BBMG 金腐

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BBMG CORPORATION

Sustainability Report (Environmenntal, Social and Governance Report)

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About This Report

The *BBMG Corporation 2024 Sustainability Report (Environmental, Social and Governance Report)* (this Report) is a true reflection of BBMG Corporation's active fulfillment of its economic, environmental, and social responsibilities, and the realization of comprehensive, coordinated, and sustainable development. Statements concerning future business plans, development strategies, and any other future endeavours herein do not constitute a substantial commitment of the Group to investors.

Reporting Boundary

Reporting Period: January 1, 2024, to December 31, 2024 (this Year), with some content appropriately extending beyond this period. Organizational Scope: The Report covers BBMG Corporation and its affiliates.

Source of Information

The data and information used in this Report come from the following sources: internal data collection and statistics systems of BBMG, and cases of social responsibility practice submitted by subsidiary companies.

Reporting Basis

The Report is mainly compiled in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies*— *Sustainability Report (Trial)*, the *Environmental, Social and Governance Reporting Guide* by the Stock Exchange of Hong Kong Limited, the *Corporate Sustainability Disclosure Standards -- Basic Standards (Trial)* by the Ministry of Finance, and with reference to the *International Financial Reporting Standard S1 - General Requirements for Disclosure of Sustainability-related Financial Information* by the International Sustainability Standards Board (ISSB) and the *GRI Standards* by the Global Reporting Initiative (GRI). The preparation of the Report strives to meet the industry-accepted standards for sustainability disclosure, while considering industry background and enterprise characteristics.

Reporting Principles

Materiality:During the Reporting Period, BBMG actively conducted double materiality assessment, which forms the basis for targeteddisclosure in this Report. The Board of Directors has reviewed the result of double materiality assessment and has approved this Report.

Quantitative: BBMG utilizes standardized ESG indicator management tools to conduct regular statistical calculation of key performance indicators within the ESG scope, which are summarized and disclosed at the end of each year. Where feasible, this Report provides statistical standards and instructions on cited measures for ESG quantitative key performance indicators.

Consistency: This Report used consistent statistical methods for all the data disclosed herein. In order to ensure comparability between this Report and the reports in previous years, this Report made no major adjustments to the disclosure scope and adopted the same preparation means as those in previous years.

Abbreviations

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For convenience of expression and reading, BBMG Corporation is also referred to as "BBMG", "the Group", "the Company", or "we" in this Report.



Access to the Report

The electronic version of this Report is available for download at www.sse.com.cn, www.hkex.com.hk, and www.bbmg.com. cn/listco.



Chairman's Statement



Dear friends,

On behalf of the Board of Directors, I would like to extend our sincerest thanks to you for your long-term care and support for BBMG's sustainable development.

2024 is the 75th anniversary of the founding of the People's Republic of China and the 10th anniversary of the implementation of the Beijing-Tianjin-Hebei Cooperative Development Strategy. This Year, BBMG actively practiced the mission and responsibility of state-owned enterprises, served the national strategy, grasped the new opportunities in the era of sustainability, and made concerted efforts to write a new chapter of the Group's high-quality development.

Governance as the foundation, solidifying responsibility management

This Year, BBMG has been fully committed to building a robust governance system and continuously deepening the process of governing enterprises in accordance with the law. The Group has established a solid governance structure, internal control system, and risk management framework, laying a strong foundation for the stable and healthy operation of the enterprise. On this basis, we have been continuously improving our sustainability management system, regarding ESG management as a vital engine to drive the Group's sustainable and high-quality development. This helps us respond more effectively to the concerns of stakeholders, creating comprehensive benefits in the economic, environmental, and social dimensions.



Quality first, accelerating technological innovation

This Year, BBMG focused on improving the quality of its main business development, going all out to enhance its core competitiveness, continuously investing in innovation, and extensively carrying out communication and cooperation. It is committed to accelerating the development of a new industrial structure led by new quality productive forces, with a sustainable growth prospect. During the Reporting Period, BBMG won 1 provincial-level government science and technology award, obtained 458 granted patents, added 9 provincial-level "specialized and innovative" enterprises, and 7 national high-tech enterprises, fully demonstrating its role in leading industry innovation.

With green as the foundation, deploying low-carbon development

This Year, BBMG actively implemented the work requirement of "focusing on One main task, outperforming in Two aspects and conducting coordination in Three dimensions", serving the national strategic goals of carbon peaking and carbon neutrality. Guided by the 14th Five-Year Plan for Carbon Peaking and Carbon Neutrality and the BBMG's Action Plan for Carbon Peaking, the Group formulated the Implementation Scheme for Green and Low-Carbon Transformation in 2024, clarified the key work of energy saving and carbon reduction, and decomposed the main targets and key tasks of the carbon peaking action plans of various secondary entities, laying a solid foundation for the green, low-carbon, and high-quality development of the Group.

People-oriented, jointly building a harmonious society

This Year, BBMG attached great importance to the protection of employees' rights and interests. Through a comprehensive recruitment, promotion, and training system, it met the diverse development needs of employees, actively built a warm and inclusive workplace environment, and helped employees find a balance between work and life. Beyond corporate construction, we actively contributed to community development, deeply implementing the philosophy of "serving society and benefiting the people". We continuously invested in areas such as charitable public welfare, community development, rural revitalization, and volunteer services, contributing BBMG's strength to the construction of a harmonious society.

With unwavering faith, the journey will be further. BBMG will continue to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, steadfastly walking the path of high-quality development. Adhering to innovation-driven development, we assist in cultivating new quality productive forces, continuously delve into sustainability management and practices, and work together with all kinds of stakeholders to create a beautiful, sustainable future.

March 29, 2025

ESG Statement from the Board of Directors

BBMG is committed to promoting the long-term and stable development of the enterprise through systematic management, striving to create comprehensive economic, environmental, and social value based on a robust ESG governance structure and operational mechanisms.

The Group considers sustainability to be a crucial component of its corporate strategy, establishing a three-tier ESG governance structure comprising the "Governance Level - Management Level - Execution Level". The Board of Directors acts as the highest responsible and decision-making body for ESG issues, assuming full responsibility for the Group's ESG strategy making and reporting. To effectively fulfill its management and supervision responsibilities regarding ESG issues, the Board has delegated authority to the Strategic Committee to implement the Board's various ESG resolutions, evaluate ESG impacts, risks, and opportunities, guide the achievement of ESG-related targets, and coordinate the advancement of specific ESG issues, while regularly communicating and reporting progress to the Board of Directors¹

The Group places significant emphasis on the assessment of ESG materiality issues, which is overseen and reviewed by the Board of Directors. In 2024, the Group implemented double materiality method for the first time, summarizing the issues of financial materiality and impact materiality for the Year. Under the coordination and management of the ESG Working Group, the Group considers the management of key issues as part of its annual sustainability strategy, focusing on the impacts, risks, and opportunities associated with ESG issues.

This Report provides a comprehensive disclosure of BBMG's ESG progress and achievements for 2024. It was submitted for review to the Manager's Office Meeting and the ESG Leading Group on March 24, 2025; subsequently, it was presented to the Strategic Committee of the Company's 7th Board of Directors for deliberation at its 2nd meeting on March 27, 2025; and it received approval from the 9th meeting of the Company's 7th Board of Directors on March 28, 2025. The Board of Directors supervised the preparation of this Report and reviewed the Report to ensure the authenticity and effectiveness of the disclosed information.



¹Note: For details regarding the ESG governance structure, scope of responsibilities, and working mechanisms, please refer to the "Sustainability Management" section



ESG Issues ²	Target and Indicator Descriptions	Target Progress	
nvironmental Compli- nce Management In 2024, no significant environmental violation incidents		Achieved	
Pollutant Emissions In 2024, no major environmental pollution liability incidents		Achieved	
Responding to Climate	In 2029, the Group will achieve carbon peaking, the total carbon emissions and intensity in the Beijing region continuing to decrease	Steadily Advancin	
Change 🔺	By 2025, the Group's carbon emissions per ten thousand yuan of revenue will decrease by 19.2% compared to 2020	Steadily Advancin	
Energy Utilization 🔺	By 2025, the Group's comprehensive energy consumption per ten thousand yuan of revenue will decrease by 20.5% compared to 2020	Steadily Advancin	
Water Utilization	In 2024, the affiliates comply with local water conservation standards	Achieved	
Waste Management	In 2024, 100% of hazardous waste are treated in compliance with regulations	Achieved	
Circular Economy and Resource Conservation 🔺	In 2024, the proportion of alternative fuels used in the Group's cement indus- try reaches 8%, while the raw material substitution rate achieves 7%	Achieved	
	In 2024, no production safety accidents resulting in fatalities (including indus- trial acute poisoning)	Achieved	
	In 2024, no major accidents such as mass casualties, fires, explosions, or pub- lic security cases with significant social impact occur	Achieved	
Occupational Health and Safety	In 2024, no road traffic accidents resulting in fatalities occur for which the owned vehicles bear equal or higher responsibility	Achieved	
	In 2024, no new occupational disease cases in the positions where employees were exposed to occupational hazards while on the job	Achieved	
	In 2024, no incidents of false reporting, concealment, or omission of accidents	Achieved	
Decearch and long until a	During the 14th Five-Year Plan period, 40 awards at the provincial and ministe- rial levels received	Achieved	
Research and Innovation 🔺	By the end of the 14th Five-Year Plan period, the proportion of R&D personnel among the total workforce no less than 7%	Achieved	
Product and Service Safety and Quality	In 2024, no major accidents related to safety and quality	Achieved	

²Topics marked with "▲" indicate issues of "critical financial materiality"



ESG Key Performance Indicators







BBMG was founded in December 2005, with its H shares (Stock Code: 02009) and A shares (Stock Code: 601992) listed on the main board of the Hong Kong Stock Exchange on July 29, 2009 and the Shanghai Stock Exchange on March 1, 2011 respectively.

Since its establishment, BBMG has made full use of its unique resource advantages to focus on building materials manufacturing, while vertically extending to property development, property investment and management and other industries. The Company has gradually developed into a large-scale state-controlled industrial group and A + H-share listed company with the main business of "new green building materials manufacturing, trade and services, real estate development and operation, and property management". Making full use of its unique resource advantages the Company has formed a unique vertically integrated industrial chain among China's large building material manufacturing enterprises.

BBMG adheres to the "4+1" strategic philosophy, following the work requirement of "focusing on One main task, outperforming in Two aspects and conducting coordination in Three dimensions". With exceptional measures, it stabilizes its economic situation, conscientiously implements the major special project of "Effectiveness Improvement Year 2024", and relies on both domestic and international capital markets to strategically lead the optimization of industrial layout and strengthen resource integration. By establishing a management model in line with international standards, the Company strives to advance all business segments in unison. It comprehensively serves the development and construction of the "Four Centers" of the capital in the new era, promotes high-level coordination in the Beijing-Tianjin-Hebei region, actively participates in multiple national key projects and major infrastructure construction projects, insists on empowering high-quality development through innovation-driven initiatives, and promotes new quality productive forces through new industrialization, actively exploring the path for future transformation. At the same time, BBMG actively fulfills its social responsibilities, protecting and improving the natural and cultural environments, and promoting the harmonious development of society.

In 2024, BBMG achieved an annual operating revenue of 110.71 billion yuan, an increase of 2.6% year-on-year; a total profit of 460 million yuan, an increase of 51.8% year-on-year; and a total assets of 264 billion yuan, a decrease of 2.1% year-on-year.

Industrial Layout

BBMG, leveraging its unique resource advantages and vertically integrated industrial chain structure, has built a diversified business portfolio, covering a wide range of fields. By the end of the Reporting Period, the Company's layout has extended to 24 provinces, municipalities, and autonomous regions across the country, as well as multiple cities overseas.

New Green Building Materials Segment

BBMG is a leading Chinese enterprise in the building materials industry, the third largest cement group in the country, and one of the largest manufacturers and suppliers of green, environmental protection and energy-saving building materials in the Beijing-Tianjin-Hebei region. With strong regional advantages and market control capabilities, we are now leading low-carbon and green environmental protection, energy saving and emission reduction, and circular economy in the domestic cement industry.

Manufacturing of new green and environmentally friendly building materials: We have built a complete industry chain of building materials with cement at the core that extends along upstream and downstream industries such as concrete, walls, thermal insulation materials, prefabricated building systems and components and wooden furniture. We have also established a linkage mechanism for products and services in the decoration, architectural design, prefabricated building EPC and other fields. A coordinated development pattern of the entire industrial chain has thus realized. BBMG now has a production capacity of about 110 million tons of clinker and about 180 million tons of cement. Our current production capacity of ready-mixed concrete is approximately 62 million cubic meters, that of aggregate is 86 million tons, and that of grinding aid and admixture is approximately 240,000 tons. The Company's disposal capacity of hazardous and solid waste (including building waste) now exceeds 5.55million tons. Our building materials were widely used and installed in key and hot-spot projects such as Beijing Sub-Center, Xiong' an New Area, and Winter Olympics venues, allowing us to fully demonstrate our superiorities in brand reputation, quality and industrial chain in the new-type building materials industry. These chances of cooperation have greatly improved our capabilities of product system application and collaborative marketing.

Equipment manufacturing and trade services: We have the construction and service capability for the new dry process cement clinker production line with a daily output of 12,000 tons. We also have the capability to build and serve the entire industrial chain of cement production lines from process design to equipment design and manufacturing, construction and installation, commissioning, spare parts supply, maintenance services, and production operation. Many of our products have reached the industry advanced level, including high-efficiency vertical cement mills, cement kilns, and collaborative disposal of hazardous and solid wastes, high-efficiency energy-saving fans, direct-driven permanent magnet motors, and low and medium voltage intelligent power distribution cabinets. Keeping risks under control, we have improved the supply chain network configuration and asset layout and continued to boost business expansion in international trade and business logistics of building materials.





Property Management and Operation Segment

BBMG has been engaged in property management and operation for over 30 years. We have the ability to develop real estate projects in multiple categories with comprehensive strength ranking in the forefront of the industry. We are also one of the largest investment property owners and management companies in Beijing that provides the most diversified forms of services. With widespread influence and high brand awareness in the industry, we have been granted the title of "Top 100 Real Estate Enterprises in China" for many consecutive years and have been rated as AAA in terms of quality reputation and credit rating.

Property development: BBMG has launched and implemented about 170 real estate projects with a total construction area of 30 million square meters. With business layout in 17 cities across the country, including Beijing, Shanghai, Tianjin, Chongqing, Hangzhou, Nanjing, Tangshan and Suzhou, we have fostered a nationwide development landscape that is based in Beijing and extends over the three major economic zones in China, i.e., the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Chengdu-Chongqing Economic Zone.

Property operation: BBMG' s ownership of investment properties, including highend office buildings, commercial buildings, and industrial parks, amounts to 2.622 million square meters, of which the area of high-end investment properties above Class B in the core area of Beijing is 846,000 square meters. Managing 19.09 million square meters of properties, we have maintained a leading position in Beijing and even the whole country in terms of professional ability, brand awareness, rental rate and revenue.

Social Value Creation

According to the Notice on Strengthening the Social Responsibility of Listed Companies and on Issuing the Guidelines for Environmental Information Disclosure of Listed Companies on the Shanghai Stock Exchange by the Shanghai Stock Exchange, the social contribution value per share is calculated by the formula: (net profit of the Company + tax revenue created for the state in the year + salary paid to employees + interest paid to banks and other creditors on loans + value created for other stakeholders such as external donations - other social costs caused by environmental pollution, etc.) / total number of shares of the Company. The social contribution value per share reflects the value created by the Company for society and stakeholders.

In 2024, the value of social contribution per share was

In 2024, the value of social contribution per share was 1.44 yuan.

44 vuan





Advanced Collective in Hebei Province (Tangshan Jidong Qixin Cement C gal Compliance Department of BBMG Concrete Group Co., Ltd. and Qual ment Department of Lingshou Jidong Cement Co.) Beijing Workers' Pioneer (Shunyi Station of BBMG Concrete Co., Ltd.)

Tianjin Workers' Pioneer (Marketing Business Department II of Bohai Rin International Economic and Trade Co.)

Inner Mongolia Autonomous Region Workers' Pioneer (Equipment Manag Department of Inner Mongolia Jidong Cement Co., Ltd.)

	Creating Institution
	Granting Institution
	China Central Radio and Television Financial Pro-
	gramming Center
place	Blue Book on Social Responsibility of State- owned Enterprises 2024
	Blue Book on Social Responsibility of State-
	owned Enterprises 2024
	China Building Materials Federation
	World Brand Lab
	Shanghai Stock Exchange
ality Award	Shanghai Securities News
	State-owned Assets Supervision and Adminis-
	tration Commission of People's Government of Beijing Municipality (Beijing SASAC)
Award	BDO China Shu Lun Pan Certified Public Account- ants LLP
	Yi Dong Forum on Strategic Development and
	Value Enhancement of Listed Companies
Memorial	Beijing Volunteer Federation
al Building	China Building Materials Federation
Project) of	China Building Material Machinery Association
na Machinery,	China Machinery, Metallurgy and Building Materi- als Workers Technical Association
Liushui En- da Environ-	Ministry of Emergency Management of the Peo-
l.)	ple's Republic of China
Mongolia	China Association Of Work Safety
3BMG Ce-	All-China Federation of Trade Unions
	All-China Federation of Trade Unions
	Shanxi Provincial Trade Unions
Co., Ltd., Le-	
lity Manage-	Hebei Provincial Trade Unions
	Beijing Municipal Trade Unions
m (Tianjin)	Tianjin Municipal Trade Union
agement	Inner Mongolia Autonomous Region Trade Unions

Top-Level Design of Sustainability Managemen

BBMG continuously enhances its sustainability management system by integrating ESG concepts into the Group's governance, decision-making, and operational practices. Through the ongoing improvement of the ESG governance structure and the clarification of responsibilities for various departments regarding ESG-related issues, the Group aims to comprehensively enhance its sustainability performance. Simultaneously, the Group maintains regular and multi-channel communication with all stakeholders, promptly addressing their opinions and needs, and is committed to promoting collaborative development and mutual benefits.

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Stakeholder E

Double Mater



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Sustainability Management

BBMG strictly adheres to the regulatory requirements of its listing locations, positioning ESG management as a core component and a vital driving force for the Company's sustainable development. An ESG working model has been established, involving the Company's Board of Directors, the Management, relevant departments, and subsidiaries. To strengthen the construction of the ESG system, the Company has formulated the *Measures for Environmental, Social and Governance Management of BBMG* which clarifies a three-tier governance structure based on "Governance Level - Management Level - Execution Level".

◎ BBMG ESG Governance Structure

Level	Composition	Scope of Responsibilities
Governance Level	Composed of the Board of Directors and the Strategic Committee	 The Board of Directors serves as the highest responsible and decision-making body for ESG issues, bearing full responsibility for the Company's ESG strategies and reports; the Board members possess professional expertise and experience in ESG-related fields, including industrial green development, corporate management, law, and finance Main responsibilities of the Strategic Committee include: Implement the various ESG resolutions of the Board of Directors Supervise the Group's double materiality assessment, as well as the impacts, risks and opportunities associated with ESG issues Guide and review the Group's ESG development direction and targets, and regularly assess the achievement of these targets Regularly report to the Board of Directors, guide and supervise the Management Level's ESG work Jointly supervise the preparation of the <i>Sustainability Report (Environmental, Social and Governance Report)</i> and conduct report review
Management Level	The ESG Leading Group with ESG management experience, composed of senior management personnel led by the general manager	 Implement the ESG work deployment of the Strategic Committee Coordinate the Group's double materiality assessment, determine and manage the resources needed to identify, mitigate, control, and monitor impacts, risks, and opportunities Coordinate the Execution Level to implement the Group's ESG develop- ment direction and target-related planning, regularly review the comple- tion of goals, and propose suggestions for improvement Regularly report to the Governance Level, guide and supervise the Execu- tion Level's ESG work
Execution Level	The ESG Working Group, composed of personnel from relevant departments of the headquarters, various secondary entities, and directly managed units	 Implement the work requirements of the ESG Leading Group, manage ESG material issues related matters at the department and secondary entities' levels Organize stakeholder participation and engagement activities, and conduct double materiality assessment with the assistance of third-party institution Conduct regular coordination of ESG data collection and analysis Coordinate the preparation of the annual <i>Sustainability Report (Environmental, Social and Governance Report)</i> Regularly report to the Governance Level and Management Level

To effectively supervise ESG related work, the ESG Governance Structure establishes a top-down supervision mechanism, with the Board of Directors supervising all matters and implementing accountability measures. In the event of significant safety or environmental administrative penalties, the responsible management personnel will be held accountable, thereby promoting the enforcement of responsibilities.

BBMG continues to closely monitor the development trends of ESG management, actively participating in specialized training on sustainability reporting organized by institutions such as the Shanghai Stock Exchange and the China Association for Public Companies, thereby continuously enhancing the quality of its sustainability management. During the Reporting Period, the Group prepared and published the *BBMG 2023 ESG Report* with high quality, completed multiple rounds of sustainability questionnaires from securities and state-owned asset regulatory organizations, and submitted social responsibility case studies to the Beijing SASAC.

In 2024, the Group's ESG initiatives continue to lead the building materials industry, receiving BB, A, A, and A+ ratings from MSCI, Huazheng, Wind, and CCXI, respectively. It ranks among the Beijing-Tianjin-Hebei Pioneer 50 Chinese ESG Listed Companies, 66th in the State-Owned Enterprises Social Responsibility - Pioneer 100 Index, and 73rd in the State-Owned Listed Enterprises ESG - Pioneer 100 Index. The Group has also been recognized as a typical ESG practice case in the building materials industry by the China Building Materials Federation and as one of the top ten ESG cases among state-owned listed companies in Beijing.



Stakeholder Engagement

BBMG has consistently maintained close communication with various stakeholders, gathering opinions and suggestions from government and regulatory agencies, shareholders and investors, clients, employees, suppliers and other partners, industry associations, communities, environmental protection organizations, and the general public, and responding promptly.

O List of Stakeholders and Means of Communication

Stakeholders	Demands and Expectations	Communication Channels
Government and regulatory agencies	 Compliance operation Employment promotion Risk control Responding to national strategies Safe production Technological innovation Energy conservation and emission reduction 	 Information disclosure Daily communication and reporting Field visit Supervision and inspection Visitors reception
Shareholders and investors	 Compliance operation Continuous and stable return on investment Improvement in product and service quality Risk management Corporate governance 	 General Meeting of Shareholders Periodic reports and announcements Investor communication meetings
Client	 Improvement in product and service quality Information disclosure High quality after-sales services 	 Customer satisfaction survey Visit and communication Customer activities
Employee	 Protection of employee rights and interests Occupational health and safety Vocational training Personal development Employee care 	 Opinion collection Communication mechanism for caree development Employee representative meetings Daily communication and exchanges Mechanism for assisting staff and workers in difficulties
Suppliers and other partners	 Fulfilment of contractual obligations Mutual benefit and long-term cooperation Improvement in supply chain management 	Business transactions and exchanges



Communication Channels

- Industry exchanges
- Industry cooperation

• Household visit and interview

- Communication with volunteers
- "Open Day" events
- Response to public inquiry

• Public survey of project and environmental impacts

 Communication with environmental protection organizations

• "Open Day" events

Charitable activities

Double Materiality Assessment

BBMG identifies and analyzes the importance of sustainability-related issues from the perspectives of impact materiality and financial materiality in accordance with the relevant provisions of the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial).

\bigcirc Materiality Assessment Process

O Analyze the context of activities and business relationships	O Establish an issue list	O Assessment and confirmation of issues' materiality
 Analyze the Company's activities and business relationships Analyze the external environment Examine the latest regulatory re- quirements Identify the main affected stake- holders 	 Based on the regulatory requirements and ESG standards adhered to, and considering industry characteristics, identify potential significant issues Identify the relevant impacts, risks, and opportunities associated with the issues, summarize to create an issue list 	 Evaluate whether each issue in the issue list possesses impact materiality or financial materiality through research conducted with stakeholders and both internal and external experts Integrate the results of the impact materiality and financial materiality assessments and submit them to the Management for review

O Background Analysis and Issue Identification

BBMG systematically analyzes the regulatory requirements and standard systems for sustainable development, international guidelines and initiatives, as well as the Company's business background, the current situation of its sustainable development, and the main affected stakeholders. This analysis culminates in the creation of a comprehensive the BBMG Corporation Sustainability Issues Long List that affects both the Company and its stakeholders.

Regulatory Requirements, Standard Systems, and International Initiatives

- The Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability *Report (Trial)* by the Shanghai Stock Exchange
- The Environmental, Social and Governance Reporting Guide by the Hong Kong Stock Exchange
- The GRI Standards by the Global Reporting Initiative (GRI)
- The Sustainable Industry Classification System (SICS) by the Sustainability Accounting Standards Board (SASB)
- United Nations Sustainable Development Goals (SDGs), etc.

Company Business Background 之里

The Company's core business activities, industry positioning, and peer benchmarking analysis

Current Status of the Company's Sustain-QD able Development

The current status of the Company's sustainable development, development needs, strategic planning, and the material issues of BBMG in 2023

Based on the BBMG Corporation Sustainability Issues Long List through the professional judgment of internal and external experts and management, the applicability of the relevant issues was verified and assessed, the naming and definition of the relevant issues were clarified, and their impacts, risks, and opportunities were deeply analyzed, ultimately forming the BBMG Corporation Sustainability Issues Short List.

O Assessment and Confirmation

On the basis of the BBMG Corporation Sustainability Issues Short List, according to the impacts, risks and opportunities of each issue, design questionnaires for the investigation of financial materiality and impact materiality, and widely carry out stakeholder research activities to ensure the scientificity and comprehensiveness of the assessment.

