legally obtained applicable water sources in accordance with relevant national environmental protection policies and regulations, and there were no problems in seeking applicable water sources.

Table Water Resources Use

Water resources use	Unit	2024	2023
Water consumption	Ton	544,089.94	765,065.27
Intensity	ton/RMB million	767.12	544.22

Note: In 2024 and 2023, the Company's water consumption decreased significantly, mainly due to the reduction in the quantity of commercial concrete produced and sold.

(c) Use of Packaging Materials

The Company's main product, commercial concrete, is transported by special vehicles and does not involve the use of packaging materials.

D. Response to Climate Change

The Company actively implements the strategic plan of green and low-carbon transformation and upgrading, incorporates climate change-related risks into the overall risk control system and conducts regular management. The comprehensive risk list includes macroeconomic risks arising from climate change, taking into account environmental protection trends such as global warming, domestic and international energy conservation and emission reduction, and the low-carbon economy. The Company considers the impacts brought about by climate change from the dimensions of development and operation, project execution, investment decision-making, and production operation. We take measures to embrace the transformation opportunities driven by climate change and respond to climate change risks to enhance the Company's climate resilience. During the Reporting Period, no major physical risk impact events occurred in the Company.

The Company's board of directors is responsible for evaluating and managing major environmental and social risks (including climate risks). The enterprise management department is responsible for establishing and improving the green and low-carbon management system, incorporating climate risks into environmental risk control, setting targets for emission reduction, and coordinating the implementation of emission reduction measures. Each department conducts climate risk management and takes countermeasures from a business perspective.

Climate Risks, Opportunities and Countermeasures

Description of climate-related risks and opportunities	Countermeasures
Acute/chronic physical risks Natural disasters and extreme weather can affect the production, transportation, and sales of concrete: <ul style="list-style-type: none">The collection and transportation of raw materials are impacted, increasing operating costsDownstream construction projects are suspended due to extreme weatherThe rise in average temperature increases the Company's operating costs	<ul style="list-style-type: none">Formulate the <i>On-site Response Plan</i> and regularly organize emergency drills for extreme weather events such as floods and earthquakesAdjust the concrete mix ratio and production process for extreme weatherEvaluate the climate risks of the supply chain. For regions greatly affected by extreme weather events, consider finding alternative suppliers or increasing the proportion of local procurementOptimize energy-saving facilities and keep an eye on the power supply situation
Policy and legal transformation risks <ul style="list-style-type: none">With the government's carbon emission policies growing increasingly stringent, the challenges of corporate carbon asset management are on the rise.The construction of the national carbon market and the emission rights trading market, and the mounting cost pressure due to carbon taxes and carbon prices	<ul style="list-style-type: none">Follow changes in laws, regulations, and policies and formulate countermeasuresClosely monitor the progress of the carbon marketPromote the construction of the carbon emission information management platform and monitor carbon emissions and carbon asset situation on a real-time basisRegulate the level of energy consumption and carbon emissions
Technical and market transformation risks <ul style="list-style-type: none">In order to achieve carbon neutrality in the industry, it is necessary to optimize and upgrade production technologies and emission reduction technologies and develop green productsCustomers' increased demand for low-carbon products	<ul style="list-style-type: none">Increase investment in environmental protectionBuild a low-carbon building materials industrial parkDevelop and utilize raw materials such as industrial solid waste and phosphogypsum to produce green building materials productsTake green and low-carbon as the investment principle and evaluate and analyze the climate-related risks facing investment projects or enterprises
Reputation transformation risks <ul style="list-style-type: none">Reputation risks caused by negative public opinion such as environmental violations	<ul style="list-style-type: none">The ESG Committee and the working group actively communicate with stakeholdersCompliance environmental management
Transformation opportunities <ul style="list-style-type: none">The central government and Yunnan Province promote green building materials and buildings, providing policy support and creating market opportunities for green development, new energy layout, and research and development of the CompanyAs an upstream industry of the construction industry, the concrete industry can leverage green finance policies to transform into environmental protection	<ul style="list-style-type: none">Implement the green "dual carbon" construction and carbon efficiency enhancement projectLeverage bulk industrial solid waste, including phosphogypsum, to develop green building materials like eco-friendly concrete, focusing on low-carbon practices, environmental protection, waste utilization, and sustainable manufacturing.



Case: Conducted a Meeting on Flood and Earthquake Prevention

In May 2024, GHPC held the 2024 Flood Control and Earthquake Resistance Work Conference, arranged and deployed the work of safe production during the flood season and disaster prevention and avoidance, effectively preventing climate and environment-related risks.



Greenhouse gas emissions

In the Company's greenhouse gas emissions, Scope 1 mainly comes from the combustion emissions of fossil fuels such as natural gas, gasoline, and diesel, as well as the fugitive emissions from refrigeration equipment. Scope 2 mainly comes from the indirect emissions generated by the consumption of externally purchased electricity.

Table Greenhouse Gas Emissions

Indicator	Unit	2024	2023
Total emissions of greenhouse gas	tCO ₂ e	6,150.58	11,848.27
Total greenhouse gas emission intensity	tCO ₂ e/RMB100 million	867.18	842.81
Greenhouse gas emissions (Scope 1)	tCO ₂ e	880.61	4,928.96
Intensity of greenhouse gas emissions (Scope 1)	tCO ₂ e/RMB100 million	124.16	350.62
Greenhouse gas emissions (Scope 2)	tCO ₂ e	5,182.11	6,919.31
Intensity of greenhouse gas emissions (Scope 2)	tCO ₂ e/RMB100 million	730.64	492.19

Table Direct Greenhouse Gas Emissions

Greenhouse gas category	2024		2023	
	Emission (tCO ₂ e)	Emission intensity (tCO ₂ e/RMB100 million)	Emission (tCO ₂ e)	Emission intensity (tCO ₂ e/RMB100 million)
Carbon dioxide (CO ₂)	833.94	117.58	4,816.73	342.63
Methane (CH ₄)	2.21	0.31	7.48	0.53
Nitrous oxide (N ₂ O)	44.46	6.27	104.75	7.45

Table Indirect Greenhouse Gas Emissions

Indirect sources of emissions	2024		2023	
	Emission (tCO ₂ e)	Emission intensity (tCO ₂ e/RMB100 million)	Emission (tCO ₂ e)	Emission intensity (tCO ₂ e/RMB100 million)
Use of power resources	5,094.26	718.25	6,599.31	469.43
Others indirect emissions	87.86	12.39	320.00	22.76

Note: The total greenhouse gas emissions = greenhouse gas emissions in Scope 1 + greenhouse gas emissions in Scope 2 = Carbon dioxide emissions (tons) * Global Warming Potential (GWP)

The emission calculation factors for Scope 1 greenhouse gas emissions refers to Appendix 2: Environmental Key Performance Indicators Reporting Guide in the *How to Prepare an Environmental, Social and Governance Report* of the Hong Kong Stock Exchange.

For the calculation coefficient of greenhouse gas emissions in Scope 2, the latest average power grid emission factor of 0.5568 tCO₂/MWh released by the National Development and Reform Commission is selected.



05

Creating Values and Contributing to Social Harmony

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Contributions to UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Creating Values and Contributing to Social Harmony

Driven by technological innovation, GHPC strives to continuously enhance the quality of products and services. The Company strengthens supply chain responsibility management, fully ensures employees' rights and interests, provides equal development opportunities, and actively participates in community development and charitable activities to promote mutual progress between the company and society.

A. Propelling Quality Through Innovation

(a) Continuous Technological Innovation

The Company regards technological innovation as a critical driver of high-quality development and establishes a sustainable competitive advantage through an open and collaborative innovation management system, deep integration of industry, academia and research, industrialization of technological achievements, and intellectual property management.

During the Reporting Period,

R&D expenditures reached **RMB37,264,400**, accounting for **5.2%** of the operating income.

■ Innovation Management System

The Company is committed to enhancing the efficiency and quality of scientific research activities through a scientific management system. It has formulated a series of management policies such as the *Measures for Scientific and Technological Innovation* and the *Measures for the Management of Scientific and Technological Projects* and has established a technology innovation center to systematically regulate the processes of project initiation, implementation, acceptance, and achievement transformation. These measures continuously improve technological innovation capabilities and technical services, and actively facilitate R&D achievement transformation.



As of the end of the Reporting Period, the Company had:

4 provincial research and development platforms
Yunnan Provincial Enterprise Technology Center
Yunnan High Performance Concrete Engineering Research Center
Yunnan Xu Delong Academician Workstation
Yunnan Province Industrial (Ready-mixed Concrete) Product Quality Control and Technical Evaluation Laboratory

5
National High-Tech Enterprises

5
Specialized Refined, Featured and Original SMEs,

5
Innovative Small and Medium-sized Enterprise in Yunnan Province,

A total of **33**
national and industry standards,

2 of which were recognized during the Reporting Period

3 of which were recognized during the Reporting Period

7 of which were published and implemented during the Reporting Period



During the Reporting Period, the Company won the Second Prize of Yunnan Provincial Science and Technology Progress Award and the Second Prize of Science and Technology Progress Award issued by Yunnan Municipal Engineering Association. Additionally, the phosphogypsum resource utilization project was included in the Compilation of *Typical Cases for the "Green State-Owned Assets" Construction of Enterprises in Yunnan Province* by the Yunnan SASAC.

Scientific Research Team Development

The Company has formulated management systems, including the *Notice on Administrative Measures for Professional and Technical Personnel External Training*, the *Administrative Measures for Professional and Technical Personnel External Training*, the *Administrative Measures for Talent Recruitment*, and the *Performance Appraisal and Incentive System for Professional and Technical Personnel*, to support retaining and cultivating innovative talents within the Company. Furthermore, we developed the *Measures for the Organization, Implementation, and Incentives of Scientific and Technological Achievement Transformation* to motivate the initiative and creativity of technical personnel. Besides, an Employee Innovation Studio has also been established as a platform for employees to participate in the Company's scientific research and innovation.

As of the end of the Reporting Period, the Company had a total of 189 technical research and development personnel. Among them, 48 were core team members. The Company had 1 “Yunling Industrial Technology Leading Talent”, 2 Technological Innovation Talents in Yunnan Province, and 1 Young Scientific and Technological Innovation Talent in the Transportation Industry of Yunnan Province. The Company has built a high-quality technological innovation team that integrates technological research and development, technical testing, achievement application and promotion, and technical consulting services.



In-depth Industry-Academia-Research Collaboration

The Company actively promotes industry-academia-research collaboration. It has established long-term and stable partnerships with universities and research institutions to integrate core resources, such as technological and talent advantages and jointly conduct research projects and talent cultivation programs. During the Reporting Period, the Company engaged in industry-academia-research collaboration and conducted scientific research projects with universities and research institutes such as Yunnan University, Shenzhen University, and Yunnan Institute of Building Research. Among these, the jointly submitted project, *Key Technologies for the Development and Application of Highly Adaptable Concrete Admixtures under Complex Conditions*, won the Second Prize of Yunnan Provincial Science and Technology Progress Award in 2024. Furthermore, the Company served as the president unit of the *Journal Development Guide to Building Materials*, actively promoting technical exchanges and sharing within the industry while carrying out its own scientific research and management work.