Impact Materiality Assessment

Conduct extensive research with a diverse range of stakeholders, including government and regulatory agencies, shareholders, investors, the Group's management personnel, employees, clients, suppliers, partners, ESG experts, industry associations, communities, and the public, to thoroughly assess whether BBMG's performance on various sustainability issues has a significant actual or potential impact on the economy, society, and environment. The assessment of impact materiality includes the following dimensions:

- Likelihood of the Impact: The likelihood that the Company's performance on a specific issue will affect the economy, society, and environment.
- Severity of the Impact: The severity of the impact once it occurs, characterized by:
- Scale: How grave the impact is;
- Scope: How widespread the impact is;
- Irremediable character (for negative impacts): The difficulty of offsetting or compensating for the damage once a negative impact occurs.

Financial Materiality Assessment

Given the specialized nature of the financial materiality assessment and the expertise it requires, this assessment primarily targets shareholders, investors, creditors, company management, and finance personnel to conduct in-depth research. The goal is to evaluate whether various sustainability issues are anticipated to significantly impact the Company's business model, operations, development strategy, financial condition, operating results, cash flow, financing methods, and costs. The assessment of financial materiality encompasses the following dimensions:

- Likelihood of the Impact: The likelihood of the issue causing financial impacts to the Company;
- Severity of the Impact: The severity of the impact once it occurs.

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Review and Confirmation of Material Issues

Based on the cross-analysis of the impact materiality and financial materiality assessment results, and incorporating stakeholder evaluation opinions, the assessment results are be submitted to the Company's management for review and confirmation, ultimately resulting in the outcomes of the double materiality assessment.

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In the impact materiality assessment, the number of valid questionnaires collected

273 responses

In the financial materiality assessment, the number of valid questionnaires collected



2024 BBMG ESG Materiality Issues Matrix



© 2024 BBMG ESG Materiality Issues List

Moderate Materiality		High Materiality		Critical Materiality	
Field	Serial Number	Issue	Impact Materiality	Financial Materiality	
	1	Responding to Climate Change	Critical	Critical	
	2	Pollutant Emissions	Critical	High	
	3	Waste Management	Critical	High	
	4	Ecosystem and Biodiversity Con- servation	High	High	
Environmental	5	Environmental Compliance Man- agement	Critical	Critical	
	6	Energy Utilization	Critical	Critical	
	7	Water Utilization	Critical	Moderate	
	8	Circular Economy and Resource Conservation	Critical	Critical	
	9	Rural Revitalization	High	High	
	10	Social Contribution	Critical	High	
	11	Research and Innovation	High	Critical	
	12	Supply Chain Security	High	High	
	13	Equal Treatment of Small and Medium-Sized Enterprises	High	Moderate	
Social	14	Product and Service Safety and Quality	Critical	Critical	
	15	Data Security and Customer Priva- cy Protection	Moderate	Moderate	
	16	Employment	Critical	High	
	17	Occupational Health and Safety	Critical	High	
	18	Development and Training	Moderate	High	
	19	Anti-Bribery and Anti-Corruption	Critical	High	
Governance	20	Anti-Unfair Competition	High	High	
	21	Compliance and Risk Management	High	High	

O Risks and Opportunities Related to Financial Material Issues

The materiality assessment identified core issues with critical financial materiality, including Responding to Climate Change, Environmental Compliance Management, Energy Utilization, Circular Economy and Resource Conservation, Research and Innovation, as well as Product and Service Safety and Quality. The risk and opportunity analysis for financial material issues can be found in the following Table ³:

Je	Definition	Impact Cycle ⁴	Risks	Opportunities	Issue	Definition	Impact Cycle	ł
nviron- nental ompli- ce Man- gement	Measures im- plemented for environmental compliance management to prevent environ- mental incidents and mitigate environmental risks.	Short-, medium-, and long-term	 Legal Risk: Failure to comply with environmental regulations or standards may result in severe legal consequences, including fines, project suspensions, license revocations, and legal litigation. Operational Risk: Non-compliance may lead to production stoppages, delays, project postponements, or supply chain disruptions, which may impact overall operational efficiency and business outcomes. Reputational Risk: If identified as a company that does not meet environmental compliance standards, it may harm brand reputation and affect relationships with customers, investors, and partners. 	 Market Expansion: Downstream customers are increasingly inclined to purchase environmentally compliant, low-carbon products; environmental compliance can enhance market competitiveness. Improving Financing Capability: Companies that meet environmen- tal compliance requirements and demonstrate strong environmental performance are more likely to secure financing. 	Research and Devel- opment and Inno- vation	Through re- search and development and innovation, introduce inno- vative outcomes and lead initia- tives for industry development.	Medium- and long- term	•
Energy Jtilization	Measures taken to conserve and efficiently utilize energy, as well as to promote energy transition.	Medium- and long- term	 Financial Risk: Fluctuations in energy prices may significantly impact the operational costs of company. Failure to effectively manage energy utilization efficiency could lead to increased costs and adversely affect profitability. Operational Risk: Government regulations regarding energy conservation are becom- ing increasingly stringent, and excessive energy consumption may pose the risk of 	 Cost Savings: Through the implementation of energy-saving technologies and the utilization of waste heat, companies can enhance energy efficiency and reduce operational costs. Market Expansion: By developing renewable energy sources, companies can diversify energy structure, reduce the carbon footprint of products, and enhance product competitiveness. 		development.		•
Circular Economy and Re- source	Measures im- plemented to conserve raw materials, enhance resource utilization, prevent and reduce waste generation, and promote recy- cling. Additionally,	Medium- and long- term	 Technical Risk: The reuse of recycled materials may involve technical barriers, potentially limiting economic feasibility and making it challenging to ensure quality 	 Cost Savings: By transforming waste into valuable resources, companies can lower raw material procurement costs while simultaneously reducing waste management expenses, thereby improving overall economic efficiency. Market Expansion: By achieving market recognition, companies can attract more customers and investors who emphasize sustainable development, 	Product and Ser- vice Safety and Quality	and quality of products and	Short-, medium-, and long-term	•
tion	measures aimed at facilitating the resource utilization, safe disposal, and recycling of waste at the societal level.		standards.	 thereby positioning ourselves favorably in the transition to a green economy. Policy Support: By implementing rele- vant measures, companies may receive green subsidies, tax incentives, and other policy benefits. 				

³ Note: For an analysis of risks and opportunities related to Responding to Climate Change, please refer to the "Response to Climate Change" section. ⁴ Time Dimension: The short-term is 2025, the medium-term is from 2025 to 2030, and the long-term is from 2030 to 2050.

Opportunities

risk: Innovative projects ounter the risk of failure in and development or may not xpected objectives, resulting waste and investment nich could affect companies' performance and innovation

sk: Even if technological on succeeds, new products or may fail to gain market recogpecially in situations where r demand is rapidly changing t competition is fierce. Risk: Research and dent, along with innovation, require significant financial nt. If projects fail to deliver turns, this may exert pressure anies'financial health and ther business operations.

- Market Expansion: By continuously innovating, companies can maintain their technological and market leadership, establish industry benchmarks, and enhance the overall competitive advantage.
- New Market Development: Innovation can assist company in entering new market sectors, satisfying the increasing customer demand, and capturing a larger share in emerging markets such as green building, smart manufacturing, and sustainable development.
- Resource Efficiency Improvement: Innovative technologies and processes can significantly enhance resource utilization efficiency and lower operational costs.
- isk: Products or services that eet quality standards may ustomer complaints, returns, legal actions, thereby damnpanies' reputation.
- sk: There are inherent safety ng the production of prodervices, which may jeopardize r safety and result in legal ences and economic losses.
- Brand Enhancement: Continuously providing high-quality and safe products and services contributes to enhancing brand image and attracting more customers.
 - Market Expansion: High-quality products and services can open new markets, meet diverse customer needs, and broaden the scope of business.

Improving Corporate Governance by Deepening Reform

BBMG has always considered corporate governance as the cornerstone for its long-term development, establishing a sound Board, internal control system, and internal governance structure, strengthening internal and external risk management, conducting integrity culture training, and dedicating itself to comprehensively deepen the Group's compliance management according to laws and regulations, thereby enhancing the stability and standardization of corporate operations and creating an upright and honest internal culture.

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Enhancing Governance System

BBMG strictly adheres to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, establishing and refining the corporate governance system while continuously optimizing the internal governance structure.

In 2024, BBMG received an award at the Yi Dong Forum on Strategic Development and Value Enhancement of Listed Companies.

"Compliance Value Communication Award"

The construction of the institutional system begins at a high standard and is built on a solid foundation.

We accept external supervision from both state-owned assets and securities dimensions, comply with the regulatory requirements of our dual-listing locations in Shanghai and Hong Kong, establish an institutional system centered on the Company's Articles of Association, and implement a dynamic operating mechanism for the system that features scientific formulation, effective execution, and strict supervision, laying a solid foundation for our corporate governance.

The roles and responsibilities of diverse governance entities are clearly defined and operate in coordination.

Each governance entity has a clear position and authorization, achieving the effects of fulfilling their respective duties, coordinating operations, and maintaining effective checks and balances, thus collaboratively enhancing governance efficiency.

The composition of the Board of Directors is diverse, rich, and highly efficient.

The members of the Company's Board of Directors include executive directors with extensive management experience and industry knowledge, independent directors specializing in law, finance, and other fields, as well as internal and external directors representing the Company's shareholders and employees. This diverse and professional composition of the Board ensures mutual supervision and checks and balances within the Board, as well as scientific and efficient decision-making. Additionally, mechanisms such as monthly reports from the Board and advance communication and research by external directors provide robust support for the effective functioning of external directors.

Governance Structure

The Board of Directors of BBMG has established four specialized committees: the Executive Committee, the Strategic Committee, the Remuneration and Nomination Committee, and the Audit Committee. Each committee operates according to relevant institutional rules, with clear positioning and defined responsibilities. Among them:

- The chair of the Executive Committee is the Chairman, and its members consist of all executive directors.
- The chair of the Strategic Committee is the Chairman, and its members include 2 executive directors and 4 independent directors.
- The chair of the Remuneration and Nomination Committee is an independent director, and its members include 1 executive director and other independent directors (in accordance with listing rules and the Articles of Association, the Remuneration and Nomination Committee must consist of a majority of independent non-executive directors and be chaired by one of them.
- The chair of the Audit Committee is an independent director, and its members include external non-executive directors and other independent directors (in accordance with relevant regulations, all members of the Audit Committee must be non-executive directors and chaired by an independent non-executive director, and must be accounting professionals)

Additionally, BBMG continues to implement the management philosophy of "flattening, specialization, regionalization, and informatization", operating under the "1+7+X" organizational structure to achieve layered management from headquarters to secondary management units to tertiary management units. Simultaneously, internal management policies such as the Management Measures for Proposals of the Board of Directors and the List of Major Decision-making Matters of the Board of Directors have been introduced to continuously optimize the decision-making process of the Board of Directors and further promote the standardized and efficient operation of the Board.

\bigcirc **BBMG Governance Structure**



Board Diversity and Independence

During the Reporting Period, BBMG successfully completed the re-election of the Board of Directors, the Supervisory Board, and executive team. The seventh Board of Directors comprises 10 members, including 4 executive directors who are senior executives from within the Company, and 6 non-executive directors consisting of legal, financial, and finance experts, industry-leading women, overseas accounting experts, and shareholder representatives. Among them, independent directors account for more than one-third, with over half being external directors, ensuring the independence, professionalism, and diversity of the Board. In 2024, BBMG held a total of 1 shareholders' meeting, convened the Board of Directors 10 times through on-site meetings or correspondence voting, convened the Supervisory Board 4 times, and convened various professional committees of the Board 15 times, reviewing and approving a total of 134 proposals, including the Company's 2023 Annual Report and 2024 Semi-Annual Report. All procedures for the proposals were standardized, voting was effective, and all resolutions were executed effectively, laying a solid foundation for the continuous optimization of corporate governance.

Deepening Compliance Management

BBMG places great importance on the development of its internal control and compliance management system, adhering to the simultaneous advancement of lawful and compliant operations alongside high-quality development. The Group firmly establishes a bottom-line thinking approach and continuously promotes various initiatives, including optimizing the internal control compliance management system, cultivating a culture of compliance education, advancing law-based corporate governance, and expanding comprehensive risk management. These efforts aim to deepen the effectiveness of the Group's risk management and ensure long-term stable development.

Establishing a Compliance and Internal Control Management System

BBMG thoroughly implements the compliance management work requirements of "full participation, full monitoring, and full coverage". It adheres to the principle of integrating "compliance work with the core business and management of the enterprise, with corporate governance and the establishment of a modern enterprise system, with legal affairs, internal control, and risk management, and with corporate culture". A compliance management system with BBMG characteristics has been constructed at all levels of the Group, further enhancing the compliance management system for the year 2024.

100%

The coverage rate of the sec-

ondary entities' compliance

management system reached

The Group has undertaken the establishment, revision, and

abolition of rules and regula-

tions, issuing and revising

118 policies

The construction of the Compliance Management System is further extended downwards

The Group continues to supervise all subsidiaries in establishing and improving their compliance management systems, consistently strengthening compliance organizational structures and professional teams. By the end of the Reporting Period, the coverage rate of the secondary entities' compliance management system reached 100%. Additionally, Jidong Cement is actively exploring the management model of regional legal compliance centers, currently establishing three regional pilot projects. The Legal Compliance Department of the Concrete Group has been recognized as an Advanced Collective in Hebei Province, achieving a dual enhancement in both the quality and quantity of the legal team.

The internal control regulations are further enhanced

The Group has undertaken the task of establishing, amending, and abolishing regulations, issuing and revising a total of 118 different policies, updating the 2024 edition of the *Internal Control (Compliance) Management Manual*, and further standardizing and optimizing 25 internal control and compliance modules and 267 key business control sub-processes, and solidly promoting the management of key processes; completing the compilation of the "Three Lists of Compliance", achieving full coverage of risk diagnosis and assessment, and establishing a system of rules and regulations with the *Articles of Association* as the core and the architecture of "one core, two horizontals, and three verticals", constantly consolidating the foundation of compliance management.

All business activities are conducted in further compliance with the law

Throughout the Year, the Group held 44 Party Committee meetings, 10 Board of Directors meetings, and 42 Managerial Office meetings, where all key compliance areas related to investment and financing, safety, environmental protection, mergers and acquisitions, anti-corruption, and overseas supervision were researched, reviewed, and decided upon in accordance with the law. During the Reporting Period, all business operations and management activities across various sectors were conducted in compliance with the law, and no significant compliance risk events occurred during the Year.

Cultivating a Compliance Culture

In 2024, BBMG continues to promote a compliance culture centered on "honesty and trustworthiness, fulfilling responsibilities, and harmonious development". The Group conducts compliance training and cultural initiatives through various channels and levels, enhancing the compliance awareness of all employees in conjunction with diverse scenarios in production and business operations.

Combine the popularization of law with important nodes The Group has conducted over 200 themed promotional activities, including Constitution Promotion Week, the Civil Code Promotion Month, and the Fair Competition Policy Promotion Week, engaging deeply in the study and education of Party discipline, closely following the newly issued *Company Law*, the contract and tort provisions of the Civil Code, as well as relevant judicial interpretations, to carry out targeted law popularization training, ensuring that employees' understanding of compliance keeps pace with the times.

Combine the popularization of law with production and operation

Combine the popularization of law with employees legal education in daily life The Group enhances source governance by integrating legal training into case-specific meetings, internal control promotion meetings, and audit issue rectification discussions; it emphasizes "management through case study" by conducting legal studies prior to the Managerial Office Meeting each month, summarizing risk points from relevant cases, and deriving management recommendations; it compiles the *BBMG Legal Garden* to consolidate the latest legal and regulatory updates, exchange research findings on corporate legal issues, share experiences in dispute resolution and compliance management, and enrich the strategies for corporate rule of law development.

The Modern Building Materials Industrialization Group invites judges and lawyers into the enterprise, organizes court hearings for observation, and conducts activities such as Legal Affairs Around Us to address employees' legal issues.

This fosters a positive legal atmosphere among the numerous cadres and employees, encouraging them to rely on the law to resolve problems

In conjunction with society legal education on responsibilities

During 3.15 International Consumer Rights Day, Jidong Cement's affiliated enterprises destroyed counterfeit and substandard products, conducted various consumer rights protection activities, and promoted legal awareness regarding product quality, thereby collaboratively optimizing the legal business environment and enhancing their public image.

Promoting Law-Based Corporate Governance

In 2024, BBMG strictly implemented the requirements of law-based corporate governance, ensuring the Group's lawful and compliant governance by strengthening the assessment of the construction of the rule of law, expanding the legal compliance team, and improving the management of dispute resolution.

Assessment of the construction of the rule of law

The Group has introduced multiple indicators, such as enhancing cash flow and profitability, centered around the theme of "Effectiveness Improvement Year". It has linked the special assessment of rule of law development to the performance evaluations of the primary responsible individuals within the Company, as well as to inspections of strict Party governance and audit reviews. The assessment indicator system is aligned with the Group's central objectives, and the construction of the rule of law assessments of the secondary entities are connected to the compliance status of its affiliated enterprises, ensuring that the requirements for the construction of the rule of law are integrated across all levels of the Company and effectively enhance the capacity for lawful and compliant operation.

Expanding the legal compliance team

The Group continuously expands the scale and professional capabilities of its specialized teams. During the Reporting Period, a total of 42 general legal counselors were appointed across the Group, covering 65 secondary management units. Additionally, for six consecutive years, the Group has hosted training sessions for legal compliance and internal control personnel to enhance their performance capabilities, continuously building the BBMG training brand and improving the effectiveness of the training.

Dispute resolution

The Group has revised the Management Method for Legal Dispute Cases, established a mechanism for case promotion management, and further strengthened the lifecycle management of dispute cases; enhanced the pre-warning and prevention of legal risks, and regularly conducted investigations on contract performance and potential significant legal compliance risks; continuously advanced the special action for the protection of the "BBMG" trademark and the special action for the protection of trademarks and brands in the central and southern regions of Hebei, achieving over 70% of enterprises suspected of infringement to cease their infringing activities, and carried out actions to combat counterfeit cement products in cities such as Handan and Xingtai.



Utilizing cement kilns to incinerate infringing cement packaging bags



 2024 Corporate Legal Compliance Internal Control Management Personnel Training Course

Strengthening Comprehensive Risk Management

In 2024, BBMG strictly adhered to national laws and regulations as well as listing rules, using the *Guidelines on Comprehensive Risk Management of Central Enterprises* as a reference. The Group integrated risk management into corporate management and business processes while enhancing the identification, monitoring, and rectification of risks. It continuously improved the risk governance structure and established a closed-loop management system that includes identification, assessment, and rectification. The Company's Board of Directors regularly evaluates and reviews the effectiveness of the risk management and internal control systems to ensure the robust operation of the management system.

The construction of the compliance risk governance system

The Company emphasizes the development of the risk governance system by establishing four lines of defense for risk control, thereby comprehensively enhancing risk prevention and governance levels and promoting high-quality corporate development.

First line of defense
Operational functional departments (cement, new building materials, real estate development, property, asset manage- ment, environmental protection industry, etc.)

At the same time, the Company incorporates important risk management and control tasks into the performance assessment of employees. It conducts a systematic assessment of important risks at the headquarters level and in each secondary entity every year, formulates key work tasks and clarifies them in the *Target Responsibility Letter*. The Strategic Planning Department of the Group organizes a self-evaluation of the completion of key risk tasks every six months. When the Audit Department conducts audits on secondary entities, it verifies the completion of key work tasks and includes the results in the annual assessment.



Third line of defense 🛛 🔊	Fourth line of defense
Supervision and control	The Board of Directors,
functional departments	the Supervisory Board,
such as internal audit,	and the senior manage-
compliance functions,	ment conduct overall
and other risk functions	supervision

Comprehensive risk assessment and response

The Group carried out comprehensive risk diagnosis and assessment throughout the Year, starting from key dimensions such as strategic risk, operational risk, financial risk, and legal compliance risk. It deployed risk control measures to provide strong support for the efficient and stable operation of various businesses.



O BBMG Comprehensive Risk Control

ypes of Risk	Control Measures
Strategic Risk	 Strengthen the Group's strategic control capabilities, investment lifecycle management capabilities, and annual investment planning management mechanisms, fully embodying the current role of strategic planning Enhance business collaboration among enterprises and group departments at all levels, ensuring the effective implementation of strategic planning tasks and preventing any inefficiencies strategic risk
Operational Risk	 Trade Compliance Risk: Establish and improve internal control systems for trade, strengthen the management of upstream and downstream customers, credit management, and cargo ownership control, properly retain trade business records, and strictly control compliance risks in the trade sector Tendering and Procurement Risks: Strengthen the special rectification of tendering and procurement, enhance the overall planning capabilities of centralized procurement, benchmark against advanced practices, revise multiple institutional documents, and strengthen risk prevention and control in all aspects
Financial Risk	 Improve the construction of the system development, in conjunction with the entire process of pre-occurrence, during occurrence, and post-occurrence financial risk management, develop targeted prevention and control measures and systems to enhance the effectiveness of risk prevention and control Strengthen financial accounting management, comprehensively promote the construction of digital intelligence in finance, and build data models to assist in enterprise risk analysis and operational decision-making
Legal Compliance Risk	 Organize various forms of legal compliance risk assessments and investigations, providing early warnings to prevent risks Continue to strengthen the legal compliance review of major decisions, regulations, and contracts, achieving a review rate of 100%

Standardizing Business Ethics

BBMG is committed to upholding the highest standards of business ethics, adopting a zero-tolerance stance towards any form of corruption, bribery, embezzlement, or other violations in its business operations. By continuously enhancing management mechanisms and clarifying the compliance management responsibilities of governance bodies such as the Board of Directors, the Management, and the Supervisory Board in decision-making, execution, and oversight, as well as establishing clear reporting channels, providing integrity culture training, and strengthening supervision and management against violations and corrupt practices, the Company effectively safeguards market fairness and justice while maintaining a positive corporate image.

Improving Management Mechanism

BBMG strictly adheres to laws and regulations aimed at preventing bribery, extortion, fraud, and money laundering, including the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the Supervision Law of the People's Republic of China, the Regulation on the Implementation of the Supervision Law of the People's Republic of China, and the Law of the People's Republic of China on Administrative Discipline for Public Officials. In accordance with the *Constitution of the Communist Party of China*, the Standards of Integrity for Members of the Communist Party of China, and the Several Guidelines on Intra-Party Political Life in the New Situation, the Disciplinary Regulations of the Communist Party of China, and the Several Provisions on Clean Business Conduct for Leading Cadres of State-Owned Enterprises, BBMG has developed a series of internal normative documents, including the Implementation Opinions on the Application of Four Forms of Discipline Supervision, and the Notice on Further Promoting the Work of Dual Responsibility for One Post in Party Conduct and Clean Government Construction. These initiatives continuously enhance the anti-corruption and anti-embezzlement management mechanisms, while clearly designating the Operations and Information Management Department and the Discipline Inspection and Supervision Agency as the executive bodies for regulating internal business ethics management and supervising the handling of corruption issues, thereby ensuring the legality, compliance, fairness, and justice of the Company's operations from both institutional and execution perspectives.

In 2024, BBMG established the *Management Measures for Procurement (Non-Bidding), Supplier Management Regulation,* and *Management Measures for Bidding Procurement* to oversee anti-corruption and anti-bribery behaviors of suppliers and business partners, thereby promoting collaborative efforts to combat corruption and bribery within the supply chain.



Keeping the Reporting Channels Open

Regarding the establishment of reporting channels, BBMG has developed the *Administrative Measures for Handling Report sand Accusations and Problem Leads,* actively creating a comprehensive reporting system that includes "letters, visits, online, and telephone". This initiative continuously enhances reporting channels and strengthens supervision and disciplinary review efforts. For significant issues that are strongly highlighted by the public and have relatively clear problem clues, investigations and resolutions are conducted promptly to ensure the timely communication and effective handling of various reporting information and clues.

In terms of handling reported information, BBMG strictly implements the requirements outlined in various institutional documents, including the *Procedures for Preliminary Verification and Case Investigation of Problem Clues*, the *Procedures for Accountability Work*, the *Methods for Coordinated Supervision of Discipline Inspection and Audit*, and the *Measures for Strengthening Leadership in Investigating Corruption Cases by the Discipline Inspection Committees of Affiliated Enterprises*, based on Party regulations and relevant documents from the Beijing Discipline Inspection Committee. The Group has drafted specific norms, templates, and flowcharts that align with the actual work of the Group's Discipline Inspection Committee and has issued six institutional documents, including the rules for the Discipline Inspection Committee's work, methods for handling reports and visits, procedures for dealing with problem clues, methods for inquiry and investigation, management measures for integrity files, and measures for strengthening leadership in investigating corruption cases. This promotes the standardization and institutionalization of disciplinary accountability work. Additionally, the Group has strengthened the management of problem clues, holding 61 special meetings of the Discipline Inspection Committee received 304 reports from letters and visits and accepted 154 problem clues, ensuring strict quality control in the handling of these clues, with 110 problem clues resolved by the end of the Year. A prior review mechanism is implemented for self-reported letters and problem clues from enterprises, assisting in analysis, answering questions, and supervising corrective reports during the handling process, thereby maintaining a focus on rigor and detail throughout the reporting process to enhance the quality of clue handling.