In March 2025, the Chairman, as one of the key contributors, was awarded the first prize of the Technological Innovation Achievement Award by the China Industry-University-Research Collaboration Promotion Association, on behalf of the Company for the project jointly completed with Shenzhen University and other organizations.



Industry-academia-research collaboration signing ceremony with Yunnan University

Graduates of Yunnan University visiting the factory

Innovative Achievement Application

Focusing on the transformation and upgrading needs of the building materials industry, the Company continues to advance research on innovative technologies and promotes the application of various innovative achievements, including phosphogypsum, recycled aggregate, and ultra-high performance concrete (UHPC).

Enhancing the comprehensive application performance of phosphogypsum: The Company has carried out research on the volume stability and durability of phosphogypsum-based cementitious materials and concrete to develop phosphogypsum-based concrete with excellent performance. Same research has also been conducted on phosphogypsum-based concrete for road construction. More than 90% of solid waste was utilized per cubic meter of stabilized material, with over 0.8 ton of phosphogypsum consumed. Through independent R&D and process design, the Company has established a pilot production line capable of processing 50 tons of phosphogypsum per day. We also trial-produced various products such as ecological permeable bricks made from phosphogypsum aggregate featuring excellent performance, aesthetic appearance, and cost-effectiveness.



Rendering of pavement with ecological permeable bricks made from phosphogypsum aggregate



Case: Promoting the practical application of phosphogypsum comprehensive utilization technology

In 2024, the Company used self-made phosphogypsum aggregates to lay a 50-meter test section of cement stabilized material and asphalt concrete pavement at the Jingkai Green Production Base. Relevant research achievements regarding high-value comprehensive utilization of phosphogypsum have been highly recognized by the Yunnan Provincial Party Committee and the Provincial Government.



Application demonstration of phosphogypsum aggregate road material

Facilitating the application of recycled aggregate technology: Prioritizing key technologies for zero discharge of wastes at ready-mixed concrete mixing stations, the Company makes every effort to implement comprehensive recycling and reuse solutions for waste slurry and waste residues at green and environmentally-friendly batching plants. The Company has successfully trial-produced recycled coarse aggregate concrete in multiple housing construction projects. We have promoted sand and gravel separation and recycled aggregate reuse in various batching plants across Yunnan Province. Recycled aggregates have been applied in green building material products such as curbstones and permeable bricks, with a 100% utilization rate in unburned bricks and 30% in permeable bricks.



Unburned bricks made of recycled aggregates

Expanding the application scenarios of UHPC: The Company is advancing the development and localization of green and low-carbon building material technologies. It has conducted research on projects such as *Development of UHPC for Bridge Applications Using Local Materials and Engineering Demonstrations* and *Comprehensive Research on the Construction Technology for Suspension Bridges in Plateau Valleys*. Moreover, the Company has carried out research on UHPC materials under various environmental conditions and application scenarios, including bridge applications, and has expanded UHPC's engineering applications in ocean and other environments.



UHPC testing



Intellectual Property Management

The Company values the intellectual property management and protection and has integrated it into the internal control management system, with the Technology Innovation Center responsible for implementing specific intellectual property management. During the Reporting Period, the Company focused on establishing a standardized and effective intellectual property management system. It revised documents such as the *Intellectual Property Management Measures* and *Technology Performance Incentive Management Measures*. The Company also conducted training and publicity activities related to intellectual property to enhance employees' awareness of intellectual property and foster a positive atmosphere for innovation and achievement protection. Additionally, the Company has actively responded to China National Intellectual Property Administration's pilot program on patent open licensing. It has filed 7 environmentally friendly concrete products, published 7 open patent licenses, and obtained a Level I certification of intellectual property innovation management standards in the realm of phosphogypsum building materials. The Company has also produced 1 patent navigation report.

During the Reporting Period, the company obtained		
1 invention patent	24 utility model patents	
By the end of the Reporting Period, the company had obtained		
134 patents	7 registered trademarks	3 software copyrights



Promotion of Digital Transformation

The Company actively responds to national digital transformation policies and accelerates the development and upgrades of digital system platforms and other application software. By integrating intelligent design into various production and auxiliary equipment, the Company continues to strengthen the role of data in dynamic management and decision support.

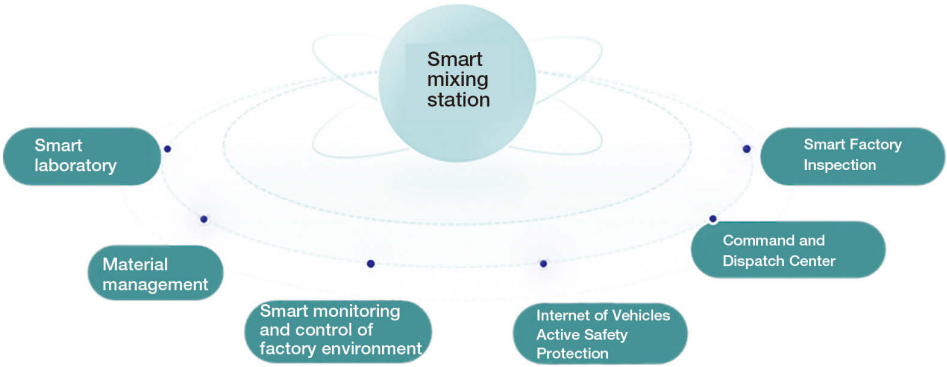
The Company has independently developed and continuously enhanced a **production management platform called “Smart Green Concrete”**. This platform integrates sales, materials, production, testing, and transportation, and achieves dynamic management across the entire business and value chain. By integrating the ERP production management system with multiple smart control systems, the platform enables smart operations of mixing stations and effectively improves production efficiency.



“Smart Green Concrete” Cloud Platform

The Company continues to develop the **smart mixing station system**. Leveraging technologies such as license plate recognition, unattended weighing, edge computing devices for industrial control data processing, vehicle GPS tracking, and mixer sensors, the Company closely combines material monitoring, production quality, and transportation process, with data uploaded in real-time to the smart safe production management platform. Through data mining and analysis, the platform can provide real-time alerts for various safety production potential hazard, which allows relevant departments to quickly respond and address issues, thus significantly enhancing remote management capabilities on construction sites.

During the Reporting Period, the Company began developing a management system covering core modules such as material procurement, production management, and sales management, aiming to achieve the full closed-loop management of business processes. Besides, the Company also promoted and completed the digitization of 873 personnel files, continuously improving document management efficiency and data security.



Smart Mixing Station System

(c) High-Quality Products and Customer Service

The Company lays emphasis on the enhancement and upgrade of its quality management system, establishing a meticulous regulation mechanism for full-cycle product quality control. It deepens the cultivation of quality culture while optimizing customer service processes and strengthening privacy protection measures, to improve both quality efficiency and service.

■ Quality Management System

The Company strictly adheres to relevant regulations such as the *Product Quality Law of the People’s Republic of China* and continuously improves its full-process quality management system. It has established 11 quality management system documents including the *Quality and Technical Management Measures*, the *Raw Material Quality Management Measures*, the *Concrete Mix Proportion Management Measures*, and the *Technical Proposal and Technical Disclosure Management Measures*. In 2024, three of these documents were revised, and the *Guide for On-site Adjustment Operation of Ordinary Concrete* was newly introduced. Additionally, the Company completed 20 technical proposals and 26 technical disclosures to effectively enhance the product quality control ability. During the Reporting Period, the Company obtained the GB/T 19001 Quality Management System Certification.

By the end of 2024, the Company had over 160 quality technicians, including 2 professors of engineering, 11 senior engineers, and 41 engineers.

■ Full-Process Quality Control

The Company’s product quality management measures are systematically implemented across 6 key stages, namely raw material procurement, raw material testing, mix proportions design, verification, and application, product ex-factory inspection, product delivery, and product quality tracking, to strictly enforce relevant quality management requirements. It has also formulated the *Non-Conforming Product Review and Disposal Procedures*, which clearly outline relevant procedures. Disposal methods for non-conforming products include returning them to the factory, downgraded use, and discarding. Each production entity shall promptly fill out the *Non-Conforming Product Review and Disposal Records*, with the Quality and Technical Management Center tracking and checking the disposal process to prevent recurrence of non-conforming products.

During the Reporting Period,		
participation in raw material quality reviews for more than 20 times	participation in raw material sampling inspections more than 500 times	carry out special inspection and tracking services for more than 22 times in 4 rounds

During the Reporting Period,

the Company’s qualification rate of first delivery was **99.99%**

and the final acceptance rate was **100.00%**

No major safety and quality incidents related to products and services occurred.

1	Raw Material Procurement	The quality and materials departments conduct research and sampling inspections on available materials within the region. After the bidding process, they select suppliers whose materials consistently meet quality standards.
2	Raw Material Testing	Material officers first perform a visual inspection of the incoming materials and sample the qualified materials by batch. Testers then examines the samples. If a supplier delivers multiple batches of materials unqualified or with significant quality fluctuations, it will be formally notified through correspondence or interviewed to make rectifications.
3	Mix Proportion Design, Verification, and Application	Each year, the Company carries out design and verification of mix proportion, and the Quality and Technical Management Center issues a reference mix proportion of the year. In application, the “three-inspection” system is strictly observed. Operators closely monitor blanking data, and measure equipment is regularly serviced, calibrated, and tested.
4	Product Ex-factory Inspection	For every batch of mixed concrete, testers take samples and examine the strength and durability of test pieces. Testers also conduct workability tests on the ready-mixed concrete. Only the concrete that meets the standards and has identification tags in place can be delivered.
5	Product Delivery	Upon arriving at the construction site, drivers confirm project details with the officers in charge. After acceptance by the construction unit, on-site customer service professionals and testers jointly conduct workability tests and witness sampling. Any actions that could compromise concrete quality shall be promptly stopped and taken evidence, with guidance provided on correct construction and curing.
6	Product Quality Tracking	Once the concrete pouring reaches a certain age, testers evaluate the appearance and strength of concrete on site. If the strength is abnormal, the causes shall be promptly identified and addressed.

Full-Process Product Quality Control Measures



■ Quality Culture Construction

To comprehensively enhance the level of quality management and create a good atmosphere for quality improvement involving all staff members, we actively conduct systematic quality training, honor rating, and a series of publicity activities such as the “Quality Month”.

During the Reporting Period,			
formed 32 concrete quality technical training courseware	5,574 person times participated in concrete quality and technical training	7 quality pioneers	10 technical experts



Case: The Company carried out 2024 “Quality Month” activities

In September 2024, the Company took the opportunity of “Quality Month” to launch sub-activities themed “Strengthen Quality Support and Jointly Build a Quality Powerhouse”. These activities included quality technical training, online knowledge competitions, quality tracking and testing, quality supervision and inspection, skills competitions, and digital laboratory visits and exchanges. Through these efforts, the Company aimed to enhance the team’s professional knowledge and enable them to keep abreast of industry trends.



Quality Month kick-off meeting



Knowledge competition

■ High-quality Customer Service

The Company has formulated customer service management systems, comprising of the *Implementation Measures for the Customer Satisfaction Survey* and the *Administrative Measures for Quality Dispute, Issues, and Incidents*, to standardize and implement pre-sale, during-sale, and after-sale service initiatives. We have strengthened the building of customer communication channels and taken multiple measures to improve customer satisfaction.

Customer requirements and feedback on products and services are collected dynamically through customer visits, on-site surveys, and follow-up calls, to gain a comprehensive picture of customer satisfaction. Each month, we summarize the survey results and perform cause analyses on projects with high and low satisfaction. For issues leading to customer dissatisfaction, the responsible department submits rectification suggestions to the responsible leader for approval. The relevant departments resolve issues, with designated personnel monitoring and verifying the effectiveness to ensure that customer feedback is promptly addressed. During the Reporting Period, the Company did not receive any customer complaints.

During the Reporting Period,	
the Company collected 375 Customer Satisfaction Surveys, with an overall satisfaction score of 96.25 points.	

Stage	Service provided	Customer satisfaction survey result
Pre-Sale	Product service introduction, understanding customer needs, clarifying customer expectations, etc.	96.12 points
During-Sale	Ensuring product performance and efficiency, on-site technical guidance, feedback collection, etc.	96.32 points
After-Sale	Fulfilling after-sale service commitments, follow-up visits conducted by sales personnel, timely delivery of technical documents, etc.	96.28 points

■ Customer Privacy Protection

The Company strictly complies with the *Personal Information Protection Law of the People’s Republic of China* and other relevant laws and regulations, with customer information security and data privacy as a top priority. We have taken various measures to safeguard customer information against leakages or misuse. The Company has issued policies such as the *Information Security Management System* and the *Data Confidentiality and Backup System*, to prevent data breaches by employees.

During the Reporting Period,	
the Company recorded no incidents of customer privacy violations or data leakages,	
and there were no legal actions initiated as a result of data leakages.	

Business Process	Technical Aspect
<ul style="list-style-type: none">Prior to contract execution, conduct a credit evaluation of the customer. The evaluation details and related information shall not be disclosed externally;During the contract signing process, review the contract content. Unless the information meets the disclosure standards required for listed companies and has received the customer’s consent, the contract details shall not be publicly disclosed;After contract execution, remove critical privacy data and archive the contract exclusively within the Marketing Center. Except for authorized departments, no other departments are permitted to lend out the contract.	<ul style="list-style-type: none">The production management system is deployed on Alibaba Group’s public cloud infrastructure platform and operates based on the IaaS model. It has successfully passed the level 2 evaluation under the Classified Protection of Cybersecurity;The Company’s system does not involve the collection or storage of user information, and there is no occurrence of unlawful use of personal user data.

B. Building a Community of Shared Responsibilities

(a) Enhancement of Industry Development

The Company is deeply involved in setting industry standards and utilizes construction and industrial solid wastes in collaboration with peer enterprises, environmental organizations, and research institutes, to jointly promote green, intelligent, and sustainable industry development. In 2024, the Company became a Vice President Unit (previously a member unit) of the Ninth Council of the China Concrete & Cement-based Products Association for the first time. In addition, as an organizer unit, the Company participated in founding the Yunnan Institute of Internal Audit and was elected as a council member. As of the end of the Reporting Period, the Company is also a member of the China Building Materials Enterprise Management Association, the Yunnan Construction Industry Association, and the Kunming Concrete Association and keeps contributing to the industry's high-quality development.



Vice President Unit Certificate of the Ninth Council of the China Concrete & Cement-based Products Association

Yunnan Institute of Internal Audit Membership Certificate

■ Participation in Standard Formulation

During the Reporting Period, the Company has actively participated in the formulation and implementation of 2 national standards, 2 industry standards, 2 group standards, and 1 local standard.

National standards	Test Methods for the Properties of Glassfiber Reinforced Cement Methods for Testing Uniformity of Concrete Admixture
Industry standards	Specifications for the Mix Design and Application of Road Base Materials by Vibratory Compaction Method Guidelines for Green Supply Chain Management and Evaluation in Building Materials Enterprises
Group standards	Evaluation Standards for Laboratory Management of Ready-Mixed Concrete (Mortar) Enterprise in Yunnan Province Technical Specifications for Carbon Emission Verification of Ready-Mixed Concrete Enterprises in Yunnan Province
Local standards	Technical Specifications for Application of High-Strength Concrete in Yunnan Province

■ Participation in Industry Exchanges

We actively promote industry exchanges through sharing experiences with peer enterprises and showcasing our development model. We also actively participate in industry events to continuously enhance our influence.



Case: Attending the Leadership Conference of China Large-scale Ready-Mixed Concrete Enterprises from Yunnan, Guizhou, Sichuan, and Chongqing

In August 2024, the Company attended the 2024 China Four Provinces (Yunnan, Guizhou, Sichuan, and Chongqing) Large-scale Ready-mixed Concrete Enterprise Leaders Conference and discussed with industry partners common challenges and trends of digitalization and intelligence in the ready-mixed concrete sector. The Company also provided insights to promote the industry's high-quality development. After the conference, participants visited the Company's Jingkai Green Production Base and highly praised the first new energy low-carbon logistics system and smart collaborative system in the domestic concrete industry.





Case: Exchanging with the Kunming Concrete Association

In August 2024, the Company held a meeting with the Kunming Concrete Association to discuss topics such as the application of new technologies, new products, and new standards and regulations, as well as strategies to further expand the market and optimize the competition environment.



(b) Supplier Due Diligence Management

The Company has established a comprehensive supply chain management system to effectively ensure the efficiency and stability of material procurement through the full-cycle supplier management mechanism, rigorous eligibility evaluations, contractual constraints, and dynamic performance assessments. To standardize supplier management, the Company has formulated the *Material Supplier Management Measures*. It has also established the Material Supply Chain Center which is responsible for the coordinated management of raw materials, including market research, tender organization, procurement cost control, business guidance reviews, supervision, and inspection.

During the Reporting Period,

the Company engaged a total of **597** raw material suppliers,
of which **574** (accounting for **96.1%**) were based in Yunnan Province,
with the remaining **23** located in other regions across China.

■ Supplier Admission

The Company has established a supplier admission evaluation mechanism to rigorously review suppliers' business and production qualifications, relevant product quality certificates, credit records, and other basic information, while conducting necessary testing of raw materials. In contracts with suppliers, we incorporate clauses related to environmental management, technical requirements for environmental labeling products, occupational health and safety management, integrity and anti-corruption, and privacy and information protection. These provisions explicitly mandate compliance with and fulfillment of ESG-related requirements. Preference is given to suppliers utilizing environmentally friendly raw materials and technologies for recycling and reusing resources.

■ Supplier Assessment and Evaluation

Regular supervisory assessments are conducted based on the *Material Supplier Evaluation Form* to evaluate suppliers on dimensions such as product control, supply guarantee capability, after-sales service, pricing, and creditworthiness. Assessment outcomes serve as the basis for the annual evaluation and classification of material suppliers. According to monthly assessment results, cooperation with non-compliant suppliers is promptly terminated, while support is provided to underperforming suppliers for improvement, thereby incentivizing suppliers to deliver better products and services.

Supplier evaluation indicator	<ul style="list-style-type: none"> Quality, environmental, and safety and health management systems Customer satisfaction with the supplier Supplier's post-delivery service level Supplier pricing Contract fulfillment rate Creditworthiness Logistics capability Supply assurance capability, etc.
Classification and application of supplier assessment results	<ul style="list-style-type: none"> Grade A: Expand the scope of cooperation, prioritize procurement, appropriately increase the payment ratio, and grant priority for payment. Grade B: Require rectification with written submission of results. Maintain the existing procurement strategy and provide necessary guidance. Grade C: Reduce procurement volume, require rectification with written submission of results. After confirming the corrective measures and outcomes, decide whether to continue normal procurement. Provide necessary guidance. Grade D: Upon review by the Material Supply Chain Center and with approval from the responsible leader, remove the supplier from the "Qualified Supplier List", terminate the procurement supply relationship, and designate it as an unqualified supplier. In cases of significant non-compliance, handle in accordance with the Company's management measures.

■ Supply Chain Risk Control

The Company proactively fosters long-term and stable cooperative relationships with suppliers, building a mutual trust mechanisms and maintaining open and transparent communication channels. Through systematic supply chain risk identification and assessment, identified risks encompass natural environmental risks, political and legal risks, market demand risks, production risks, transportation risks, and financial risks. The stability of material supply is effectively ensured by onboarding new suppliers, building an inventory early warning mechanism, optimizing resource allocation, and assisting manufacturers in refining production processes. During the Reporting Period, no negative incidents or potential risk cases were reported in the Company's supply chain management.

Risk categories	Specific impacts
Natural environment risks	Risks triggered by uncontrollable natural factors such as natural disasters and climate change. For example, earthquakes, floods, and typhoons may damage suppliers' production facilities or disrupt transportation routes
Political and legal risks	Risks arising from changes in policies and regulations or regional political conflicts. For instance, stricter environmental policies may force suppliers to suspend or reduce production if rectification is not implemented in time
Market demand risks	Sudden fluctuations in market demand or launch of more competitive products by competitors, resulting in unstable order volumes that affect upstream and downstream supply chains and cause inventory backlogs or supply shortages
Production risks	Risks in suppliers' production processes, such as inadequate production and quality management, equipment failures, unstable technologies, inefficient workflows, poor production planning, or insufficient employee skills. which may lead to shutdowns or substandard quality
Transportation risks	Risks due to an incomplete logistics distribution network, improper warehouse management, or unexpected traffic accidents, resulting in stockouts, delayed deliveries, or loss of goods
Financial risks	Risks in supplier financial management, such as cash flow disruptions, financing difficulties, or exchange rate fluctuations, which may impede normal operations and interrupt production

■ Building a Supply Chain Finance Platform

The Company leverages technologies such as cloud computing, blockchain, and big data to develop “Concrete Information”, the first online supply chain finance platform for the building materials industry in Yunnan Province. This platform connects financial institutions, procurement platforms, suppliers, and distribution enterprises and offers various functions such as asset issuance, financing application, transaction management, and post-loan management. By integrating digital intelligence, “Concrete Information” transforms operational data into digital assets. This facilitates credit financing for upstream and downstream enterprises and promotes the formation of a collaborative and ecological supply chain in the green building materials industry.