Regarding the protection of whistleblowers, the Disciplinary Inspection and Supervision Agency of BBMG strictly adheres to the confidentiality requirements set forth in the *Working Rules for Discipline Inspection and Supervision Organs in Handling Reports and Complaints:* the names (unit names), workplaces, addresses, and other relevant information of whistleblowers, as well as the content of the complaints, must be kept strictly confidential; it is strictly prohibited to transfer or disclose whistleblower materials or information to the organizations or individuals being reported; the acceptance of whistleblower complaints or the initiation of verification work should be conducted without revealing the identity of the whistleblower; when publicizing and reporting on individuals who have made significant contributions in whistleblowing, any disclosure of their names, units, or other personal information must be done with their consent.



Integrity Culture Development

BBMG places significant emphasis on the promotion and training of its internal integrity culture. The Company has developed the *Implementation Measures for Deepening the Warning Education of "Taking Cases as Guidance for Reform"*, which requires Party organizations at all levels to incorporate the principles of teaching through case studies and strict management with care throughout the warning education process. In 2024, the Group conducted anti-corruption and integrity training for the Board, the Management, and employees at various levels, with 1 to 2 sessions held quarterly. This has been achieved through activities such as studying Party regulations and discipline in Party discipline education, participating in the branch's three meetings and one course, branch integrity learning, theoretical study groups, strict governance of the Party conferences, and warning education conferences, thereby enhancing employees' awareness of integrity and legal compliance. During the Reporting Period, the Boards of Directors attended in anti-corruption and integrity training for approximately 80 person-times, the Management for approximately 100 person-times, and the Company's employees for approximately 70,000 person-times.

Strengthening Supervision Management

BBMG places a strong emphasis on the supervision and management of key personnel in critical positions, regularly updating and organizing monitoring targets, and continuously enhancing comprehensive oversight. With a "zero tolerance" approach, the Group addresses misconduct, enforces discipline, and combats corruption. Serious violations and disciplinary issues in key areas, as well as problems related to the "Four Forms of Decadence" and violations by Party leaders outside of working hours, are rigorously investigated. Notable issues are reported at the Group's warning education conference, consistently sending a strong signal that the commitment to rectify conduct, enforce discipline, and combat corruption remains steadfast and unchanging. In 2024, BBMG was involved in a case of corruption and bribery. The Group's Discipline Inspection Commission and the Office of the Supervisory Commissioner have implemented clear rectifications regarding issues such as the lack of supervision over the responsible leader's power, inadequacies in internal systems, and ineffective implementation of the primary responsibility for strict governance of the Party.





The Board attended in anti-corruption training for a total of approximately



The Company's employees attended in anti-corruption training for a total of approximately





In the context of a low-carbon green transformation, the development of enterprises is not only related to their own economic benefits but is also closely linked to social responsibility and environmental sustainability. BBMG actively responds to national strategies, adheres to innovation-driven approaches, meets customer needs through high-quality products and services, and collaborates with various stakeholders to build a sustainable ecosystem, helping the industry move towards a higher quality and more sustainable direction.

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Responding to National Strategies

According to the requirements of the *Notice on Deeply Studying and Implementing the Spirit of the Capital's High-Quality Economic and Social Development Promotion Conference* issued by the Beijing SASAC, BBMG focuses on the primary task of improving economic efficiency and high-quality development, accelerates the cultivation of new pillar industries in the Group, vigorously promotes industrial innovation, creates new quality productive forces through new industrialization, enhances BBMG's strategic position in serving the capital, and builds a modern industrial system with BBMG characteristics.

The strategic thinking for developing new quality productive forces is clear and feasible

BBMG aligns with the trend of new quality productive forces development and serves the strategic development of the capital in the new era. Implementing the strategic requirement of taking the initiative in the new-type industrialization and developing new quality productive forces, the Group has established a special task force for major special projects of new quality productive forces, fully exploring the future transformation path of the Group under the new environment. It has identified the strategic direction of "Hydrogen Energy + Smart Computing", and based on this, it will develop emerging industries, layout the future industries of BBMG, plan new industrial pillars, and promote the rapid formation of practical productivity in artificial intelligence.

Innovative construction of the artificial intelligence industry ecosystem achieves progress

BBMG seizes the opportunities of future industry development, closely aligning with the positioning of the Dongcheng District's artificial intelligence industry cluster. It has jointly established the Beijing Advanced Computing and Large Model Application Open Laboratory with the Dongcheng District People's Government of Beijing Municipality, central enterprises, related industrial chain ecosystem enterprises, research institutions, and universities. This initiative aims to build a new paradigm for the innovation consortium of new R&D institutions; promote the settlement of laboratory ecosystem enterprises in the Global Trade space, and combine with the Group's industrial application scenarios to incubate and implement large-scale model industry projects. In addition, BBMG and the Dongcheng District People's Government of Beijing Municipality jointly create an advanced computing platform integrating Dongcheng culture and technology, realizing the application of large models.

The planning and construction of the computing power center is being steadily and orderly promoted

BBMG plans the development of the Group's intelligent computing industry and the construction of computing power center, fully aligning with the industry's ecological system. By utilizing intelligent computing laboratories, it grasps the key links of the industrial chain. It promotes the implementation of the "front shop, back factory" industrial innovation model and becomes one of the five units in the Beijing SASAC's artificial intelligence + special action for computing infrastructure construction. It coordinates the introduction of industrial resources in Changping District, activates the Group's land resources, plans the construction of the Beishui Computing Power Center, and realizes an organic closed loop of computing power and industry.

Significant achievements have been made in exploring the strategic development path for decarbonization with hydrogen energy

BBMG and Tsinghua University's Institute of Industrial Engineering have jointly established the Beishui Hybrid (Hydrogen) Coal Combustion Pilot Platform, achieving ignition and operation, and it has become a key national research and development program of Tsinghua University's Department of Energy and Power Engineering on hydrogen/ammonia clean and efficient combustion technology. BBMG, together with Tsinghua Hebei Institute and other central and state-owned enterprises, discussed significant strategic projects in the wind and solar energy storage and hydrogen industry; further explored the integration of green electricity into Beijing, implemented demonstration projects for high-value utilization of hydrogen energy and carbon dioxide, coordinated the transformation of cement enterprises in Beijing, promoted and led the new green era transformation of the cement industry, contributing BBMG's strength to the development of Beijing's hydrogen energy industry.

Leading Industry Development

BBMG adheres to a development strategy driven by scientific and technological innovation, establishing and improving the top-level design of scientific and technological innovation, strengthening the transformation and implementation of research achievements. Leveraging the Group's profound experience in the field of scientific and technological innovation, it conducts extensive exchanges and cooperation within the industry, supporting the optimization and upgrading of the entire industry chain, and building a sustainable ecosystem empowered by innovation.

Scientific and Technological Innovation Management System

BBMG established the "BBMG Scientific and Technological Innovation Leading Group" with the Chairman and general manager as the leaders, the leading team of the Group as the deputy leaders, and the main leaders of the headquarters departments, secondary entities, and directly managed units as members. It is positioned at a high level to promote the development of scientific and technological innovation within the Group. The Group has set up a Scientific and Technological Innovation Department, which is responsible for formulating and implementing the Group's scientific and technological innovation development strategy plan, coordinating the promotion of the construction of the Group's scientific and technological innovation system and the reform of the scientific and technological institutional mechanisms, organizing and carrying out major scientific and technological innovation research and development projects and achievement transformation projects, as well as daily management work such as the construction of scientific and technological innovation platforms, research and development investment, patent standards, etc. The Group has built a scientific and technological innovation complex with BBMG characteristics, "1 (Research General Institute) + N (7 secondary entity professional technology centers) + X (33 enterprise product research and development centers)", to create a scientific and technological innovation ecosystem that meets the development needs of BBMG, "Government-Academia-Research-Application-Finance-Service". It constructs an innovative ecosystem of internal industry collaboration and external resource sharing, where each enterprise under its umbrella plays the role of an innovation subject, carrying out science and technology innovation work under the leadership of the Group.

At the level of institutional guarantee, BBMG strictly adheres to the Law of the People's Republic of China on Guarding State Secrets, the Regulations of Beijing Municipality on Guarding State Secrets, the Interim Provisions of Beijing Municipality on the Management of Work-related Secrets, the Patent Law of the People's Republic of China, the Law of the People's Republic of China on Promoting the Transformation of Scientific and Technological Achievements, and other laws and regulations. It has formulated the 14th Five-Year Plan for Scientific and Technological Innovation of BBMG, which clearly defines the goals, strategic measures, and key tasks of scientific and technological innovation, and implements nine internal systems related to scientific and technological innovation to promote the implementation of strategic planning.

In terms of innovation incentives, BBMG Corporation has established and improved its innovation incentive mechanism, strengthening the guarantee of incentives. In 2024, it successfully implemented separate management of the total salary for team members undertaking original technology research projects and the expenditure for scientific and technological achievement transformation incentives of 2 enterprises, which are not subject to the total salary limit of the unit. At the same time, the Group continues to strengthen the construction of a talent pipeline for innovation, especially by setting up a "Special Fund for Young Scientific Research". In addition to the project funds, it also sets up special funds for the cultivation of young talents, providing significant project training opportunities and broad development space for young innovative talents.

O List of BBMG's Scientific and Technological Innovation Policies

1	Management System for Scientific and Technological Innovation		
2	<i>Measures for the Management of Transformation of Scientific and Technological Achievements (Trial)</i>		
3	<i>Measures for Rewarding Excellent Scientific and Techno- logical Achievements</i>		
4	<i>Measures for Rewarding Excellent Scientific and Techno- logical Talents</i>		
5	<i>Measures for the Reserve Fund of Enterprise Research and Development Investment</i>		
6	<i>Measures for the Scientific and Technological Innovation Committee</i>		
7	Provisions on Technical Protection Management		
8	<i>Provisions on the Management of "Challenge and Lead" for Scientific and Technological Projects (Trial)</i>		
9	<i>Rules for Assessment of the "1+N+X" Technological Innovation Complex</i>		

Scientific and Technological Innovation Planning and Deployment

To implement the deepening reform actions of state-owned enterprises and the three-year action plan for technological innovation set forth by the Beijing SASAC, and building on the achievements of the previous three-year technological innovation initiative, BBMG has researched, formulated, and released a new round of the Group's Three-Year Action Plan for Technological Innovation (2024-2026). This plan encompasses six major areas, 21 specialized topics, and 57 key tasks, utilizing tools such as the "Key Core Technology Breakthrough List", "Technology Achievement Transformation Task List", "Major Technology Achievement Catalog","University Tiered Cooperation List", and the development task list for five key industrial sectors to systematically advance the implementation of various breakthrough tasks.

BBMG has implemented a new group-level research project classification and phased approval mechanism, establishing five categories of key projects: core technology research and development projects, "Challenge and Lead" projects, innovation platform construction projects, pilot base and achievement transformation demonstration projects, and common technology service projects. As of the end of the Reporting Period, a total of 74 group-level research projects have been organized in three batches across these five categories, representing a year-on-year increase of 2.5 times compared to 2023.

To facilitate the implementation of various task deployments, BBMG has further increased its investment in major technological research and development efforts to enhance innovation efficiency. In 2024, the Group's total R&D investment reached 3.27 billion yuan, with an R&D investment intensity of 2.95%. Among this, the R&D investment for key technological projects amounted to 110 million yuan, reflecting a year-on-year increase of 38.7%. Additionally, the Group's revenue from the new materials industry reached 4.85 billion yuan, representing a year-on-year increase of 151%.

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In 2024, the Group's total R&D investment

3.27 billion _____

R&D Investment Intensity

2.95%

The R&D investment for the Group's key technological projects reached

110 million Year-on-year increase

38.7% 🕈

The Group's revenue from the new materials industry

4.85 billion Year-on-year increase

151% 🕈

Key Achievements in Scientific and Technical Innovation

15 items

In 2024, BBMG won 1 provincial government science and technology award and 15 industry association awards recognized by the National Office for Science & Technology Awards; obtained 458 patent authorizations, including 93 invention patents; obtained 39 software copyrights; newly added 9 provincial-level "specialized and innovative" enterprises, 7 national high-tech enterprises, and 2 provincial-level champions in single-item manufacturing industries; newly established 8 provincial-level and above innovation platforms; the "National Key Laboratory of Material Circular Low-carbon Regeneration" passed reorganization, and the "Beijing Key Laboratory of Future City Artificial Intelligence Metrology Technology" was successfully approved.

Received the provincial government science and technology award

Received industry association awards recognized by the National Office for Science & Technology Awards Granted patent authorization



Overview of Scientific and Technological Innovation Achievements

Project		Unit	2024
Increased national hi	gh-tech enterprise	enterprise	7
	erial-level science and technology awards (including awards recognized by the National Office for Science &	item	16
Authorized patents		item	458
Software copyrights		item	39
	National standards	item	1
Standard formula-	Industry standards	item	4
tion and revision	Local standards	item	4
	Group standards	item	5
Research and develo	pment investment	100 million yuan	32.7
The proportion of research and development investment to main business revenue		%	2.95
Number of research and development personnel		person	3,711
The proportion of research and development personnel to total employees		%	8.5

BBMG is dedicated to enhancing its original innovation capabilities, creating a new source of original technology strategies. Leveraging its solid foundation, it accelerates breakthroughs in key core technologies, and focuses on key emerging fields, vigorously promoting the industrialization of innovative achievements, thereby fostering industrial development through innovation.

Achievements in the Construction of Original Technology Sources

1)In the direction of green high-temperature refractory materials, the Group has completed research on the ablation process and mechanism of ablation-resistant refractory materials under the action of high-temperature and high-speed exhaust jet impact, constructed geometric models of the diverter channels and rocket nozzles, and developed two types of ultra-high-performance ablation-resistant products for diverter channels. The technical level of refractory materials for aerospace systems has reached international leadership and has been applied in the four major rocket launch bases of the country.

2) In the direction of collapsible modular construction technology, the Group has completed the design of the basic version prototype cabin, and continues to integrate research and development of technologies such as folding furniture, photovoltaics, and intelligentization based on collapsible buildings. It was successfully launched at the "Breakthrough New Technologies and New Products in the Building Materials Industry" special session of the China Building Materials Conference in 2024, receiving extensive attention and praise from both within and outside the industry.

3)In terms of carbon dioxide capture and utilization, the Group has completed the construction of a demonstration line for the low-energy and high-efficiency capture and utilization of carbon dioxide in complex flue gas environments with an annual capacity of 100,000 tons in cement kilns. This has produced food-grade dry ice with a purity of 99.997%; achieving international advanced technology indicators with a regeneration steam consumption of $\leq 1.2t/tCO_2$ and a regeneration steam energy consumption of $\leq 2.4GJ/tCO_2$.

4) In the direction of organic solid waste disposal, we promote joint research with the Beijing Capital Highway Development Group in areas such as gel materials for road use made from all types of solid waste, and together establish the original technology source in the field of solid waste resource utilization.

1 item

Key Achievements in Industrial Transformation

1) The new high-temperature rare earth modified vanadium-based denitrification catalyst product has successfully completed a year of industrial testing on the Zanhuang No. 2 and Luanzhou Environmental Protection No. 2 cement production lines, yielding positive results, with engineering applications scheduled for 2024 at Shanxi BBMG Jidong Environmental Protection Technology Co., Ltd and Chongging Hechuan.

2) The newly developed series of repair mortars for load-bearing concrete structures has elucidated the mechanisms by which different polymers affect the penetration of corrosive ions, resulting in cumulative sales revenue of 110 million yuan from the series of repair materials.

3) Established the first domestic industrial production line for the purification of potassium and sodium salts from fly ash washing liquid, achieving potassium chloride and sodium chloride purities of 91.0% and 93.3%, respectively.

Industry Cooperation and Contribution

BBMG is dedicated to enriching and strengthening the construction of the industry ecosystem, gathering high-quality resources, and enhancing the quality and efficiency of the integration of technology and industry. In 2024, the Group actively engages with both internal and external resources from innovation parks such as the Intelligent Manufacturing Workshop, Xingfa Technology Park, and BBMG High-tech Industrial Park to promote the coordinated development of technology and industry within the Group. A technology demand and application scenario release conference was organized at the BBMG Intelligent Manufacturing Workshop, where five enterprises, including Jidong Cement, Modern Building Materials Industrialisation Group, Property Development Group, Jidong Development Group, and the Inspection Institute, presented their releases 20 technical requirements. More than 100 participants from the Beijing Association for Science and Technology, Haidian District Association for Science and Technology, Beijing University of Science and Technology, Beijing Technology and Business University, Beijing University of Civil Engineering and Architecture, and Beihang University attended the meeting, where they engaged in in-depth discussions regarding the technical needs of BBMG.

In terms of industry-university-research cooperation, the Group actively leverages the abundant educational, technological, and talent resources in the capital, enhancing collaboration with leading universities and research institutions in Beijing, such as Beijing University of Science and Technology, Beijing University of Technology, Tsinghua University, and the Chinese Academy of Sciences, to conduct project research and development, achievement transformation, talent introduction, and platform co-construction. Additionally, new partnerships have been established with institutions both within and outside Beijing, including China University of Petroleum (Beijing), Fudan University, and Tianjin University, to improve resource alignment and industry-university-research cooperation. A list has been created to monitor and supervise the progress of project collaborations between 30 Group enterprises and universities on a monthly basis. Among these, the Group, in collaboration with Beijing University of Technology and Jingneng Group, successfully passed the reorganization recognition for the "National Key Laboratory for Material Recycling and Low Carbon Regeneration"; the "Beijing Key Laboratory for Artificial Intelligence Measurement Technology for Future Cities" has also been successfully approved. In response to "bottleneck" technical challenges and the pursuit of key core technologies, the Group organized enterprises to publish 31 technical reguirements directed at Beijing universities and research institutions, signing 12 technical contracts with these institutions, with a total contract amount of 17.219 million yuan.

Significant achievements have also been made in research topics and standard development. In 2024, the affiliated enterprises under the Group are undertaking 9 major national projects, including 8 projects under the national key research and development projects and 1 project under the Global Environment Facility's "China HBCD Elimination and Management Project". They are also involved in 5 projects under the China Building Materials Federation's "Challenge and Lead" project, with 3 new projects including the Research on Online Monitoring Equipment for Carbon Dioxide Emissions in Cement Production Lines and Data Coupling Analysis and Verification Models.

The Group's affiliated enterprises are undertaking national major projects	Among them, national k and development progr
9 projects	8 projects
Ongoing projects under the China Build- ing Materials Federation's "Challenge and Lead" project	1 5
5 projects	3 items

Intellectual Property Protection

BBMG strictly adheres to the requirements of the Patent Law of the People's Republic of China, and has formulated and implemented the Regulations on Technology Protection Management, comprehensively standardizing matters related to the protection of patent intellectual property rights. In 2024, the Group took actions surrounding the application, transfer, and termination of patents, fully ensuring that intellectual property rights are not infringed upon.

- pletion.
- Technological Management Department for record-keeping.
- ond entities and the Group's Scientific and Technological Management Department for record-keeping.
- approval, with the Group being one of the rights holders.
- Technological Management Department for record.



· Patent application: The acceptance and authorization information of patents is reported to the secondary entities and the Group's Scientific and Technological Management Department in a timely manner for record-keeping; matters regarding the use and termination of the enterprise's proprietary patents are handled after approval from the second entities and reported to the second entities and the Group's Scientific and Technological Management Department for record-keeping upon com-

• Internal transfer of proprietary patents: After review by the secondary entities and approval by the Group's technology protection team, the matter is processed and promptly reported to the secondary entities and the Group's Scientific and

External transfer of proprietary patents: After review by the secondary entities and approval by the Group's technology protection team, the transfer will be processed; those with an evaluated value of 0.5 million yuan or above will be publicly listed for transfer on the Beijing Stock Exchange, and the completed matters will be reported in a timely manner to the sec-

 Patents for key research projects: The technical achievements formed by the Group's key scientific research projects are owned by the Group. If the entity undertaking the key scientific research project needs to apply for a patent, a written application should be submitted to the Group's Scientific and Technological Management Department and processed after

 Patent licensing and termination: After review by the secondary entities and approval by the Group's technology protection team, the matter shall be processed and reported in a timely manner to the second entities and the Group's Scientific and

Providing Green Products

As a leading building materials supplier in China, BBMG is dedicated to promoting the development and application of green building materials. By focusing on technological innovation and green development, several subsidiaries and products have obtained certifications for green building materials, carbon footprints, green factories, and environmental labels, thereby enhancing the Group's leadership in driving industrial green transformation and achieving sustainable development.

BBMG 2024 Green Certification \bigcirc



Green Building Material Product Certification

- A total of 96 green building material product certifications have been obtained across 11 major categories of products from 32 subsidiaries, including precast components, autoclaved aerated concrete, and ready-mixed concrete.
- Among them, there are 62 green building material certifications and 34 green product certifications. The green building material certifications range from onestar to three-star, comprising 1 one-star, 7 two-star, and 54 three-star certifications.

Carbon Footprint Certification

 Carbon footprint assessments were conducted for 42 building material products of 8 categories from 19 subsidiaries, including autoclaved aerated concrete products, ready-mixed concrete, mortar, gypsum materials, etc. The carbon dioxide equivalents generated at various stages, from raw material acquisition, production, transportation, usage to waste disposal, were quantified.

Green Factory Certification

• The green factory certification is a crucial component of BBMG's establishment of a green production system, encompassing the entire lifecycle of product design, raw material selection, manufacturing, product use, and waste disposal. A total of 47 subsidiaries have achieved green factory certification.

Environmental Label Product Certification

 A total of 28 building materials products across 5 categories, including coatings, wood products, furniture, rock wool, and glass wool, have received the China Environmental Label Product Certification (Ten Rings Certification) from 5 subsidiaries.

Cement and Concrete

BBMG closely follows the national policies and guidelines, strategically planning the research and development of green products and their application. It continuously increases R&D resources and actively implements recycling measures in the production process to enhance the environmental friendliness throughout the product lifecycle. The Group has received multiple certifications for green products, consistently "forging" a competitive advantage in the green product market.

Jidong Cement

- Established a professional R&D department focused on the development of low-carbon, green, and specialty cement products;
- Participated in the national "Green Manufacturing" initiatives. As of the end of the Reporting Period, 37 subordinate enterprises have been certified as national "Green Factories", 5 subordinate enterprises have passed the "Green Supply Chain" certification.and 3 subordinate enterprises have been certified as national "Green Design Products";
- Actively promote enterprises to accept the "low-carbon product" certification audit by third-party certification bodies. By the end of the Reporting Period, 38 subordinate enterprises have obtained the low-carbon product certification certificates issued by the Beijing Guojian Lianxin Certification Center;
- · Increase the research and development application of new products and materials, starting with the new type of low-carbon clinker, actively promote the research and development and application of green products, and through multiple industrial trials of low-carbon clinker, fully verify its energy-saving and carbon-reduction effects, opening up a new direction for the demand-oriented differentiation and customization of cement products;
- A total of 54 products from 24 subordinate enterprises have obtained low-carbon product certification, with high-reactivity belite clinker products achieving stable mass production, and special cement and customized products being applied in water conservancy projects, oil well cementing, nuclear power projects, high-speed railways, and other fields;
- Actively layout the research and development and industrial production of other low-carbon and carbon-fixation cementitious materials and new products, continuously promote the widespread application of new green building materials, and drive the overall product structure towards modernization, low-carbonization, and greenification.

Concrete Group

- Actively use recyclable materials to reduce the use of natural aggregates and the emission of solid waste. By 2024, a total of more than 11.50 million tons of solid waste have been utilized, with an average proportion per unit reaching 43%; For the waste water and waste generated during the concrete production process and washing process, sedimentation and filtration are conducted before recycling and reusing, achieving full recycling and utilization;
- Affiliated enterprises actively participate in the green building material product certification based on the evaluation standard of T/CECS 10047-2009 Green Building Material Evaluation - Ready-mixed Concrete according to national, industry, and local management requirements;
- In 2024, 19 sites obtained the green building material three-star certification, covering concrete products with strength grades from C20 to C55, achieving full coverage of the "Green Building Material Three-Star Certification" in their respective regions. Among them, enterprises obtained 19 engineering projects with the green building material three-star certification certificates, contributing output value of 270 million yuan;
- the national-level "Green Factory" title, and 2 sites received provincial and municipal-level "Green Factory" titles;
- Actively participate in and implement the national "Green Factory Manufacturing" initiative. In 2024, 1 site was awarded Organize enterprises to participate in the first ready-mixed concrete carbon footprint competition, where the Concrete Group won the "Excellent Organization Award", and 13 units under it received multiple honors.

New Building Materials and Equipment Manufacturing

BBMG adheres to the leadership of scientific and technological innovation, actively researching and developing green products in the field of new materials and equipment manufacturing. By coordinating the entire industry chain, it creates a comprehensive product system, continuously iterating more environmentally friendly and innovative products, which are widely used in key national and regional projects, serving urban construction.

Modern Building Materials Industrialization Group

- BBMG Intelligent Housing System is built to include five product composite systems: prefabricated concrete buildings, prefabricated steel structure buildings, prefabricated external walls, industrialized interior finishes, and ultra-low energy consumption buildings, which effectively promotes the coordinated development of the whole industry chain of the New Materials Industrialization Group;
- The green and environmentally friendly products are widely used in national and Beijing-Tianjin-Hebei key projects, committed to becoming an important provider of integrated solution systems for intelligent housing manufacturing in the future capital, urban sub-center, and Xiong'an New Area;
- In 2024, products obtaining the three-star certification for green building materials include: dry-mixed ceramic tile adhesive mortar, high-performance tile adhesive (Type I for indoor use, C1), ultra-strong heavy brick adhesive C588, super flexible large panel tile adhesive, plastering gypsum, water-based putty (for interior walls), and passive armor fire-resistant doors.