(c) Strengthening Procurement Management

The Company adheres to the principles of openness, fairness, integrity, and transparency. Integrity clauses are included in supplier contracts, mandating that both parties’ business activities must not harm national or collective interests. Any form of bribery, gift giving or receiving, and irregular business banquets is strictly prohibited. If violations of integrity standards are identified, stringent measures will be enforced. We encourage all stakeholders to supervise and report any violations to the relevant supervisory authorities, thereby jointly upholding a corruption-free business environment.

Promoting green procurement	<ul style="list-style-type: none">It is explicitly required that the technical indicators for harmful substances in procured raw materials be tested by qualified third-party institutions to ensure compliance with relevant laws, regulations, and standards.Prioritize procurement of certified products from green cement factories and green mining for sand and gravel, as well as recycled industrial solid waste aggregates and powder materials.
Green project collaboration	<ul style="list-style-type: none">Partner with suppliers on green initiatives, such as joint development of eco-friendly raw materials and optimization of production processes to reduce pollutant emissions, to achieve a green upgrade of the whole supply chain.



C. Supporting Employee Growth

(a) Equal Employment and Protection of Rights and Interests

■ Compliance Employment

The Company strictly abides by relevant laws and regulations, including the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, and the *Provisions on the Prohibition of Using Child Labor*. It has formulated internal policies such as the *Management Measures on Employee Recruitment*, the *Management Measures for Campus Recruitment*, and the *Management Measures for Employee Labor Relations* to regulate recruitment and employment practices and ensure full legal compliance.

Upholding the principle of “open recruitment, fair competition, and merit-based hiring”, the Company focuses on aligning applicants’ professional backgrounds and overall capabilities with the requirements of the positions they seek. This approach ensures that applicants face no restrictions based on age, gender, ethnicity, or religious beliefs and guarantees equal opportunities for employment, training, and career advancement, thus fostering mutual growth for both the Company and employees. During the Reporting Period, no incidents of discrimination were recorded.

The Company adopts a zero-tolerance policy toward any form of child labor or forced labor and strictly regulates its own employment practices. We extend this commitment to our supply chain and incorporate the prevention of child labor and forced labor into supplier selection and evaluation criteria. If any supplier is found using child labor or forced labor, their rating will be adjusted accordingly. For suppliers with severe violations, the Company will terminate the partnership. In 2024, no instances of child labor or forced labor were identified in the Company’s business operations.

■ Remuneration and Benefits

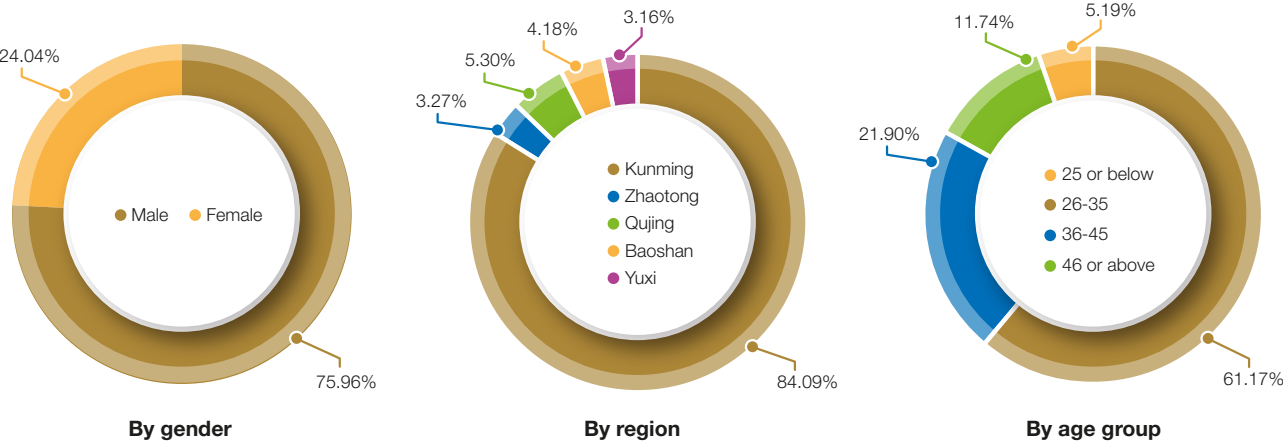
The Company upholds four key principles: distributing primarily according to work, prioritizing efficiency while ensuring fairness, aligning employee compensation growth with the company’s business development and economic performance, and optimizing labor allocation. Based on these principles, the Company provides fair, equitable, and competitive compensation package for employees.

During the Reporting Period, the Company continuously improved its compensation management system and piloted a business accountability system for certain projects. Besides, it formulated the *Compensation Management Measures* and performance-based compensation assessment guidelines, creating a compensation framework responsive to internal and external conditions to fully motivate employees. Employee compensation comprises base salary tied to roles, wages based on benefits, and performance-based bonuses. In addition to the basic salary, the Company offers comprehensive and multi-tiered benefits to ensure employees receive tangible care and robust support in both work and life.

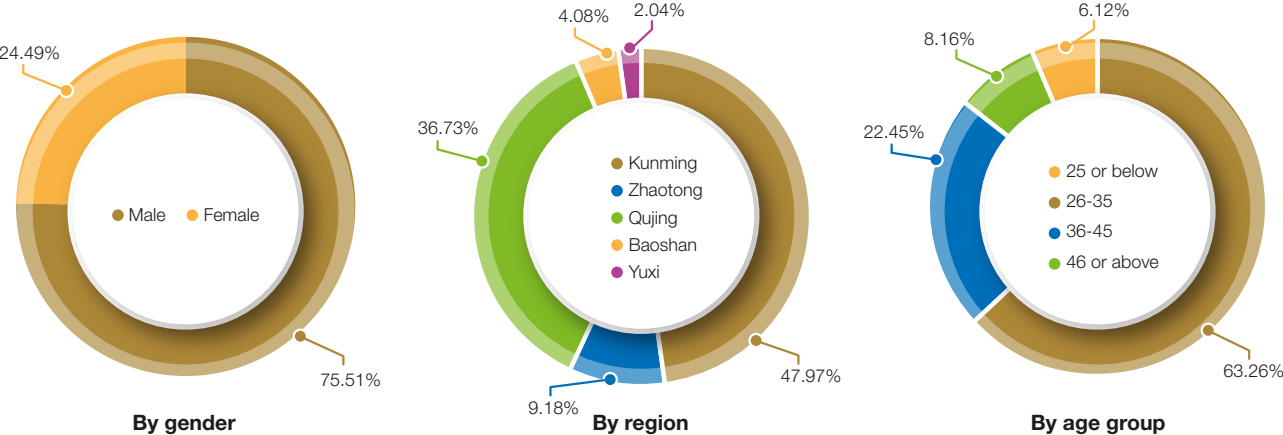
Employee Benefit Packages	
Benefits and allowances	<ul style="list-style-type: none">Five social insurances and one housing fund, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance, plus a housing provident fundFestival and birthday benefits
Leave	<ul style="list-style-type: none">In addition to statutory holidays and annual leave, employees are entitled to sick leave, marriage leave, maternity leave, paternity leave, bereavement leave, etc.
Housing	<ul style="list-style-type: none">Provision of employee dormitories and internal housing purchase channels
Health	<ul style="list-style-type: none">Annual health checkups, occupational health screenings, and traditional Chinese medicine consultations, etc.
Others	<ul style="list-style-type: none">Free access to employee cultural and sports centers equipped with fitness facilities

■ Employee Profile

As of the end of the Reporting Period, the Company had a total of 886 employees and all of them are full-time employees. The breakdown of employees is as follows:



As of the end of the reporting period, the Group's employee turnover rate was 10.0%, with the breakdown as follows:



(b) Employee Development and Training

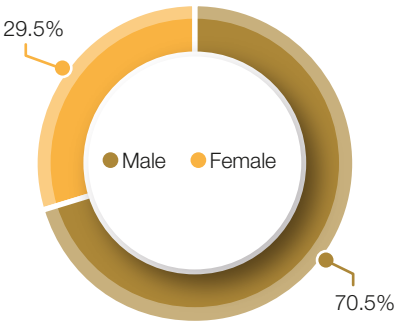
The Company places great importance on employee development and is committed to providing equal career development opportunities for all staff. The *Employee Training and Development Management Measures* have been established to conduct differentiated training based on job roles, employee levels, and training objectives. A well-established occupational training system has been built to foster the mutual growth of employees and the company.

GHPC's Training System

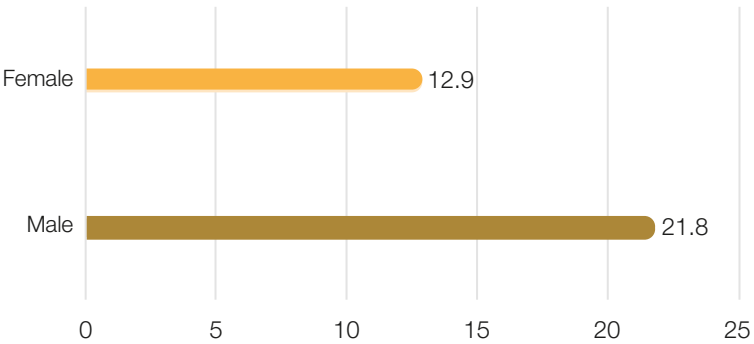
Training type	Training name	Content covered
By organizing entity or method	Internal training	Training activities such as classroom instruction or skills competitions, conducted by internal or external instructors
	External training	Approved paid leave to attend training organized by external authorities or institutions
By target audience	New employee training	Learning corporate culture, management systems, safety knowledge, job skills, professional knowledge, etc.
	Management staff training	Training to enhance managerial competencies
	Professional and technical staff training	Training to elevate the technical expertise of specialized personnel
	Skilled worker training	Training to improve specific skills
By training objective	Pre-job training	Job-specific skills and safety education to clarify responsibilities, tasks, goals, work essentials, procedures, and methods
	On-the-job training	Site visits, academic education, safety training, vocational certification courses, continuing education for license renewal, skills enhancement training, etc.
	Job transfer training	Job-specific training based on the requirements of new positions

In 2024, the Company offered a diverse range of training programs, including those related to qualifications and licensing, vocational skills, continuing education, key talent development, and business management. A total of RMB224,400 was invested in training. 67% of all employees received training, with an average training duration of 19 hours per employee.