Jidong Development Group

- The energy consumption performance indicators of the new energy-saving vertical roller mill significantly exceed the national first-class energy consumption standards; the new energy-saving grate cooler equipment has successfully realized the localization replacement of imported products; the metallurgical kiln used for disposal of zinc-containing solid waste from steel plants is even more energy-saving;
- The research and development of the Intelligent Power On/Off System solution has achieved the goal of constructing unattended distribution stations, promoting safety and stability;
- · Continuous iteration in the research and development of innovative products such as bauxite-based synthetic refractory raw materials, low thermal conductivity mullite bricks, and special silicon-mullite red bricks has enhanced the energy-saving and environmental protection attributes.

Real Estate Development and Investment Property

BBMG actively implements national and regional policy requirements, fulfills the mission of state-owned enterprises, responds to industry development trends, and deeply explores and excavates a green construction development path that aligns with BBMG's characteristics. The Group is committed to meeting customer demands for comfortable living environments and green low-carbon solutions. By leveraging the core competitiveness of the Group's new green building materials sector, it positions green buildings as a key strategy for establishing its brand and achieving sustainable development, creating green building products with BBMG's unique characteristics. At the same time, the Group is actively building zero-carbon factories and zero-carbon parks to respond to the national "dual carbon" goals and promote the low-carbon transformation of enterprises, providing cutting-edge experiences.

Property Development Group

- Integrating the relevant standards for green buildings, healthy buildings, and ultra-low energy consumption buildings, the 5C community plan is implemented to create a community with "visible greenery, noticeable health, and accessible people-oriented services".
- Taking the lead, the zero-carbon building and low-carbon park in the Beijing Xingfa project, the first batch of ultra-low energy consumption buildings in the whole community in the Yangpu, Shanghai project, and the successful implementation of the green building three-star and ultra-low energy consumption building in the Naixi project have all formed a good demonstration effect.

Property Investment and Management Group

- The "Zero-carbon Factory" project fully utilizes photovoltaic power systems, clean and renewable energy sources, as well as advanced CCUS technology, achieving a full chain of carbon reduction and carbon absorption from source to end. It sets a new benchmark for the green development of the venture.
- The BBMG Industrial Research Life Science Innovation Center has given full consideration to the future low-carbon development direction of the park in the early stages of project construction planning; all the A2 and A3 buildings within the project are designed as ultra-low energy consumption buildings, and the A4 building further adopts the zero-carbon building design concept; providing a demonstration and model for the future promotion of ultra-low energy consumption and zero-carbon buildings.

Pursuing Excellence in Quality

BBMG firmly believes that quality is the "lifeline" for the survival and development of enterprises, and that exceptional product and service quality is a vital means to enhance the Company's core competitiveness. Therefore, we consistently prioritize quality, implement quality management requirements, and uphold high standards and strict controls over product quality, while focusing on customer needs and continuously optimizing product performance and service processes, committed to delivering high-quality products and services to our customers.

Optimizing the Quality Management System and Measures

BBMG strictly adheres to laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, such as the Product Quality Law of the People's Republic of China, the Metrology Law of the People's Republic of China, the Regulation on the Quality Management of Construction Projects, the Outline of Building a Powerful Nation of Quality, the Notice of the Ministry of Housing and Urban-Rural Development on Implementing the Primary Responsibility of Construction Units for Engineering Quality, the Provisions on the Supervision and Administration of the Fulfillment of Primary Quality and Safety Responsibilities by Manufacturers of Industrial Products. and the Provisions on the Supervision and Administration of the Fulfillment of Primary Quality and Safety Responsibilities by Sellers of Industrial Products. During the Reporting Period, BBMG revised and implemented the new version of the Group's Quality Management System, reinforcing the responsibility system for all employees, managing guality incidents, and ensuring the operational integrity of the quality management system. Quarterly reports on the Group's quality operations were completed, and specific requirements for strengthening quality management were deployed across various business sectors based on key tasks at different periods.

The Company implements a quality management system supervised by the Group's quality management department, with the secondary entities in charge and the affiliated enterprises as the responsible entities under a tiered quality management mechanism, continuously strengthening lean quality management efforts. In the 2024 technical quality joint inspection, the Group conducted a professional diagnosis and systematic assessment of the current quality management levels and technical capabilities of 38 key enterprises (projects) across various industrial sectors, identifying issues and implementing corrective actions while strictly adhering to quality standards. During the Reporting Period, BBMG did not experience any major quality responsibility incidents and did not recall any products for health or quality safety reasons.

Each secondary entity has developed an internal quality management system based on the Group's quality management regulations, implementing tailored quality management measures:



In 2024, the pass rate for factory products reached 100%.



Group

appropriately, and effectively;

levels, and other content;

immediately recalled.



Modern Building Materials Industrialization Group



- the characteristics of the enterprise's production and operation;
- supervises their implementation;
- supervision system;
- bilities.



- the Concrete Group, has formulated its own internal control standards.

• In accordance with the Group's requirements, revise the Quality Management System, adding requirements for process quality control, a list of quality management responsibilities at various

 Implement quality supervision and management, regularly evaluate and rank the level of enterprise quality management and the management performance of the heads of quality management departments; guide quality improvement activities; carry out targeted assistance for enterprises facing difficulties; collect and review the enterprise's *Quality Summary Report* quarterly, supervising the implementation of quality accountability management;

 All affiliated enterprises have passed the ISO 9001 guality management system certification and undergo internal audits and supervision reviews annually, ensuring the system operates fully,

In terms of product recalls, defective and non-conforming products that have left the factory are

 Completed the Ouality Control Manual (2024 revised edition), formulated and implemented management documents such as the 2024 Special Work Program for Quality Improvement and the 2024 Quality Supervision and Management Plan for the New Materials Industrialization Group; Established an effective quality grading management system in accordance with the "One Policy per Enterprise" principle, implementing graded control and categorized management based on

 Built a guality control unit centered around the Quality Management Department and the guality departments of affiliated enterprises: the Quality Management Department is responsible for Modern Building Materials Industrialization Group's overall quality management, leading the organization of various departments and affiliated enterprises to sort out the large quality management loop; the quality control unit works independently, formulates quality control measures, and

 Each enterprise manages the entire process of product procurement, acceptance, use, and the entire lifecycle in accordance with the ISO 9001 quality assurance system standards; each enterprise formulates and implements the Inspection and Test Control Procedures that meet the requirements of the ISO 9001 quality assurance system standards, improving the quality inspection and

Through quality culture training for all employees, drive employees to fulfill their quality responsi-

• The systems and documents such as the *Quality Management Method*, *Internal Control Standards* for Concrete Quality, Management System for Quality Complaints and Accident Handling, and Management Method for Quality Supervision and Sampling Inspection have been revised and implemented successively, strengthening the management of product and service quality, enhancing the capability of full-process and full-element quality management, optimizing the cost-effectiveness of quality, and reinforcing the risk prevention and control of quality and safety;

The affiliated enterprises have established quality risk control systems, identified quality risk, established lists for prevention and control, and developed corresponding measures; each affiliated enterprise, in combination with local regulatory requirements and the internal control standards of



Tianjin Build-

Group

Ltd. have been formulated to comprehensively standardize the full-process quality management measures for building materials. ing Materials

• All 5 affiliated enterprises have obtained the ISO 9001 Quality Management System certification.

• The Quality Management System Regulations of Tianjin Building Materials Group (Holdings) Co.,

 Implement the quality management principle of "prevention first, model first, and multiple inspections" to strengthen the quality responsibilities of each affiliated unit, stimulate their internal motivation to enhance quality, control quality risks, and improve the brand effectiveness as quality objectives;

• Establish a quality management system for engineering projects, which includes a quality man-

agement framework, quality technical standards, and a quality inspection and evaluation system; create a supervision and inspection system for engineering quality management, organize regular



Property Development Group

- and irregular inspections or spot checks, and monitor the operational status of the quality management systems of affiliated enterprises to continuously enhance the engineering quality management standards; Strictly implement quality management-related systems, including the Project Management System, the Project Quality Management Measures, the Third-Party Evaluation and Inspection
- Management Measures for Project Quality and Safety, the Acceptance Management Measures for Finished Decoration Sample Houses, the Guidelines for Division of Interfaces in Finished Decoration Projects, and the Special Preventive Measures for Leakage Prevention in Residential Projects;
- Based on the main milestones of the project development cycle, conduct comprehensive inspections and evaluations of each project and specialty at the corresponding construction stages. This includes special assessments for underground projects, process evaluations for civil engineering quality, special assessments for finished decoration samples, process evaluations for finished decoration quality, delivery evaluations, and special safety assessments, as well as implementing rectification work and supplier reward and penalty measures.



Property Investment and Management Group

- In accordance with the Property Service Quality Supervision and Evaluation Measures (Trial) of Beijing BBMG Property Investment Management Group Co., Ltd., the Residential Property Service Standards (1.0), and the Public Building Property Service Standards (1.0), among other institutional standards, revised the Service Quality Management Measures and completed the consultation for feedback;
- Based on national standards, we established a comprehensive management system integrating quality, environment, occupational health and safety, energy, information security, and equipment facilities, referred to as the "Six Standards in One"; we organized internal audits of the comprehensive management system for the Company headquarters and related units, and through the scientific and effective establishment, operation, and continuous improvement of the system, we formed a standardized management model;
- In 2024, through the supervision audit of the "Information Security Management System", "Quality, Environment, Occupational Health and Safety, and Energy Management System", as well as the "Equipment and Facilities Management System Certification", the effectiveness and continuity of the systems are ensured.

Maintaining Customer Relationships

Guided by the principle of "customer orientation, gathering energy to improve", BBMG has established diverse communication channels, including customer service hotlines, online platforms, visits and follow-ups, and on-site receptions, to promptly understand customer needs. Secondary entities designated specialized customer service departments and adopted a multi-departmental collaborative processing mechanism to ensure that customer requests are responded to quickly and effectively. Relying on customer service and complaint handling systems, such as the Customer Service Standards and Customer Complaint Management Measures, we have clearly defined the processes for handling complaints, division of responsibilities, and assessment requirements. Upon receiving a complaint, we ensure the efficiency of complaint resolution and customer satisfaction through supervision, tracking, and closed-loop management. Additionally, through data analysis and improvement measures, we continuously enhance service quality. Some secondary entities have incorporated customer service and complaint handling into their assessment systems, ensuring service quality through regular analysis and supervision mechanisms. In the future, we will continue to enhance the statistics on complaint-related quantitative data to help improve customer relationship management.

Ensuring Data Security and Customer Privacy

BBMG has developed and implemented internal regulations such as the Information Management Measures, the Management Regulations for Information Construction Projects, the Information Operation and Maintenance Management Regulations, the Cybersecurity Management Regulations, and the Implementation Rules for Cybersecurity Responsibility System. The Group strictly enforces the principal responsibility for cybersecurity, organizing company leaders to sign a commitment to the cybersecurity responsibility system; conducting a comprehensive inspection of information assets and rectifying risks associated with email, electronic screens, and integrated information systems; and promptly issuing cybersecurity risk warnings to ensure zero incidents during critical periods such as the "Two Sessions" and the "Spring Festival". In 2024, the Group did not experience any data security incidents.

Regarding customer privacy protection, the Group implements security measures that adhere to industry standards and are both reasonable and feasible, preventing unauthorized access, public disclosure, use, modification, damage, or loss of personal information. The Group ensures necessary anonymization and encryption of customer personal information, establishing protective mechanisms to guard against malicious attacks; it employs access control measures to ensure that only authorized personnel can access personal information; and actively conducts training courses on security and privacy protection to enhance employees' awareness of the importance of safeguarding personal information. Furthermore, the Group regularly assesses the security measures for collecting, transmitting, storing, analyzing, or otherwise processing personal data to ensure the safety of personal information.



Building a Win-Win Supply Chain

BBMG strictly adheres to national regulations such as the *Tendering and Bidding Law*, the *Tendering and Bidding Management Regulations*, and the *Guiding Opinions on Standardizing the Procurement Management Work of Central Enterprises*. During the Reporting Period, we revised the *Tender Procurement Management Measures* and the *Procurement (Non-Tender) Management Measures*, and established the *Supplier Management Regulations*. Utilizing the supplier management information system, it implements a full life-cycle management mechanism for suppliers, achieving closed-loop management throughout the entire process, including supplier evaluation, entry and qualification, bidding, contract signing, performance evaluation, and post-evaluation.

The supplier procurement process is coordinated by the Group's tender procurement management department, which, in accordance with relevant internal regulations, requires suppliers to possess complete legal documents and qualification certificates, maintain a good commercial reputation, and have a robust quality management system. Compliance is reviewed through the Group's transparent procurement platform. Suppliers are also required to sign agreements such as the *Integrity Commitment Letter* to pledge their performance. Furthermore, the Group incorporates factors such as energy conservation, environmental protection, compliance with safety standards, and technological advancement into its procurement requirements. Under equal conditions, priority will be given to green and energy-saving products, thereby effectively implementing sustainable procurement principles.

The Group conducts annual reviews and evaluations of suppliers, applying the results to supplier assessments. Each enterprise under the Group utilizes the supplier management system to perform both quantitative and qualitative evaluations—real-time and periodic—of suppliers with whom they have contractual relationships, establishing assessment criteria that cover the entire lifecycle of the suppliers. In response to suppliers' misconduct, a grading system is implemented based on the severity of the negative impact and economic losses incurred, leading to three possible measures: warnings, freezing of bidding qualifications, and blacklisting. If a supplier is blacklisted, enterprises within the Group's system will refrain from engaging in business dealings with them for five years. Regarding the management of environmental and social risks in the supply chain, BBMG evaluates and audits the qualifications, scale, green development, environmental health, and research and development capabilities of all suppliers. The management of suppliers' environmental and social risks is integrated into supplier assessments, and the sustainability capabilities of suppliers are monitored. If suppliers fail to pay migrant workers' wages or other payables during the contract performance period, appropriate measures will be taken based on the circumstances. In the event of significant safety or environmental incidents for which the supplier is responsible, their bidding qualifications may be suspended or they may be blacklisted depending on the severity of the situation. If criminal offenses are involved, the case will be referred to the public security authorities.

In 2024, the total number of suppliers that the Group's secondary entities actually collaborated with was 62,816, all of which are from the mainland, with no suppliers from Hong Kong, Macau, Taiwan, or overseas regions. The Group treats suppliers of different sizes equally, and there have been no incidents of unequal treatment, such as overdue payments to small and medium-sized enterprises.

Total number of suppliers that have engaged in cooperation with the secondary entities

62,816 suppliers



Incidents of unequal treatment, such as overdue payments to small and medium-sized enterprises

No incidents

Environmental Protection with Technological Innovation

TITIA

BBMG actively implements the national requirements for "carbon peaking and carbon neutrality", firmly adheres to the relevant initiatives for green low-carbon transition in Beijing, and upholds the development philosophy of prioritizing energy conservation and green low-carbon strategies. The Group focuses on the "One main task, outperforming in Two aspects, and conducting coordination in Three dimensions" work requirements, and undertakes various energy conservation and low-carbon initiatives under the theme of "Effectiveness Improvement Year", achieving significant results in green low-carbon transition.

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Response to Climate Change

Governance of Climate Change

Governance Structure

BBMG has established an ESG governance structure of "Governance Level - Management Level - Execution Level", and fully integrated climate change issues into this structure, clarifying the responsibilities of each entity and the reporting mechanism, thus forming an effective management and supervision model.

	BBMG Climate Governance Structure	The highest responsible and decision-making body for climate
Governance Level	The Board of Directors and the Strategic Committee	 change issues Incorporate climate change issues into the Group's strategic decision-making and management Regularly receive reports from subordinate entities on climate change issues, receive and supervise climate-related strategic deployments, impacts, risks and opportunities evaluations, as well as progress on targets and indicators
Managem	Carbon Peaking and Carbon Neutrality Leading Group	 Coordinate the implementation of national and Beijing municipal policies and work arrangements related to carbon peaking and carbon neutrality Research and formulate significant strategies, plans, policies, and countermeasures for the Group regarding carbon peaking and carbon neutrality Research and address key issues
Management Level	ESG Leading Group	 Incorporate climate change as a significant component of daily ESG management, supervise and guide relevant matters Assess and summarize the impact, risks, and opportunities of climate change of the Group, develop countermeasures, direct the implementation of various measures, and regularly monitor their execution Regularly report work plans and achievements to the Board
Execution Level	Relevant Departments and Industrial Sectors	 Relevant departments strengthen coordination and professional support to ensure consistent policy direction and well-connected steps and intensity. Each industrial sector clarifies responsibilities and advances implementation, formulating a practical and feasible work schedule, roadmap, and construction plan, enhancing the coordination within the Group's industrial chain, and efficiently and steadily promoting the implementation of work. Regularly report work plans and achievements to the Governance Level and the Management Level.

Climate Governance Capacity

The Strategic Committee of the Board possesses extensive experience in executing and overseeing strategies and systems related to climate impacts, risks, and opportunities. The Carbon Peaking and Carbon Neutrality Leading Group is responsible for climate-related matters throughout the Year, including carbon reduction planning, energy conservation and consumption reduction, and the development of green supply chains. Furthermore, BBMG places significant emphasis on enhancing its capacity to address climate change. In 2024, training has been conducted on the latest ESG regulatory requirements and ESG information disclosure, focusing on covering and analyzing climate change issues to strengthen the capabilities of all entities within the governance structure in climate change management, risk and opportunity analysis, and strategic decision-making.

Supervision and Assessment

BBMG continuously strengthens the process control of climate change initiatives, establishes mechanisms for tracking work and dynamic evaluation, regularly schedules progress on target tasks, enhances tracking, evaluation, and supervision, scientifically optimizes measures and pathways, and coordinates the resolution of major issues; improves target decomposition and supervision assessment mechanisms, strengthens the application of assessment results, recognizes units and individuals with outstanding performance, and conducts assessments according to regulations for units that fail to meet target tasks.

Strategic Deployment for Climate Change

In order to thoroughly implement the deployment decisions of the Central Committee of the Communist Party of China and the State Council on carbon peaking and carbon neutrality, and to practice the highest standards, BBMG has formulated the *14th Five-Year Plan for Carbon Peaking and Carbon Neutrality* and the *BBMG's Action Plan for Carbon Peaking* as macro deployment documents, clarifying the main objectives and proposing key tasks for each industry. In 2024, we decomposed the main objectives and key tasks of the carbon peaking action plans of various secondary entities on an annual basis, laying a solid foundation for the Group to complete the carbon peaking work on schedule.

Guided by our objectives, the Group formulates and publishes the annual *Implementation Scheme for Green and Low-Carbon Transformation*, clearly defining the development, energy conservation, carbon reduction, greening, and waste management targets and key tasks for the Year. The Group has a comprehensive management system in place and strictly implements the *Management Measures for Greenhouse Gas Emission Control*, the *Energy Conservation Management System*, the *Carbon Emission Trading Implementation Rules (Trial)*, and the *Carbon Emission Allowance Management Measures* in daily operations, establishing a supervision and inspection mechanism for energy conservation and carbon reduction to achieve closed-loop management. Additionally, the Group has established rules for calculating energy carbon emission data and created a statistical accounting system for energy consumption and carbon dioxide emissions across its various business sectors, developing carbon emission to clarify the baseline of the Group's energy carbon emissions.

Climate Scenario Analysis

In deploying climate action, BBMG evaluates the actual and potential impacts of climate change on its business through climate scenario analysis, thereby enhancing its risk and opportunity management system. By implementing preventive, monitoring, and response measures, the Group seeks to mitigate the effects of climate change on its production and operations while actively capitalizing on the opportunities presented by climate change to build corporate resilience and support the Group's comprehensive green low-carbon transition.

Risk and Opportunity Category	Scenario	Estimated Temper- ature Increase	Descriptions	
Physical risk	SSP5-8.5	4.4°C	Continuing rise in current levels of carbon dioxide emissions, doubling of emissions by 2050, rapid growth of the global economy (but driven by the ex- traction of fossil fuels and energy-intensive produc- tion and lifestyles), and an increase in global average temperature of 4.4 °C by 2100.	
Transition risk	Net Zero Emis-	nis- Net zero CO ₂ emissions are assume	Net zero CO_2 emissions are assumed to be achieved	
Climate Opportunity sions by 2050		1.5℃	by 2050, limiting global warming to 1.5 $^\circ\mathrm{C}$.	

Physical Risk Assessment

Future trends of each influencing factor in the SSP5-8.5 scenario:

Risk Type	Influencing Factor	Projected Future Trends ⁵				
Chronic Risks	Average Temperature	The scenario has a relatively high global surface temperature rise in the short, medi- um and long term:				
	Increase	Optimal Predicted Value of Global Surface Temperature Change (°C				
		Near-term (2021 to 2040)	Medium-term (2041 to 2060)	Long-term (2081 to 2100)		
		1.6	2.4	4.4		
Acute Risks	Extreme Weather	The likely range of global mean sea level rise is 0.63 to 1.01 meters under very high GHG emission scenarios. Due to sea level rise and storm surges, the frequency and severity of extreme precipitation and flood disasters have increased.				

Physical Risk Assessment

The physical risk analysis is shown in the table below:

Risk Type	Risk Factor	Risk Description	Value Chain Impact	Impact Cycle ⁶	Financial Impact Mode	Response Measures
Chronic Risks	Average Temper- ature Increase	Higher average tempera- tures may result in increased equipment cooling water requirements, office cooling and heating requirements, which may increase the Company's operating costs. Changes in rainfall under the influence of higher average temperature rise may lead to longer construction periods and damage to equipment, resulting in higher construc- tion costs. Sea level rise may damage plant buildings and equip- ment, resulting in higher equipment maintenance costs.	Operation	Long-term	Operating Costs	Widely adopt energy efficiency improvement measures to promote energy structure trans- formation and reduce dependence on fossil energy. Enhance pub- licity and education for employees to strengthen their awareness of energy saving and environmen- tal protection
Acute Risks	Extreme Weather	Extreme weather events such as rainstorms, floods, typhoons and other extreme weather events may lead to the interruption of the Com- pany's business operations, causing the Company's production capacity to be affected to a certain extent; the secondary disasters that may be triggered by the extreme weather may pose a threat to the safety of persons and property.	Operation Down- stream	Short-term	Business Revenue	Strengthen the efforts to investigate potential safety hazards in key areas, and formulate an extreme weather emer- gency plan to clarify the handling procedures and countermeasures in the event of a disaster event. Increase employees' awareness of precau- tionary measures and their ability to respond to emergencies by conduct- ing emergency drills and safety training. Purchase commercial insurance to minimize personal injury and property loss caused by disasters and accidents.

⁶Time Dimension: The short-term is 2025, the medium-term is from 2025 to 2030, and the long-term is from 2030 to 2050.

 $^{^{\}scriptscriptstyle 5}$ Source: Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

Transition Risk Assessment

Risk Type	Influencing Factor	Projected Future Trends ⁷
Policies & Laws & Regu- lations	Climate Policy	Policies are tightening, with industry- and intergovernmental-led initiatives and low-carbon targets for manufacturing to be met globally.
Markets	Market Demand Pref- erences	The outlook for global materials demand is flat, with modest growth expect- ed. However, demand for some materials will grow rapidly to support the necessary development of energy-related infrastructure, particularly renew- able energy generation and transportation infrastructure.
Technologies	Low-carbon Technol- ogies	For the cement industry, industrial capacity additions will increasingly utilize near-zero emission technologies. For the construction industry, the global building sector will see an increasing trend in floor space between 2020 and 2050; by rapidly moving to zero-carbon ready technologies, the share of fossil fuels in the building sector's energy demand will decline.

The transition risk analysis is shown in the table below:

Risk Type	Risk Factor	Risk Description	Value Chain Im- pact	Impact Cycle	Finan- cial Impact Mode	Response Meas- ures
Policy and Regu- latory Risks	"Carbon Peaking and Car- bon Neu- trality" Policies	The 2024 Work Program on Accelerating the Construction of a Dual Carbon Emission Control System requires the establishment of a local carbon emission target evaluation and as- sessment system, the incorporation of carbon emission targets and related requirements into national planning, and the establishment of sound policies, systems and management mechanisms for local carbon assessment, industry carbon control, enterprise carbon management, project carbon evaluation, and product carbon footprinting. If enterprises fail to make low-carbon deploy- ment in advance, it may bring potential risks such as increased investment in new projects and impacts on project revenue; after the pro- ject is completed and put into operation, the implementation of carbon emission evaluation and acceptance opinions will be included in the scope of supervision, which will increase the risk of operating costs and administrative penalties.	Operation	Short- term	Oper- ating Costs	Strengthen the top-level design of enterprise carbon management, ac- tively carry out car- bon emission data accounting, energy saving and carbon reduction supervi- sion and inspection etc., to ensure the implementation of responsibilities, and actively respond to the increasingly stringent carbon management requirements for the industry and enterprises.

⁷Source: International Energy Agency (IEA) World Energy Outlook 2024 (WEO-2024), Net Zero by 2050: A Roadmap for the Global Energy Sector.

Transition Risk Assessment

Risk Type	Risk Factor	Risk Description	Value Chain Impact	Impact Cycle	Financial Impact Mode	Response Measures
Policy and Reg- ulatory Risks	Energy Structure	In the face of stricter regulatory require- ments, high-emission enterprises will invest greater efforts in reducing carbon intensity, further increasing the demand and price of alternative raw fuels, and making it more difficult and costly for en- terprises to obtain alternative raw fuels.	Upstream Operation	Medium- term	Operating Costs	Production bases are active- ly applying alternative fuels and alternative raw materi- als, and the cement industry has set and accomplished relevant annual quantitative targets.
Market Risks	Market Demand Preferenc- es	Customers and consumers are increas- ingly inclined to use low-carbon and green products. Failure to launch such products in a timely manner will put us at a disadvantage in market competition and result in loss of market share.	Downstream	Medium- term	Business Revenue	Closely track market trends, establish diversified custom- er communication channels and feedback mechanisms, and enhance the supply of green products such as low-carbon cement and green building materials to meet market demand.
Technol- ogy Risk	Low-car- bon Tech- nologies	Traditional production technologies have high energy consumption and it is difficult to reduce unit production costs through technological optimization. If the enterprise relies on such technologies, it will face risks such as higher energy costs and maintenance costs.	Operation	Long-term	Business Revenue	Continuously strengthen the R&D and application of low-carbon and carbon-neg- ative technologies, explore the application of new energy in the field of indus- trial decarbonization, and promote the construction of low-carbon enterprises.

Climate Opportunity Assessment

Oppor- tunity Type	Oppor- tunity Factor	Opportunity Description	Value Chain Impact	Impact Cycle	Financial Impact Mode	Response Measures
Tech- nology Opportu- nities	Green Product Innovation	Cutting-edge technologies such as low-carbon cement production technolo- gies, new green materials and equipment manufacturing technologies, and green building technologies are updated and iterated quickly, and if they lag behind in the area of R&D and innovation, they will have a negative impact on market share.	Downstream	Long-term	Business Revenue	Establishment of a sound innovation management system, advanced deploy- ment for green manufactur- ing and green products, and increased resource invest- ment by the secondary en- tities in green products and projects in various fields, with achievements in green building materials products low-carbon cement and green factories.
Market Opportu- nities	Industry Influence	Providing professional advice on green- house gas emission accounting for the cement industry and the development of carbon labeling and environmental labe- ling for the building materials industry, which enhances its influence and reputa- tion in the industry in which it operates, and helps to improve its market compet- itiveness.	Operation	Long-term	Business Revenue	Share cutting-edge ideas and create leading technol- ogies with industry ecosys- tem partners to promote industry leadership.

Climate Change Risk Management

BBMG integrates climate change risks into its overall risk management system, referencing the Hong Kong Stock Exchange's the Environmental, Social and Governance Reporting Guide and the Shanghai Stock Exchange's the No. 2 Responding to Climate Change.

The Group's climate risk management process is as follows:



Climate Change Targets and Metrics

BBMG adheres to the overall development strategy as the guidance, strengthens top-level design, clarifies the target path, scientifically sets the rhythm and tasks of carbon emission reduction, and continuously tracks and supervises the implementation of the targets.

During the Reporting Period, BBMG took multiple measures to achieve fruitful results in energy saving and carbon reduction. The Group carried out several key energy-saving and carbon-reduction projects, including the completion and operation of the 100,000-ton-per-year Carbon Capture, Utilization and Storage (CCUS) demonstration project of Beishui Company; the completion of the ultra-low energy consumption building for the Real Estate Shanghai Yangpu project, and the initiation of the nearly zero-energy consumption building demonstration project in Shanghai Taopu. At the same time, the Group actively participated in the "first-day trading" of the national voluntary greenhouse gas emission reduction trading market, and subsequently continued to purchase 61,300 tons of voluntary carbon emission reductions for compliance settlement by its key emission units.

BBMG places significant emphasis on technological innovation and development in the realm of energy conservation and carbon reduction, identifying "innovative development" as a crucial element of the Group's Four Developments. In 2024, the Group has initiated nine key research projects related to the "Carbon Peaking and Carbon Neutrality" initiative, which include research and demonstration of energy-saving and carbon reduction technologies for large public buildings under the interaction of multiple factors, the establishment of a pilot testing platform for zero-carbon fuel co-firing along with the development of technical solutions, and the research and application demonstration of key technologies and equipment for the resource utilization of carbon dioxide from cement kiln flue gas in agricultural comprehensive utilization. A total investment of 115.49 million yuan is planned, establishing a solid foundation for the Group's green low-carbon transition.

In the realms of policy formulation and industry communication, BBMG engages with organizations such as the Carbon Label and Environmental Label Working Committee within the building materials sector, actively contributing recommendations for industry development. The Group has been invited to provide feedback to the Ministry of Ecology and Environment on the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions in the Cement Industry, thereby creating a favorable environment for its cement enterprises to be integrated into the national carbon market. To proactively expand the "Carbon Peaking and Carbon Neutrality" ecosystem, the Group serves as the vice president unit of the Beijing Carbon Neutrality Society, participating in compliance trading initiatives with Beijing Subway and Jingneng Group, thus achieving mutually beneficial cooperation among municipal state-owned enterprises in the carbon peaking and carbon neutrality domain. Furthermore, the Group has engaged in extensive discussions and established collaborative relationships with over ten carbon market entities, including Saihanba Forest Farm and CITIC Securities, concerning carbon emission rights management.

Targets	Progress in 2024
The Group aims to achieve carbon peaking by 2029, with total carbon emissions and intensity in the Beijing region consistently decreasing.	Since 2020, the Group has achieved a year-on-year reduction in total carbon dioxide emissions. In 2024, the total carbon emissions in the Beijing area reached 989,700 tons, with carbon dioxide emissions per ton of clinker at 0.95 tons, both significantly lower than in 2020.
By 2025, the Group's comprehensive energy consumption per ten thou- sand yuan of revenue will decrease by 20.5% compared to 2020.	Steadily Advancing
By 2025, the Group's carbon emissions per ten thousand yuan of reve- nue will decrease by 19.2% compared to 2020.	Steadily Advancing

Strengthening Environmental Management

BBMG strictly adheres to the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Air Pollution Control, the Law of the People's Republic of China on the Prevention of Water Pollution, the Law of the People's Republic of China on the Prevention of Environmental Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and other relevant laws and regulations. The Company has established management systems including the Environmental Management Measures, the Environmental Protection Responsibility System, the Eco Environment Standardization Construction Standards, the Guidelines for Environmental Risk Evaluation and Classification (Trial), the Regulations for Interviews Concerning Safe Production and Environmental Protection, and the Environmental Management Work Instruction Manual. These measures provide a comprehensive institutional guarantee for environmental protection efforts and reinforce strict compliance.

Establishing a Responsibility System

The ecological environmental protection work of BBMG implements a control mechanism of "the Group headquarters as supervisor, secondary entities taking charge, subordinate enterprises assuming main responsibility and full participation of all employees", standardizing the environmental responsibilities and assessment scope of organizations and employees at all levels, and promoting the implementation of the main responsibility for environmental protection work.



O BBMG Environmental Management System

tal protection.

- Establish and improve the environmental protection work management system of the Group, formulate the environmental protection work objectives, plans, and relevant management systems of the Group, and arrange and deploy the environmental protection work of the Group;
- Lead the cultural development of ecological environment protection within the Group;
- Organize and conduct the Group's environmental protection awareness campaigns, educational programs, training, and research projects:
- prises:
- Conduct investigations into environmental protection incidents.
- prises in implementing related initiatives;
- work, risk identification and prevention systems, and ensure their effective operation;
- inspection, and organize their implementation;
- tory, One Policy" during Severe Pollution Days in accordance with relevant regulations;
- prompt rectification;
- efforts:
- Organize and participate in investigations of environmental pollution incidents;
- issues, and urge rectifications;
- efforts
- Organize and participate in investigations of environmental pollution incidents.



Group Head-

quarters as

Supervisor

Secondary En-

tities Taking

Charge

- Subordinate Enterprises **Assuming Main** Responsibility
- protection responsibilities and assessment methods;
- tection, and implement clean production;
- operation:
- tection management record;
- charge permit applications for construction projects;
- ronmental protection:
- holders

· Implement national policies, laws, regulations, and work requirements related to ecological and environmen-

Oversee and inspect the implementation of ecological environment protection efforts, environmental protection investments, and the transparency of environmental protection information across subordinate enter-

Develop environmental protection regulations and internal control standards, and guide subordinate enter-

Assist subordinate enterprises in establishing an environmental protection management responsibility frame-

• Develop annual work plans for environmental protection, funding investment, training, supervision and

• Establish a standardized evaluation index system for environmental protection construction;

 Guide subordinate enterprises to compile and implement the *Emergency Response Plan for Environmental* Incidents, the Emergency Response Plan for Severe Air Pollution, and the Implementation Plan for "One Fac-

Guide subordinate enterprises in enhancing the legality of documents such as environmental impact assessment approvals, acceptance, and pollution discharge permit applications for construction projects;

Supervise and inspect subordinate enterprises' environmental protection efforts, establish a list of issues, and

Provide assessment recommendations regarding the subordinate enterprise's environmental protection

 Guide subordinate enterprises to improve the legal documents for the approval and acceptance of environmental impact assessments of construction projects, as well as applications for pollution discharge permits; supervise and inspect the environmental protection efforts of subordinate enterprises, establish a list of

Provide assessment recommendations regarding the subordinate enterprises' environmental protection

Clarify the organizational structure for environmental management, develop and implement environmental

Enhance relevant environmental protection systems, promote standardized practices in environmental pro-

 Achieve certification and effectively implement the GB/T 24001 Environmental Management System; • Establish and enhance the environmental risk identification and prevention system, ensuring its effective

Fulfill annual environmental protection objectives and government-mandated emission reduction targets; Develop and execute the environmental protection investment budget, and maintain an environmental pro-

Refine the documentation for environmental impact assessment approvals, acceptance, and pollution dis-

Proactively engage in the research and application of new technologies, equipment, and processes for envi-

Enhance stakeholder management and clearly define the environmental protection responsibilities of stake-

Strengthening Supervision and Management

BBMG strictly adheres to the Environmental Protection Law of the People's Republic of China, along with other relevant environmental laws, regulations, and standards, including those that have significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The Company implements scientific environmental management in accordance with its internal the Environmental Management System, effectively fulfilling its environmental management responsibilities. Additionally, based on the internal Environmental Protection Management Responsibility System, it clarifies the tracking of responsibilities for environmental incidents and the performance evaluation of management personnel, thereby establishing a closed loop of environmental protection responsibilities. For environmental issues identified through supervision and management, a checklist management approach is adopted, clearly defining responsible parties, objectives, completion deadlines, and measures for each item. The Company is committed to precise supervision, warning interviews, accountability assessments, and acceptance processes to achieve comprehensive closed-loop management.

To fulfill our environmental responsibilities and strictly control environmental risks, the Company rigorously monitors the environmental compliance status at all operational sites and regularly conducts comprehensive internal and external environmental compliance audits. For any non-compliance issues identified during these audits, rectification measures are implemented, and internal follow-ups and reviews are organized to ensure that management improvement efforts are effectively completed. As of the end of the Reporting Period, the Group has had 162 enterprises certified under the environmental management system.

As of the end of the Reporting Period

Enterprises certified under the environmental management system

162 enterprises



Internal

Environmental Protection Special Inspection —

Conduct "four don'ts and two directs" environmental protection special inspections, regional mutual inspections, and targeted assistance for each subsidiary to promptly identify environmental hazards and monitor the improvement of these issues.

ightarrow Internal Audits of Environmental Management $\, \circ \! -$

Each year, acceptance and audit inspections for the standardization of ecological environment construction levels are conducted, utilizing self-inspections and group spot checks to ensure comprehensive internal audits of environmental protection, while rigorously reviewing multiple environmental compliance requirements.

External

Environmental Compliance Monitoring

Each subsidiary compiles an annual self-monitoring plan and regularly entrusts third-party monitoring units with monitoring qualifications to carry out environmental contract monitoring.

Environmental Management of Construction Projects

New construction, reconstruction, and expansion projects are conducted in accordance with the regulations on environmental protection management for construction projects, ensuring compliance with laws and regulations throughout the construction process. Strict environmental protection measures are implemented, pollution discharge permits are obtained as required, self-assessments are conducted promptly, and emissions are rigorously controlled.

Energy Conservation and Consumption Reduction

To comprehensively manage all matters related to energy conservation and reduction of consumption, during the Reporting Period, the Group revised and published the Energy Conservation Management System based on laws and regulations such as the Energy Conservation Law of the People's Republic of China, the Water Law of the People's Republic of China, the Industrial Energy Conservation Management Measures, the Measures for the Energy Conservation Management of Key Energy-Consuming Entities, the Regulations on Energy Conservation in Civil Buildings, and the Measures for Energy Conservation Assessment of Fixed Asset Investment Projects. This policy clarifies the management structure and responsibilities, basic management, energy management, supervision and inspection, reward and punishment assessment, and cultural development.

We have defined the quantitative targets related to product energy consumption, energy conservation tasks (5 items), and key initiatives (nearly 20 items) through the Implementation Scheme for Green and Low-Carbon Transformation in 2024, successfully completing various key tasks and objectives. During the Reporting Period, all units actively promoted energy efficiency improvement projects, achieving significant results:

- The Group implemented **124** energy conservation and carbon reduction transformation projects, with special funds for energy-saving technological transformation totaling **37,692** ten thousand yuan;
- Jidong Cement's integrated energy consumption per ton of clinker decreased by 2.70% year-on-year, with 64% of clinker unit product integrated energy consumption reaching benchmark levels;
- The Concrete Group is advancing the completion of the energy management platform, achieving a year-on-year reduction in energy consumption per unit of **11.76%**, with all metrics meeting the national standard level one;
- · Jidong Development Group actively undertakes equipment upgrades and renovations, including the modification of air compressors, variable frequency motors, and circulating water systems;
- The New Materials Industrialization Group actively constructs a green manufacturing system and comprehensively implements green manufacturing. Accumulatively, it has been shortlisted as 14 green factories, 7 at the national level, and **3** green supply chain enterprises, **3** at the national level;
- The Property Development Group actively implements green energy-saving low-carbon equipment technologies, with multiple projects utilizing renewable energy sources such as solar photovoltaics and geothermal heat pumps;
- The Property Investment and Management Group focuses on implementing energy efficiency improvements in building operations. The IFC Center project and the Yucheng Building are advancing the construction of smart buildings, while the BBMG Building is piloting the construction of high-efficiency machine rooms;
- Tianjin Building Materials Group has promoted the updating and upgrading of energy-consuming and measuring equipment, and completed the transformation project of "gas to electricity" for the International Home Furnishing using the contract energy management model, as well as the transformation and upgrading of 2.319 smart electricity meters in the Bohai Rim Gold Shore.
To optimize and adjust the energy consumption structure, the Group actively promotes the construction of renewable energy projects, significantly increasing both the number of renewable energy developments and the amount of self-generated green electricity. Each secondary entity has completed and commissioned renewable energy generation projects. Currently, a total of 25 photovoltaic generation projects have been officially commissioned, with an installed capacity of 67.66 megawatts; among these, 15 newly commissioned projects in 2024 have an installed capacity of 51.47 megawatts, contributing to a total power generation of 47.65 million kilowatt-hours in 2024. Each enterprise optimizes its energy structure and integrates external renewable energy electricity, with a cumulative absorption of external green electricity reaching 417.72 million kilowatt-hours in 2024, accounting for 7.69% of the total purchased electricity. Due to its outstanding efforts in green electricity consumption, the Group was selected for the "2023 China Green Electricity (Green Certificate) Consumption TOP 100 Enterprises Directory", ranking 55th.

In terms of water resource management, BBMG adheres to laws and regulations such as the Water Law of the People's Republic of China, guiding its enterprises to develop energy conservation and water management systems that align with industry characteristics. The Group regularly reviews, compiles, and analyzes water resource consumption data and organizes promotional training related to energy conservation and water saving. In 2024, the Group requires its affiliated enterprises to aim for compliance with local water-saving standards and, based on this, to enhance their capabilities. To this end, we incorporated water extraction, usage, and conservation into our annual energy conservation and carbon reduction special supervision and inspection, promoting enterprises to effectively improve water use efficiency and ensuring that all affiliated enterprises meet the target requirements. Throughout the continuous efforts, the Group believes it can gradually achieve a gradual reduction and an efficient use of energy and water use. During the Reporting Period, the Group did not encounter issues in sourcing water that was fit for purpose or face pressures related to water resources.





BBMG Energy Resource Consumption Performance from 2023 to 2024⁸

Indicator	Unit	2024	2023
Coal consumption	10,000 tonnes	711.35	798.56
Diesel consumption	tonne	20,895.66	22,989.28
Gasoline consumption	tonne	764.58	931.16
Natural gas consumption	10,000 standard cubic meters	6,294.27	5,500.72
Total direct energy consumption converted to standard coal	tonnes of standard coal	5,196,454.12	5,812,127.88
Purchased power consumption	10,000 kWh	543,447.27	604,849.88
Purchased heat usage ⁹	1,000,000 kJ	506,669.90	183,391.11
Total indirect energy consumption convert- ed to standard coal	tonnes of standard coal	685,184.27	749,617.81
Comprehensive energy consumption con- verted to standard coal ¹⁰	tonnes of standard coal	5,881,638.39	6,561,745.69
Comprehensive energy consumption densi- ty converted to standard coal	tonnes of standard coal/ 10,000 yuan	0.53	0.61
Proportion of renewable energy consump- tion	%	3.30	4.65
Direct greenhouse gas emissions (Scope 1) ¹¹	10,000 tonnes of CO ₂ e	4,713.93	5,340.64
Indirect greenhouse gas emissions from energy (Scope 2) ¹²	10,000 tonnes of CO ₂ e	310.84	481.28
Total greenhouse gas emissions	10,000 tonnes of CO ₂ e	5,024.77	5,821.92
Density of greenhouse gas emissions	tonnes of CO₂e/10,000 yuan	4.54	5.39
Total water consumption	10,000 tonnes	2,437.13	2,520.77
Total water consumption intensity	tonne/ 10,000 yuan	2.20	2.34
Packaging material consumption	tonne	27,861.06	28,448.04
Density of packaging material consumption	tonne/ 10,000 yuan	0.0025	0.0026

⁸ Statistical data is sourced from BBMG's seven secondary entities . The indicators are collected and exposed in the conventional statistical unit of BBMG. In 2024, a new indicator for the proportion of renewable energy consumption has been added.

⁹ In 2024, the heating season was extended, and new production lines were activated, resulting in an increase in purchased heat usage.

¹⁰ Comprehensive energy consumption converted to standard coal is calculated according to the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

¹¹ Direct greenhouse gas emissions (Scope 1) originate from the consumption of natural gas, diesel, and coal at fixed sources, gasoline consumption by transportation vehicles, and process emissions (involving Jidong Cement and the Property Development Group). The emission factors are based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

¹² By optimizing statistical scope, this Year's data is not comparable to previous years. Indirect greenhouse gas emissions from energy (Scope 2) arise from the consumption of purchased heat and purchased electricity. The emission factors are primarily based on the 2021 Carbon Dioxide Emission Factors for Electricity published by the Ministry of Ecology and Environment and the National Bureau of Statistics in 2024.

Promoting Ultra-Low Emissions

BBMG strictly adheres to the relevant requirements of national laws and regulations as well as local policies. Guided by the management philosophy of "upholding the bottom line of environmental protection and creating a green circular economy", the Group ensures the compliant discharge of air pollutants and wastewater pollutants, achieving proper disposal and resource utilization of waste. In 2024, the Company did not experience any major environmental pollution incidents.

Management of Air Pollutants

BBMG strictly adheres to the *Law of the People's Republic of China on Air Pollution Control* and other laws and regulations, establishing and improving the management system for air pollutant emissions, setting relevant work objectives and key tasks, conscientiously fulfilling the main responsibilities, and realizing remote monitoring and early warning of pollutant emissions through means such as corporate profiling and issue ledgers.

In 2024, BBMG adheres to the baseline red line for pollutant emissions and contribute to the construction of a beautiful China. Based on the effectiveness of institutional implementation, the responsibility system has been fully enforced; focusing on engineering emission reductions, deep governance of desulfurization, denitrification, and VOC (Volatile Organic Compounds) emissions was carried out; with meticulous control as a means, special actions for dust governance, online monitoring special supervision support, and supervision and inspection of pollution discharge permit execution was conducted, fully completing the assessment indicators and tasks of the 2024 action plan for combating pollution in various provinces. At the same time, investment in precise pollution reduction has been increased, with a cumulative investment of over 330 million yuan completing more than 570 environmental protection projects, including SCR denitrification, management of unorganized emissions, elimination and replacement of old vehicles and machinery, and upgrades of self-monitoring equipment and facilities, with emission intensity far below national and local emission standards. During key periods and air pollution warning periods, production and environmental protection was coordinated, actively cooperating with the government and local authorities to carry out joint prevention and control and negotiate emission reductions, particularly in the capital city of Beijing, where 14 rounds of negotiated emission reductions have been conducted, contributing to the assurance of air quality in the capital.

Wastewater Management

BBMG places great importance on wastewater management, ensuring that production wastewater and domestic sewage are effectively treated and recycled through a variety of measures and technical means. The subsidiary companies implement diverse processes and technologies in wastewater management, effectively reducing the environmental impact of wastewater pollutants.

– o Industrial Wastewater o–

By adopting advanced wastewater treatment processes in conjunction with deep treatment technologies, industrial wastewater is processed efficiently. The Concrete Group has achieved "zero discharge" of production wastewater by installing sand and gravel separators and slurry recovery systems, effectively minimizing the environmental impact of wastewater discharge. Additionally, six locations, including the Badaling Hot Spring Resort, have completed deep wastewater treatment and reuse, thereby reducing pollutant emissions while enhancing water resource utilization.

Domestic Sewage

0-

Utilizing domestic sewage treatment equipment and integrated treatment processes, along with state-of-theart treatment technologies, the levels of COD, BOD, and ammonia nitrogen in the sewage are significantly reduced. After treatment, the reclaimed water is extensively used for vehicle washing, landscaping, and other applications, facilitating the recycling of water resources and decreasing reliance on municipal water supply. Furthermore, measures such as rainwater and sewage diversion and rainwater collection further optimize the efficiency of water resource utilization.

Waste Management

BBMG has established comprehensive waste disposal procedures and developed internal management regulations, including the *Pollution Control Standards for General Industrial Solid Waste Storage and Disposal Sites*, the *Pollution Control Standards for Hazardous Waste Storage*, and the *Regulations on the Safety Management of Hazardous Chemicals*, to standardize the safety and environmental management of the entire waste disposal process, thereby achieving the management objectives of waste "reduction, recycling, and harmlessness".

◦ Hazardous Waste ◦−

Standardize the pollution prevention and control work throughout the entire process of generation, collection, storage, transportation, utilization, and disposal of hazardous waste, achieving traceability and searchable features of hazardous waste, and adopt harmless prevention and control measures for standardized management. Each subsidiary that generates hazardous waste has established temporary storage facilities for hazardous waste and, in accordance with management regulations, has developed a hazardous waste management plan and reported it to the local environmental bureau for the record. All types of hazardous waste actually produced are scientifically disposed of by qualified professional agencies, with the entire process strengthening the management and control of storage, warehousing, and transportation, achieving 100% compliant treatment of hazardous waste.

General Waste

0-

For general waste which are non-hazardous, including household waste and construction waste generated by our operations, we engage qualified waste collection, recycling, and disposal units to ensure compliance with laws and regulations at both the collection and disposal stages. We are actively promoting property management and household waste classification initiatives for units in Beijing, formulating the *Work Plan for Domestic Waste Classification* and the *Implementation Plan for Advancing the Waste Classification*, which clarify the phased and routine tasks associated with waste classification.

While enhancing its own waste management practices, BBMG capitalizes on its technological advantages in the collaborative disposal of hazardous solid waste through cement kilns to actively support the development of waste-free cities and environmental emergency response in the region. Over the course of the Year, 42 collaborative disposal units successfully processed 2.7013 million tons of hazardous solid waste, including municipal sludge, household waste, hazardous waste, fly ash, and contaminated soil, with 335,400 tons classified as hazardous waste. Additionally, the Mangrove Company's emergency response team for environmental incidents and hazardous chemicals conducted 50 emergency response operations for unforeseen environmental incidents, collecting 338 tons of emergency waste. The Company also vigorously promoted the utilization of general industrial solid waste and construction waste, employing coal gangue, volcanic ash, and desulfurization gypsum as alternative raw materials for cement, mortar, aerated concrete, and rock wool, thereby advancing waste reuse. Throughout these actions, the Group believes it can gradually reduce the hazardous and non-hazardous waste in the coming future.

In 2024, the Group did not incur any significant administrative penalties or criminal liabilities due to pollutant emissions, and the emissions during production operations did not adversely affect employees or local community residents.



Achieve compliant treatment of hazardous waste



BBMG Environmental Pollutant Emissions Performance from 2023 to 2024¹³

Pollutant Emissions I	ndicators	Unit	2024	2023
	Total emissions ¹⁴	10,000 cubic meters	33,425,164.40	
	SO ₂ emissions	tonne	1,251.58	1,285.60
Air pollutants	NOx emissions	tonne	9,373.54	11,623.03
·	Particulate matter emissions	tonne	1,743.65	1,869.05
	Volatile organic compounds (VOC) emissions ¹⁵	tonne	89.26	
	Wastewater emissions	cubic meter	280,823.93	320,368.71
Water pollutants	COD emissions	tonne	6.95	8.46
	Heavy metal ion emissions	tonne	0.08	0
Harmless solid waste	Harmless solid waste emissions (mine waste rock)	tonne	8,346,431.50	8,348,838.60
	Harmless solid waste emissions intensity	tonne/10,000 yuan	0.75	0.77
	Waste engine oil emissions	tonne	210.65	195.94
	Waste paint emissions ¹⁶	tonne	8.96	21.12
Hazardous waste	Other hazardous waste emissions ¹⁷	tonne	18,781.01	11,922.40
	Hazardous waste emissions ¹⁸	tonne	18,988.19	12,139.44
	Hazardous waste emission intensity	tonne/10,000 yuan	0.0017	0.0011

BBMG Pollutant Emissions Reduction Performance from 2023 to 2024¹⁹

Pollutant Emissions Indicators	Unit	2024	2023
SO ₂ emissions reduction	tonne	34.02	40.19
NOx emissions reduction	tonne	2,249.49	831.66
Particulate matter emissions reduction	tonne	125.40	97.21
Wastewater emissions reduction	tonne	39,544.78	58,782.10
COD emissions reduction	tonne	1.51	-0.65

¹³ Statistical data is sourced from BBMG's seven secondary entities . The indicators are collected and exposed in the conventional statistical unit of BBMG.