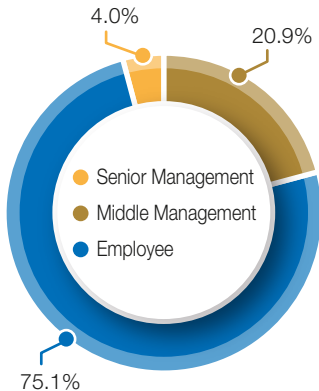
Employee Training Participation Rate by Gender (%)



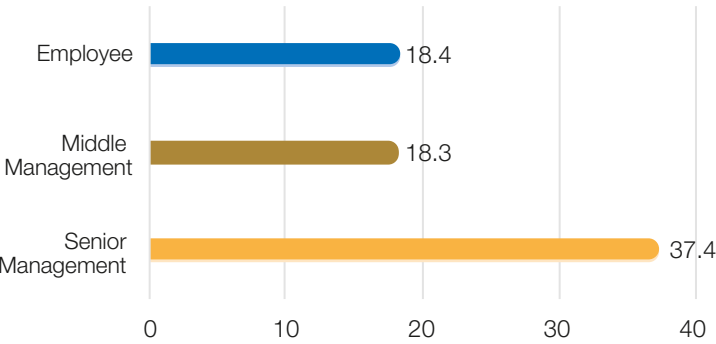
Employee Training Hours by Gender (Hours)



Employee Training Participation Rate by Employee Category (%)



Employee Training Hours by Employee Category (Hours)





Official document writing training



Safety director skill enhancement training



Business etiquette lectures



Site visits



(c) Democratic Management and Employee Care

The Company believes that respecting and caring for employees is a critical foundation for fostering loyalty and dedication, and for achieving mutual success between the enterprise and its staff. We have formulated the *Implementation Plan for the development of GHPC Chapter of "Happy YCIH" by GHPC's Labor Union (Trial)* and continuously advanced the initiative. Through online satisfaction surveys on "GHPC Chapter of Happy YCIH", we dynamically enhance employee benefits and workplace conditions.

■ Practicing Democratic Management

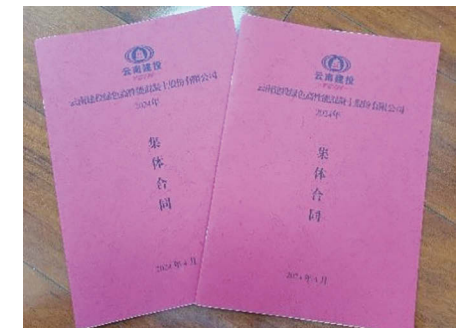
The Company places the employees' legitimacy rights and interests at the core of democratic management. We continue to improve institutional mechanisms to safeguard employees' rights to participate, know, and supervise. In 2024, employee directors and supervisors were elected through democratic procedures, strengthening employee involvement in corporate governance.



We have actively solicited feedback from employees and approved 13 key documents, including the "Happy YCIH Initiative – GHPC Chapter" Implementation Plan, as well as 12 policies and measures related to employee compensation and performance.



Fourth Session of the Second Employee Representative Congress



Collective agreement signing

■ Implementing Assistance Initiatives

The Company provides care and financial support for employees in need and grants them “Warmth Funds” to alleviate their financial pressures. During the Reporting Period, our Labor Union raised RMB22,000 for two employees with serious illnesses, provided “Happy YCIH” assistance funds for five employees, and delivered financial assistance on behalf of leadership to 1,046 financially struggling employees, dual-income families, and front-line workers. These efforts allow employees to genuinely feel the Company’s care and support.



■ Enriched Leisure Time

The company organizes monthly group activities to enrich employees’ cultural and recreational lives from multiple dimensions. These activities include employee basketball and football games, World Book Day events, and a series of activities for International Labor Day. We also arrange programs for strengthening family bonds, such as the “Spring Buds” childcare services, parent-child educational outings, and family educational TV show watching, alongside employee recuperation activities for frontline workers, all of which demonstrate our care for employees. These actions help employees foster stronger family bonds. Additionally, we enhance the service functions and facilities of Labor Union service stations, providing employees with places for reading, leisure, and exercise to address their diverse needs and boost their sense of belonging and well-being.



Basketball games



Football games



Mid-Autumn Festival activities



“Spring Buds” childcare services

■ Protecting the Rights and Interests of Female Employees

The Company strictly implements the *Special Provisions on the Labor Protection of Female Employees*. We ensure that female employees have equal employment opportunities and enjoy their entitled leaves and insurances. Annual health checkups including additional specialized health screenings for both married and unmarried female employees are provided. In 2024, we organized a series of “Women’s Strength” activities, including sessions on relevant laws and regulations to enhance legal awareness, as well as health seminars on women’s well-being to promote health consciousness, demonstrating our comprehensive commitment to safeguarding the rights and interests of female employees.



Women's Day activities

(d) Occupational Health and Safety

The Group places paramount importance on safe production and employee occupational health management. We practice the concept of “Respect Life, Proactively Ensure Safety” and uphold the principle of “Safety First, Prevention Oriented, and Comprehensive Management”. Our goal is to provide employees with a safe and comfortable working environment while safeguarding their life safety and occupational health.

■ Work Safety Management

The Company strictly complies with laws and regulations, including the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Fire Control Law of the People's Republic of China*, the *Road Traffic Safety Law of the People's Republic of China*, the *Provisions on the Administration of Occupational Health at Workplaces*, the *Regulation on Work-Related Injury Insurance*, and the *Measures for the Administration of Contingency Plans for Work Safety Accidents*. To standardize safe production management practices, the Company has also established internal policies such as the *Environmental and Occupational Health and Safety Management Measures*, the *Oil and Chemical Management Measures*, and the *Safety Management Guidelines*.

We have developed a dual prevention mechanism and a grid-based safety management system with clearly defined responsibilities and full employee coverage. A Safety Production Committee, chaired by the Secretary of the Company's Party Committee and the Company's Chairman and comprising heads of departments and basic units, has been set up as the highest deliberative and decision-making body for the Company's safe production. A Safety Supervision and Management Department is set up at the headquarters, and specialized safety engineers are assigned at mixing stations. The Company has formed a management system based on the Plan-Do-Check-Act (PDCA) cycle, encompassing responsibility boundaries, organizational capacity building, major risk identification, accountability mechanisms, and emergency plan management, to achieve standardized safe production. Safe production management responsibility agreements have been signed between the management team, production entities, and subsidiary companies to ensure the implementation of management responsibilities.

During the Reporting Period, the Company strictly followed the GB/T 45001 *Occupational Health and Safety Management Systems Requirement with Guidance for Use* and obtained both the Work Safety Standardization Certification and the GB/T 28001 Occupational Health and Safety Management Systems Certificate.

Conducting emergency drills. The Company has established a standardized emergency management system and formulated the *Comprehensive Emergency Plan for Production Safety Accidents*. We conduct regular safety training and drills, forming a three-dimensional drill framework featuring “quarterly specialized + annually comprehensive + dual-blind surprise drills”. In 2024, the Company conducted 31 drills for emergencies including fire, electrical shock, high falls, confined spaces, and natural disasters, with a total of 1,272 person times. These activities have significantly enhanced employees’ safety knowledge, awareness, and emergency response capabilities.



Safety emergency drills

Organizing safety training. Throughout 2024, the Company conducted 14 publicity activities regarding safe production and environmental protection policies, 8 analyses of typical accident cases, and 1 training session to enhance safe production competency. We organized ABC forensics training for “Class III personnel” in construction engineering safety and traffic safety for 32 person-times, 26 person-times for special operations (aerial electricians/welders), and completed 85 person-times for safety management qualification certificate training for safety production managers in industrial and commercial enterprises. In total, 1,019 employees received safety training in 2024.



Safety competency enhancement training

On-site safety training

Fostering safety culture. We organize themed activities such as “Safe Production Month” and “Fire Safety Month,” along with a series of educational and award granting activities such as the “Ankang Cup” knowledge competition, “Eliminating Safety Hazards”, and “Safe Production Discussions”, which help familiarize employees with safety culture and knowledge.



“Ankang Cup” knowledge competition

Safety Month award ceremony

■ Occupational Health Management

To enhance the occupational health and safety management, occupational disease prevention awareness and capabilities of all employees, the Company provides employees with protective equipment, including distributing safety helmets, dust masks, earplugs, safety shoes, protective gloves, reflective vests, and safety ropes. Additionally, guidance and supervision are also provided to ensure that employees wear their protective equipment correctly. Occupational health checkups are conducted regularly every year. We will rescind job offers if candidates are identified with health issues in pre-employment screenings and reassign employees with on-the-job health concerns. During the Reporting Period, a total of 951 employees underwent health checkups, and 423 employees received occupational disease screenings. The Company invested RMB834,300 in work-related injury insurance and production safety liability insurance.

In the past three years, the number of deaths related to work in our Group and the number of lost workdays due to work-related injuries are as follows:

	2024	2023
The number of deaths related to work (headcount)	0	0
The ratio of number of deaths related to work (%)	0	0
The number of lost workdays due to work-related injuries (day)	111*	5

*Note:The number of workdays lost due to workplace injuries in 2024 increased significantly compared to 2023, primarily due to two employees sustaining injuries during the company basketball match and football match, resulting in a combined total of 111 lost workdays.



Case: Conducting occupational health training

In 2024, the Company invited experts from the Yunnan Safety and Health Education Center to conduct occupational health training. The training, grounded in real-world cases, covered topics such as interpretation of the work safety law, first aid knowledge, occupational disease prevention, chronic disease prevention, and psychological counseling, with the aim to comprehensively enhance employees' knowledge of occupational health and emergency response abilities.



Occupational health training



In November 2024, doctors from a rehabilitation hospital provided employees with traditional Chinese medicine consultations

D. Involvement in Community Development

The Company actively fulfills its social responsibilities in community engagement and contributes to the community development in multiple ways. Putting people first, we strongly support social welfare projects, encourage and assist employee participation in volunteer activities, and promote volunteer services to enhance the quality of life for local communities.

(a) Infrastructure Projects Construction

The Company has actively participated in numerous major livelihood and infrastructure projects in Yunnan Province to promote its economic and social development while enhancing community infrastructure. These projects include affordable housing, shantytown renovation, and the construction of highways and high-speed railway stations. Since its establishment, it has participated in hundreds of major construction projects in Yunnan over the past two decades.



(b) Volunteer and Social Welfare Activities

The Group actively promotes the construction of a harmonious society and considers giving back to society and fulfilling social responsibilities as important missions. It has been deeply involved in volunteer service projects focused on ecological conservation, educational support, and other social welfare initiatives.



Volunteering for the protection of seagulls in Kunming



Volunteer tree planting activities

Launch of the “Dreams Come True” donation project



Case: Smart and fun class inspiring sustainable living

In October 2024, the Company held the “Smart and Fun Class Inspiring Sustainable Living” event, where we taught students at Mingtong Primary School in Kunming about green technology and low-carbon living. The sessions included displaying images and videos of innovative green building materials and facilities, which sparked the students’ interest in low-carbon solutions and future development of sustainable energy. A low-carbon lifestyle initiative was also launched to encourage students to embrace and practice sustainable living.



Case: Donations to students and schools

In September 2024, GHPC hosted the “Donations Support Education, Collaboration Promotes Development” event. The Company provided financial assistance to 8 underprivileged students to cover their living expenses and donated sports equipment to Shagou Primary School, inspiring the recipients to build confidence, study diligently, and leverage education to transform their futures.