BBMG places a high priority on ecological environment construction, strictly adhering to the Environmental Impact Assessment Law of the People's Republic of China, the Law of the People's Republic of China on Soil and Water Conservation, and the Law of the People's Republic of China on Soil Pollution Prevention and Control. Through initiatives to build a resource-circulating industrial system and restore mines, BBMG safeguards ecological health and will never compromise the ecological environment for economic gain.

Supporting the Circular Economy

BBMG actively responds to the national 14th Five Year Plan on Circular Economy, adhering to the principles of "reduction, reuse, and recycling", aiming to enhance the comprehensive utilization of natural resources, improve resource efficiency, and contribute to the construction of a resource-circulating industrial system.

To vigorously promote circular economy efforts and accelerate the recycling of various hazardous wastes, industrial waste residues, and urban waste, BBMG sets annual alternative fuel and raw material targets for the cement industry. In 2024, the coverage rate of production bases using alternative fuels in the Group's cement industry exceeded 85%, with a fuel substitution rate target of 8% and an actual completion of 11.6%, which is 44.8% higher than the annual target; the raw material substitution rate target was 7%, with an actual completion of 9.3%, exceeding the annual target by 32.6%. The results of natural resource recycling are significant. At the management level, Jidong Cement actively formulates refined management objectives for production and operation, continuously following up and supervising the completion of corporate management objectives on a monthly basis, and through benchmarking management among enterprises, it makes up for shortcomings and strengthens weaknesses. For enterprises with a significant gap between the disposal volume and the target value, work guidance is provided to achieve a steady increase in disposal volume.

The coverage rate of production bases in the ce- ment industry utilizing alternative fuels exceeds 85%	Actual C stitution
Actual Completion of Raw Material Sub- stitution Rate	Exceedi
9.3%	32.

Minimizing Environmental Impact



Completion of Fuel Sub-Exceeding Annual Target on Rate 6% 44.8% ----ding Annual Target .6%

¹⁴Newly disclosed indicators in 2024.

¹⁵ Newly disclosed indicators in 2024.

¹⁶ In 2024, the Modern Building Materials Industrialization Group replaced oil-based paints with water-based paints, thereby reducing paint usage and decreasing waste paint emissions.

¹⁷ In 2024, the amount of other hazardous waste emissions increases was due to an increase in business activities.

¹⁸ In 2024, the total amount of hazardous waste emissions increases was due to an increase in business activities.

¹⁹ Emissions reduction greater than zero indicates a decrease in numerical value compared to the previous year while emissions reduction less than zero indicates an increase in numerical value compared to the previous year.

Protecting the Ecological Environment

BBMG implements comprehensive lifecycle pollutant control measures during its project construction process, strictly managing the impact of production operations on the ecological environment. Before a project is put into operation, it must apply for and obtain a Pollution Discharge Permit or submit a pollution discharge registration form in accordance with the *Regulations* on the Administration of Discharge Permit, the Catalogue for Categorised Management of Discharge Permits for Fixed Pollutant Sources, and industry technical specifications. Only then can the project commence production and operation, ensuring proper management of the pollution discharge permit to guarantee compliance with permitted discharges. Pollution prevention and control facilities must meet the requirements of the approved environmental impact assessment documents and be designed, constructed, and put into production and use simultaneously with the main project. During the construction process, appropriate measures must be taken to control pollution from dust, noise, vibration, waste gas, wastewater, and solid waste. After the completion of the construction project, an environmental impact report must be prepared, and the supporting environmental protection facilities must undergo acceptance inspection and be filed with the relevant government authorities.

BBMG, leveraging its robust technological foundation, actively engages in ecological environmental protection projects. Jidong Cement diligently adheres to General Secretary Xi Jinping's concept that "lucid waters and lush mountains are invaluable assets", placing significant emphasis on the development of green mines. Following the philosophy of a life community that encompasses mountains, waters, forests, fields, lakes, grasslands, and deserts, it oversees various regions to ensure strict compliance with the *Mineral* Geological Environment Protection and Land Reclamation Plan for the ecological restoration of mines. This approach has yielded considerable social and corporate benefits, serving as a model for local ecological restoration and environmental protection. By the end of the Reporting Period, all large-scale production mines under the Company had been established as green mines. Among them, 25 are included in the national directory, accounting for 45%, and 23 are included in the provincial directory, accounting for 42%. In 2024, the Company's governance area increased by approximately 841,500 square meters, and the cumulative ecological restoration area reached 11,409,600 square meters.

Q.F

The number of green mines that are included in the national directory



proportion

45%

The number of green mines that are included in the provincial directory

23 mines

42%

proportion

The area under the Company's governance increased by approximately

841,500 square meters

The cumulative ecological restoration area reached

11,409,600 square meters



 Current status of mine governance at Tongchuan Company



• Achievements in the construction of green mines in Guangling





• Achievements in the construction of Green Mines in Tangfen



 Results of combining "Yumian" technology with environmentally friendly spraying technology using glutinous rice at Zhaikou

Creating a Safe Environment within BBMG

BBMG firmly establishes the core value of safety as "people-oriented and life first", adhering to the principle of "safety first, prevention foremost, and comprehensive governance". In 2024, the Group earnestly implemented General Secretary Xi Jinping's important discussions and series of instructions on safety production and emergency management, maintain a bottom-line thinking approach, coordinate development and safety, closely align with the work requirements of "focusing on One main task, outperforming in Two aspects and conducting coordination in Three dimensions" and "Effectiveness Improvement Year", with a focus on serving and safeguarding core work, and diligently advancing safety production efforts, ensuring that the overall safety production situation remains stable and positive throughout the Year.

6 CLEAN WATER AND SANITATION

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Improving Safety Management System

Safety production hierarchical control mechanism, which encompasses "the Group headquarters as supervisor - Secondary entities as professional management – Subordinate enterprise assuming main responsibility", is becoming increasingly robust. It closely monitors the efficiency of safety management at all levels and the effectiveness of system implementation, successfully achieving safety production objectives and providing solid safety support for the Group's high-quality development.

Standardizing Safety Management Regulations

BBMG strictly complies with laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards, such as the Safety Production Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China, the Law of the People's Republic of China on Safety in Mines, the Contingency Response Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Law of the People's Republic of China on Work Safety, and the Special Equipment Safety Law of the People's Republic of China. Based on these, the Group formulates and rigorously implements 16 safety management regulations, continuously enhancing the safety management system of the Group.

O BBMG Safety Management System List

1	Safety Production Management Measures of Party and Government Sharing Responsibilities and One Post and Two Re- sponsibilities
2	Safety Production Responsibility System
3	Safety Production Management Measures
4	Fire Safety Management Regulations
5	Traffic Safety Management Regulations
6	Occupational Health and Safety Management Regulations
7	Internal Security Work Management Regulations
8	Regulations on Management and Control of Safety Risk Rating and Hidden Trouble Shooting
9	Safety Audit Management Regulations
10	Safety Management for High-Risk Operations
11	Safety Directors Management Regulations
12	Safety Incident Reporting, Investigation and Handling Regulations
13	Interview Management Regulations for Safety Production and Environmental Protection
14	Safety Risks Identification and Classification Guidelines
15	Safety Audit Evaluation Indicators
16	Rules for the Performance of Company Safety Directors

In 2024, to implement national, Beijing municipal, and industry-specific safety production regulations and standards, and in alignment with the Group's actual safety management practices, a comprehensive revision and release of the Safety Production Management Measures, the All-Employee Safety Production Responsibility System, the Safety Audit Management Regulations, and the Safety Incident Reporting, Investigation and Handling Regulations, along with the organization of training for system promotion. In conjunction with the revision of the 2024 BBMG Internal Control (Compliance) Management Manual, the internal control processes and key tasks of safety management has been further streamlined, continuously enhancing the safety management system to improve its legality, compliance, and rationality. Secondary entities revised and implemented safety management systems based on the characteristics of their business control and the positioning of 'professional supervision and professional management' to standardize specialized management requirements.

Establishing a Safety Management Model

BBMG has established a "12345" safety management model:

A set of safety management responsibility system

Two safety management and operation systems	Dual dynamic preventive control mechanisms, namely, risk level management and control and hidden hazard identification and controlThe sa mecha superv manag main r
Three opti- mization and improvement measures	Mechanical replacement of labors Automatic reduction of la
Four handlers	Safe BBMG Audit Special actions for Safet safety production
Five "Nos" safety manage- ment objec- tives	 No production safety responsibility accidents resulting in No group injury accidents, fires, explosions, and other acc No traffic accidents of the subsidiaries that are liable for d No newly increased occupational diseases of the posts ex No misreporting, concealment, or omission of accidents

The safety production multi-tier management mechanism with "the Group headquarters as supervisor - Secondary entities as professional management – Subordinate enterprise assuming main responsibility"

ic reduction of labors

Intelligent laborless operation



lents resulting in fatalities

- ns, and other accidents with significant social impact
- at are liable for death or above responsibilities
- es of the posts exposed to occupational hazards

Strengthening the Safety Management Team

The BBMG's Safety Production Committee implements a "dual director" mechanism, with the Chairman and General Manager serving as co-directors. The deputy heads of the team serve as deputy directors, and the main responsible persons from headquarters departments, secondary entities, and directly managed professional units are committee members. All personnel participate to build a "Safe BBMG" and a comprehensive "big safety", integrating the deployment and implementation of all safety and security work. The Group holds at least one Safety Production Committee meeting each quarter, totaling four meetings in 2024, to coordinate production safety, traffic safety, fire safety, occupational health, and public security work, as well as to research, deploy, and supervise the implementation of health and safety strategies, objectives, and performance.

The Group established the Safety and Emergency Management Department as a dedicated safety management division, with the functions of "leading, guiding, serving, supervising, inspecting, and assessing". It is responsible for the construction of safety production-related systems, planning and deployment, supervision and audit, emergency prevention, cultural development, and other tasks, providing specialized guidance for the safety management of the entire system. Each secondary entity and enterprise has established a safety management department, which effectively connects with the safety management work of the headquarters. The Group has a total of 846 full-time safety management personnel.

In 2024, the Group further enhanced the professional development of its safety management team and complete the recommendation and appointment of a new cohort of 108 safety directors, while organizing high-quality closed training for their roles. Among the newly appointed safety directors, 97% hold professional qualifications such as registered safety engineer or engineer, ensuring a strong level of professionalism within the safety director team. The Group continued to provide preparatory training for the registered safety engineer examination, and by the end of 2024, BBMG has over 430 registered safety engineers.



Full-time safety management personnel

846 persons

The safety director possesses professional qualifications

97%

A total of registered safety engineers

Over 430 individuals

Promoting the Implementation of Safety Objectives

BBMG 2024 Safety Management Control Objectives

Overall Objectives

1.No production safety responsibility accidents resulting in fatalities (including industrial acute poisoning)

2.No group injury accidents, fires, explosions, and other accidents with significant social impact

3.No traffic accidents of the subsidiaries that are liable for death or above responsibilities

4.No newly increased occupational diseases of the posts exposed to occupational hazards

5.No misreporting, concealment, or omission of accidents



Control Indicators

1.No safety fatality with BBMG as the principal liable party

2.No serious traffic violations (12 or demerit points), such as drunk driving and driving without proper licenses/ certifications, no consecutive quarterly traffic violation rates exceeding 20%

3.No awarding or leasing out of projects/sites to entities lacking requisite safety qualifications or incident liability capacity

4.No accidents/incidents with negative social impacts during important political events

5.100% occupational health examinations; 100% safety audits and production standardization self-evaluations; 100% "three-tier" safety education for new hires; 100% coverage of annual refreshing safety education for employees

BBMG adheres to the principle of "stringent management and robust supervision", integrating safety production into the content of warning education based on case studies to promote reform. Through Party Committee inspections, responsibility audits, compliance reviews, and disciplinary inspections, the Group facilitates the implementation of safety production initiatives. The Group emphasizes a combination of positive and negative incentives in safety management, rewarding units that achieve outstanding results in safety work, such as being recognized as a National Safety Culture Demonstration Enterprise, passing the first-level safety production standardization review, and obtaining an A-level comprehensive evaluation in the "Safe BBMG "audit. The assessment indicators for the management level include safety assessment contents. In case of a safety incident, the corresponding performance scores of the assessed personnel will be deducted.

In 2024, through the collective efforts of all employees across the Group, we successfully achieved our annual safety management control objectives; there were no major production safety accidents resulting in fatalities, and our systematic safety governance capabilities have been further enhanced. In the future, we will continue to improve the statistics of safety-related quantitative data to help enhance the quality of safety management.

O Number and Percentage of Work-Related Death of BBMG from 2022 to 2024

Indicator	Unit	2022	2023	2024
Number of work-related fatalities	person	1	0	0
Percentage of work-related fatalities	%0	0.022	0	0

Strengthening Supplier Safety Management

BBMG considers the safety supervision of stakeholders to be a critical component of its safety initiatives. The newly revised the Safety Production Management Measures clearly outlines the control procedures and core content for stakeholders. It mandates that enterprises contracting or leasing production and operational projects, sites, or equipment must verify the production and operational scope, gualifications, and relevant personnel gualifications of the contractors or leasing units. Regular inspections of the safety production status of these units are required, and the practice of substituting management with contracting or leasing is strictly prohibited. The Group facilitates the signing of safety production management agreements among all stakeholders or specifies their respective safety production management responsibilities within relevant contracts. Each secondary entity develops its own safety management system for stakeholders, and tailored templates for safety production management agreements are created based on the characteristics of their respective business models and key control points for stakeholders, guiding enterprises in enhancing "unified coordination and management" of stakeholders. Additionally, when selecting suppliers, each unit conducts a thorough review of their qualifications, which primarily includes: business licenses, safety qualifications, safety performance, workers' compensation insurance (or accident insurance), and safety management systems. Only those units that successfully pass the qualification review are eligible to participate in project bidding.

The enterprise reviews the suitability and compliance of engineering technical construction plans, safety operation measures, and emergency response plans for project construction and maintenance operations. It strictly audits the qualifications, safety education, training assessments, and insurance payments of personnel from stakeholders, resolutely eliminating any behaviors such as the use of borrowed licenses. When signing business contracts, a safety management agreement with stakeholders is signed simultaneously to clarify the safety responsibilities of all parties. Each business management department, safety supervision department, and local management department within the enterprise performs its duties, with designated individuals verifying the "real-name system" status of personnel from stakeholders involved in on-site operations, ensuring thorough safety briefings, and strictly implementing management requirements for high-risk operations. The accommodation, fire usage, and electricity usage of personnel from stakeholders are incorporated into the enterprise's unified management and assessment, with increased inspection frequency and assessment intensity during special periods. Additionally, some units organize safety work evaluation activities for stakeholders to guide and encourage them to continuously standardize and enhance safety production efforts.

Advancing the Whole-Process Management and **Control of Safety Production**

BBMG adopts a multi-faceted approach, emphasizing hierarchical refinement and ensuring that primary responsibilities are enforced throughout all stages. This includes integrating risk prevention, hazard management, safety production standardization, fire safety inspections, and emergency response to unforeseen events into the entire process of safe development. In 2024, BBMG's affiliated enterprises has allocated approximately 490 million yuan for safety production.

Top-Level Planning and Deployment

BBMG's safety production initiatives are goal-oriented, with regular deployment of key tasks. Annual safety production objectives and key tasks are reviewed and issued during group meetings and employee representative assemblies, with safety production target responsibility agreements signed at each level to ensure that objectives are broken down and assigned to individuals. The Highlights of Work Safety in 2024 document has been released, outlining 20 key areas to guide safety production efforts throughout the Year. The Group has convened four safety committee meetings to review and report on 19 important matters related to safety production and emergency management, periodically summarizing and researching safety work. Important tasks are promoted through special meetings, and during the Reporting Period, a safety production deployment seminar for the secondary entity was held, along with specialized meetings on fire safety, mining safety, and analysis of accidents from the past three years, to convey work pressure and supervise implementation.

Safety Inspection

Regarding regular safety inspections, the Group has established 17 safety inspection teams led by leaders who conduct ongoing supervision of key units' safety work during critical periods using the "four don'ts and two directs" approach. A total of three rounds of leader-led safety inspections have been carried out, covering 118 key enterprises (locations) in the Beijing-Tianjin-Hebei region. Additionally, 49 *Hidden Hazard Identification Guidelines* were issued, all of which have been rectified. Group leaders set an example by simultaneously researching and guiding enterprises' production, operations, and reform development while overseeing safety production work, fully understanding employees' mental states, boosting confidence in development, and solidifying safety responsibilities.

Regarding special actions, BBMG has adhered to the requirements set forth by the State Council's Work Safety Committee and the three-year action plan for fundamental safety production governance in Beijing. The focus is on "fundamentally eliminating hidden dangers and fundamentally resolving issues". The Group has formulated the Three-Year Action Plan for Fundamental Safety Production Governance (2024-2026), which specifies eight major actions and 24 key tasks. Training sessions have been conducted to interpret the standards for identifying major hidden dangers, in conjunction with the guarterly inspections carried out by the State Council's Work Safety Committee, thereby effectively enhancing the efficacy of hidden danger identification and governance at all levels. Each secondary entity and enterprise has detailed and implemented the fundamental governance actions.

Dual-Control Work

BBMG has established the Regulations on Management and Control of Safety Risk Rating and Hidden Trouble Shooting and the Safety Risk Identification and Rating Guidelines. Additionally, specialized training on the Group's the Safety Risk Identification and Rating Guidelines has been conducted to guide enterprises in implementing dual-control work. Risk identification and hazard investigations by each unit are recorded through the Group's safety management information platform, which is traceable and verifiable. A total of 286,000 risks were identified throughout the Year.

The secondary entity conducts re-evaluations and re-classifications based on enterprise risk assessments and regularly carries out supervision and inspection to ensure that measures are effective and risks are manageable.

Regarding hazard investigation and governance, the Group strictly adheres to the requirements set forth by the State Council and the Beijing Municipal Safety Committee Office. Throughout the Year, special fire safety initiatives were launched, focusing on key locations for hazard investigation and rectification. A total of 798 inspections were conducted, leading to the identification and supervision of the rectification of 2,199 hazards. Each enterprise carried out over 255,000 safety inspections during the Year, uncovering and rectifying more than 53.000 hazards.



The Group has established safety inspection teams led by senior management

17 teams

The coverage of inspections conducted in the Beijing-Tianjin-Hebei region and beyond

118 key enterprises (locations)

Issued the Hidden Hazard Identification Guide*lines* and fully rectified

49 copies



Conducting hazard identification and rectification in key locations, with a total of



Identified and supervised the rectification of hazards

2,199 items

Each enterprise conducted safety inspections throughout the Year



O Important Measures for Hazard Elimination in Secondary Entities



Incorporate the criteria for identifying major accident hazards into the Safety Inspection Checklist to guide enterprises in regularly conducting investigations of major accident hazards; organize three enterprises in Chongqing, Baoji, and Qianxi to carry out safety assessments of surrounding mountains or slopes, and urge the rectification of hazards based on the assessment results.

Implement specialized assistance for Hangjia Company to rebuild the safety management structure and establish a problem supervision ledger.

Conduct specialized safety assessments for 13 ongoing projects and 6 self-operated projects, classify and grade risk control measures, enforce the primary responsibility of project companies, and ensure the high-quality safety standards of BBMG's "good houses" are effectively implemented.

Coordinate and promote the implementation of fundamental action tasks by Jin Hai Yan Property and Asset Management Company, achieving positive progress in addressing historical account issues, installing 2,261 early warning fire extinguishing devices in aging residential communities, and updating basic facilities and adding charging stations in multiple non-designated areas.

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Increase guidance and control over high-risk ventures, leverage the R&D advantages in equipment manufacturing, and pilot intelligent safety initiatives in companies such as Jidong Machinery and BBMG Keshi. Within the Year, the issue of water seepage in the pit at the heat treatment company was completely resolved.

Tianjin Building Materials Grour

Coordinate with relevant ventures to complete the "gas to electricity" project, eliminating the risk of gas leaks; use drones for mine inspections, and promote the implementation of intelligent monitoring and alarm systems at key high points.

Work Assessment

BBMG actively fulfills its leadership and supervisory responsibilities regarding safety management for its enterprises, incorporating safety production work into the important scope of Party Committee inspections, financial responsibility audits, compliance reviews, and disciplinary inspections. It strengthens the implementation of responsibilities through warning interviews, public criticism, and reporting penalties, and places relevant parties that fail to comply with contractual agreements and safety production responsibilities on the Group's supplier blacklist, thereby enhancing the assessment and supervision of these parties.

In 2024, the Group, in conjunction with the secondary entities, conducted safety warning interviews with the main responsible persons of eight enterprises with prominent issues, interviewed relevant personnel from two enterprises that exposed typical problems during the State Council's inspections, and imposed strict internal assessments on seventeen relevant individuals, thereby reinforcing the people-oriented concept.

Safety Production Standardization

BBMG integrates safety production standardization with the "Safe BBMG" audit initiative, guiding various units to implement safety production standardization in accordance with relevant national and local government regulations, focusing on position standards, professional standards, and enterprise standards. Each year, benchmarking self-assessments are conducted, self-assessment results are publicly disclosed, continuous improvements are made, and the achievements of construction are maintained to ensure standardization in safety management, equipment facilities, work sites, and operational processes. By the end of 2024, a total of 207 enterprises within the Group have passed the safety production standardization assessment, including 12 Level 1 standardized enterprises, 104 Level 2 enterprises, and 91 Level 3 enterprises.

Achieving compliance through safety production standardization assessments

Enterprises

207 enterprises

12 enterprises

Risk Prevention in Key Areas

BBMG is diligently working on risk prevention in key areas of transformation and development. In 2024, the Group organized a special quality, technology, and safety production inspection for nine subsidiaries of BBMG Hangjia, conducting one-on-one analyses of risk hazards; regularly guiding and inspecting the CCUS project of the Beishui Company, and organizing professionals to learn and exchange with peer enterprises to support a smooth transformation; conducting a special seminar on safety supervision for the rental operation of self-owned assets by the Property Development Group, reinforcing the legal responsibilities of property units for unified coordination and management of lessees; and promoting the Property Investment and Management Group to carry out a special rectification of underground accommodation issues in affiliated enterprises, relocating 117 individuals from underground accommodation and guiding enterprises to implement "first-class standards".



Contingency Handling

BBMG has established an emergency response system in accordance with the requirements of "unified command, a complete structure, comprehensive functionality, clear responsibilities, agile response and efficient operation". the Group has conducted a thorough survey of the current state of emergency work within the enterprise, continuously advancing the revision of the Group's emergency plans, and clarifying the procedures for response levels, early warning, and handling of various stages. In 2024, adhering to the principle of "big safety, big emergency", and in conjunction with the safety hierarchical control mechanism, the Group completed the preparation and expert review of four specialized plans, including the overall emergency plan for sudden incidents and the comprehensive plan for production safety accidents. The Group actively constructed a three-tier emergency command system under the unified leadership of the Group's Party Committee, comprising "Group - Secondary Entity – Subordinate Enterprise", and has initially established an emergency plan system under the "great emergency" mindset of the Group, enhancing the timeliness, accuracy, and effectiveness of emergency responses across the entire system.

In daily safety inspections and safety audits, the Group places a high priority on emergency preparedness, conducting scriptless drill exercises on-site to evaluate emergency response procedures at all levels and the timeliness of emergency handling. Simultaneously, it closely monitors extreme weather warning information and emergency work deployments during critical periods, establishing a normalized reporting and response mechanism to effectively ensure safety and stability during flood seasons, high fire risk periods in winter and spring, and significant politically sensitive periods.

The BBMG Mangrove Emergency Rescue Team successfully completed emergency response tasks for various sudden incidents in Beijing

The BBMG Mangrove Emergency Rescue Team is a city-level professional emergency rescue team for hazardous chemicals, as recognized by the Beijing Emergency Management Bureau, and is also an emergency rescue team for sudden environmental incidents certified by the Ecology and Environment Bureau. Under the leadership of the BBMG and the Mangrove Company's Party Committee, the emergency rescue team consistently fulfills the social responsibilities of state-owned enterprise emergency teams, fully dedicated to supporting the development and construction of the capital's Four Centers. In times of crisis, they lead the charge, actively participating in various emergency incidents in Beijing, strictly adhering to all regulatory requirements, and enhancing the Company's brand image and social impact. In 2024, the Beijing BBMG Mangrove Emergency Rescue Team completed 50 emergency rescue tasks for sudden environmental incidents, mobilizing over 200 emergency personnel and deploying more than 80 emergency and transport vehicles, collecting approximately 347.248 tons of emergency waste.

In 2024, the completion of two more challenging emergency tasks: The first was to assist the People's Government of Machikou Town, Changping District, Beijing in completing the emergency disposal of a total of 143.28 tons of contaminated soil. The emergency team collaborated with several local departments, using excavators and hazardous waste vehicles to clean up the contaminated land. In areas where machinery could not operate, team members used copper tools for manual excavation. During the operation, gas detectors were used to monitor hazardous substances and assess the environment to determine the extent of contamination, with the most serious areas being prioritized for treatment. To ensure safety, warning lines and emergency lighting were set up. The team leader maintained communication with the command center to ensure the rational allocation of information and resources. This emergency operation lasted for 4 days, and after comprehensive cleaning and retesting, it was confirmed that the site was free of any residual contaminants and met safety standards. The second task was to assist the Beijing Xicheng District Ecology and Environment Bureau in completing the emergency reception and disposal of a total of over 5.79 tons of lead-acid batteries. The team members inventoried, inspected, and weighed the lead-acid batteries, confirming any damage or spillage. Subsequently, the emergency team transferred all the batteries to a hazardous waste transport vehicle and transported them to the company for harmless disposal, contributing the strength of BBMG to eliminating safety hazards in the area at the end of the Year.



Collaborate with the People's Government of Machikou Town, Changping District, Beijing, to complete the emergency disposal of contaminated soil



Assist the Beijing Xicheng District Ecology and Environment Bureau in the emergency reception and disposal of lead-acid batteries

Over **5.79** tons

Safety Work Innovation

Safe BBMG Audit

The Safety Committee Office of BBMG is responsible for organizing, coordinating, and advancing safety audit activities. Each unit is required to appoint five experts to form a safety audit team, which is led by a designated representative from the Group, with additional personnel from the secondary entities participating. In accordance with the 2024 "Safe BBMG" safety audit standards, the audit primarily focuses on the implementation of the enterprise's primary responsibilities, the execution of various regulations by the Group, secondary entities, and subordinate enterprises, the establishment and assessment of the "Three Musts in Three Areas of Governance"safety responsibility system, the operation of the "Dual Prevention Control Mechanism" and management of high-risk operations, as well as the unified coordination and management of stakeholders. The audit also addresses the promotion of safety culture, the standardization of team construction, the safety of on-site equipment and facilities, the management of personnel behavior, and emergency management. A variety of methods have been employed, including document reviews, personnel interviews, written tests, simulated drills, participation in team meetings, and on-site inspections, to comprehensively understand the establishment and operation of the enterprise's safety production system, the fulfillment of safety production responsibilities, and the continuous improvement and enhancement of safety measures.

In 2024, the Group completed the third round of safety audits for 41 enterprises and 7 secondary entities, identifying 4,243 items for rectification. The implementation and outcomes of the Group's safety audits are leading among state-owned enterprises managed by Beijing, and typical experiences were shared at a specialized training session for state-owned enterprises organized by the State-owned Assets Supervision and Administration Commission.

Building the Safety Information Platform

The construction project for BBMG's safety and environmental management information platform encompasses all safety and environmental workflows of the Group and its enterprises. By solidifying the HSE management system, the Group's three-tier control structure of Group - Secondary Entity – Subordinate Enterprise is extended to a four-tier structure of "Group– Secondary Entity – Subordinate Entity – Grassroots". Through information technology, the objectives of enabling the headquarters to have clear visibility, allowing the secondary entity to maintain control, ensuring enterprises to implement effectively, and empowering grassroots to perform well are achieved, thereby fully promoting the implementation of corporate main responsibilities and job duties.

In 2024, the safety and environmental information platform implemented three major business areas—safety, environmental protection, and comprehensive services—across seven primary modules, 85 secondary functional modules, and 436 tertiary functional modules, thereby meeting management requirements and user needs. It explored data value from multiple perspectives and dimensions, achieving in-depth analysis of data for each enterprise. The platform interfaced with the secondary entities' video surveillance platform, enabling data linkage and sharing, which can enhance the level of automated management and intelligent analysis. By the end of the Reporting Period, the platform has accumulated a total of 2,258,930 visits, establishing itself as an essential information tool for safety and environmental management for users at all levels within the Group.

Implementing Technology Promoted Safety Program

Building on the continuous consolidation of past achievements, BBMG will focus on high-risk positions and key security areas to advance the research of technology for safety projects. This will involve the integration of smart factories, digital workshops, and intelligent production lines to enhance the "error - safety" and "failure-safety" functions of equipment and facilities, as well as the environmental conditions, thereby improving the intrinsic safety level. In the fields of mechanization replacing manpower, automation reducing manpower, and intelligence achieving unmanned operations, we will strengthen material-based safety. We will enhance the optimization and application of the Group's safety management information platform to achieve a high level of integration, rapid processing, dynamic querying, and accurate analysis of safety production information across all levels and business sectors, assisting all levels in fulfilling safety responsibilities and improving both safety management capabilities and efficiency. Quyang Company is constructing an intelligent security management platform to enhance the perception, monitoring, early warning, response, and assessment capabilities of safety production. The Tianjin Management Center of the Property Development Group is piloting the construction of smart construction site scenario applications to provide automatic risk warnings and on-site violation alerts for hazardous engineering areas, achieving intelligent monitoring across the entire project area. Zanhuang Company is building a 5G Fully Connected Factory and Unmanned Workshop Project to fundamentally address the risks of poisoning and suffocation for workers in hazardous material areas. Qixin Company has set up drone inspections and industrial robots for intelligent stacking in the cement grinding area to eliminate safety risks associated with personnel operations. The Residential Industrialization Company is establishing a safety training management information system for all stakeholders, implementing a QR code scanning process upon entry to ensure full coverage of personnel related to the factory.

Implementing Occupational Health and Protection

The BBMG Safety Production Committee oversees the coordination of occupational health and safety management, with supervision provided by the Safety and Emergency Management Department to ensure compliance among its affiliated enterprises. The Group formulates and rigorously implements the Occupational Health and Safety Management Regulations in accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other relevant laws and regulations governing occupational health supervision. This guidance enables affiliated enterprises to develop and implement occupational health management systems tailored to their specific circumstances, thereby safeguarding employee occupational health. By the end of 2024, a total of 165 enterprises within the Group have obtained ISO 45001 certification for their occupational health and safety management systems.

O Monitoring and Management of Occupational Hazard Factors

Regular testing and evaluation

Enterprises involved in positions with occupational hazards must regularly test and evaluate the occupational disease hazard factors in production workplaces in accordance with national and local government requirements. The results of these tests and evaluations shall be documented in the unit's occupational health records and communicated to employees.

Enhance the management of process equipment

In production activities, the use of equipment and materials that are explicitly prohibited by the state or may pose serious occupational disease hazards is forbidden; equipment, pipelines, valves, and other components that are prone to leaks must be regularly inspected and maintained to eliminate or minimize leaks, spills, drips, and seepage.

Strengthen governance for rectification

Immediate measures must be taken for workplaces that do not comply with national occupational safety and health standards and requirements. This includes enhancing onsite operational protection, proposing rectification plans, and actively engaging in governance. Operations in severely non-compliant and hazardous workplaces that cannot be rectified promptly must be halted, and technological preventive measures should be implemented to control and reduce occupational disease hazards.

Set up warning signs

At prominent locations where occupational disease hazards may arise, warning signs and explanatory notes should be displayed to clarify the types, consequences, prevention, and emergency treatment measures for occupational disease hazards; in workplaces where acute occupational hazards may occur, toxic and harmful operations must have warning signs, alarm systems, washing facilities, and dedicated cabinets for protective emergency equipment as required, along with emergency evacuation routes and necessary hazard zones, while ensuring regular inspections and documentation are conducted.

O Monitoring of Operational Personnel

Standardize the use of protective equipment

Employees engaged in toxic and harmful operations must correctly use protective equipment as specified. The use of materials, reagents, and instruments with unknown properties is strictly prohibited, as is washing hands and rinsing workplaces with toxic and harmful solvents.

Strict control of harmful factors

Enterprises must promptly report or modify occupational disease risk factors to the local government departments, conduct testing and public disclosure of these factors as required, carry out occupational health examinations, and provide training on occupational health knowledge. They should also implement high-temperature allowances for high-temperature positions and distribute medications and supplies for heatstroke prevention.

Implement protective measures

Enhance the management of occupational protection in confined spaces, set up protective signs and operating instructions, and ensure the supervision of operators in accordance with regulations.

Management of Occupational Health Monitoring Records



Establish and improve the occupational health monitoring files for employees according to regulations, with one file per person, and keep them properly for the specified period. The content of the files should include the employee's occupational history, past medical history, history of exposure to occupational disease hazards, results of occupational health examinations, and personal health information such as diagnosis and treatment of occupational diseases, as well as the test results of occupational disease hazard factors in the corresponding workplac-

Employee physical examinations

check-ups for employees in positions exposed to occupational hazards. Provide timely medical treatment or medical observation for employees who suffer or may suffer from acute occupational disease hazards during the operation process, and record it in their personal health monitoring files.

Developing the Safety Culture

BBMG is committed to cultural leadership, establishing a safety culture framework unique to BBMG. The Group produces and disseminates safety culture manuals and safety visualization implementation guidelines to assist enterprises in developing their own safety culture frameworks. Actively promoting exemplary units to participate in local and national safety demonstration enterprise evaluations, by the end of 2024, a total of 13 enterprises have been awarded the title of National Safety Culture Construction Demonstration Enterprise, while 54 enterprises have received the title of Provincial Safety Culture Construction Demonstration Enterprise.

BBMG places a strong emphasis on safety production education and training, adopting a tiered and graded approach to safety training. This creates a safety production education and training model that includes "overall Group oversight, specialized deepening by secondary entities, and daily training by enterprises", thereby comprehensively enhancing the safety awareness of both cadres and employees. In 2024, over 18,000 participants attended themed training sessions organized by the Group, such as Modernization of Enterprise Safety Management in the New Era and Interpretation of the Three-Year Action Plan for Fundamental Safety Production. Each secondary entity and enterprise strictly adheres to the annual safety education and training plan, collectively covering a total of 71,000 participants.

In terms of safety activities, BBMG has extensively conducted safety culture promotion initiatives to foster an enthusiastic atmosphere of participation among all employees. In 2024, the Group actively organized events such as "Safety Production Month", "Health and Safety Cup", and "Fire Safety Promotion Month", along with special promotional video public classes and "Delivering Courses to Grassroots" activities. Each secondary entity and enterprise, tailored to their specific circumstances, has implemented a series of initiatives to cultivate a work environment where "safety production is everyone's responsibility, and safety achievements are shared by all".



06

Materializing Employees'Dreams Based on Shared Growth

BBMG upholds the philosophy of "people-oriented, legal compliance" to continuously enhance its talent management system. By promoting equal employment, safeguarding employees' fundamental rights and interests, strengthening employee training and development, and improving employee welfare, the Group is dedicated to creating a positive working environment and corporate culture for its employees, striving for mutual advancement and collective growth between the Group and its internal staff.

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During the Reporting Period, the Group excelled in talent development, ranking among the best employers of 2023 according to Wuhan University of Technology, and received a letter of appreciation from Beijing University of Civil Engineering and Architecture for hiring recent graduates.





Protecting Employees' Rights and Interests

BBMG complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the Regulations for the Implementation of the Labor Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Rules on Prohibiting the use of Child Labor, among other employment-related laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, as well as preventing child and forced labor. The Group has established corresponding internal systems to ensure equal and lawful employment, create a fair and just employment environment, and respect and protect employee rights.

Talent Recruitment

In 2024, BBMG continues to implement various internal management policies, including the BBMG Human Resources Management System and BBMG Employment Contract Management Measures. The Group adheres to the principles of talent selection that emphasize "integrity and ability, fair competition, and the selection of the best candidates; recruitment based on needs and a focus on practical application". By continuously expanding campus recruitment, social recruitment, and other diverse recruitment methods, the Group enriches its employee recruitment channels. In the recruitment and hiring process, the Group aims to provide employees with diverse and equal job opportunities and introduce a diverse talent pool, firmly opposing any discrimination or malicious competitive behavior based on gender, age, ethnicity, region, religion, or other factors. The Group resolutely prohibits forced labor and the employment of child labor. When establishing labor relations with employees, the Human Resources Department personnel register and verify employee information in the BBMG Human Resource Management System, including but not limited to name, gender, resident ID number, registered address, current address, contact information, employment type, employment start date, and labor contract duration. Additionally, the Group has set up a process for submitting overtime requests in the human resource management system and conducts logical checks on overtime hours, stipulating that they must not exceed 36 hours per month. Background staff regularly monitor the employment situation across various enterprises. During the Reporting Period, BBMG did not experience any instances of forced labor or child labor, nor did it undergo any large-scale layoffs, fully safeguarding employee rights.

O 2024 BBMG Employee Information

Total Number of Employees 44.107







ing the new employees



Indicator		Unit	2024
Number of departed employees (excluding those due to reti	rement, death, or organizational transfer)	person	2,557
Number of departed employees by employee type	Contract workers	person	2,557
Number of departed employees by employee type	Temporary workers/labor dispatch	person	0
Number of departed employees by gender	Male	person	1,861
Number of departed employees by gender	Female	person	696
	Age of 30 or under	person	710
Number of departed employees by age	Age of 30-50	person	1,427
	Age of 50 or older	person	420
	Employees in Chinese Mainland	person	2,557
Number of departed employees by geographical location	Employees in Hong Kong, Macau, Taiwan, and overseas	person	0
Employee turnover rate		%	5.80
	Contract workers	%	5.82
Employee turnover rate by employee type	Temporary workers/labor dispatch	%	/
	Male	%	5.59
Employee turnover rate by gender	Female	%	6.44
	Age of 30 or under	%	12.61
Employee turnover rate by age	Age of 30-50	%	4.78
	Age of 50 or older	%	4.86
	Employees in Chinese Mainland	%	5.83
Number of employees by geographical location	Employees in Hong Kong, Macau, Taiwan, and overseas	%	0

BBMG places importance on the reserve and development of young talents, continuously making efforts in the recruitment of fresh graduates. In 2024, in order to attract high-quality young talents and understand the trends in career choices, the Group actively organized offline recruitment activities with universities that have specialized programs, such as Beijing University of Technology, Beijing University of Technology, Jinan University, and Wuhan University of Technology. A total of more than 100 events including dual-choice fairs and information sessions were organized during the spring campus recruitment, with the Group signing 531 fresh graduates from universities. Among them, there were 2 PhDs, 114 Masters, and 331 Bachelors. In addition, the Group continued to implement



The Group-wide contract for fresh graduates



the "Unified Recruitment" plan at the BBMG headquarters, recruiting 6 master graduates from well-known institutions including Fudan University, Huazhong University of Science and Technology, and Nankai University. Moreover, the Group has strengthened the operation of the BBMG Talent Community, committed to gradually building the community into an open platform for young talents of the Group to gather and communicate. The community has currently absorbed 424 young talents, helping them to concentrate on development and grow rapidly. BBMG actively assumes the responsibility of a state-owned enterprise in talent recruitment, demonstrating social responsibility, focusing on employment assistance while efficiently helping college graduates to find employment. It requires affiliated enterprises to prioritize and continuously employ individuals with professional expertise from poverty-alleviated areas, marginal populations prone to poverty, and low-income families based on job requirements and principles of applicability. In 2024, the Group participated in the recruitment activities organized by the National Ministry of Human Resources and Social Security and the Beijing Municipal Bureau of Human Resources and Social Security for aid to Tibet and Xinjiang, and organized enterprises to participate in a total of 20 events including "Spring Sailing to Start the Journey - Overcoming Difficulties to Promote Employment" and "Spring Breeze Action - Career Sailing" in assistance areas. The Group encourages its affiliated enterprises to promote the employment of rural college graduates from counterpart assistance areas, absorb local labor, and actively provide employment opportunities for people out of poverty.

Case Inne

Inner Mongolia Job Fair

In 2024, BBMG continues to enhance its targeted support efforts in Inner Mongolia by hosting a specialized job fair in the region, with a focus on job opportunities from Inner Mongolia Jidong, Baotou Jidong, Baogang Jidong, Yidong Company, and Jidong Huida Environmental Protection Company. This initiative aims to fully implement employment assistance policies and foster a favorable employment environment



Compensation and Benefits

Regarding the compensation mechanism, BBMG is coordinating its subsidiaries to gradually establish and refine a diversified compensation system based on job value and performance, as well as on capabilities, quality, and market value. This system categorizes talent into different tiers. While maintaining a primary focus on a performance-based salary system and an annual salary system, supplemented by piece-rate pay, commission-based pay, contractual pay, and fixed salary systems, each subsidiary is required to design and optimize its own compensation system based on its specific circumstances. This should be done in conjunction with the job system to establish a relatively unified broadband compensation system.

Regarding the compensation structure, BBMG adheres to the principles of compensation management that emphasize "distribution according to labor, prioritizing efficiency, while considering fairness and sustainable development". The Company continuously optimizes and adjusts its compensation framework, clearly defining that the employee compensation system comprises three components: basic salary, performance-based salary, and allowances. It has established a 12-level, 15-grade salary standard applicable to enterprises within the Property Development Group , and is committed to refining the performance evaluation index system and the bonus assessment distribution mechanism. This strategy moves away from the traditional minimum guaranteed bonus model, achieving a comprehensive linkage between work and efficiency, ensuring that the compensation structures for grassroots, middle, and senior levels are equitable, and fully harnessing the motivational and guiding functions of compensation.

Regarding benefits and other compensations, BBMG legally contributes to pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and the housing provident fund for all employees. Furthermore, at the beginning of 2024, the Group officially implemented the *Guiding Opinions on Further Improving the Medical Security for Employees* and the *Interim Measures for the Management of Supplementary Medical Insurance*. By the end of the Reporting Period, a total of 67 enterprises under the Group has applied to establish supplementary medical insurance. Simultaneously, the Group continued to strictly enforce the dynamic adjustment mechanism for corporate annuities.

The Group organized enterprises to review social insurance payment, includes the review of enterprise subsidies, heating, and cooling expenses, standardizing the distribution of various allowances, strengthening compliance awareness, and mitigating potential risks. Furthermore, the Group strictly implements the paid leave system in accordance with the law, providing employees with benefits such as annual leave, personal leave, sick leave, marriage leave, maternity leave, and bereavement leave. In line with relevant regulations, the Group reasonably arranges employees' working hours and compensates them accordingly from the perspectives of standard working hours, irregular working hours, and comprehensive working hours, thereby avoiding unnecessary overtime and ensuring that employees receive adequate rest.

Democratic Management

BBMG is committed to building a harmonious and democratic labor relationship, and highly values the democratic management of the enterprise with the workers' congress as the basic form. It organizes the collection of employee proposals every year to ensure the democratic rights and interests of the staff. In 2024, the Group successfully completed the replacement work of the first session of the third workers' congress, and enterprises at all levels established the system of the workers' congress as required, achieving 100% full coverage at the secondary entity level. During the adjournment of the workers' congress, four joint meetings were organized to deliberate on the *Implementation Opinions on Establishing and Improving Employee Career Development Pathways* and other systems, uniting the thoughts of all employees in contributing to the realization of the Group's strategic development goals and important decisions while fulfilling democratic procedures.

In addition, the trade unions of various enterprises in BBMG organized representatives of employees to collectively bargain with the enterprise, concluding collective contracts or special collective contracts for issues such as labor remuneration and working hours in accordance with the procedures stipulated by national laws and regulations. In 2024, the coverage rate of signed collective agreements reached 100%. Meanwhile, the enterprises in the Group continuously improved the labor dispute resolution mechanism and emergency management mechanism, with some enterprises specifically establishing labor dispute mediation committees to ensure the rapid and proper handling of labor dispute incidents. During the Reporting Period, Quyang Company was awarded the title of "Hebei Province Labor Security Law-abiding and Honest Excellent Grade Enterprise for 2023", and Laishui Company was selected by the Hebei Provincial Trade Unions as a "Hebei Province Democratic Management Teaching Demonstration Site".



The coverage rate of collective agreements reached

100%

Boosting Talent Development

BBMG places a high priority on talent development by establishing diverse and comprehensive training programs, enhancing the cultivation of professional skills, and continuously improving employees' professional capabilities and personal qualities. Additionally, it has developed a fair and transparent promotion system along with an incentive mechanism that motivates employees' self-drive and enthusiasm in their work, providing a broad platform for development and advancement, thereby achieving mutual growth for both the enterprise and its employees.

Employee Training and Development

Regarding the training system and management processes, BBMG has established a three-tier training framework at the Group level, secondary entity level, and subordinate enterprise level, creating a training chain that operates from top to bottom, with each level fulfilling its responsibilities and driving the others. This integration facilitates the sharing of learning resources across the entire group. To optimize training processes and enhance training quality, the Group continuously improves and refines its knowledge system.

The project system, lecturer system, and operational mechanism have been established, with enhanced management of the learning process for various training programs. For training projects with higher professional requirements, training tests and examination components have been designed. Following the training, quality evaluation activities, including satisfaction surveys for training projects and lecturers, as well as assessments of training effectiveness, are organized. An annual summary of the overall training efforts is conducted to ensure that talent training is completed with both quality and quantity. The 2024 survey indicates that employees of the Group are generally satisfied with the employee education and training initiatives implemented by the Group and the enterprise, with feedback from various groups representing approximately 40% of the total personnel in the Group.

Regarding training content, BBMG adheres to the philosophy of emphasizing problem orientation and result orientation while exploring demand potential. The Group conducts extensive research on training needs and formulates a tiered annual employee training plan aligned with the annual development and operational strategy. This plan is implemented following approval through the relevant decision-making processes, ensuring the focus and effectiveness of the training content. In 2024, BBMG vigorously advanced the implementation of the "Three Golds" talent tracking and cultivation program. This initiative included the establishment of "Gold Talent" training classes for new employees and "Gold Elites" and "Gold Eagle" training camps for grassroots and outstanding employees, respectively, aimed at enhancing specialized courses and facilitating mutual communication and rapid growth among employees. During the Reporting Period, a total of 640 employees were trained.

Case BBMG conducts the "Gold Elites" and "Gold Eagle" Talent Training Camp

From May 26 to June 5, 2024, the BBMG Corporation's "Gold Elites" and "Gold Eagle" Talent Training Camp for 2024 was held in Fengshan. More than 110 outstanding college graduates with high overall quality from 76 enterprises affiliated with the Group participated in the training. The training covered the Group's employee career development channel system, the direction of the Group's technology innovation and new quality productivity development, as well as how to correctly handle stress and emotions in the workplace. Special topics included coaching empowerment leadership and emotional intelligence leadership, innovative thinking in problem analysis and solving, and the design and application of mind mapping. Leaders of the Group visited the "Golden Eagle" training camp, had face-to-face exchanges with the participants, and encouraged the young people to plan their life and career development, adhere to their original aspirations, and grow into BBMG talents who can withstand various tests with strong comprehensive strength.







BBMG conducts the "Golden Talents" Talent Training Program

From September 5 to 7, 2024, 531 young individuals from 275 universities both domestically and internationally participated in the 2024 graduate onboarding ceremony and "Golden Talents" training program organized by BBMG. The training activities included courses on workplace psychological transitions, professional etiquette, and other onboarding topics. The program featured "BBMG-themed" team-building exercises and invited outstanding alumni from previous years to share their work experiences and engage in discussions. Relevant department heads from the Group's headquarters delivered specialized lectures on topics such as the Group's development history and culture, technological innovation and new quality productive forces, occupational health and safety, and emergency response, allowing new employees to fully appreciate the Group's commitment to nurturing young talent.

Case



Development of a Skilled Talent Team

BBMG places great emphasis on the development of skilled talent and has achieved significant results. In 2024, following strong advocacy with the Ministry of Human Resources and Social Security and the Municipal Human Resources and Social Security Bureau, the Group became the first enterprise in the country to obtain self-recognition qualifications, as well as the first to acquire certification qualifications for Senior Technician and Chief Technician in Beijing. During the Reporting Period, BBMG held 10 sessions of skill level certification training, with over 1,000 participants covering 10 job categories, including property management, building information modeling, and solid waste treatment. More than 1.000 individuals obtained skill level certificates, receiving over 1 million vuan in national skill subsidies. In terms of professional title evaluation, the Group obtained qualifications for the intermediate and senior professional technical review committee in the engineering technology series (building materials), conducting qualification reviews and organizing defense evaluations for over 600 applicants citywide. While receiving special financial allocations from the government, the Group contributed to effectively enhancing the overall skill level of its workforce. In the area of skilled talent cultivation, the Group continues to promote the improvement of the "three-tier" vocational skill competition system at the national, provincial, and Group levels, achieving outstanding results in the annual employee vocational skill competition with 6 gold, 3 silver, and 5 bronze medals. Additionally, the Group's skilled talents have received numerous honors, with employee Liu Gengsheng awarded the State Council Special Allowance; Qiao Yuanhui recognized as the leader of a Beijing Skill Master Studio, which received 300,000 yuan in government funding; and Wang Yichun, Zhang Ruiqiang, and Kong Xiangjiang awarded the special technician allowance honor from the Beijing Municipal Government.



Case

BBMG Holds the High-Skilled Talent Symposium

On September 29, 2024, Jiang Yingwu, Secretary of the Party Committee and Chairman of the Group, chaired a symposium for high-skilled talents within the Group, engaging in in-depth discussions with representatives from various enterprises. Awards, trophies, medals, and honorary certificates were presented to the representatives. Notable attendees included Liu Gengsheng, the "National Craftsman of the Year" and recipient of the State Council Special Allowance; Zhao Changan, "Beijing Craftsman"; Qiao Yuanhui, head of the Beijing Master Craftsman Studio; Wang Yuanfei, the first-place winner in the Building Materials category of the inaugural National "Red Flag Cup" Team Leader Competition; and Wang Yichun, Kong Xiangjiang, and Zhang Ruigiang, who are recipients of the Beijing Government Technician Special Allowance. Additionally, Zhang Yanxin, "Hebei Craftsman of the Year," along with seven other high-skilled talent representatives delivered speeches, further promoting the spirit of model workers and craftsmanship. Jiang Yingwu expressed gratitude to the eight senior skilled talent representatives for bringing honor to the Group and making significant contributions to enterprise development and talent cultivation.