06

Strengthening the Foundation for Lasting Success

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Contributions to UN SDGs



Strengthening the Foundation for Lasting Success

GHPC is committed to perfecting corporate governance, strengthening compliance and risk management, and ensuring the steady growth of its business. The Company actively engages with stakeholders to address their concerns and promotes greater transparency. Meanwhile, the Company upholds a zero-tolerance stance towards corruption and fraud and safeguards a clean and ethical business environment, thus laying a solid foundation for sustainable development.

A. Enhancing ESG Governance

The Group promotes sustainable development with a responsible approach and strictly abides by the legal and regulatory requirements of its registration jurisdiction and Hong Kong Listing Rules. Based on actual circumstances and the latest regulatory requirements, the Company continuously optimizes its ESG governance system and emphasizes stakeholder communication and participation. With key ESG issues identified, corresponding strategies, goals, plans, and measures have been formulated to foster the sustainable development of the Company's business.

(a) Sustainable Development Strategies and Goals

The Company's board of directors adheres to the concept of "Safe Production, Tech-Driven, Intelligent Manufacturing, Green Development". With a long-term management policy of "Optimal Governance, Promoting Accountability", the Company focuses on enhancing its corporate governance capabilities. At the beginning of each year, based on a comprehensive review and analysis of the previous year's operations, it scientifically sets the management objectives and tasks for the year.

At the strategic planning level, the Board has proposed a green, low-carbon, and circular development path driven by innovation. The Company practices intrinsic, high-quality development from various aspects such as production control, quality and technology management, safety management, and talent management, steadily advancing transformation and upgrading. In daily operations, the Company aligns business growth with stakeholder expectations and integrates ESG factors into all aspects of production and operational management.

As of the end of 2024,

the Company received an ESG score of **6.89** (out of 10) on Wind,

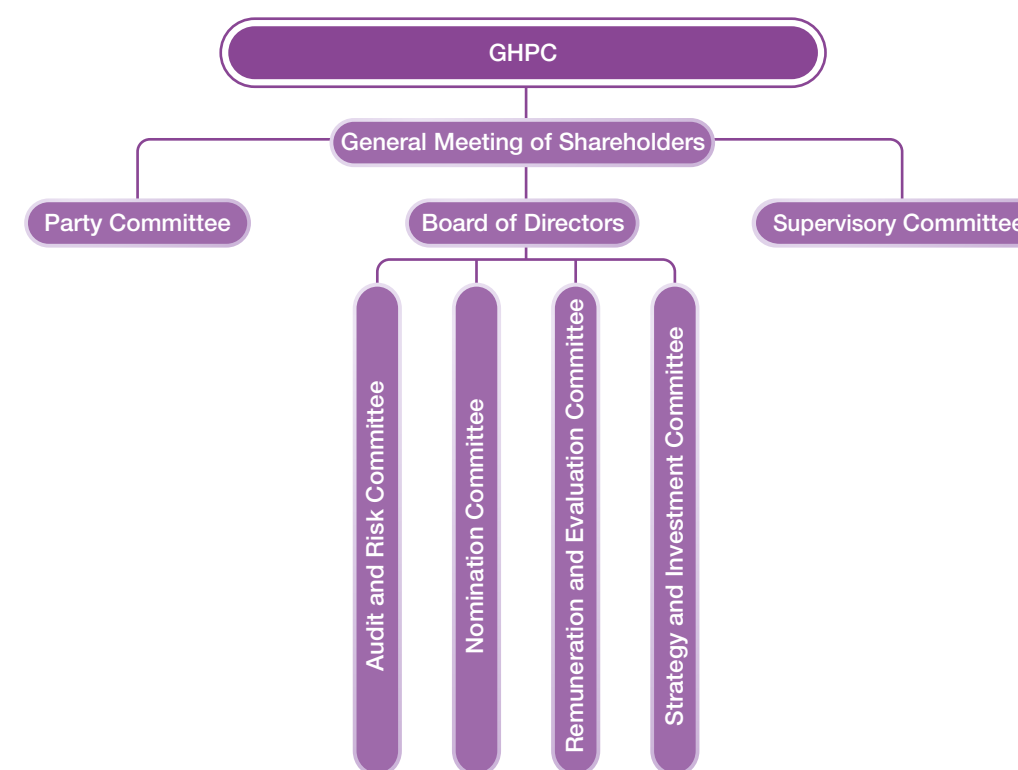
reflecting an approximate **9%** increase compared to 2023.

Within the industry (approximately 81 companies), our ranking rose from 31st to **18th**.

(b) ESG Governance Structure

The Company strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, other applicable laws and regulations in its place of registration, and the Hong Kong Listing Rules. We continuously enhance our governance structure and have established a governance structure with clearly defined powers and responsibilities to support sustainable development. As of the end of the Reporting Period, the Board of Directors comprised nine members, including two non-executive directors and three independent non-executive directors. For more information on the Group's corporate governance for the year 2024, please refer to the chapter "Corporate Governance Report" in the Company's 2024 Annual Report.

During the Reporting Period, the Company restructured its five board committees into four, and accordingly revised and refined the operational guidelines of these committees. These adjustments have enhanced the operational efficiency of the specialized committees and optimized the corporate governance structure.



Company Organizational Chart



During the Reporting Period, the Board of Directors conducted a comprehensive review of the Group's ESG management performance for the year 2023. To further develop a scientific, systematic, and standardized ESG framework and to strengthen the organizational management of the Company's ESG initiatives, the Board of Directors revised the *Work Rules for the Strategy and Investment Committee* on May 30, 2024. This revision clarified the Committee's responsibilities in ESG and sustainable development.

Level	Responsibilities
Board of Directors	<ul style="list-style-type: none">Oversee and coordinate ESG issues, including establishing and improving the ESG work system, formulating management policies and strategies, reviewing and approving relevant regulations and ESG reports, and addressing other significant ESG issues
Strategy and Investment Committee	<ul style="list-style-type: none">Assist the Board in effective ESG governance by providing recommendations on the ESG work system, policies, key issues, reporting principles, and scope. Review related policies and ESG reports and handle other ESG matters delegated by the Board
Management team	<ul style="list-style-type: none">Coordinate and manage specific ESG tasks, including the preparation of ESG reports and addressing major matters within ESG operations
Implementation bodies	<ul style="list-style-type: none">Comprise departments and subsidiaries of the Company, led by the Board Office, primarily responsible for improving the ESG work system, drafting relevant regulations, preparing and disclosing ESG reports, and coordinating other ESG-related matters

To strengthen sustainable development management capabilities, we have organized internal ESG-themed training sessions and participated in external ESG exchange activities. In 2024, the Company attended the Training Program on ESG Management System Development and Information Disclosure Guidelines under the “Carbon Peaking and Carbon Neutrality” Goals, jointly organized by the China Association for Standardization and the Beijing ESG Research Institute.



(c) Stakeholder Engagement

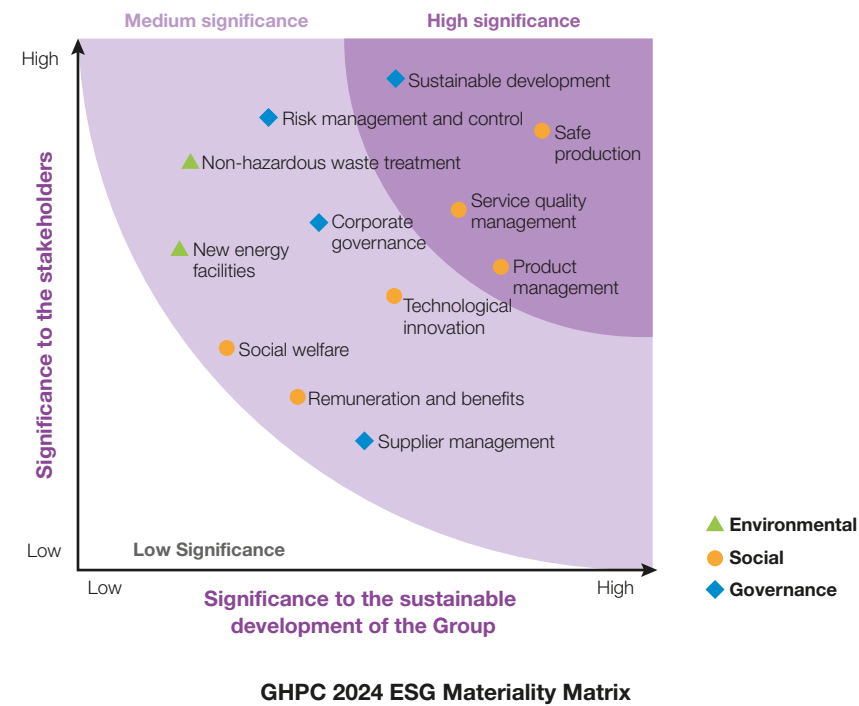
The Company greatly emphasizes the expectations and concerns of all stakeholders and has established regular stakeholder communication mechanisms. Through various channels, we actively engage with stakeholders including government authorities, shareholders and investors, customers, suppliers and partners, employees, communities and the public, industry associations, and other institutions (such as non-profit organizations and media). While keeping stakeholders informed of the Company's latest developments, we actively gather their feedback and expectations regarding our sustainability performance and address stakeholders' concerns to enhance transparency and build trust. Since 2024, the Company has conducted a total of 120 on-site research and exchange sessions with government departments, shareholders and investors, customers, suppliers and partners, and industry associations, involving 950 external participants.

Stakeholders	Expectations and demands	Engagement and response
Government	<ul style="list-style-type: none">Obey the law and pay taxesDrive the local employmentPromote local economic and social development	<ul style="list-style-type: none">Receive supervision and reviewReport the work regularlyAttend related meetingsEngage in information declaration
Shareholders and investors	<ul style="list-style-type: none">Share returns on investmentEnsure open and transparent informationSecure the rights and interests of shareholders	<ul style="list-style-type: none">Report the business situation regularlyDisclose announcements and periodic reportsOrganize investor communication activities actively
Customers	<ul style="list-style-type: none">Provide high-quality productsProvide premium servicesProtect rights and interests	<ul style="list-style-type: none">Conduct customer satisfaction surveyConduct customer return visitsEngage in daily communication and regular meetings
Suppliers and partners	<ul style="list-style-type: none">Maintain good business relationsManage justly, fairly and openlyOperate with integrity and perform timelyPursue win-win cooperation	<ul style="list-style-type: none">Disclose relevant informationImprove the supplier management systemEstablish and improve bidding and procurement management mechanismsAdmit and evaluate suppliersEngage in communication activities regularly
Employees	<ul style="list-style-type: none">Receive competitive salary and benefitsGet fair promotion and developmentBoost competenceSecure health and securityEnjoy enabling work environment	<ul style="list-style-type: none">Disclose relevant informationEstablish comprehensive employee management systemLaunch training activities activelyStrengthen employee communication through multiple channelsCare for employees in needCarry out employee activities
Community and public	<ul style="list-style-type: none">Ensure safe operation of businessServe community developmentSafeguard social stabilitySupport public welfareProtect the environment	<ul style="list-style-type: none">Disclose relevant informationRegulate business managementReinforce the community interactionOrganize social welfare activities
Industry associations	<ul style="list-style-type: none">Innovate technologiesPromote industry developmentEnsure product quality	<ul style="list-style-type: none">Join industry associationsEngage in industry discussionsParticipation in Standard Formulation

(d) Analysis of Material Issues

The Group has conducted a materiality assessment of 12 sustainability issues based on the *Guide* while taking into account stakeholders’ needs and the Group’s sustainability objectives. A materiality matrix has been developed based on this evaluation. In 2024, materiality levels of these topics remained unchanged.

- Highly important issues include: safe production, product management, service quality management, and sustainable development
- Moderately important issues include: corporate governance, risk management, Non-hazardous waste treatment, introduction and utilization of new energy facilities, technological innovation, supplier management, and employee remuneration and benefits



B. Legal and Compliant Operations

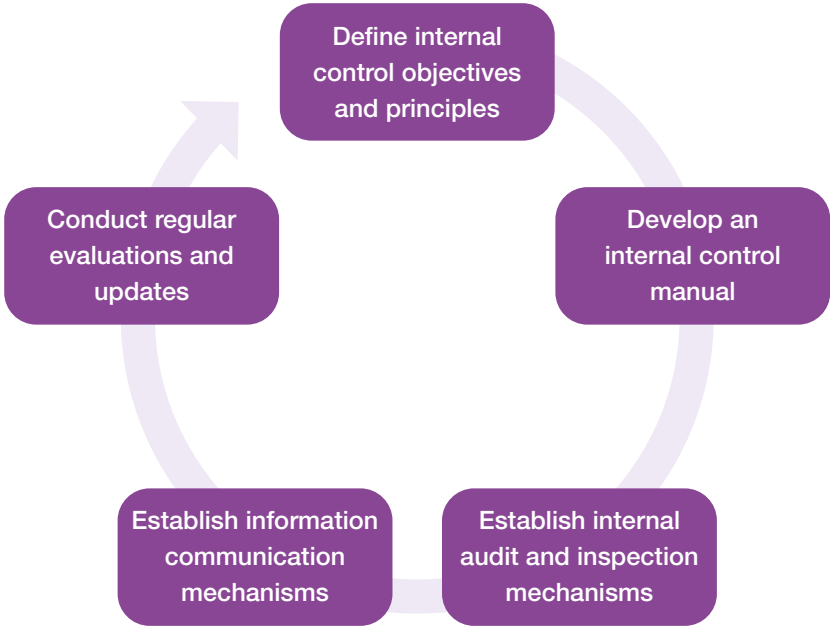
The Group strictly complies with relevant laws and regulations such as the *Company Law of the People’s Republic of China*, the *Anti-Monopoly Law of the People’s Republic of China*, and the Hong Kong Listing Rules. We have established a robust compliance management system, improved the compliance management organizational structure, and strengthened risk management, all of which contribute to a sound, standardized, and sustainable operational environment.

(a) Compliance System Development

Building on the existing *Compliance Management Measures*, the Company has added the *Implementation Plan for Compliance Management System Development*, which further clarifies the procedures and direction of compliance management efforts. The Compliance Management Committee oversees and coordinates compliance activities, ensuring that compliance principles are integrated into corporate decision-making and management. The general counsel has been appointed as Chief Compliance Officer, with the Legal Affairs Department leading compliance management efforts. The compliance management framework is implemented with compliance liaisons assigned across all management departments and operational units, realizing thorough operational oversight.

■ Enhancing the Internal Control and Compliance System

The Company continues to strengthen internal control management through regular self-assessments and aims to build a standardized and effective internal control system. During the reporting period, the company has systematically sorted out and formed the *Compliance Risk Management List for Concrete Sales Business*, which covers various aspects including bidding, contract signing, delivery, performance, quality, taxation, production qualifications, anti-monopoly, anti-unfair competition, and anti-commercial bribery, thereby significantly improving compliance management in the concrete business segment.



Caption: Internal Control System Development Process

■ Fostering Compliance Awareness

The Company places great emphasis on cultivating compliance awareness among employees. Initiatives include compliance training for new hires, signing compliance commitment letters, and regular legal education campaigns, all contributing to cultivating a strong compliance culture.



In May 2024, the Company invited domestic and international law firms to conduct a specialized training session on “Corporate Governance and Compliance for Hong Kong-Listed Companies”. Participants included the newly appointed directors, supervisors, and senior executives, as well as leadership teams from subsidiaries.

In terms of daily compliance culture development and promotion, the Company launched a “Legal Education Corner” column on its official WeChat account, where legal articles related to production and operations are published regularly. We also organized legal awareness promotion campaigns, such as the Civil Code Promotion Month and the “April 15” National Security Education Day activities, encouraging employees to apply legal thinking and methods in their work and fostering a corporate culture grounded in the rule of law.



(b) Reinforcing Risk Management

To enhance its risk management system, the Company has established a four-tier risk management structure consisting of the Board of Directors, the Audit and Risk Committee, the Legal Affairs Department (Risk Management Department), functional departments, and frontline units. During the Reporting Period, the Audit Committee and Risk Management and Control Committee under the Board of Directors were merged into the Audit and Risk Committee, with the *Work Rules for the Audit and Risk Committee under the Board of Directors* updated to clearly define the roles of key risk control departments.

Risk type	Responsible department
Investment risks	Planning and Development Department
Financing risks	Financial Management Center
Financial risks	Financial Management Center
Legal and compliance risks	Legal Affairs Department
Other risks (e.g., production, quality, safety, environmental protection, human resources)	Respective functional departments

The Company has incorporated ESG-related risks into its regular risk management system. The list of applicable laws and regulations is updated annually, which includes topics related to climate change, environmental, and social issues. We conduct compliance evaluations in areas such as environmental impact, occupational health, safety, and energy management to ensure operations align with ESG requirements. In 2024, guided by the *Comprehensive Risk Management Measures (Trial)*, the Company conducted risk identification and assessment, categorizing risks into three levels—major, moderate, and low—based on their likelihood and impact on business development goals. Targeted management strategies and solutions were developed and implemented accordingly. In 2024, the Company effectively managed risks related to environmental impact, production safety, and employee compensation and benefits.

C. Upholding Business Ethics

The Company strictly adheres to relevant laws and regulations, including the *Regulation on the Implementation of the Oversight Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery*, the *Anti-Money Laundering Law of the People's Republic of China*, and others. We firmly prevent illegal and unethical behaviors, including corruption, bribery, fraud, unfair competition, and money laundering. Centered on the “Clean and Honest YCIH” initiative, the Company improves its integrity framework, strengthens integrity risk management and control, and fosters a culture of integrity. We have enhanced daily supervision and are dedicated to creating a transparent and ethical business environment.

(a) Improving the Integrity System

The Company has established regulations such as the *Interest Conflict Management Policy* and the *Notice on Issuing the Special Rectification Action Plan to Address Improper Dining and Drinking Practices*, and revised the *Integrity Risk Prevention and Control Manual*. The Company adopts a zero-tolerance policy toward any acts of corruption or fraud, and any violations such as bribery, embezzlement, or other misconduct will result in strict disciplinary action in accordance with regulations. A Disciplinary Inspection Committee has been established, which oversees the supervision of employee business ethics, policy enforcement, and integrity risk management through its Disciplinary Inspection and Supervision Department. Additionally, to effectively fulfill and supervise the Company's integrity construction, we have established the Clean Governance Risk Prevention and Control Working Group and a coordination mechanism for party discipline and anti-corruption efforts.

During the Reporting Period, the Group has not been involved in any litigation cases related to corruption or bribery.



Case: Conducting a special inspection on commercial bribery

In 2024, the Company carried out a special inspection on commercial bribery, with a focus on key areas such as bidding and tendering, procurement, production, sales, and investment and financing activities. A self-assessment was conducted to identify potential risks of commercial bribery, resulting in a detailed list of issues and the formulation and implementation of corresponding corrective measures. No instances of commercial bribery were found in various business process during the inspection.



Special inspection on commercial bribery

(b) Enhancing the Petition and Reporting Mechanism

The Company attaches great importance to petitions and reports. In 2024, the *Notice on the Submission of Petition and Reporting Clues* was revised to ensure a structured and regulated process for handling reports. Petitions and reports are jointly handled by the Company's disciplinary committee, the Discipline Inspection and Supervision Department, and the Complaints and Stability Maintenance Department, while the Financial Management Center is responsible for handling complaints from small and micro-sized enterprises. The primary reporting channels include letters and in-person visits. Stakeholders may also file reports directly through the discipline inspection and supervision authorities of Yunnan Province.

In terms of whistleblower protection, the Company follows the *Rules for Handling Reporting and Accusation by Discipline Inspection and Supervision Organs*, along with relevant national, provincial, and Group regulations, strictly safeguarding whistleblower information and limiting access to such information. If a whistleblower's legal rights are threatened due to their report, they may apply for protection in accordance with provisions and regulations. The Company will fully comply with the rules in processing such cases, to address any concerns raised by the whistleblower and build a secure reporting environment.

Reporting Channels:

Yunnan Provincial Discipline Inspection and Supervision Commission Website: <http://yunnan.12388.gov.cn>

Mailing address: Office 945, Yunnan YCIH Development Building, No. 188 Linxi Road, Information Industrial Base, Economic and Technological Development Zone, Kunming City, Yunnan Province, China

(c) Developing a Culture of Integrity

The Company is committed to cultivating a clean and positive corporate culture. To this end, we have developed the "Clean and Honest YCIH Innovation Year" Construction Plan and the *Guidelines for Advancing the "Clean and Honest YCIH" Initiative to Improve Quality and Efficiency on a Routine Basis*. Through enhanced political leadership, educational supervision, institutional constraints, and supervisory measures, we aim to establish an ethical working environment.

We place great importance on the promotion and education of integrity construction. We've organized various departments to convey and study materials from higher authorities, organized screenings of educational warning films, and arranged visits to educational warning bases. These efforts aim to strengthen the political awareness and legal consciousness of Party members and management. During the Reporting Period, we organized three viewings of educational videos, seven study sessions on typical cases and related notices, and eight visits to the Group's integrity warning education base and the Yunnan Provincial Anti-Corruption Education Base.



Visit to warning education base

During the Reporting Period,

the Company conducted **114** anti-corruption training sessions for directors and employees,
totaling **171** hours. The training covered **5** directors and **894** employees.



Case: Conducting Party lectures on incorruption governance to raise disciplinary awareness among Party members, cadres and employees

In June 2024, the Deputy Secretary of the Company's Party Committee delivered a special integrity-focused Party lecture on disciplinary education to the First Party Branch. By integrating theoretical knowledge, case studies, and comparisons of relevant regulations, the lecture guided Party members and leading cadres to uphold integrity and serve the public with dedication.



Integrity-themed Party lectures

A. Key Performance Index Table

Environmental Performance

	Indicator	Unit	2024	2023
A1	Emissions			
A1.1	The types of emissions and respective emissions			
	Nitrogen Oxides (NOx)	Ton	12.16	17.34
	Sulfur Oxides (SOx)	Ton	0.01	0.05
	Particulate Matter (PM)	Ton	0.94	1.27
A1.2	Greenhouse gas emissions and intensity			
	Greenhouse gas emissions (Scope 1)	tCO ₂ e	880.61	4,928.96
Type	Carbon dioxide (CO ₂)	tCO ₂ e	833.94	4,816.73
	Methane (CH ₄)	tCO ₂ e	2.21	7.48
	Nitrous oxide (N ₂ O)	tCO ₂ e	44.46	104.75
	Greenhouse gas emissions (Scope 2)	tCO ₂ e	5,182.11	6,919.31
Type	Use of power resources	tCO ₂ e	5,094.26	6,599.31
	Other indirect emissions	tCO ₂ e	87.86	320.00
	Total emissions of greenhouse gas	tCO ₂ e	6,150.58	11,848.27
	Total greenhouse gas emission intensity	tCO ₂ e/RMB100 million	867.18	842.81
A1.3	Total hazardous waste produced and intensity			
	Hazardous waste	Ton	1.03	0.30
	Hazardous waste intensity	Ton/RMB100 million	0.15	0.02
A1.4	Total non-hazardous waste produced and intensity			
	Total non-hazardous waste	Ton	522.33	1036.59
	Non-hazardous waste intensity	Ton/RMB100 million	73.64	73.73
A2	Use of resources			
A2.1	Direct and/or indirect energy consumption by type in total and intensity			
	Direct energy consumption			
Type	Gasoline	Liter	132,495.98	261,609.80
	Diesel	Liter	672,662.84	1,474,994.77
	Natural gas	m ³	5,785.00	6,087.00
	Direct energy intensity	Liter/RMB million	9,291.60	5,565.24
	Indirect energy consumption			
Type	Electricity	kWh	9,149,166.44	11,571,641.61
	Indirect energy intensity	kWh/RMB million	12,899.60	8,231.36
A2.2	Total water consumption and intensity			
	Water consumption	Ton	544,089.94	765,065.27
	Intensity	Ton/RMB million	767.12	544.22

Note: The 2023 non-hazardous waste data has been revised to 1,036.59 tons, and its emission density has been adjusted accordingly.

Social Performance

	Indicator	Unit	2024	2023
Employment and Labour Standard				
B1	Employment			
	Total number of employees	Headcount	886	972
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region			
Gender	Male	Headcount	673	750
	Female	Headcount	213	222
Employment type	Full time	Headcount	886	972
	Part time	Headcount	0	0
Age group	25 or below	Headcount	46	75
	26 to 30	Headcount	204	285
	31 to 35	Headcount	338	337
	36 to 40	Headcount	139	113
	41 to 45	Headcount	55	61
	46 to 50	Headcount	53	55
	51 to 55	Headcount	32	21
	56 or above	Headcount	19	25
Geographical region	Kunming	Headcount	745	805
	Zhaotong	Headcount	29	33
	Qujing	Headcount	47	57
	Yuxi	Headcount	28	43
	Baoshan	Headcount	37	34
B1.2	Employee turnover rate by gender, age group and geographical region			
	Overall employee turnover rate	%	10.0	14.5
Gender	Male	%	75.51	85.8
	Female	%	24.49	14.2
Employment type	Full time	%	100	100
	Part time	%	0	0
Age group	25 or below	%	6.12	3.5
	26 to 30	%	35.71	38.3
	31 to 35	%	27.55	39.7
	36 to 40	%	19.39	12.8
	41 to 45	%	3.06	2.8
	46 to 50	%	4.08	2.1
	51 to 55	%	0	0.7
	56 or above	%	4.08	0
Geographical region	Kunming	%	47.97	86.6
	Zhaotong	%	9.18	5
	Qujing	%	36.73	2.8
	Yuxi	%	2.04	2.8
	Baoshan	%	4.08	2.8

	Indicator	Unit	2024	2023
B2	Health and safety			
	Number of work-related fatalities	Headcount	0	0
	Rate of work-related fatalities	%	0	0
	Lost days due to work injury	Day	111	5
B3	Training and development			
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)			
	Overall percentage of employees trained	%	67.4	93.5
Gender	Male	%	70.5	72.4
	Female	%	29.5	27.6
Employment category	Senior management	%	4.0	1.5
	Middle management	%	20.9	16.5
	General employees	%	75.1	82
B3.2	The average training hours completed per employee by gender and employee category			
	Average training hours per employee	Hours	19.2	22.8
Gender	Male	Hours	21.8	23.6
	Female	Hours	12.9	20.3
Employment category	Senior management	Hours	37.4	29.4
	Middle management	Hours	18.3	25.5
	General employees	Hours	18.4	21.9
B5	Supply chain management			
B5.1	Number of suppliers by geographical region			
	Total number of suppliers	Count	597	718
Region	Yunnan Province	Count	574	700
	Other regions	Count	23	18
B6	Product responsibility			
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons			
	Percentage of recalls for safety and health reasons	%	0	0
B6.2	Number of products and service related complaints received			
	Number of complaints received	Cases	0	0
	Resolution rate of complaints received	%	/	/
	Customer satisfaction rate	%	96.25	96.27
B6.3	Description of practices relating to observing and protecting intellectual property rights			
	Incidents of intellectual property violation	Cases	0	0

	Indicator	Unit	2024	2023
B7	Anti-corruption			
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases			
	Number of concluded legal cases regarding corrupt practices brought against the issuer	Cases	0	0
	Number of concluded legal cases regarding corrupt practices brought against the employees	Cases	0	0
B7.3	Description of anti-corruption training provided to directors and employees			
	Number of anti-corruption training sessions provided for directors and employees	Sessions	114	173
	Anti-corruption training hours completed by directors and employees	Hours	171	200
	Number of directors receiving anti-corruption training	Headcount	5	5
	Number of employees receiving anti-corruption training	Headcount	894	972
B8	Community investment*			
B8.2	Resources contributed (e.g. money or time) to the focus area			
	External donation amount	RMB10,000	0	
	Fund for rural revitalization	RMB10,000	0	

*Note: Due to donation-related restrictions, our community investment mainly consists of staff participation in relevant activities, covering minimal direct costs like material purchases. In 2024, the Group's direct community investment costs were approximately RMB3,000.

B. Guide Index

	KPIs	Corresponding chapters
A. Environmental		
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Management
A1.1	The types of emissions and respective emissions data	Emissions Management Key Performance Index Table
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Response to Climate Change
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Table
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Index Table
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Leading Industrial Development with Green and Low-Carbon Initiatives Emissions Management

	KPIs	Corresponding chapters
A2: Use of Resources		
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Utilization of Energy and Resources
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Index Table
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Index Table
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Leading Industrial Development with Green and Low-Carbon Initiatives Utilization of Energy and Resources
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Leading Industrial Development with Green and Low-Carbon Initiatives Utilization of Energy and Resources
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Emissions Management
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions Management
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Response to Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Response to Climate Change
B. Social		
Employment and Labour Practices		
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Supporting Employee Growth
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Supporting Employee Growth
B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Index Table

	KPIs	Corresponding chapters
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to providing a safe working environment and protecting employees from occupational hazards.	Supporting Employee Growth Key Performance Index Table
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Index Table
B2.2	Lost days due to work injury.	Key Performance Index Table
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Supporting Employee Growth
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work Description of training activities.	Supporting Employee Growth
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Supporting Employee Growth Key Performance Index Table
B3.2	The average training hours completed per employee by gender and employee category.	Supporting Employee Growth Key Performance Index Table
B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to preventing child or forced labour.	Supporting Employee Growth
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Supporting Employee Growth
B4.2	Description of steps taken to eliminate such practices when discovered.	Supporting Employee Growth
Operating Practices		
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Building a Community of Shared Responsibilities
B5.1	Number of suppliers by geographical region.	Key Performance Index Table
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Building a Community of Shared Responsibilities
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Building a Community of Shared Responsibilities
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Building a Community of Shared Responsibilities

KPIs		Corresponding chapters
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Propelling Quality Through Innovation
B6.1	Percentage of total products sold or shipped subject to recalls.	Key Performance Index Table
B6.2	Number of products and service related complaints received and Customer Service how they are dealt with.	Propelling Quality Through Innovation Key Performance Index Table
B6.3	Describe practices related to the preservation and protection of intellectual property.	Propelling Quality Through Innovation
B6.4	Description of quality assurance process and recall procedures.	Propelling Quality Through Innovation
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Propelling Quality Through Innovation
B7: Anti-corruption		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to bribery, extortion, fraud and money laundering.	Upholding Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Key Performance Index Table
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Upholding Business Ethics
B7.3	Description of anti-corruption training provided to directors and employees.	Key Performance Index Table
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Involvement in Community Development
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Involvement in Community Development
B8.2	Resources contributed (e.g. money or time) to the focus area.	Key Performance Index Table

C. Feedback Form

Thank you for reading GHPC's 2024 Environmental, Social, and Governance Report. In order to provide you and other stakeholders with more valuable information and to enhance GHPC's ESG management capabilities and performance, we sincerely welcome your feedback and suggestions on the report. Please feel free to share your insights via email (Chairman's email: GHPC01@ynhnt.com; Board Secretary's email: GHPC02@ynhnt.com).

1. Which of the following types of stakeholders do you belong to?

- ☐ Consumer
- ☐ Government and Regulatory Agencies
- ☐ Employees
- ☐ Shareholders/Investors
- ☐ Partners (Suppliers/Distributors)
- ☐ Media
- ☐ Community/Public
- ☐ Non-Profit Organizations/Industry Associations
- ☐ Other_____

2. Do you think this report comprehensively reflects the Company's performance in ESG?

- ☐ Yes
- ☐ Neutral
- ☐ No

3. Do you think this report adequately addresses the expectations and requirements of the Company's stakeholders?

- ☐ Yes
- ☐ Neutral
- ☐ No

4. Do you think the quantitative information disclosed in this report is objective, accurate, and reliable?

- ☐ Yes
- ☐ Neutral
- ☐ No

5. Do you think this report is clear and reader-friendly?

- ☐ Yes
- ☐ Neutral
- ☐ No

6. Do you think the layout design of this report helps you understand relevant information?

- ☐ Yes
- ☐ Neutral
- ☐ No

7. Do you have any comments or suggestions regarding the Company's ESG report and ESG work?