Additionally, BBMG has intensified its efforts to create a cradle for cultivating craftsmen and has successfully established the first batch of craftsman colleges in China's machinery, metallurgy, and building materials industry. Zhao Changan from the Glass Company has been selected as a participant in the 2024 National Craftsman Cultivation Project, becoming a target for craftsman development. In recognition of the Group's exceptional performance in cultivating craftsman talent and organizing skill competitions, it received a total of 8 letters of commendation and gratitude from higher-level organizations, including the All-China Federation of Trade Unions, the China Machinery, Metallurgy, and Building Materials Trade Union, and the Municipal Federation of Trade Unions. Zhao Changan and Li Yanjing were honored with the title of the "Most Beautiful Workers" in the national machinery, metallurgy, and building materials industry. During the Reporting Period, BBMG successfully held the "Striving for a New Journey, Labor Creates the Future" May Day commendation conference, actively selecting and recommending advanced collectives and individuals at the national, provincial, and municipal levels, with a total of 10 collectives and 13 workers receiving May Day Labor Awards at the provincial level and above. The Property Investment and Management Group's trade union, along with 5 other enterprises, simultaneously received the highest honor awarded to grassroots trade unions by the All-China Federation of Trade Unions-the "National Model Workers' Home".

Materializing Employees' Dreams Based on Shared rowth



Property Investment and Management Group Union, etc.

5 enterprises

Simultaneously awarded the highest honor granted to grassroots unions by the All-China Federation of Trade Unions

"National Model Workers' Home"

Indicator		Unit	2024
	Senior management	%	100
Percentage of trained employees by employee type	Middle management	%	100
	General staff	%	100
Percentage of trained employees by gender	Male	%	100
	Female	%	100
	Senior management	hours	35.4
Training hours per employee by employee type	Middle management	hours	37.0
	General staff	hours	38.8
Training hours per employee by gender	Male	hours	38.5
	Female	hours	38.5

Employee Promotion System Development

BBMG continues to establish a clear and efficient career development system and promotion pathway for its employees. In 2024, the Group formulated the *Implementation Opinions on Establishing and Improving the Career Development Pathways for Employees*, standardizing and unifying the Group's "Dual-channel and Three-sequence" job level system, which has been officially implemented starting July 1. This lays a solid foundation for achieving the objectives of management personnel being able to move up and down, employees being able to enter and exit, and income being able to increase and decrease. Additionally, the Group established the *Management Measures for Professional Channel L1-L5 Personnel*, initiating the evaluation of professional channel L1-L5 job levels for the first time. Three employees, Liu Gengsheng, Zhao Changan, and Zhan Huasheng, were awarded positions in the technical and skill sequences, respectively, and received corresponding level benefits, marking a new breakthrough in the Group's talent development. For the management *Measures for Middle-Level Leaders of the Group* and the *Selection and Appointment Measures for Middle-Level Leaders of the Group* and the *Selection and Appointment Measures for Middle-Level Leaders of the Group* and the *Selection and Appointment Measures for Middle-Level Leaders of the Group* and the *Selection and Appointment Measures for Middle-Level Leaders of the Group* and the *Selection and Appointment Measures for Middle-Level Leaders of the Group* and the *Selection and Appointment Measures for Middle-Level Leaders of the Group* and the *Selection and Appointment Measures for Middle-Level Leaders of the Group* and the professional channel job levels.

To ensure the transparency and fairness of promotions, the Group has developed and issued a series of institutional documents concerning the appointment and removal of cadres and employee promotions. It explicitly requires that enterprises at all levels leverage the leadership and oversight role of Party organizations, adhere to the principle of selecting individuals based on their qualifications, and ensure a good fit between people and positions. Additionally, it mandates that all enterprises focus on actively discovering and cultivating outstanding young leaders, continuously optimizing the structure of the leadership team, and striving to build a high-quality, professional leadership team. Furthermore, a "Six-in-One" supervisory coordination mechanism is established to promote the organic integration and mutual coordination of disciplinary inspection and supervision, inspection and patrol supervision, investor supervision, audit supervision, employee democratic supervision, and social supervision. This aims to achieve effective integration of supervisory resources, comprehensive coverage of supervisory content, and timely sharing of supervisory results, thereby fully ensuring the compliance and effectiveness of leadership selection and promotion

Employee Care

BBMG is committed to the well-being of its employees, actively creating a warm and friendly work environment. By comforting and assisting employees in difficulty, caring for female employees, and organizing a variety of cultural and sports activities, it ensures the physical and mental health of its staff, continuously enhancing their sense of happiness and belonging.

Providing Support to Employees in Need

BBMG maintains a worker-centered approach and consistently organizes initiatives to provide warmth. During the New Year's Day and the Spring Festival period, trade unions at all levels assisted over 2,300 employees in need, distributing more than 1.84 million yuan in relief funds and supplies. Additionally, over 314,000 yuan was allocated for honors and subsidies for national and municipal model workers. Throughout the Year, mutual insurance covered 54,000 participants, with a total amount of 3.431 million yuan, resulting in claims for 1,053 individuals totaling 1.828 million yuan, reflecting a 16% increase compared to the previous year. Within the Group, one enterprise was recognized as an advanced unit by the All-China Federation of Trade Unions, and eight individuals were honored as advanced contributors by both the national and municipal federations. Three families were recognized as "Happy Families" in Beijing; BBMG Jiaye was awarded for its maternal and infant care room; and a singles networking event reached over 160 young employees, providing comprehensive services for employee life.



Organizing Cultural and Sports Activities for Employees

BBMG actively organizes a variety of cultural and sports activities to enrich employees' leisure time. In 2024, the Group secured 3 out of 5 championships in the finals of the tug-of-war competition in Beijing and successfully hosted a basketball invitation tournament in collaboration with the Development Research Center of the State Council, China Construction Group, and other organizations. During the special program celebrating International Labor Day on May 1st and the events for International Women's Day on March 8th, the dance "The Most Beautiful Workers" won first prize in the dance category, while the choral performance "The Reappearance of Beauty" received the award for Best Performance.

07 Inheriting Fine Traditions and Taking Responsibility

BBMG is committed to the philosophy of "Serving the Community and Benefiting the People" and actively engages in public welfare initiatives. Staying true to its original mission, it gives back to society by continuously planning and promoting charitable donations, community co-construction, rural revitalization assistance, volunteer services, and other activities, thereby fulfilling its social responsibilities and demonstrating the commitment of a state-owned enterprise. In 2024, it conducted 18 related activities externally and donated a total of 4.848 million yuan (including the Charity Fund).



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Developing Public Welfare Undertakings

BBMG is committed to carrying out public welfare through the BBMG Charity Fund, established in 2019. The fund adheres to the comprehensive leadership of the Party in its daily activities, vigorously promotes the study of the Party's guidelines and policies, and resolutely implements the decisions and directives of higher-level organizations. It also consciously accepts supervision from directors, supervisors, donors, and society to ensure that the foundation operates openly, fairly, and transparently, thereby enhancing organizational integrity and social credibility.

The BBMG Charity Fund plays a significant role as a charitable organization across various fields, including supporting educational development, consolidating the achievements of rural revitalization, disaster relief, and post-disaster reconstruction, thereby serving the advancement of people's livelihoods. In 2024, a total donation of 821,000 yuan was made to support cooperation with seven provinces and regions in Beijing. This included a donation of 200.000 yuan to the People's Government of Dagingshan Township in Wuchuan County, Inner Mongolia, specifically for the maintenance of a 2,500-meter gravel road in Wulanbulang Village, effectively assisting the local area in addressing social development shortcomings and enhancing public service capabilities. Additionally, a donation of 300,000 yuan was made to the Yangdumiao Management Committee in Honggelgaole Town, Abaga Banner, specifically for the cultural heritage protection public welfare project in Honggelgaole Town. Furthermore, a donation of 285,000 yuan was made to the People's Government of Wofosi Town in Zhuolu County, specifically for the environmental enhancement project and the construction of emergency support improvement projects in Zhuolu County.

Supporting Community Development

BBMG is committed to giving back to society through its development efforts, actively engaging in collaborative construction with local communities to understand the pressing issues they face. The Group supports community development needs through activities such as environmental beautification, infrastructure construction, and post-disaster reconstruction. In 2024, the BBMG Charity Fund donated 700,000 yuan primarily to support post-disaster reconstruction efforts in Baoding City, Hebei Province, and Fangshan District, Beijing. This includes a donation of 200.000 yuan to the Baoding City Yixian Charity Association, specifically for road renovation and hardening in Yingfang Village, Yixian County; and a donation of 500,000 yuan to the People's Government of Shidu Town, Fangshan District, earmarked for road improvement and parking lot reconstruction projects in Qidu Village.

Case

Post-disaster transportation reconstruction in Longmentai Village, Xiayunling Township, Fangshan District, Beijing

In 2024, BBMG actively coordinated resources to support the post-disaster reconstruction efforts in Longmentai Village, Xiayunling Township, Fangshan District, Beijing. They repaired and widened the 120-meter village road that was destroyed by heavy rain in 2023, enhancing the road's capacity and safety. In addition, they paved over 1,000 square meters of asphalt on the main roads and alleys in the village, further optimizing the village's transportation environment and effectively improving the weak infrastructure situation in Longmentai Village.

Supporting Rural Revitalization

In 2024, BBMG actively responds to the State-owned Assets Supervision and Administration Commission's directives regarding targeted support cooperation and assistance for economically disadvantaged villages in the city. Through industrial support, consumption assistance, and employment support, resources and funds have been invested in the seven provinces and regions that Beijing collaborates with, helping to consolidate and expand the achievements of poverty alleviation and making significant contributions to the comprehensive revitalization of rural areas.

Poverty Alleviation by Industry

BBMG has invested in 18 projects across seven provinces and regions, including Inner Mongolia, Xinjiang, Qinghai, Tibet, Hebei (Zhangjiakou, Chengde), Hubei (Shiyan), and Henan (Nanyang), with a total investment of 11.42 billion yuan, creating 2,087 local jobs. In 2024, the Group invested an additional 180 million yuan in these seven provinces and regions, generating 254 new local jobs.

Poverty Alleviation by Consumption

BBMG has organized its affiliated enterprises to establish a long-term mechanism for consumption assistance, focusing on enhancing direct procurement efforts in the aided areas through multiple channels, including order-based purchasing and a centralized procurement center for consumption assistance. In 2024, the Group precisely connected with consumption assistance platforms such as the Innovation and Entrepreneurship Center, with total procurement of consumption assistance products reaching 17.426 million yuan throughout the Year, ranking among the top state-owned enterprises in the city. Additionally, it deepened connections with the Stateowned Assets Supervision and Administration Commission's direct sales to Beijing enterprises and the municipal general service platform for "food, clothing, housing, and transportation", expanding the corporate market for capital workers and promoting the Group's hotel services, building materials exhibitions, cultural and creative sales, and other product projects, achieving total sales of over 1.2 million yuan throughout the Year. During the Reporting Period, the Group procured a total of 16.51 million yuan in consumption assistance products across seven provinces and regions, including 5.2 million yuan for canteen procurement, 11.16 million yuan for union welfare procurement, and 150,000 yuan from other channels, thereby assisting local farmers in achieving sustained and stable income growth.





New Industrial Investment in Seven Provinces and Regions

180 million yuan

Union Welfare

Procurement

Other Channel Procurement

11.16 million yuan

150.000 yuan

Poverty Alleviation by Education and Employment

In 2024, the Group conducted high-quality rural revitalization education assistance initiatives, donating a total of 279,000 yuan to the education sector, primarily supporting educational development in Baoding City, Hebei Province, and Harbin City, Heilongijang Province. Of this amount, 199,000 yuan was donated to the Education and Sports Bureau of Tang County, Baoding City, specifically for the purchase of student desks and beds needed by Tang County Sixth Primary School; 80,000 yuan was donated to the Education Bureau of Acheng District, Harbin City, specifically for lunch and school bus subsidies for economically disadvantaged students in seven schools, including Hongxing Central School in Acheng District. Furthermore, the Group encourages its affiliated enterprises to employ local rural labor and actively provide employment opportunities for populations benefiting from poverty alleviation. It mandates that affiliated enterprises prioritize the employment of graduates with professional skills from poverty-stricken areas, marginal populations at risk of falling back into poverty, and low-income families, based on job requirements and suitability when conditions are equal. In 2024, the Group recruited a total of 254 persons across seven provinces and regions, including 213 rural laborers.



Actions for Villages Against Poverty

In accordance with the work deployment of the Beijing SASAC, BBMG actively undertakes the selection of first secretaries for the seventh batch. Leveraging the bridge and leading role of the first secretaries, the Group fully utilizes its resource advantages to conduct public donations for the city's paired support of villages with weak collective economies. In-depth investigations and research on the actual conditions of the supported villages have been carried out, and tailored support measures for 2024 have been formulated. Multiple initiatives are being implemented to promote rural development and increase farmers' income in the paired support villages, thereby advancing comprehensive rural revitalization with high quality. Among these, the collective income of Dacaoling Village in Xiayunling Township, Fangshan District, reached 163,000 yuan; the collective income of Longmentai Village in Xiayunling Township, Fangshan District, reached 359,000 yuan; and the collective operating income of Denggezhuang Village in Huaibei Town, Huairou District, reached 430,000 yuan, all showing significant growth compared to 2023.

The collective income of Dacaoling Village, Xiayunling Township, Fangshan District reached

163,000 yuan

The collective income of Longmentai Village, Xiayunling Township, Fangshan District reached

359,000 yuan

The collective operating income of Denggezhuang Village, Huaibei Town, Huairou District reached



Case

In 2024, the first secretary of BBMG engaged in discussions with the two committees of Denggezhuang Village and visited local residents to conduct on-site research on apple, pear, peach, and cherry orchards, thereby gaining insights into the village's conditions and public opinion. This enabled the Group to effectively implement consumption assistance initiatives tailored to the specific needs of Denggezhuang Village. By mobilizing various resources and expanding sales channels, the Group addressed the challenges of rural agricultural product sales. They encouraged units within the BBMG system and various units within the Property Development Group to purchase agricultural products such as peaches and pears through consumption assistance, achieving a total of 150,000 yuan in assistance. Additionally, the Group closely monitored the sales performance of three greenhouses donated by the BBMG Public Welfare Foundation, tracking real-time developments and expanding sales channels to support the sales of greenhouse agricultural products, resulting in an annual greenhouse rental income of 60.000 yuan. Through promoting rural industrial revitalization and developing collective economic initiatives, the Group helped increase the collective operating income of Denggezhuang Village from 258,000 yuan in 2023 to 430,000 yuan in 2024.

Volunteer Services

BBMG actively responded to the Party's call, vigorously promoting the spirit of voluntary service characterized by "dedication, friendship, mutual assistance, and progress", deeply implementing the core values of socialism, and extensively mobilizing and organizing young employees to devote themselves to the cause of voluntary service, achieving significant results. In 2024, the Group, based on its primary responsibilities and main business, actively participated in activities such as equipment cleaning and the promotion of safe production culture; based on a better life, it actively carried out activities such as tree planting, weeding, and garbage classification in the factory (garden) areas; and based on social responsibility, it actively engaged in voluntary services such as traffic management and consumption poverty alleviation. During the Year, the cumulative service hours of various voluntary service activities of the Group exceeded 20,000 hours. In May 2024, the Group's Youth League Committee organized 23 young volunteers to take two weeks off from work, successfully completing the voluntary service task at the Memorial Hall of Chairman Mao, and was honored with the title of "Outstanding Organizational Unit".



Consumption Assistance Project in Denggezhuang Village, Huaibei Town, Huairou District, Beijing

Future Outlook

The year 2025 marks the conclusion of the 14th Five-Year Plan and the 70th anniversary of BBMG's establishment. We will unite our efforts, further inspire our fighting spirit, enhance our confidence, confront challenges head-on, and strive for progress, driving The Group's various initiatives to achieve new results.

Enhance Top-level Design and Adhere to Strategic Guidance

BBMG will continue to carry out research on the development strategy path and top-level design for the new industrial pillars of the Group, and will complete the summary of the "14th Five-Year Plan" and the related work for the "15th Five-Year Plan" as required by the Beijing SASAC. In terms of responsibility management, the Group will continue to strengthen the construction of a sustainable development management system to safeguard the high-quality development of the Group.

Anchoring the "Carbon Peaking and Carbon Neutrality" Objectives to Promote Green Development

BBMG will continue to enhance the energy conservation and carbon reduction management system, vigorously promote the optimization of industrial structure, accelerate the implementation of renewable energy development and utilization, strengthen the research and application of low-carbon and carbon-negative technologies, continuously improve the low-carbon standards of buildings and the supply capacity of green products, and create a new building materials industry chain that is more aligned with green transformation and development, thereby contributing BBMG's efforts to the early realization of the "Carbon Peaking and Carbon Neutrality" objectives.

BBMG will utilize the Three-Year Action Plan for Technological Innovation (2024-2026) as a key initiative to further research and deepen the reform of technological innovation. The Group aims to accelerate the establishment of a foundational system that supports comprehensive innovation, while enhancing the systematic integration and coordinated advancement of top-level design, policy measures, major tasks, scientific research capabilities, resource platforms, and collaborative innovation, thereby contributing to the cultivation of new quality productive forces.

Collaborating with All Stakeholders to Build a Harmonious Society

BBMG will further advance the reform of the labor and employment system and the reform of the distribution mechanism, focusing on the primary task of high-quality development and striving to build a team of high-quality employees. In addition, it will continue to invest in public welfare and rural revitalization, making relentless efforts to build a harmonious society, which epitomizes BBMG's commitment and responsibility.

In the new year, the Group will be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly study and implement the spirit of the 20th National Congress of the Communist Party, vigorously promote and practice BBMG's "culture of action", comprehensively fulfill the work requirements of "focusing on One main task, outperforming in Two aspects, and conducting coordination in Three dimensions", boldly pursue innovation, and achieve high-quality completion of all annual objectives and tasks, striving to create a new landscape of high-quality and sustainable development for the Group.

Committed to Innovation-Driven Development, Fostering New Quality Productive Forces



Indicator Index for the *Environmental, Social, and Governance Reporting Guide* by the Hong Kong Stock Exchange

ESG Indicator		Chapter	ESG Indicator		Cha
nvironment			Environment		
	General Disclosure Information on: (a)the policies; and	Strengthening Environmental Management		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Ei si
A1 Emission	 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations. 		A2 Use of Re- sources	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.	E si
				A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	E SI
			A3 The Envi- ronment and	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	М
	A1.1 The types of emissions and respective emissions data.	Promoting Ultra-Low Emissions	Natural Re- sources	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Mi
	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		General Disclosure Policies on identification of and response to significant climate-related issues which have impacted, and those which may impact, the issuer.	Re
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Ultra-Low Emissions	A4 Climate Change	A4.1 Description of the significant climate-related issues which have im-	
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropri- ate, intensity (e.g. per unit of production volume, per facility).	Promoting Ultra-Low Emissions		pacted, and those which may impact, the issuer, and the actions taken to manage them.	Re
	A1.5 Description of emission target(s) set and steps taken to achieve them. Response to Climat		Social		
	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.	Promoting Ultra-Low Emissions		General Disclosure Information on: (a) the policies; and (b)compliance with relevant laws and regulations that have a significant	Pro
A2 Use of Re- sources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Energy Conservation and Con- sumption Reduction	B1 Employ- ment	impact on the issuer relating to compensation and dismissal, recruitment and promotion, work- ing hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Int
	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).	Energy Conservation and Con- sumption Reduction		B1.1 Total workforce by gender, employment type(for example, full- or part- time), age group and geographical region.	Pro Inte
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Energy Conservation and Con- sumption Reduction		B1.2 Employee turnover rate by gender, age group and geographical region.	Pro Int

ESG Indicator		Chapter	ESG Indicator		Chapter
ocial			Social		
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.			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	Pursuing Excellence in Quality
	three years including the reporting year.	Improving Safety Management System	B6 Product	relating to products and services provided and methods of redress. B6.1 Percentage of total products sold or shipped subject to recalls for	Pursuing Excellence in Quality
	B2.2 Lost days due to work injury.	Improving Safety Management System	Responsibility	safety and health reasons. B6.2 Number of products and service related complaints received and how	Pursuing Excellence in Quality
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Improving Safety Management System Advancing the Whole-Process Management and Control of Safety Production		they are dealt with. B6.3 Description of practices relating to observing and protecting intellec- tual property rights.	Pursuing Excellence in Quality
		Implementing Occupational Health and Protection		B6.4 Description of quality assurance process and recall procedures.	Pursuing Excellence in Quality
	General Disclosure Policies on improving employees' knowledge and skills for discharging			B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Pursuing Excellence in Quality
B3 Develop- ment and Training	duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Boosting Talent Development		General Disclosure Information on: (a) the policies; and	
	B3.1 The percentage of employees trained by gender and employee cate- gory (e.g. senior management, middle management).	Boosting Talent Development		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Standardizing Business Ethics
	B3.2 The average training hours completed per employee by gender and employee category.	Boosting Talent Development	B7 Anti-cor-	relating to bribery, extortion, fraud and money laundering.	
B4 Labour	General Disclosure Information on: (a) the policies; and	Protecting Employees' Rights and Interests	ruption	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.	Standardizing Business Ethics
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.			B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Standardizing Business Ethics
Standards		Protecting Employees' Rights		B7.3 Description of anti-corruption training provided to directors and staff.	
	and forced labour.	and Interests	Community		
	B4.2Description of steps taken to eliminate such practices when discovered.	Protecting Employees' Rights and Interests		General Disclosure Policies on community engagement to understand the needs of the com-	Inheriting Fine Traditions and
B5 Supply Chain Manage- ment	General Disclosure Policies on managing environmental and social risks of the supply chain.	Building a Win-Win Supply Chain		munities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Taking Responsibility
	B5.1 Number of suppliers by geographical region.	Building a Win-Win Supply Chain		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Developing Public Welfare Under- takings Supporting Community Develop-
	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 Win-Win Supply Chain	B8 Community Investment		
	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 Win-Win Supply Chain			ment Supporting Rural Revitalization
	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 Win-Win Supply Chain		B8.2 Resources contributed (e.g. money or time) to the focus area.	Inheriting Fine Traditions and Taking Responsibility

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

Dimension	Number	lssue	Corresponding Articles	Chapter	Dimension	Number	Issue	Corresponding Articles	Chapter
Environment				Response to Climate Change		12	Ethics of science and technology	Article 43	Not Applicable ²¹
	1	Climate change tackling	Articles 21 to 28	Energy Conservation and Consumption Reduction			Supply chain security	Article 45	Building a Win-Win S Chain
	2	Pollutant discharge	Article 30	Promoting Ultra-Low Emis- sions		14	Equal treatment to small and medium-sized enterprises	Article 46	Building a Win-Win S Chain
	3	Waste disposal	Article 31	Promoting Ultra-Low Emis- sions	社会	15	Safety and quality of products and services	Article 47	Pursuing Excellence i Quality
	4	Ecosystem and biodiversity protection	Article 32	Minimizing Environmental Impact ²⁰		16	Data security and customer privacy protection	Article 48	Pursuing Excellence i Quality
	5	Environmental compliance management	Article 33	Strengthening Environmental Management			Employees	Article 50	
	6	Energy usage	Article 35	Energy Conservation and Consumption Reduction					Boosting Talent Deve Employee Care
	7	Usage of water resources	Article 36	Energy Conservation and Consumption Reduction		18	Due diligence	Article 52	Has not conducted sustain bility due diligence, but ha
	8	Circular economy	Article 37	Minimizing Environmental Impact					assessed the impacts and opportunities of and monitors the neg
Social	9	Rural revitalization	Article 39	Supporting Rural Revitaliza- tion	Sustainable				impacts or risks associa with the issue in its day day operations.
	10	Contributions to the society	Article 40	Developing Public Welfare Undertakings Supporting Community De- velopment Volunteer Services	governance	19	Communications with stake- holders	Article 53	Stakeholder Engagen
						20	Anti-commercial bribery and anti-corruption	Article 55	Standardizing Busine Ethics
	11	Innovation-driven	Article 42	Leading Industry Develop- ment			Anti-unfair competition	Article 56	Standardizing Busine Ethics

²⁰Note: The Group is not involved in production or operation within the red line of ecological protection, and is not involved in the protection of biological genetic resources.



Dear Readers,

Thank you very much for reading the *BBMG Corporation 2024 Sustainability Report (Environmental, Social, and Governance Report)*. We greatly value and expect to listen to your feedback regarding BBMG's management practices and information disclosure in the areas of environment, society, and governance. Your opinions and suggestions are essential for us to advance corporate sustainable development. We are looking forward to your response!

Multiple choice questions (please mark √on your answer)

1. Do you think this Report can reflect the material impact of BBMG on economy, society and environment?
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Yes	Average	No 🗌
2. Do you think this Repor	t can identify stakeholders and	correctly and comprehensively analyze their relationships with BBMG?
Yes	Average	No 🗌
3. Do you think the inform	nation in this Report is comprehe	ensive?
Yes	Average	No 🗌
4. Do you think the inform	nation in this Report is readable?	?
Yes	Average	No 🗌

Open-ended question

We welcome any additional comments and suggestions you may have regarding the *BBMG Corporation* 2024 Sustainability Report (Environmental, Social, and Governance Report).

Your contact information:

Phone Number:
Email Address:
Fax Number:



