CONCH
海螺水泥

2025

Environmental, Social and Governance Report



CONCH
海螺水泥

Anhui Conch Cement Company Limited

00914.HK 600585.SH

Contents

3 About this Report

5 Message from the Chairman 01

7 About Conch Cement 02

2.1 Company Profile

2.2 Business of the Company

2.3 Overview of the Company's Business Development

15 Achievements in 2025 03

3.1 ESG Targets and Progress/ Highlight Performance

3.2 Honors and Awards

21 Feature Story: Building New Quality Productive Forces for Sustainable Development: Achievements during the "14th Five-Year Plan" Period and Journey during the "15th Five-Year Plan" Period 04

39 ESG Governance 05

5.1 ESG Management Approach

5.2 ESG Management Structure

5.3 Dual Materiality Analysis

5.4 Communications with Stakeholders

47 Governance: Lean Governance, the Right Path 06

6.1 Statement of the Board of Directors

6.2 Corporate Governance

6.3 Business Ethics

6.4 Risk Management and Control

59 Environmental: Green Development, Protecting Lucid Waters and Lush Mountains 07

7.1 Response to Climate Change

7.2 Energy Utilization and Low-carbon Transformation

7.3 Ecological and Environmental Protection

99 Social: Harmony and Integration for People's Well-being 08

8.1 Employee Development

8.2 Excellent Quality

8.3 Joint Creation and Common Prosperity

137 Looking Forward to 2026 09

Appendix I: Glossary

Appendix II: Summarization of Indicator Data

Appendix III: HKEX ESG Reporting Code Index

Appendix IV: Index to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial) issued by the SSE

Appendix V: Contribution to the United Nations Sustainable Development Goals (SDGs)

Appendix VI: United Nations Global Compact Ten Principles Reference Table



About this Report

Anhui Conch Cement Company Limited has issued the Corporate Social Responsibility Report on a consecutive basis since the first release of the 2008 Social Responsibility Report. The Environmental, Social and Governance Report (hereinafter referred to as "this Report") in 2025 will systematically describe the Company's policies, strategies, measures and achievements in terms of corporate social responsibility and sustainable development in 2025.

Report Time

This report covers the information and data from 1 January 2025 to 31 December 2025 (hereinafter referred to as the "Reporting Period"). The Group's information and data for the period have been extended where appropriate to enhance the continuity, comparability and forward-looking nature of the report.

Reporting Scope

The scope of organization of this report is defined based on the principle of materiality. Unless otherwise specified, other substantive contents involved in this report cover Anhui Conch Cement Company Limited and its subsidiaries, which are consistent with the disclosure scope of the 2025 Annual Report.

Description of References

For easy reference and reading, references to "Conch Cement", "the Company", "Company", "the Group" or "we" are references to Anhui Conch Cement Company Limited and its subsidiaries.

Description of Data

The data set out in this report is derived from internal official documents, relevant statistics and public disclosure documents of the Group, among which the relevant data shown in the financial statements have been audited by Ernst & Young Hua Ming LLP. Unless otherwise stated in the report, all amounts are expressed in RMB.

References

This report is prepared in accordance with the Appendix C2 Environmental, Social and Governance Reporting Code, and the Guidance on the Climate-related disclosure of the Listing Rules issued by The Stock Exchange of Hong Kong Limited ("HKEx") and the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial) of Shanghai Stock Exchange ("SSE"), with reference to the ESG rating requirements of international organizations such as Morgan Stanley Capital International (MSCI) , the S&P Global Corporate Sustainability Assessment (CSA) and CDP, and other standards such as the guide for business action on the SDGs, Ten Principles of the United Nations Global Compact (UNGC), the recommended disclosures framework by the Task Force on Climate-Related Financial Disclosures (TCFD) , and General Framework of the China Corporate Sustainable Development Report Guide (CASS-ESG 6.0) of China Enterprise Reform and Development Society.

Release and Interpretation of the Report

In line with the principle of being environmentally friendly, we endeavor to minimize the printing of paper reports as far as possible. This report is published in both English and Chinese electronic versions on the websites of the HKEx (www.hkexnews.hk), the SSE (www.sse.com.cn) and the Company's official website (www.conch.cn).

In order to enhance the transparency of information disclosure, China Conch Environment Protection Holdings Limited ("Conch Environment Protection") also prepares and publishes Environmental, Social and Governance (ESG) Report based on the stakeholders' demands, which are available on the website of the HKEx and Conch Environment Protection official website.

Other ESG Information

In order to strengthen the Company's ESG management, the Company has formulated and publicly released a series of ESG policy statement documents, including the *Environmental Policy Statement,* the *Biodiversity Statement,* the *Occupational Health and Safety Management Policy Statement,* the *Supplier Code of Conduct,* the *Anti-bribery and Anti-corruption Policy* and the *Human Rights Policy Statement,* details of which can be viewed by visiting the Company's official website.

Confirmation and Approval

The report is approved by the board of directors on March 24, 2026 after confirmation by the management.

Contact Information

If you have any suggestions on the Group's ESG work, please feel free to contact us via the following methods:
Address: 39 Wenhua Road, Wuhu City, Anhui Province
Postal code: 241000
Tel: 0553-8398976
Fax: 0553-8398931
Email address: dms@chinaconch.com
Website: http://www.conch.cn



01 Message from the Chairman

Dear readers, thank you for your interest in Conch Cement's 2025 Environmental, Social and Governance Report.

The year of 2025 is the closing year for China to achieve the objectives of the "14th Five-Year Plan", and it is also the crucial year for the building materials industry to move towards a new journey of high-quality development. Facing the complicated and severe external environment, profoundly changed industry structure and the requirements of the era of sustainable development, Conch Cement has always adhered to the initial mission of "creating future living space for human beings", insisted on innovation driving, digital enablement and green transformation, focused on core business, extending and supplementing the chain, and expanding overseas, strictly adhered to the three bottom lines of integrity, safety and environmental protection, strictly controlled risks such as capital risk, product quality risk and compliance risk, and took solid steps on the road of high-quality development.

Deeply cultivated the core business for development and expanded the layout to lay the foundation. Conch Cement has always focused on the core cement business, continuously optimized the production capacity structure and regional layout, and stabilized its leading edge of core operational indicators in the period of deep adjustment of the industry, laying a solid foundation for extension and expansion of the industrial chain. In 2025, the Company anchored the strategic direction of "digital Intelligence, greening and internationalization", and accelerated the layout of aggregates, commercial concrete and consumer building materials with industrial chain coordination deepening and technological innovation as the two-wheel drive, striving to provide customers with "one stop" comprehensive building materials service solutions. In terms of overseas layout, the Company focused on in-depth cultivation of key regional markets, the scale of overseas production capacity steadily increased, and its global value chain system was continuously improved, building a more stable industrial foundation for the high-quality development of the Company.

Fulfilled the mission of green transformation and demonstrated responsibilities and commitments with low-carbon development. Conch Cement closely followed the national "dual carbon" strategic opportunity, and fully implemented the full-chain carbon management strategy of "carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal" with the two-wheel drive of "reducing carbon footprint of products + grasping low carbon development opportunity". At the production side, Conch Cement expanded clean energy substitution, promoted oxygen-enriched combustion and CCUS carbon sequestration path exploration, and deepened the large-scale application of alternative fuel technology. At the management side, Conch Cement built a "Dual Carbon Interconnection" digital platform to implement the transaction of carbon assets, and relied on digital tools to improve environmental management efficiency. In 2025, the Company made substantial breakthroughs in key areas such as carbon capture and utilization, application of alternative fuels and industrialization of new low-carbon cement, released the first AI large model in the building materials industry and completed landmark green projects such as Baimashan Cement Plant all-green power plant demonstration project and Inner Mongolia Tongliao 500 MW/2,000 MWh grid-side energy storage project, with many green technical indicators leading the industry, helping China achieve its carbon neutrality goal with practical actions.

Improved governance to keep the bottom line and won trust through transparent operation. Conch Cement has fully integrated the ESG concept into the corporate operation and governance system, optimized the corporate governance structure, improved the internal control and risk prevention and control system, conducted regular internal and external audits, and consolidated the bottom line for compliant operations. In 2025, the Company completed the adjustment of governance structure, strengthened the supervision function of the Audit Committee, promoted the optimization of the internal control system and the construction of the risk early warning mechanism, deepened the supervision of integrity-based culture and business ethics, and cultivated a positive corporate culture. At the same time, the Company improved the information disclosure mechanism, actively participated in international ratings such as MSCI and CDP, improved the quality of information disclosure, strengthened communication with stakeholders, and won wide trust with steady and standardized governance practices.

Strengthened the Company's vitality by Talents and promoted win-win situation through co-construction and sharing. Conch Cement has always regarded talents as the core resource to drive the development of enterprises, deeply implemented the strategy of "Strengthening Enterprises with Talents", optimized the whole chain talent development mechanism of "Selection, Cultivation, Use and Retaining", and built a multi-level and systematic talent training system. In 2025, the Company actively expanded the recruitment channels of "Conch Talents" colleges and universities by improving the incentive and assessment mechanism, building a diversified growth platform and strengthening professional care and rights and interests protection, and implemented the "Rainbow Plan" promotion channel and the "All-Staff Innovation" incentive mechanism to promote the continuous optimization of the talent structure, significantly improving employees' satisfaction. At the same time, the Company continuously unblocked the communication and feedback channels between the Company and employees, continuously enhanced occupational health and safety training and mental health care, actively built a harmonious, safe and inclusive working environment, and effectively promoted the common growth, common development and win-win value of employees and the Company.

Practiced responsibilities to benefit people's livelihood and sought long-term development through symbiosis and common prosperity. While pursuing high-quality development, Conch Cement has always kept in mind its social responsibility and commitment to "enhancing societal well-being", fully integrated the social responsibility into its development strategy, and actively responded to the national call to deeply participate in rural revitalization, community co-construction, public welfare services and other livelihood undertakings. In 2025, the Company continued to carry out a series of public welfare activities, implemented a number of accurate and sustainable high-quality projects, established the "Conch Care Station" in Tibet to serve the people's livelihood in the plateau, empowered local economic development and promoted national unity and progress, launched the Double Ninth Festival Elderly Care Campaign in Chongqing to help build a harmonious community, and assisted villages in dredging water channels in Beiliu, Guangxi to effectively ensure spring farming production. The Company earnestly fulfilled its social responsibilities with diversified and pragmatic measures, and promoted the coordinated progress of the enterprise, communities and the environment, fully demonstrating the responsibilities and commitments of leading enterprises in the building materials industry.

Standing at a new historical starting point, Conch Cement will continue to adhere to the concept of sustainable development, and continue to strengthen its core competitiveness with reform and innovation as the fundamental driving force and green transformation as the strategic direction. In the future, Conch Cement will integrate itself into the global development pattern with a more open attitude, promote the progress of the industry with more pragmatic actions, accelerate the construction of a world-class building materials enterprise, and at the same time work with all sectors of society to explore a new model of sustainable development, contribute the wisdom and strength of Conch to building a community of human destiny, and write a new chapter of high-quality development.

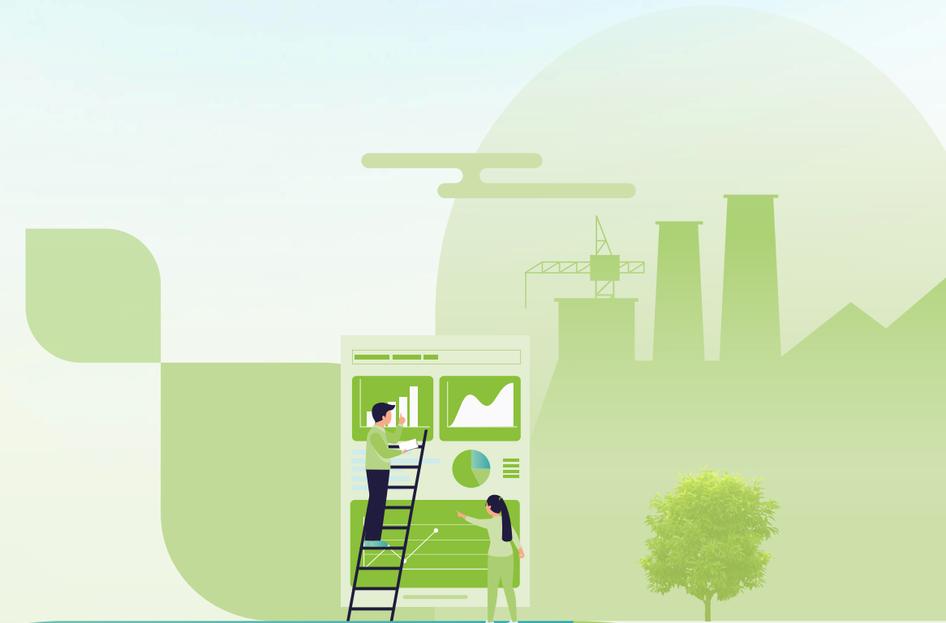
Chairman of Anhui Conch Cement Company Limited
Yang Jun



02

About Conch Cement

- 2.1 Company Profile 09
- 2.2 Business of the Company 09
- 2.3 Overview of the Company's Business Development 13







02 About Conch Cement

2.1 Company Profile

Anhui Conch Cement Co., Ltd. was established on September 1, 1997 and listed on the HKEx (00914.HK) in October of the same year, creating a precedent for the overseas listing of the Chinese cement industry. On February 7, 2002, the Company issued shares (600585.SH) on the Shanghai Stock Exchange, becoming the first A+H listed cement company in China.

Adhering to the business philosophy of "creating future living space for human beings", Conch Cement earned the reputation of "When it comes to cement, the world looks to China, and within China, attention turns to Conch Cement". As at the end of the Reporting Period, the Group has a total of 476 subsidiaries, with operations spanning over 20 provinces, cities and autonomous regions across China, as well as in Indonesia, Myanmar, Laos, Cambodia, Uzbekistan and other countries. The total number of employees of the Group is 48,286.



2.2 Business of the Company

The Group has always focused on the cement business, grasped the direction through innovation and achieved development through quality improvement, and deeply practiced the high-quality development route of "innovation driving, digital enablement and green transformation". The Group is committed to extending, supplementing and strengthening the industrial chain, accelerating the cultivation of new quality productive forces, continuously optimizing the industrial layout, promoting the coordinated development of various businesses, and strives to build a green, low-carbon, safe, reliable and sustainable industrial chain and value chain.The Group has developed into a comprehensive building materials group with global operations, covering cement manufacturing, environmental protection services, new energy, digital economy, engineering services, consumer building materials and other sectors.

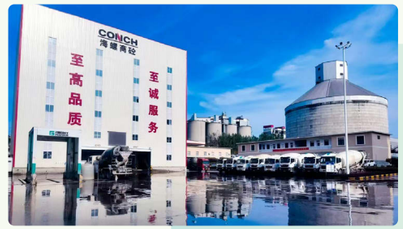
Cement Manufacturing Sector

The Group's leading products are "Conch" brand Portland cement and clinker. Our products are widely used in key projects and infrastructure construction such as railways, highways, airports and water conservancy, as well as the fields of urban real estate development, rural markets and cement products. Extending, supplementing and strengthening the chain is one of the focuses of the Company's development. After more than ten years of hard work, the Company's aggregates, commercial concrete, prefabricated buildings and other industries have begun to scale.


Wuhu Conch Cement Plant


Phnom Penh Conch Cement Plant


Deqing Conch Aggregate Plant



Tongling Conch Commercial Concrete Project

Environmental Protection Sector


Chongqing Conch Cement Kiln Co-disposal of Solid and Hazardous Waste Project


Xuancheng Conch Alternative Fuel Project


Quanjiao Conch Environmental Protection Sludge Disposal Project


Wuhu Conch Environmental Protection Fly Ash Disposal Center Project

Conch Environment Protection, a subsidiary of the Group, has pioneered the use of cement kiln co-processing technology to facilitate the safe, harmless and effective treatment of industrial solid and hazardous wastes. Its main businesses also include fly ash treatment, oil sludge treatment, sludge treatment, alternative fuels and resource recycling.

New Energy Industry Sector



Inner Mongolia Tongliao Energy Storage Project



Zongyang Conch Photovoltaic Project



Xuancheng BIPV Project



Pingliang Conch New Energy Wind Power

Conch New Energy, a subsidiary of the Group, takes the internal market as a starting point, relying on the resources of the main cement industry, vigorously develops wind, solar, hydro, and energy storage projects and upstream and downstream industries, and improves and enlarges the scale of green energy.

Digital Economy Sector

The Group leverages its scale advantages in the cement industry, extensive application scenarios, and the foundational strengths of informatization and intelligent industrialization to incubate core digital enterprises such as Conch Zhizhi, Conch Zhongnan, Haibo Technology, Haihui Supply Chain, and Conch IT Engineering. The Group has initially established a digital industry ecosystem, with the main business of digital industries such as intelligent laboratories, intelligent loading and shipping, unmanned mining trucks and intelligent logistics.



Intelligent Quality Control System



Intelligent Shipping System



Unmanned Mining Truck



New Energy Logistics Transportation

Engineering Service Sector

The Group has formed the engineering service sector by integrating the Company's resources to devote itself to comprehensive services such as equipment manufacturing, engineering construction, production operation and maintenance and general EPC contracting in the cement industry. The Group focuses on the directions of mechanical equipment manufacturing, heat-resistant and wear-resistant casting, cement kiln masonry, and research and development and manufacturing of refractory bricks in the cement industry, building an engineering service industry cluster.



Rotary Kiln Masonry Robot



First Independently-Developed Raw Material Roller Press



Self-Developed 6,000-Ton Eight-Row Grate Cooler



Refractory Material - Silicon-Mullite Brick

Consumer Building Materials Sector



Conch Consumer Building Materials Product Matrix



Maoming Conch Putty Powder Project



Huai'an Conch Construction Technology Dry-Mixed Mortar Project



Taicang Conch Ceramic Tile Adhesive Project

The Group is committed to becoming a comprehensive solution service provider for green and low-carbon building materials products, and actively expands consumer building materials business. The Group promoted the development of high-quality ceramic tile adhesive, dry mix mortar and other products through utilization of the high-quality cement and aggregates and leveraging the Group's R&D capabilities, which have initially shown scale advantages.

2.3 Overview of the Company's Business Development

In 2025, facing the complicated situation of the deep adjustment of supply and demand structure in the cement industry, the Company closely focused on the main development line of " quality improvement in steady development and green transformation", adhered to the two-wheel drive of strategic guidance and fine operation, and systematically improved its operational efficiency and competitiveness by deepening the cost control of the whole chain and the coordinated development of the whole industry chain, with its operational toughness further highlighted and its efficiency level continued to rank in the forefront of the industry, laying a solid foundation for the Company to achieve sustainable and high-quality development.

We are committed to strengthening the core cement business. Guided by the strategic layout, we seized the opportunity of reshaping the industry pattern, changed from production capacity expansion to market integration, and focused its efforts on the development of core cement business: the acquisition of the Yaobai project in Xinjiang was completed; the relocation and construction project of Fenyi Conch was completed and commenced production as scheduled; and the newly constructed cement mills at Wuhu Conch and Zongyang Conch commenced operation on schedule. At the same time, we actively responded to the national policy, and successively completed the production capacity replenishment of nearly 30 all-round plants such as Chizhou Conch and Yingde Conch to enhance the competitiveness of high-quality production capacities. Overseas operation performance continued to improve, with a steady increase in profit contribution rate. Phnom Penh Conch has been profitable since its launch. We have systematically cultivated six major overseas regions and have reserved a number of project carriers, laying a good foundation for future development.

We are committed to extending the industrial chain. In terms of the commercial concrete and aggregate business, we accelerated the layout, with 22 new commercial concrete stations added throughout the year, continuously expanding the market coverage. The production capacity of commercial concrete recorded a net increase of 18.35 million cubic meters. We expanded the production capacity of Zongyang Conch and Yingde Conch Aggregate Project, and completed Dazhou Machine-made Sand Project and Ganxian Machine-made Sand Project with an increase of 17.10 million tonnes in the production capacity of aggregate . The development of consumer building materials has been accelerated. We have completed and put into operation 13 dry-mixed mortar and ceramic tile adhesive projects of Shuangfeng Conch, Ganxian Conch and Ningbo Conch and Maoming Conch Putty Powder Project.

We are committed to technological innovation and green development. In terms of technological innovation, the Company obtained nearly 400 granted patents, and Zongyang Conch Cement Intelligent Plant Project was selected for the 2025 Excellence-level Smart Factory Project by the Ministry of Industry and Information Technology of the PRC. The Company released the first AI large model in the building materials industry, which achieved breakthroughs in the application of artificial intelligence technology in more than 40 scenarios in 5 categories, i.e. quality control, production optimization, equipment management, production safety and intelligent Q&A, effectively realizing refined production control and helping reduce costs, improve efficiency and lower carbon emissions. In terms of green development, the Group increased research and development investment and promotion of low-carbon cement, constructed the all-green electricity plant demonstration project at Baimashan Cement Plant, completed the first green power-to-hydrogen project in the cement industry in Pingliang Conch, and constructed a 500 MW/2,000 MWh grid-side energy storage power station in Tongliao, Inner Mongolia and put it into operation.

As of the end of the Reporting Period, the Group had the clinker production capacity of 234 million tonnes[1], the cement grinding production capacity of 415 million tonnes, the aggregate production capacity of 180 million tonnes, the commodity concrete production capacity in operation of 70.25 million cubic meters, and the installed capacity of wind and photovoltaic power generation and energy storage in operation of 1,377 MW.

Business Data of Conch Cement in 2025[3]

BUSINESS DATA (2025)

825.32 RMB100 million
Revenue[2]

104.20 RMB100 million
Profit before taxation

72.14 RMB100 million
Tax payment

1.54 RMB/share
Basic earnings per share

81.13 RMB100 million
Net profit attributable to parent company

FINANCIAL INDICATOR (2025)

2,560.01 RMB100 million
Total assets

1,924.28 RMB100 million
Net assets attributable to the parent company

20.42 %
Asset-liability ratio





[1] Recalculated according to the new regulation on the production capacity replacement.
[2] Earnings from trade items are included.
[3] Operating data are calculated and audited in accordance with the Enterprise Accounting Standards issued by the Ministry of Finance of the People's Republic of China.

03

Achievements in 2025

- 3.1 ESG Targets and Progress/Highlight Performance 17
- 3.2 Honors and Awards 19



03 Achievements in 2025

3.1 ESG Targets and Progress/Highlight Performance

Due to our commitment to social responsibility, we have systematically planned and established a series of short-, medium-, and long-term goals in the key areas of ESG, thus promoting the sustainable and steady development of the enterprise.

Lean Governance, the Right Path

Conch Cement continues to improve the corporate governance structure, enhances the transparency and scientificity of the decision-making process, actively cultivates a culture of integrity, advocates a positive corporate atmosphere, earnestly safeguards the rights and interests of shareholders and other stakeholders, and strives to become a benchmark for clean integrity in the industry.

Our Goals	KPI	Situation in 2025
Ensure Integrity in Operations	100% of employees sign integrity commitment agreements	100%
	100% of suppliers sign integrity agreements	100%
	100% of customers sign integrity agreements	100%
Promote Integrity Education	100% employees are covered in integrity education and culture training	100%



Green development, protecting lucid waters and lush mountains

We deeply integrate environmental protection into all aspects of production and operation, and strive to build a green and low-carbon recycling development model. By formulating systematic multi-dimensional goals, we continue to improve the environmental management system and promote sustainable development in all directions. For details on our green and low-carbon development goals and progress, please refer to Sub-sections 7.1.4 and 7.3.

Our Goals	KPI	Situation in 2025
Improve the Efficiency of Energy use	By 2060, the Group will realize the transformation and development of green and low-carbon cycle, and the energy utilization efficiency of all clinker production lines will reach the international advanced level.	78% of the production lines reached the benchmark level of energy efficiency
Increase the Proportion of Alternative Fuel Usage	The proportion of alternative fuel usage will reach 15% by 2030	26.5% of coal usage
Reduce Greenhouse Gas Emissions	Carbon emission (clinker process) intensity tCO_2e/t-clinker declined by 6% in 2025 from 2020	0.8033 tonnes of CO_2e/t-clinker
Reduce Energy Consumption	Energy consumption(clinker process) intensity (kg standard coal/t-clinker) declined by 6% in 2025 from 2020	declined by 12.8% from 2020
Improve Environmental Management System Certification Coverage	By 2025, all production subsidiaries have obtained ISO 14001 environmental management system certification	100%
Strengthen Exhaust Gas Management	The total emission of nitrogen oxides decreases by 50% in 2025 from 2020	declined by 64.57% from 2020
	By 2028, key regional subsidiaries will achieve hourly average emission concentrations of cement kilns and waste heat utilization systems not exceeding 10mg/Nm^3, 35mg/Nm^3 and 50mg/Nm^3, respectively	The hourly average emission concentrations of particulate matter, sulphur dioxide and nitrogen oxides from cement kilns and waste heat utilization systems of key regional subsidiaries are 1.74mg/Nm^3, 8.70mg/Nm^3 and 40.73mg/Nm^3, respectively
Strengthen Wastewater Management	Achieve 100% compliance in wastewater treatment	100%
Strengthen Waste Management	Achieve 100% compliant disposal of hazardous waste	100%
	Achieve 100% recycling rate for general solid waste	100%
Improve the Efficiency of Water Resource	Use intensity (t-water consumption/t-clinker) of water resources (clinker process) declined by 10% in 2025 from 2020	declined by 25.01% from 2020
Environmental Compliance Management	Zero environmental pollution incidents in 2025	0 case
Carbon Emission Rights Compliance Trading	Zero breaches in carbon emission rights trading compliance in 2025	0 case

Harmony and Integration for People's Well-being

We actively fulfill our social responsibilities, build a defense line of occupational health and safety with building harmonious labor relations as the core, enhance the stability and toughness of the supply chain, improve the welfare protection of employees, and continuously optimize the quality of customer services, so as to drive the steady and sustainable development of the enterprise.

Our Goals	KPI	Situation in 2025
Ensure Integrity in Operations	No major and above safety responsibility accidents	0 case
	No new case of occupational pneumoconiosis disease No casualty liability accidents of employees	0 case
	Accident injury rate per thousand employees less than 0.5‰	0.23‰
	Accident injury rate per thousand stakeholders less than 0.5‰	0.35‰
Support Freedom of Association and Collective Bargaining	100% of employees signed collective labor contracts	100%
Ensure Talent Development	100% of employees received training	100%
	100% of employees undergo performance and career development evaluations	100%

3.2 Honors and Awards



Selected as "2025 Best Practice Case for Sustainable Development of Listed Companies"
China Association for Public Companies



Selected as "2025 Best Practice Case for Listed Company Boards"
China Association for Public Companies



Selected as "2025 Best Practice Case for the Offices of Listed Company Boards"
China Association for Public Companies



Selected as "Excellent Practice Case for Results Presentation of Listed Companies in 2024"
China Association for Public Companies

AA
Wind Rating

B+
SynTao Green Finance Rating

AAA
China Chengxin Rating

AA
Quantdata Rating

2025
2024 Best Listed Companies by New Fortune Magazine



BBB
The Company's MSCI ESG rating was awarded BBB for the first time, demonstrating remarkable achievements in ESG practice

CSA
Completed S&P Global Corporate Sustainability Assessment (CSA)

A
Shanghai Stock Exchange Information Disclosure Evaluation

A
CSI Index Rating



Won the "High-quality Development Contribution Award"
Anhui Association for Public Companies



Won the "2024 ESG Rating Certificate A+ in the Building Materials Industry"
China Building Materials Federation



Selected into the "Pioneer 100 (2025) of China ESG Listed State-owned Companies"
China Central Television (CCTV)



Selected into the "Pioneer 100 (2025) of China ESG Listed Companies Yangtze River Delta"
China Central Television (CCTV)



Selected as "2024 Best Listed Company by New Fortune Magazine"
New Fortune Magazine



Selected as "Most Promising Hong Kong-Listed Companies in the Intelligent Manufacturing Industry"
New Fortune Magazine



Selected as "2024 ESG Typical Practice Case of Building Materials Enterprises"
——Environmental Theme, Social Subject, Corporate Governance Theme
China Building Materials Federation

04

Feature Story: Building New Quality Productive Forces for Sustainable Development: Achievements during the “14th Five-Year Plan” Period and Journey during the “15th Five-Year Plan” Period









Feature Story: Building New Quality Productive Forces for Sustainable Development: Achievements during the "14th Five-Year Plan" Period and Journey during the "15th Five-Year Plan" Period

04

The "14th Five-Year Plan" period marked an extraordinary five years in the development history of Conch Cement. Amidst persistently weakening industry demand, intensifying overcapacity, and deepening pressure on profitability, Conch Cement closely focused on deepening and enhancing initiatives of state-owned enterprise reform and its goal of becoming a world-class enterprise, adhered to the development direction of "digital, intelligent, green, and international" transformation, deeply cultivated the main cement industry, accelerated the extension of the industrial chain, strengthened the expansion of emerging industries, and comprehensively promoted green and low-carbon transformation. Overcoming numerous difficulties in the industry downturn, the Company took the lead against the trend, safeguarded the advantages and achievements of "three leading" in capacity, market, and profitability, and laid a solid foundation for the high-quality start of the "15th Five-Year Plan" period.

Consolidating the Foundation and Transforming for Breakthrough

During the "14th Five-Year Plan" period, Conch Cement seized development opportunities, continuously consolidated its core business strengths, expanded its industrial boundaries, and accelerated its internationalization efforts, achieving synergistic improvements in scale, structure, and layout.

Further consolidated the foundation of core cement businesses

During the "14th Five-Year Plan" period, Conch Cement remained committed to strengthening and optimizing its core cement business. Adopting a dual approach of new construction and acquisitions, Conch Cement promoted the implementation of multiple projects. Seizing the policy window for capacity replacement, Conch Cement integrated high-quality capacity indicators and further consolidated the foundation of core businesses.

By the end of the "14th Five-Year Plan" period, the Company had achieved a clinker production capacity of 234 million tonnes and a cement production capacity of 415 million tonnes, further enhancing scale advantages of cement.

In 2022, the kiln square of Qarshi Conch in Uzbekistan was adorned with colorful banners and filled with an enthusiastic atmosphere. As flames erupted from the kiln mouth, the 3,200 T/D cement and clinker production line of Qarshi Conch was successfully ignited on the first attempt. Such project is the first investment and construction project of the Company in Central Asia, and the successful kiln ignition marks another solid step forward in the international development strategy of the Company.



Successful Ignition of Qarshi Conch's 3,200 T/D Cement Clinker Production Line on the First Attempt

Industrial Chain Rapidly Extended and Developed

During the "14th Five-Year Plan" period, Conch Cement consolidated its foundation and explored new opportunities, focusing on extending, supplementing and strengthening the chain. The Company's production capacity of aggregate and commercial concrete increased by approximately 2 times and 15 times respectively as compared with the end of the "13th Five-Year Plan" period, effectively supporting the Company's operational efficiency and enhancing its competitiveness in the industry. As of the end of the "14th Five-Year Plan" period, the Company's aggregate production capacity reached 180 million tonnes and commercial concrete production capacity reached 70.25 million cubic meters.,

Leveraging its high-quality cement, aggregate and manufactured sand resources, the Company quickly entered the consumer building materials sector and vigorously developed the consumer building materials business. It has put into operation multiple projects including dry mix mortar, tile adhesive and putty powder, building the "one stop" comprehensive building materials solution provider. As of the end of the "14th Five-Year Plan" period, the Company achieved a total production capacity of consumer building materials of 6 million tonnes.

In 2023, Conch Cement's first tile adhesive and dry mix mortar project was completed and put into operation at Jiangmen Conch. To promote the Company's new formats and new products, a new product launch event of Jiangmen Conch was meticulously planned and held in Jiangmen, Guangdong. Local government officials and client representatives were invited to attend, collectively witnessing Conch Cement sounding the trumpet call for its official entry into the consumer building materials market.



Jiangmen Conch's New Product Launch Event

Overseas Layout Steadily Expanded

Conch Cement continues to take a pioneering role in overseas layout, establishing a presence in Indonesia and entering Central Asia, meticulously advancing the development blueprint of the Belt and Road Initiative and achieving major leaps in both scale and layout.

During the "14th Five-Year Plan" period, the Company successfully entered the Central Asian market and completed and put into operation three integrated plants in Uzbekistan: Qarshi, Tashkent, and Andijan. In 2025, Phnom Penh Conch was completed and put into operation in Cambodia, marking the Company's outstanding capabilities in the construction-to-operation phase of its overseas projects.



Scene of Ceremony of Completion and Achievement of Production Capacity and Production Standards of Andijan Conch's 6,500 T/D Cement Clinker Production Line in 2024



Scene of Ceremony of Completion and Achievement of Production Capacity and Production Standards of Phnom Penh Conch's 5,000 T/D Cement Clinker Production Line in 2025

During the "14th Five-Year Plan" period, Conch Cement continued to contribute to building countries along the Belt and Road Initiative. More than 50 key projects in the host countries, including the China-Laos Railway, the Siem Reap Angkor International Airport in Cambodia, and the Balikpapan–Samarinda Toll Road in Indonesia, have all benefited from the Company's high-quality products and services. Today, Conch Cement has become the preferred supplier for many major infrastructure and livelihood projects in the host countries.



Six China-Laos Railway Stations (Luang Prabang Conch)



Myanmar's Dala Bridge



Siem Reap Angkor International Airport in Cambodia

Hearts connected, strengths gathered, and emotions blended. Conch Cement is not only a builder of infrastructure connectivity but also a dedicated local service provider from cultivating local talent to actively fulfilling social responsibilities. By the end of the "14th Five-Year Plan" period, Conch Cement achieved 85% localization rate for overseas talents, directly or indirectly creating more than 30,000 jobs, and the fruits of its overseas development benefited more local people.

Cultivating New Businesses and Stimulating Momentum

During the "14th Five-Year Plan" period, Conch Cement focused on its core business, comprehensively planned development paths for emerging industries, increased investment in the development of emerging industries, prioritized cultivating new quality productive forces, and achieved rapid growth and diversified expansion in strategic emerging industry sectors such as the new energy, environmental protection industry, and digital economy.

Comprehensive Layout of the New Energy Industry

During the "14th Five-Year Plan" period, Conch Cement achieved substantial breakthroughs in new energy projects such as photovoltaic (PV), wind power, energy storage and BIPV:

- Completed the construction of more than 130 PV power stations within the Group, realizing full coverage of new energy projects in cement plants;
- The installed capacity of wind, photovoltaic and energy storage power generation in operation amounted to 1,377 MW;
- The cumulative power generation (and delivery) reached nearly 2 billion kWh, equivalent to saving more than 250,000 tonnes of standard coal and reducing carbon dioxide emissions by nearly 640,000 tonnes;

During the 14th Five-Year Plan period, from the industry's first "zero external power purchase" and "100% green power" cement plant, the first all-vanadium redox flow battery (VRFB) energy storage demonstration project, to China's first fully automatic BIPV production line, and then to the cement industry's first green power-to-hydrogen project and Tongliao new energy 500 MW/2,000 MWh grid-side energy storage project, the Company has achieved rapid growth in new energy industry, with its photovoltaic power generation capacity ranking among the top in China's cement industry.

Jining Conch built the world's first "zero external power purchase" plant in the cement industry. All the plant's production power is supplied by the supporting clean energy system, marking a milestone breakthrough in energy self-sufficiency and low-carbon operation of smart plants.



Panoramic View of Jining Conch



Zongyang Conch 6 MW/36 MWh VRFB Energy Storage Project

Zongyang Conch's 6 MW/36 MWh VRFB energy storage project is currently the largest VRFB customer-side energy storage power station in the cement industry. This project won the Top 10 Energy Storage Application Award at the 7th International Energy Storage Innovation Competition.

Xuancheng Conch Photovoltaic Company's 3.65 MW "Building Integrated Photovoltaic (BIPV)" power generation project aims to construct an energy-saving and low-carbon industrial park at an international advanced level by organically integrating its products such as photovoltaic curtain walls and photovoltaic flat tiles with the buildings. The annual power generation capacity amounted to 4,520,000 kWh, equivalent to an annual reduction of 1,447 tonnes of carbon dioxide emissions and a saving of 556 tonnes of standard coal. It is expected to become a zero-carbon or near-zero energy consumption project.



The World's First Fully Automatic Production Line for High-Standard BIPV Products Including Photovoltaic Curtain Walls and Flat Photovoltaic Tiles

Pingliang Conch New Energy Company has built the cement industry's first green power-to-hydrogen project, realizing the coordinated operation of green power and hydrogen production systems. The project is built into a 100 MW centralized wind farm, with an annual power generation capacity of approximately 186 million kWh, saving more than 20,000 tonnes of standard coal per year, and reducing emissions of more than 50,000 tonnes of carbon dioxide, more than 500 tonnes of sulfur dioxide, and more than 800 tonnes of nitrogen oxides. The project concurrently developed an alkaline water electrolysis hydrogen production system. Phase I achieves the hydrogen output of 1,000 cubic meters per hour, and Phase II plans a hydrogen refueling station with a daily output of 500 kg, providing a demonstration path for green hydrogen applications in the cement industry.



Pingliang Conch New Energy Wind Power



Tongliao Conch's Large-Scale Energy Storage Power Station in Inner Mongolia

Tongliao Conch new energy 500 MW/2,000 MWh grid-side energy storage project was successfully completed and connected to the grid for commercial operation in November 2025, marking that the Company's new energy industry has reached a new height. After commissioning, Tongliao Conch Energy Storage Power Station can reduce carbon dioxide emissions by approximately 190,000 tonnes annually, enhance the resilience and competitiveness of the green energy industry chain, and promote the coupled development of new energy and industries.

Environmental Protection Industry Layout

During the "14th Five-Year Plan" period, Conch Cement successfully acquired a controlling stake in Conch Environment Protection (00587.HK), an industrial solid waste and hazardous waste treatment service provider leading in China listed on the HKEX, achieving a leapfrog development in the environmental protection sector from scratch. Since gaining control of Conch Environment Protection, the Company has anchored its core business in solid and hazardous waste disposal while successfully expanding into the new field of medical waste disposal. Relying on its energy-saving and carbon-reduction scenarios, Conch Cement has expanded the alternative fuel industry. The first non-cement kiln co-processing fly ash project has been put into construction and an automobile dismantling project has been successfully established in the Hainan Free Trade Port. The Company achieved major breakthroughs across multiple sectors. By the end of the "14th Five-Year Plan" period, Conch Environment Protection's solid and hazardous waste disposal capacity reached 12.1211 million tonnes per year.

Conch Environment Protection wholly acquired the Wuhan Hanshi Medical Waste Disposal Project, which is the nation's first to employ the pyrolysis, gasification, and incineration technology for medical waste disposal, with an approved disposal capacity of 18,000 tonnes per year. The successful acquisition of Wuhan Hanshi project marks Conch Environment Protection's formal entry into the medical waste disposal sector, enhancing the Company's competitiveness in this segment.



Wuhan Hanshi Medical Waste Disposal Project

Conch Environment Protection has thoroughly implemented the national "dual carbon" strategy and innovatively applied the "water washing + low-temperature pyrolysis" process for the first time in the Taizhou Fly Ash Resource Utilization Project, striving to build the first non-cement kiln co-processing fly ash demonstration project. At the same time, Wuhu Conch Environmental and Chaohu Haihua Environmental, subsidiaries of Conch Environment Protection, were successfully selected into the first batch of national regional hazardous waste (fly ash) centralized disposal centers.



Taizhou Fly Ash Resource Utilization Project Under Construction



Chaohu Haihua Environmental's Hazardous Waste Centralized Disposal Center

Digital Economy Industry Layout

During the "14th Five-Year Plan" period, Conch Cement leveraged its large-scale cement industry foundation and extensive application scenarios and took the opportunity of digital and intelligent transformation to comprehensively promote the informatization and intelligent evolution of technical capabilities. Riding on the momentum of digitalization and embracing new industrial trends, Conch's digital economy industry has surged forward, incubating a number of digital technology enterprises including Conch Zhizhi, Conch Zhongnan, Haibo Technology, Haihui Supply Chain and Conch IT Engineering, building a digital economy industry ecosystem covering application fields such as intelligent quality control, intelligent equipment operation and maintenance, smart factories, intelligent operation of open-pit mining areas, unmanned driving, intelligent loading and shipping, and intelligent logistics.

Over the past five years, the Company's influence in the digital economy industry has been continuously enhanced:

- Jointly released the world's first AI large model for the cement and building materials industry with the China Building Materials Federation and Huawei. The "Conch Yungong" Large Model received China's sole and globally recognized "2025 Inclusive Digital Economy Best Implementation Award";
- The first domestic "unmanned transportation project for open-pit cement mines" was rated as a "typical application case of robots in the mining field" by national ministries and commissions;
- The quality control system has achieved commercial application, and Conch Zhizhi has been selected as a specialized and sophisticated "Little Giant" enterprise and a provincial enterprise research center in Anhui Province.

Launching "Conch Yungong" Large Model

The "Conch Yungong" Large Model was officially released during the Reporting Period. Relying on Huawei Cloud Pangu's prediction, vision and natural language large model technologies, the model covers the entire process from mining to packaging and shipping, promoting the transformation of traditional manufacturing to smart manufacturing.

In practical applications, the model has achieved over 85% accuracy in clinker strength prediction. Based on a single 5,000 tons/day clinker production line and through the automatic recommendation of kiln control parameters, it can reduce manual labor intensity by 50%, standard coal consumption by 1%, and annual carbon dioxide emissions by 4,000 tonnes, significantly improving quality stability and green, low-carbon performance.



Conference on the Achievements of Conch Yungong Large Model



"Best Implementation Award" for United Nations' *2025 Global Call for Inclusive Digital Economy Solutions*

As the world's first large-scale full-process AI empowerment solution implemented in the traditional building materials industry, the Conch Yungong AI Large Model won the "Best Implementation Award" in the Stable and Resilient Digital Supply Chain category. It is the first time that China's building materials industry has been shortlisted for this award, contributing a "Chinese solution" to the digital and intelligent transformation of global traditional manufacturing industries. This marks the first time a Chinese building materials enterprise has been shortlisted for this award, contributing a "Chinese solution" to the digital and intelligent transformation of global traditional manufacturing.



From Unmanned Driving to Intelligent Dispatching, Building a New Intelligent Benchmark for the Industry

Haibo Technology, a subsidiary of the Company, continues to advance the large-scale application of unmanned driving system for mines, achieving batch deployment of vehicles and efficient closed acceptance loop at multiple benchmark projects of the Company's subsidiaries such as Chizhou Conch, Jining Conch, and Liquan Conch.

After the implementation of unmanned driving projects for mines of subsidiaries such as Chizhou Conch, the daily ore transport capacity per vehicle has significantly increased, the total number of transport personnel has decreased by 72%, and the number of accidents in the transport process has dropped to zero, fully realizing the concept of "safety through unmanned operation". The unmanned driving projects for mines simultaneously optimize energy usage, effectively controlling electricity costs, with electricity expenses for equivalent output reduced by 60%.



Unmanned Mining Truck



Intelligent Dispatching and Monitoring Platform for Open-pit Mines

Based on the UNIAPP mobile intelligent dispatching system, Haibo Technology provides a one-stop management solution for mine operations, supporting real-time monitoring of equipment and production data, and facilitating dynamic and precise control and efficiency improvement. In 2025, Haibo Technology won the First Prize of Technological Invention in the Machinery Industry Science and Technology Award for its *Key Technology and Application Project of Multi-Equipment Collaborative Operation and Efficient Control Platform in Smart Mines.*

Empowered by Digital Technology, Exploring New Paradigms for Smart Factories

The full-process smart factory at Baimashan Cement Plant, spearheaded by Conch Zhizhi, a subsidiary of the Company, has realized full-process quality control, unmanned operation through the production line, and factory-wide intelligent management. Cement production has entered a new stage of "one-click output and full-process intelligent control", significantly improving operational efficiency and quality stability.



Schematic Diagram of the Full-Process Smart Factory Monitoring Platform



Certificate of Award for the 2024 Outstanding Information Technology Project of Anhui Province

The Conch Cement Artificial Intelligence Scenario Construction and Application Project of the Company was awarded the 2024 Outstanding Information Technology Project of Anhui Province and the data-driven, full-process closed-loop optimized smart cement factory constructed by Zongyang Conch, a subsidiary of the Company, was successfully selected for the Ministry of Industry and Information Technology's 2025 Excellence-level Smart Factory Project, demonstrating Conch Cement's leading strength in the field of intelligent manufacturing.

Marching Forward for Green Development and Thriving Through Green Initiatives

During the "14th Five-Year Plan" period, Conch Cement has deeply engaged in green and low-carbon practices, firmly upheld and diligently implemented the development philosophy that "lucid waters and lush mountains are invaluable assets", and seized the development opportunities presented by the "dual carbon" goal to actively explore paths for green and low-carbon transformation. Focusing on the dual drivers of "reducing product carbon emissions and seizing low-carbon development opportunities", we have comprehensively improved the level of sustainable development and carbon management capabilities, striving to achieve leapfrog development in the green transformation.

On the production side, we have effectively reduced carbon emissions and carbon emission levels per unit product through paths such as expanding clean energy substitution, improving the energy efficiency of production lines, promoting the large-scale application of various alternative raw materials, and exploring CCUS carbon sequestration. On the management side, we have jointly built the first batch of low-carbon standardization workstations for the building materials industry (cement) with the China Building Materials Federation, piloted online carbon dioxide monitoring, and built a Dual Carbon Interconnection Platform to deepen the lifecycle management of carbon assets and enhance the Company's green competitiveness.

During the "14th Five-Year Plan" period

Conch Cement has achieved numerous results focusing on energy conservation and carbon reduction:

- Energy-saving technological transformation of the clinker production line :

  Applied the oxygen-enriched combustion technology in multiple production lines at subsidiaries such as Basu Conch and Chizhou Conch, achieving a reduction of approximately 3.5 kg of standard coal consumption per tonne of clinker;

  Completed the renovation of advanced technological equipment for 64 production lines, decreasing standard coal consumption per tonne of clinker by approximately 5 kg and comprehensive power consumption by approximately 5 kWh, and reached national energy efficiency level 1 on 104 production lines.

- Large-scale application of alternative fuels:

  Cumulatively put into use 40 alternative fuel technological transformation projects;

  Promoted the use of alternative fuels in more than 90% of base subsidiaries, with the usage accounting for approximately 26.5% of coal usage.

- Promotion and application of energy-saving materials:

  Promoted the use of energy-saving and carbon-reducing products such as melting accelerators and combustion accelerators within the entire group and the industry, with an average decrease of approximately 2.4 kg of standard coal consumption per tonne of clinker.

- Research and development of green and low-carbon technologies:

  Jointly established the State Key Laboratory of Silicate Science and Advanced Building Materials with Wuhan University of Technology, and co-founded 6 joint university-industry laboratories (JUIL) with universities such as the University of Science and Technology of China and Wuhan University of Technology, focusing on cutting-edge research such as hydrogen-blended combustion in cement kilns, carbon fiber boards, and electrocatalytic CO_2 reduction to syngas;

  Completed the cement industry's first 50,000 T/A carbon capture and purification demonstration project and first CO_2 energy storage demonstration project globally, and expanded resource utilization models such as dry ice production and smart agriculture;

  Established China's first low-carbon cementitious material demonstration line, and the project "Design/Preparation Technology of High-ferrite Corrosion-Resistant Cementitious Materials and Development of Applications in Severe Environment Projects", in which we participated, won the Second Prize of the 2023 National Science and Technology Progress Award.

- Construction of "dual carbon" management system:

  Pioneered the establishment of a Dual Carbon Interconnection Platform for cement production, realizing accurate calculation and intelligent management of carbon data, and becoming the first enterprise in the domestic building materials industry to complete data interaction with the national carbon market management platform.

By the end of the "14th Five-Year Plan" period:

- Conch Cement has cumulatively invested RMB **16.2** billion in low-carbon transformation projects;
- The total coal consumption has decreased by **24.5%** ;
- The energy consumption (clinker process) intensity (kg standard coal/t-clinker) has decreased by **12.8%** ;
- The carbon emission (clinker process) intensity (tCO2e/t-clinker) has decreased by **4.5%** .



Improving the Environmental Protection System and Implementing the "Dual Carbon" Strategy

During the "14th Five-Year Plan" period, Conch Cement comprehensively built a green and low-carbon development model, implementing the "dual carbon" strategy, accelerating the Company's green and high-quality development, and laying a solid foundation for achieving carbon peak targets and realizing carbon neutrality. We established a "dual carbon" work leading group led by the Chairman to oversee all "dual carbon" work. A number of systems and plans, such as the *Ecological and Environmental Protection Plan for the 14th Five-Year Plan, Action Plan for Peak Carbon Achievement and Carbon Neutrality, the Energy Conservation and Carbon Reduction Development Plan for the 14th Five-Year Plan*, and the *Carbon Asset Management Measures*, guided our energy conservation and carbon reduction actions. Concurrently, we established Zhongtan Technology, the first specialized carbon asset management company in the building materials industry, to provide one-stop consulting services and comprehensive solutions, thereby enriching the implementation vehicles for our "dual carbon" strategy.

Focusing on Process Emissions Reduction and Reducing Product Carbon Footprint

We systematically promoted technological upgrading and resource recycling in the production link. By optimizing combustion efficiency and implementing carbon capture and resource utilization, we reduced the total carbon emissions and carbon emission intensity per unit product, laying a solid foundation for the Company's green and low-carbon development. At the same time, we actively obtained product carbon footprint and low-carbon product certification to drive internal management optimization and enhance the competitiveness of green products.

Technological Innovation Drives Combustion Carbon Reduction

Conch Cement actively promoted carbon emission reduction in the production process. Through the construction of green hydrogen coupled combustion and oxygen-enriched combustion systems, extensive application of advanced technological equipment, and driving technological iteration with demonstration projects, we gradually reduced the energy consumption level of production lines, enabling efficient low-carbon production in complex scenarios.

The Company has built the project for green hydrogen production by water electrolysis at Pingliang Conch and piloted the hydrogen-blended combustion technology in cement kilns at Digang Conch. By coupling green hydrogen with low-grade fuel for clinker calcination, the Company achieved optimization of the energy structure and made breakthroughs in low-carbon technologies, reducing carbon dioxide emissions by more than 50,000 tonnes annually.

To further improve coal combustion efficiency, the Company built oxygen-enriched combustion systems at its subsidiaries such as Basu Conch and Chizhou Conch, significantly improving combustion efficiency and saving 3,000 tonnes to 5,000 tonnes of standard coal annually per production line. Based on project practice, the Company took the lead in drafting the group standard *of Technical Specification for Smoke Recirculation Carbon-Based Oxygen-Enriched Combustion of Cement Kiln*, providing technical reference for cement enterprises in similar regions to improve combustion efficiency and advancing the standardization of this technology.



Basu Conch Oxygen-Enriched Combustion Project

CO_2 Resource Utilization for Cement Kiln Flue Gas

Focusing on the resource utilization of CO_2 from cement kiln flue gas, Conch Cement established the world's first 50,000 T/A carbon capture and purification demonstration project in the cement industry, filling the domestic gap in equipment technology for carbon capture systems in the cement industry while advancing the industrial solid waste co-conversion technology to help achieve the goals of carbon emission reduction and resource recycling.

The Company launched a mineralized phosphogypsum resource utilization project at its subsidiary Tongling Conch to promote efficient phosphogypsum conversion. Relying on the 5,000 T/D clinker production line, the project is expected to consume 1 million tonnes of phosphogypsum annually, producing 690,000 tonnes of ammonium sulfate fertilizer and 540,000 tonnes of by-product calcium carbonate to replace limestone raw materials. This achieves annual carbon reduction of 245,000 tonnes, demonstrating a high-value-added resource utilization pathway.

In terms of fly ash resource utilization, the Company used tail gas CO_2 to carbonate soluble calcium in the washing liquid to prepare light calcium carbonate. This technology is ready for industrial application and has been successfully put into operation at Quanjiao Haihua.



Quanjiao Haihua Environmental Protection Lightweight Calcium Carbonate Preparation Project

Product Carbon Footprint Certification

We continuously advanced the product carbon footprint certification work. As of the end of the Reporting Period, 35 subsidiaries of the Group obtained certification certificates. By quantifying carbon emissions, we accurately identified high energy consumption processes and optimized production processes to reduce energy consumption, thereby lowering operating costs.


CARBON FOOTPRINT CERTIFICATION

产品碳足迹证书
CARBON FOOTPRINT CERTIFICATION

证书编号：CFP-BC-2025-261

Product Carbon Footprint Certificate
Ma'anshan Conch

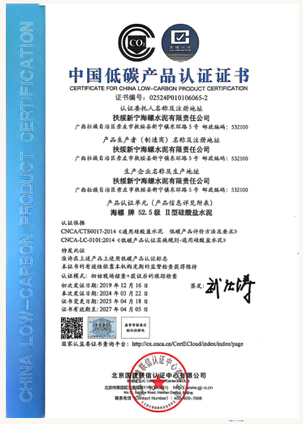

PRODUCT CARBON FOOTPRINT LABEL CERTIFICATION

产品碳足迹标识认证证书
CERTIFICATE FOR PRODUCT CARBON FOOTPRINT LABEL CERTIFICATION

Certificate for Product Carbon Footprint Label Certification
China Cement Plant

Low-Carbon Product Certification

During the Reporting Period, a total of 46 subsidiaries of the Group have passed relevant green and low-carbon product certification, continuously building a low-carbon, environmentally friendly, and sustainable product system.



Certificate for China Low-Carbon Product Certification
Fusui Conch



Certificate for China Low-Carbon Product Certification
Chongqing Conch

Innovating Management Mechanisms and Seizing Low-Carbon Market Opportunities

During the Reporting Period, Conch Cement promptly responded to policy adjustments and trading mechanism changes in the carbon market, comprehensively deepening its carbon asset management and carbon trading work. While advancing technological emission reduction, the Company established a carbon asset management system to facilitate the conversion of emission reduction achievements into carbon assets, exploring pathways for synergistic growth in environmental and economic benefits.

Carbon Management System Certification

In 2025, Baimashan Cement Plant, a subsidiary of the Company completed the carbon management system certification work and obtained the *Carbon Management System Certification* issued by the Shanghai Environment and Energy Exchange, realizing unified management, full-process traceability, and controllable quality of carbon emission data. We plan to expand the application to more enterprises in the future.



Baimashan Cement Plant Carbon
Management System Certification

Market Operation Deepening

The Company continuously advanced the market-oriented operation of carbon assets, completing the opening and activation of national carbon market account while actively participating in regional carbon market transactions in Guangdong, Chongqing, and other areas. In the Chongqing local market, we traded 110,000 tonnes of carbon allowances in 2025; during the "14th Five-Year Plan" period, we cumulatively traded 1.09 million tonnes of carbon allowances. At the same time, we actively participated in the national green certificate market, trading approximately 721,000 green certificates in 2025; during the "14th Five-Year Plan" period, we accumulated transactions of 1.207 million green certificates.

The Company engaged in China Certified Emission Reduction (CCER) trading, promoted the development of forestry carbon sink and international carbon emission reduction projects, and established multi-path project reserves, laying a foundation for future participation in the national carbon market and international emission reduction mechanisms.

Carbon Emissions Baseline Inventory

The Company conducted regular carbon inventories covering all aspects of production, operation, and logistics. During the Reporting Period, we have fully completed the inspection work of 67 emission-controlled subsidiaries, identified 628 issues, and proposed 739 optimization suggestions, comprehensively consolidating the foundation of data quality.

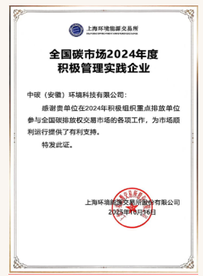
Simultaneously, the Company established a closed-loop data governance system to drive issue rectification and management improvement, providing support for in-depth collection and accounting of Scope 3 emissions data.

Talent Echelon Construction

The Company actively introduced professionals in carbon asset management, encouraged employees to participate in training and certification on carbon accounting and carbon market operations, regularly conducted carbon policy seminars, and implemented a mechanism linking work performance related to carbon assets with employee performance appraisal, comprehensively strengthening the construction of our carbon management talent echelon.

Recognition for Management Practices

In 2025, Zhongtan Technology Company, a subsidiary of the Company, was honored as a "National Carbon Market 2024 Active Management Practice Enterprise" by the Shanghai Environment and Energy Exchange, fully demonstrating the advanced nature of the Company's initiatives in carbon asset management and green transformation.



National Carbon Market
2024 Active Management
Practice Enterprise

Promoting the Dual Carbon Interconnection Platform

In 2025, the Company fully deployed the “Dual Carbon Interconnection” Platform, covering all emission-controlled units. Using big data analysis and governance technologies, we established a unified data platform to achieve diversified data collection, standardized processing, and standardized services. The platform incorporates industry-specific carbon emission models to support efficient management of carbon emission accounting and carbon asset data. In addition, we simultaneously promoted the “government-enterprise collaboration” project, becoming the first enterprise in the cement industry to achieve data interconnection with the national carbon market platform.



Dual Carbon Interconnection Platform

Outlook for the “15th Five-Year Plan” Period

Looking forward to the “15th Five-Year Plan” period, Conch Cement will take the “15th Five-Year Plan” as the action plan, focus on high-quality development, anchor on the strategic goal of building a world-class enterprise, and adhere to the “digital, intelligent, green, and international” direction. We will unswervingly optimize the existing stock while expanding the incremental stock, drive a systematic shift in our development mode from “quantitative growth” to “qualitative enhancement”, and systematically build core competitive advantages for the future.

We will remain committed to strengthening our core cement business, and solidifying our development foundation through specialized integration, accelerated international development, and extended industrial chains. Building on this foundation, we will further enhance industrial synergy, deepen our layout in aggregate and commercial concrete, accelerate entry into new consumer building materials sectors, expand novel building materials business, and cultivate new growth drivers. For new energy, environmental protection, and digital economy industries, we will concentrate our efforts around the core business to empower and upgrade operations, striving to build a new industrial system characterized by green, low-carbon, intelligent, and efficient practices.

Outlook for the 15th Five-Year Plan Period

Focus on core business of cement

We will adhere main responsibilities and core business, accelerate the optimization of the domestic market and expansion of the international market with a broader vision and more proactive actions, achieving breakthroughs both domestically and internationally.

Based on the domestic circulation, we will continuously optimize its industrial and production capacity layout, enhance operational efficiency and product competitiveness, and consolidate the advantage in the domestic market.

We will seize the opportunities of globalization, actively advance the internationalization strategy. We will deeply get involve in the Belt and Road Initiative through various means such as newly establishment, mergers and acquisitions, brand export and trade services, exporting China’ advanced cement technology and equipment to overseas, expanding market space globally and creating new competitive advantages in international market.

Adhere to the Industrial Chain Coordination

We will extend our core business chain to achieve a comprehensive upgrade from "a bag of cement" to "a complete set of solutions". We will advance the layout of consumer building materials projects such as dry-mixed mortar, tile adhesive and gypsum board, further develop an integrated and diversified product system, and establish a business model that matches industry characteristics. We will fully promote the development of comprehensive service-oriented, specialized and branded operations, and strive to build the company into a "one-stop" service provider of comprehensive building materials solutions.

Insist on the Innovation-driven and Green Development

We will focus on the high-quality development direction of “green, low-carbon, intelligent, and high-end”, strengthen technological innovation and its promotion and application, combine cutting-edge technologies such as artificial intelligence, blockchain, and cloud IoT, promote the in-depth integration of digital technology with cement manufacturing processes, and continuously empower multi-scenario applications in the intelligent field.

We will carry out the upgrading of production process equipment and green technological transformation, increase the development and utilization of new energy such as biomass, photovoltaic, and wind power, vigorously develop locally adapted alternative raw materials, focus on breakthroughs in key materials, basic equipment, basic components, key low-carbon/zero-carbon/negative-carbon technologies, and common technologies, and continuously reduce the carbon emission level and total carbon emissions, further forming the green momentum for high-quality development.

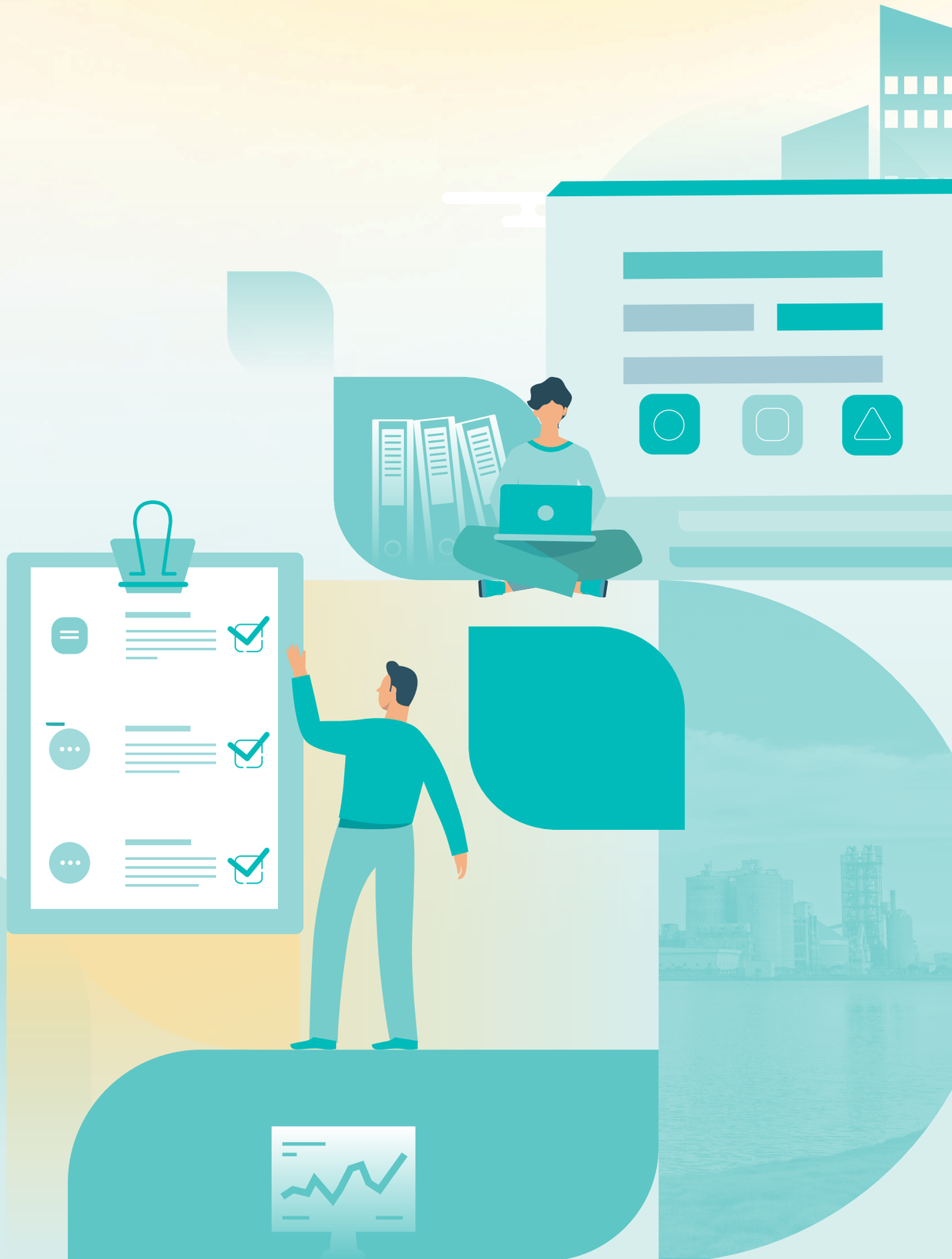
During the “15th Five-Year Plan” period, Conch Cement will continue to build an industrial ecosystem led by the core business, supported by industrial synergy, and driven by innovation, continuously enhance our core competitiveness and sustainable development capabilities, and contribute core strength to the transformation and development of the Group!



05

ESG Governance

- 5.1 ESG Management Approach 41
- 5.2 ESG Management Structure 42
- 5.3 Double Materiality Analysis 43
- 5.4 Communications with Stakeholders 44



05 ESG Governance

Conch Cement firmly believes that sustainable development is the cornerstone for creating long-term value. We have established a scientific and rigorous ESG governance framework, actively responding to and meeting the diverse demands and expectations of stakeholders through our continuously improved ESG management system. We are committed to promoting the harmony and integration of the enterprise at the economic, environmental and social levels, so as to achieve sound, sustainable, and healthy development.

5.1 ESG Management Approach

Adhering to the orientation of high quality and sustainable development, Conch Cement is promoting green transformation, digital and intelligent transformation, and industrial layout optimization in a coordinated manner. We have also formulated an ESG management policy aligned with the Company's actual development to scientifically guide the sustainable development process of the enterprise.

Environmental

- We are unwavering in taking low-carbon transformation as our strategic focus, thoroughly implementing a full life-cycle low-carbon development path that spans the whole process, reducing carbon emission at source and in the process, sequestering carbon at terminal.
- We take responsibility for protecting the ecological environment and are committed to preserving green mountains and clear waters, striving to set industry benchmarks for ultra-low emissions through a robust environmental management system and advanced emission control technologies, while seeking environmentally friendly development models that achieve harmonious coexistence with nature.

Social

- We adhere to the guide of high-quality development, aiming to continuously expand the boundaries of value chain collaboration through a comprehensive quality management system and a sustainable supply chain ecosystem, thereby driving synergistic innovation in technology and the common development of the industry.
- We are committed to turning outstanding talent into core internal drivers for enterprise development. We build a broad platform for talent development by safeguarding the legitimate labor rights, stimulating the vitality of talent growth, and deepening employee care and well-being. We comprehensively strengthen the defense line for employee health and safety through system improvement, responsibility implementation, and risk prevention.
- We uphold the strategic philosophy of openness, inclusiveness, win-win cooperation, and shared outcomes. We actively engage in philanthropic initiatives and rural revitalization projects, giving back to society through concrete actions and demonstrating our corporate responsibility.

Governance

- We have deeply integrated ESG principles into the top-level design of our corporate governance structure, continuously solidifying the foundation of our ESG management system. We focus on accurately identifying and assessing potential ESG risks across key issue areas, and formulate effective response strategies.
- Relying on a "five-in-one" supervision mechanism, we provide a solid foundation for fostering an environment of integrity in business practices through supervision, communication, and whistleblowing handling.

5.2 ESG Management Structure

To promote the deep integration of sustainable development concepts with corporate governance, Conch Cement has established a three-tier management structure composed of Board of Directors decision-making — ESG Management Committee coordination — ESG Working Group execution. By clarifying the management functions at each level, this structure ensures the effective implementation of ESG strategic planning, providing robust organizational support for the Company's high-quality sustainable development.

Decision-making Body	**Board of Directors**	Formulates and oversees ESG management policies, strategic goals, and implementation progress, bearing primary responsibility for the Company's ESG matters Establishes an ESG reporting disclosure strategy, reviews and approves proposals and reports submitted by the ESG Management Committee
The Management	**ESG Management Committee**	Leads the Company's ESG-related affairs, coordinates, and supervises the execution of the ESG Working Group Regularly reports work progress to the Board of Directors and provides recommendations for decision-making
The Executive	**ESG Working Group**	Advances the implementation of ESG-related work and deeply integrates sustainable development requirements with the Company's strategies, vision, and values Conducts regular statistics and analysis of ESG-related data, reporting progress and outcomes to the ESG Management Committee

To effectively enhance the performance effectiveness of the Management in fulfilling ESG governance responsibilities, Conch Cement has established an incentive and restraint mechanism for senior management linked to ESG-related performance. The Company incorporates key ESG indicators into the performance evaluation system for senior management, and upon the completion of the evaluation period, comprehensively evaluates the achievement of targets. Based on the evaluation results, the performance compensation and tenure incentive compensation are issued. At the implementation level, the Company has already set safety and environmental protection-related performance indicators[4] for the General Manager and the Vice President responsible for safety and environmental protection. For the Vice President and Board Secretary responsible for corporate governance and compliance management, corporate governance-related performance indicators[5] have been set. Additionally, innovation and R&D-related performance indicators[6] have been set for senior management responsible for digitalization and intelligentization. This ensures the effective top-down transmission and implementation of ESG responsibilities.



[4] Performance assessment indicators related to safety and environmental protection include: carbon emission intensity reduction indicators, standard coal consumption reduction indicators per ton of clinker, comprehensive power consumption reduction indicators per ton of clinker, power consumption reduction indicators for cement process, safety and environmental protection accident assessment indicators, R&D investment intensity, and the proportion of R&D expenses, etc.

[5] Performance assessment indicators related to corporate governance include: the number of violations of standardized governance of listed companies, the rights protection rate of litigation cases, etc.

[6] Performance assessment indicators related to innovation and R&D include: the R&D investment intensity, the proportion of R&D expenses, and the number of invention patent applications, etc.

5.3 Dual Materiality Analysis

Accurately identifying the financial and impact significance of ESG issues is crucial for enhancing corporate financial performance, expanding social value, and guiding strategic decision-making.

During the Reporting Period, the Company conducted a scientific and standardized dual materiality assessment based on its business operation and actual performance, aiming to precisely identify and evaluate the Company's most material issues and actively respond to the core concerns and demands of various stakeholders.

Dual Materiality Assessment Process

Background Research and Stakeholder Identification

- Conduct a comprehensive analysis of the Company's current internal and external environment, taking into account both external factors such as ESG rating requirements in capital markets and macro policy trends, as well as internal factors including the Company's business strategies and development needs
- Identify the Company's entire value chain, precisely identify core stakeholders, and gain a deep understanding of each stakeholder's expectations and demands

List of Issues

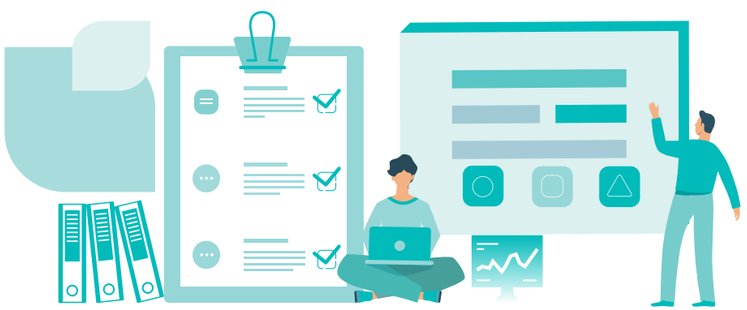
- Based on mainstream domestic and international industry standards and the Company's business characteristics, preliminarily screen potential material issues that may have a substantive impact on the Company
- Incorporate macro policies, industry standards and good practices from industry leaders and conduct a comprehensive analysis to finalize a list of 22 material issues

Materiality Assessment

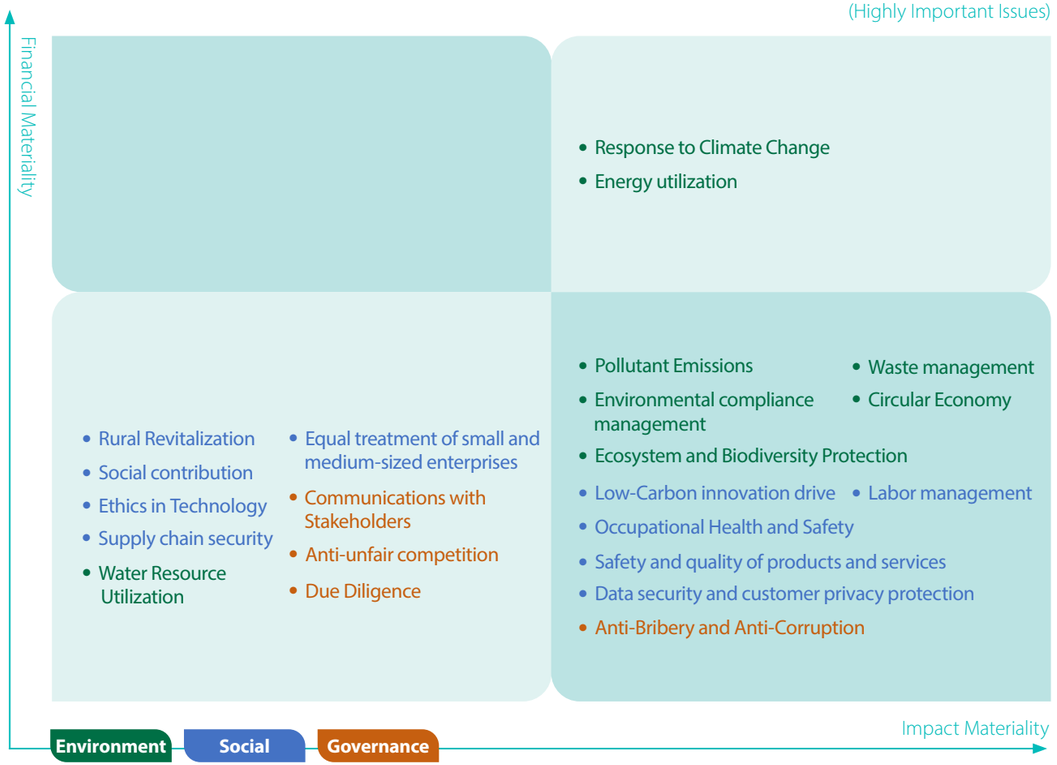
- Conduct in-depth analysis of the identified issues, extensively collect questionnaire feedback from internal and external stakeholders, and analyze the questionnaire data from the perspectives of financial and impact materiality
- Determine the materiality level of each issue based on the Company's actual business conditions and management discussions

Issue Disclosure and Communication

- Organize the assessment results, identify material issues with significant impact on the company, integrate them into corporate strategic planning and disclosure reports, and develop targeted improvement plans to enhance related initiatives
- For highly material issues, we focus on disclosing their governance structure, strategic planning, risk management, metrics and targets in the report, ensuring that substantive practical actions are fully presented



Dual Materiality Issues Matrix



5.4 Communications with Stakeholders

Conch Cement places high importance on communication and collaboration with all stakeholders, actively sharing operational dynamics and adopting their feedback and suggestions on the Company's operations. We are committed to building transparent, mutually trusting partnerships. In 2025, the Company revised its Investor Relations Management Measures and Information Disclosure Management Measures in response to regulatory changes to further standardize investor communication and information disclosure mechanisms. Through regular communication channels such as shareholder meetings, roadshows, investor hotlines, and online interactive platforms, the Company promptly addresses stakeholders' concerns, enhancing their understanding and recognition of the Company.

Additionally, the Group's management team actively participates in ESG-related industry forums and management practice seminars. By sharing ESG governance experiences, they enhance their professional skills while simultaneously elevating the Company's ESG governance standards and overall corporate value. In 2025, the Company organized ESG-themed training sessions through its "Conch Lecture" series, covering topics such as carbon peak and carbon neutrality strategies, capital market compliance and regulation, and sustainable development of new materials. We invited industry experts to provide in-depth analysis on core issues including carbon trading mechanisms, green finance policies, and low-carbon transition paths, effectively enhancing the management's professional capabilities in environmental and corporate governance.

Identification of stakeholders	Concerned issues	Communication channels of the Company
Customers	Safety and quality of products and services Low-carbon innovation drive Data security and customer privacy protection Equal treatment of small and medium-sized enterprises	Customer visit Market survey National customer service hotline Customer satisfaction inquiry
Shareholders and investors	Anti-Bribery and anti-corruption Anti-unfair competition Due diligence Communications with stakeholders Dealing with climate change Environmental compliance management Circular economy Energy utilization Safety and quality of products and services Ethics in technology Supply chain security Labor management	Investor relations website General meeting of shareholders Information disclosure Letter correspondence Teleconference Web conference Reception of visitors Introduction and road show Investor hotline SSE e-interactive platform Results conference
Government/ regulatory authorities	Response to climate change Environmental compliance management Pollutant emissions Water resource utilization Waste management Energy utilization Occupational health and safety Labor management Anti-bribery and anti-corruption Anti-unfair competition Communications with stakeholders	Institutional investigation Correspondence Implementation of policy Information disclosure Training seminar
Employee	Occupational health and safety of employee Labor management	Labor union Employee activity Employee training Employee survey
Suppliers	Supply chain security Safety and quality of products and services Equal treatment of small and medium-sized enterprises	Supplier evaluation Supplier communication and training

Identification of stakeholders	Concerned issues	Communication channels of the Company
Community public	Social contribution Rural revitalization Safety and quality of products and services Environmental compliance management Waste management Pollutant emissions Ecosystem and biodiversity protection	Voluntary service Community activity Media communication and interview
Business partner	Safety and quality of products and services Low-carbon innovation drive	Industry exchange conference Enterprise panel
Media	Circular economy Energy utilization	Media communication and interview Results conference Company announcements

A New Chapter in Stakeholder Engagement



Investors' visit to the smart factory



Supplier Exchange of Chizhou Conch



Results Conference in Hong Kong



Yunnan Regional Customer Symposium



Roadshow in Europe



Employee Symposium of Yingde Conch

Conch Cement is committed to maintaining the relationships with stakeholders and enhancing stakeholder management practices. During the Reporting Period, we organized various activities, including the interim results conferences, on-site investor research sessions, and symposiums and exchange sessions with suppliers, customers and employees, actively delivering the Company's investment value and sustainable development strategy. Additionally, through roadshow events in Hong Kong and Europe, Conch Cement showcased its competitiveness and growth prospects to international investors, which were highly recognized by international investors.

06

Governance:
Lean Governance, the Right Path

- 6.1 Statement of the Board of Directors 49
- 6.2 Corporate Governance 50
- 6.3 Business Ethics 52
- 6.4 Risk Management and Control 56



06 Governance: Lean Governance, the Right Path

Conch Cement is committed to compliance governance, strictly adhering to domestic and international regulatory laws, regulations, and industry standards, while striving to achieve industry's best practices. We continuously optimize our corporate governance structure, uphold business ethics, and establish comprehensive risk management and internal control systems to ensure the Company's sustained and stable operations.

6.1 Statement of the Board of Directors

The data used in the Report are sourced from public data, relevant internal statistical statements, questionnaires and interviews, etc. of Conch Cement, and the economic data covered in the Report are consistent with the data range in annual report of Conch Cement for 2025.

Responsibility of the Board

The Board has ultimate responsibility for the formulation and tracking of ESG strategies, tactics and objectives of the Group. The Board has the ESG Management Committee, which is in charge of planning and supervising the promotion of the Company's ESG vision, objectives, strategies and structure, identifying and evaluating significant ESG risks, reviewing disclosures related to the Company's ESG, coordinating and monitoring the implementation of various work in relation to ESG, holding committee meetings at least twice a year, and making recommendations and reporting to the Board on a regular basis, with its responsibilities detailed in the *Functions and Powers of Environmental, Social and Governance (ESG) Management Committee* of the Company.

Daily Implementation

During the Reporting Period, Conch Cement continuously integrated ESG management into daily operations, further enhancing sustainable development and comprehensive performance:

1. Strengthening ESG Governance System: actively responded to the requirements of the *Guidelines for Articles of Association of Listed Companies* issued by the China Securities Regulatory Commission (CSRC), optimized the corporate governance structure, abolished the Board of Supervisors and supervisor positions, delegated the relevant functions and powers to the Audit Committee of the Board of Directors for exercise in accordance with the law, and on this basis, concurrently completed the revision of core documents including the *Articles of Association*, the *Rules of Procedure for the Shareholders' Meeting* and the *Rules of Procedure for the Board of Directors*, so as to ensure the standardized operation of the governance system.

2. Formulating Low-Carbon Development Goals: updated and formulated the medium-term objectives for alternative fuel application, energy consumption, and greenhouse gas emissions by 2030, and thoroughly implemented high-quality development requirements based on the clear long-term objectives, namely achieving carbon neutrality for subsidiaries in Jiangsu, Zhejiang and Shanghai by 2050 and completing Group-wide green transformation by 2060.

3. Enhancing ESG Disclosure Transparency: completed the submission and disclosure of the S&P Global Corporate Sustainability Assessment (CSA) and Carbon Disclosure Project (CDP) questionnaires during the Reporting Period. The Company's MSCI ESG rating was upgraded from "BB" to "BBB"; the S&P CSA score increased by 9 points, further improving the quality and transparency of the Company's ESG disclosures. The Company was selected as a 2025 Best Practice Case for Sustainable Development of Listed Companies by the China Association for Public Companies (CAPCO), and included in the Pioneer 100 of China ESG Listed Companies by China Media Group (CMG). Our ESG value has been highly recognized by investors.

4. Integrating ESG into Special Improvement Plans: formulated and issued the 2025 Valuation Enhancement Plan, integrating ESG principles and sustainable development into every stage of the valuation enhancement process to empower corporate valuation growth through ESG value improvement.

Risk Management

The ESG Management Committee of Conch Cement is responsible for identifying, defining, managing, and overseeing significant ESG risks, while providing risk analysis and decision-making support to the Board of Directors.

Materiality Analysis

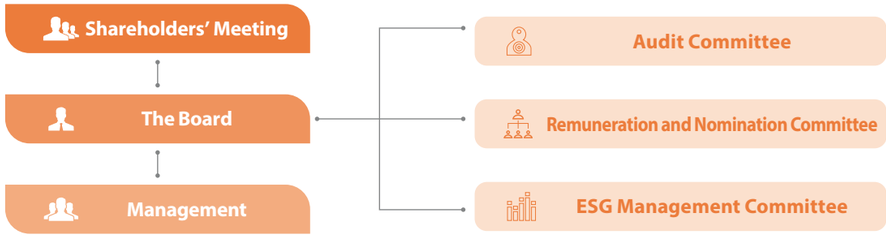
Conch Cement has established effective communication channels with all stakeholders to systematically identify and assess key ESG risks, formulate the Group's ESG strategic planning accordingly, and stay informed of international ESG trends and industry best practices, regularly reviewing and optimizing its sustainable development path.

6.2 Corporate Governance

6.2.1 Corporate Governance Structure

Conch Cement strictly complies with the *Company Law of the People's Republic of China*, the *Corporate Governance Code*, and other relevant domestic and international legal requirements, and continuously improves its governance structure. During the Reporting Period, in accordance with the requirements of the *Guidelines for Articles of Association of Listed Companies* issued by CSRC and the *Company Law of the People's Republic of China*, the Company abolished the Board of Supervisors and supervisor positions, and delegated the statutory functions and powers of the Board of Supervisors to the Audit Committee of the Board of Directors, forming a governance structure composed of the Shareholders' Meeting, the Board and the Management.

In response to adjustments to the corporate governance structure, the Company has revised its *Articles of Association, Rules of Procedure for the Shareholders' Meeting* and the *Rules of Procedure for the Board of Directors, the Terms of Reference of the Audit Committee, the Terms of Reference of the Remuneration and Nomination Committee* and other related regulations to ensure the effectiveness of the corporate governance system.



- The Shareholders' Meeting is the body of authority in the Company.
- The Board is the business decision-making body of the Company.
- The Board has three professional committees: the Remuneration and Nomination Committee, the Audit Committee and the ESG Management Committee. The Remuneration and Nomination Committee is mainly responsible for formulating the remuneration policy for directors and senior management of the Company and developing remuneration plans for directors and senior management, etc. The Audit Committee mainly assists the Board of Directors in its work by supervising the independence and work efficiency of the accounting firm, the Company's financial reporting procedures and the efficiency of the internal control system. The ESG Management Committee is mainly responsible for ESG-related matters of Conch Cement, and is committed to improving the ESG management system and continuous enhancing the ESG management capability, with its responsibilities detailed in the *Functions and Powers of Environmental, Social and Governance (ESG) Management Committee of Anhui Conch Cement Company Limited.*
- The Management is the executive core of daily operation, which is accountable to the Board. The members of the management have profound professional backgrounds and rich practical experience in corporate management, corporate governance, risk and financial management, cement process and technology, marketing, information management and international operations.

Conch Cement Governance Structure

Conch Cement places high importance on the effectiveness of the Board of Directors, establishing sound decision-making evaluation and oversight mechanisms to ensure impartial decision-making of the Board of Directors, thereby effectively protecting shareholder interests and enhancing the Company's sustainable operational capabilities. The Company annually evaluates the independence of independent non-executive directors to ensure they consistently provide independent, objective professional insights to the Board. Additionally, the Remuneration and Nomination Committee is responsible for assessing the performance of executive directors and approving the terms of service contracts, ensuring that the performance of directors and senior management aligns with corporate objectives. A reasonable remuneration incentive mechanism is in place to drive long-term growth.

While safeguarding Board effectiveness, the Company continuously strengthens Board diversity. We strictly implement the *Board Diversity Policy*, comprehensively considering diversity criteria such as gender, age, cultural background, professional expertise, and industry experience when selecting candidates. We continuously monitor relevant legal and regulatory developments, regularly assessing the compliance and suitability of the Board's composition to ensure the scientific and effective decision-making mechanism.

As of the end of the Reporting Period, the Board is comprised of nine members, including five executive directors, three independent non-executive directors, and one employee director. Independent non-executive directors accounted for 33.3%, while female directors numbered two, representing 22.2%. Board members possess extensive industry experience and cross-disciplinary professional backgrounds. They have extensive practical expertise in the management and market trends of the building materials industry[7] and deep knowledge reserves in financial auditing, accounting standards, and risk management[8], and can provide professional and diverse insights into corporate governance and decision-making.

6.2.2 Tax Management

In fulfilling its corporate tax obligations, Conch Cement strictly adheres to tax laws and regulations to maintain a fair and transparent business environment. The Company proactively discloses key taxes and rates in annual reports, including Value-Added Tax (VAT), Urban Maintenance and Construction Tax, and Corporate Income Tax, ensuring transparency and full compliance with tax law requirements. In addition, the Company explicitly discloses the recognition principles of income tax, tax entities, and corresponding rates. Such systematic information disclosure supports sustainable operations and lays a sound governance foundation for long-term development.



[7] Mr. Qu Wenzhou, the independent non-executive director of the Company, was an independent non-executive director of Fuyao Glass Industry Group Co., Ltd, a company in the building materials industry, and has extensive knowledge and experience in the building materials industry.

[8] Mr. Li Qunfeng, the executive director of the Company, is the chairman of the Strategy, Sustainability and Risk Management Committee of Conch Environment Protection. Mr. Qu Wenzhou, the independent non-executive Director, is the director of the Risk Management Committee of Haixia Bank. Ms. Han Xu holds a Master of Laws degree from the University of Oxford, possesses extensive experience in corporate restructuring, asset reorganization, handling major compliance incidents, and listing matters, and is currently a partner at Beijing Shizhao Law Firm and General Counsel of NetEase Cloud Music Group. All three Directors have demonstrated their profound professional ability and rich experience in the field of risk management.

6.3 Business Ethics

Conch Cement always upholds the values of integrity in operation and in practice, rigorously adhering to business ethics regulations to continuously foster a sound and orderly business ecosystem. The Company has established policies and systems in areas such as anti-corruption, anti-monopoly, and anti-unfair competition. The Company promotes the improvement of business ethics management from multiple dimensions through improving monitoring mechanisms, deepening the development of integrity culture, and optimizing the whistleblowing acceptance process.

6.3.1 Policies and Systems Guarantee

Conch Cement holds integrity and compliance as core values and strictly complies with laws and regulations on anti-corruption, anti-monopoly, and anti-unfair competition applicable to each location of operation. We continuously implement the *Conch Cement Anti-Bribery and Anti-Corruption Policy*, which clearly stipulates the key areas of concern and requirements for anti-bribery and anti-corruption, as well as the management mechanism. It applies to all employees of Conch Cement (including all full-time employees, part-time employees (if any), members of the Board of Directors, and senior management who have signed employment contracts with the Company). We rigorously ensure the effectiveness of disciplinary inspection work (i.e. supervision and inspection) in accordance with systems and standards such as the *Rules for the Work of the Discipline Inspection Committee of CPC Anhui Conch Cement (Trial), the Interim Measures for Acceptance and Disposal of Discipline Inspection Letters and Calls and Reports of Conch Cement*, and the *Conch Cement Disciplinary Inspection Work Assessment Rules (Trial)*. During the Reporting Period, the Company newly issued the *Management Measures for Technical Transformation Projects* and the *Management Measures for Related Party Transactions (Revised)*. By standardizing the bidding and tendering procedures for technical transformation projects and the decision-making procedures for related parties, the Company strictly prevents commercial fraud and interest transfer from the source.

In respect of ethical standards of conduct for suppliers, the Company stipulates ethical standards for partners through the *Conch Cement Supplier Code of Conduct*. All the suppliers are required to have and comply with a comprehensive code of conduct or policies to prohibit the occurrence of all unethical or illegal business practices, including any form of bribery, corruption and other behaviors. Meanwhile, all the suppliers should have effective processes and procedures to deal with and mitigate the negative impacts of such behaviors. We incorporate these ethical standards into mandatory requirements for supplier admission and evaluation through integrity agreements, and the percentage of supplier integrity agreements signed during the Reporting Period is 100%.

To strengthen compliance awareness among all employees, the Company has organized all units and management personnel to sign main responsibility letters for Party conduct and integrity building, supervision responsibility letters, and integrity agreements, achieving 100% coverage, and dynamically updates integrity files of cadres. Additionally, the Company conducts in-depth compliance reviews of partners through the "integrity return visit" mechanism, and carries out all-round and multi-form integrity warning and education activities to ensure that both the Company's employees and partners strictly abide by the bottom line of professional ethics.

6.3.2 Business Ethics Supervision and Inspection Mechanisms

In order to ensure the continuous and effective promotion of the Company's business ethics, the Company promotes the construction of the "Comprehensive Supervision" system, with the Board of Directors as the highest responsible body of the oversight for business ethics issues, working in collaboration with the Audit Committee and senior management. Through a clear division of responsibilities among the "Company's Discipline Inspection Commission - Regional Discipline Inspection Organizations - Grassroots Discipline Inspection Commissions - Discipline Inspection Teams", the system promotes deep collaboration among internal audit, discipline inspection, legal, and other functional departments, ensuring the routine implementation of business ethics oversight.

We have included the business ethical behavior of our employees in the scope of regular audits covering all of our operations, and ensured that business ethics audits were carried out annually and the supervision and management mechanism was implemented by the disciplinary inspection, audit and legal departments in collaboration with each other, so as to promptly identify and deal with potential business ethical risks, and to ensure that all systems and requirements were implemented.

"Five-in-One" Supervision Mechanism				
Political Supervision	Specialized Supervision	Functional Supervision	Professional Supervision	Democratic Supervision

"Comprehensive Supervision" System Framework	
Supervision Committee	The Company's Party Committee Secretary serves as the Director of the Supervision Committee, the Deputy Secretary of the Party Committee and the head of the Discipline Inspection
Supervision Committee Office	The daily work is undertaken by the Company's Discipline Inspection Commission, with the head of the Discipline Inspection Commission serving as the Office Director
Members of the Supervision Committee Office	Composed of the main persons in charge of each department.

Conch Cement's "Five-in-One" Supervision Mechanism and "Comprehensive Supervision" System Framework

During the Reporting Period, the Group did not engage in any litigation involving violations of business ethics, such as corruption, bribery, unfair competition, conflicts of interest, money laundering, or insider trading.

The Company Held Annual Discipline Inspection Work Conference and Meeting for Duties and Integrity Reports of the Secretary of Discipline Inspection Commission of the Subsidiaries

During the Reporting Period, the Company's Discipline Inspection Commission convened the Annual Discipline Inspection Work Conference and Subsidiary Party Discipline Inspection Commission Secretaries' Reporting and Integrity Presentation Meeting. The meeting reviewed and issued the 2025 Discipline Inspection Work Guidelines for Conch Cement Co., Ltd., which outlined specific requirements for improving Party conduct, integrity, and anti-corruption efforts across six key areas and provided clear guiding principles for discipline regulatory personnel at all levels to carry out annual supervision and disciplinary enforcement, aiming at steadily advancing the performance review mechanism for grassroots discipline inspection organization secretaries and ensuring the fulfillment of supervisory responsibilities. By the end of the Reporting Period, all annual discipline inspection tasks had been successfully completed.

6.3.3 Integrity-Based Culture

Conch Cement intensively promotes the development of integrity culture and guides employees to adhere to the bottom line of integrity through regular publicity and education. In 2025, we conducted systematic integrity education for all full-time and part-time employees through diversified means including on-site lectures, integration into professional meetings, and online training. We innovatively implemented cross-regional supervision, and continuously fostered a clean and upright working atmosphere. Meanwhile, the Company has continuously strengthened compliance outreach to external partners, requiring stakeholders such as suppliers, clients, and engineering contractors to strictly abide by business ethics standards, and jointly monitored potential ethical risks in business interactions, committing to building a transparent and open value chain ecosystem.

Conducting Integrity Education and Training





Integrity Education and Training



During the Reporting Period, in accordance with the *Conch Cement Anti-Bribery and Anti-Corruption Policy*, we regularly conducted integrity training for all employees, part-time employees and contractors with a total of 115,000 person-times of training throughout year, further instilling the concept of integrity and honesty among employees and fostering a clean working environment.

Integrity Education AI Video

In 2025, the Company actively implemented innovative management requirements, continuously exploring forms of integrity education that could easily arouse vigilance. The Company's Discipline Inspection Commission innovatively applied AI technology, and taking typical cases around them as the basis, independently planned and created a series of short integrity warning education videos such as the *Hidden Hand Behind "Substandard Replacement"* and the *Heavy Price of Embezzlement by Custodians*, guiding employees to draw lessons from the cases and remain vigilant, thereby further strengthening their ideological line of defense against corruption and moral decline.



Integrity Education AI Video

Launching the "Integrity Culture Month" Activity



Integrity Party Lecture



Integrity Family Culture Symposium



Integrity Culture Work



Signature Event for the Family-Supported Integrity Initiative

In May 2025, the Company launched the "Integrity Culture Month" campaign, integrating it with the study and education on in-depth implementation of the eight-point decision on improving conduct and the "Year of Campaign for Enhancing Standardization, Legalization and Regularization of Discipline Inspection and Supervision Work" initiative. We started from three aspects: "Opening Integrity Classrooms", "Creating Integrity Carriers", and "Strengthening Integrity Lines of Defense". Through various forms such as special education lectures, warning education, creating integrity culture works, distributing "Integrity Family Letters", and organizing various supervision and inspection activities, we urged all units to implement the requirements in detail and further thicken the atmosphere of integrity culture.

6.3.4 Reporting Channels

The Group has formulated the *Measures for the Administration of Discipline Inspection and Supervision Letters and Visits* and the *Detailed Rules for Supervision, Discipline and Law Enforcement (Trial)*, which clearly stipulated the detailed rules and procedures for handling anti-corruption complaints and reports, as well as protection measures for whistleblowers. They are applicable to all employees, customers, partners, suppliers, engineering contractors, and other related parties. After receiving complaints or reports, we clarify the investigation process of clues in accordance with the *Interim Measures for the Acceptance and Handling of Whistle-blowing via Petition Letters for Discipline Supervision of Conch Cement*.

The Company has established a multi-channel reporting system comprising letters, telephone, email and the "Youshisaoma" WeChat Mini Program. Adhering to the principle of "hierarchical responsibility and assigning tasks to dedicated office and personnel", the Company collects reporting information from employees, suppliers and customers to ensure the transparency and accessibility of reporting channels. In terms of the reporting handling process, we implement closed-loop management: clues are registered by designated personnel, and after collective assessment and deliberation, classified and disposed of through such forms as interviews, written inquiries, and preliminary verification.

Conch Cement adopts a "zero-tolerance" stance towards any retaliation taken against whistleblowers. We have established a comprehensive whistleblower protection mechanism, implementing a strict whistleblower identity confidentiality system and resolutely safeguarding the privacy rights of every whistleblower. We pledge to maintain strict confidentiality regarding whistleblowers' personal information and the content of their reports. The company strictly prohibits any form of retaliation. Any such actions discovered will be dealt with severely in accordance with laws and regulations, ensuring the lawful rights and interests of whistleblowers are fully protected.

6.4 Risk Management and Control

Conch Cement strictly adheres to laws and regulations such as the *Audit Law of the People's Republic of China* and the *Implementation Regulations of the Audit Law of the People's Republic of China*, and continuously implements internal management policies and systems, including the *Anhui Conch Cement Co., Ltd. Internal Control Evaluation Management Measures* and *Anhui Conch Cement Co., Ltd. Internal Control System Construction Management Measures*, continuously improving the Company's audit and internal control systems, thereby reducing operational risks. In 2025, building upon existing internal control evaluation and audit management practices, the Company formulated and issued a series of new regulations including the *Management Measures for Construction Project Implementation, the Management Measures for Related Party Transactions (Revised)*, the *Quality Management Procedures for Ready-Mixed Concrete Products*, the *Management Measures for Small-Scale Projects* and the *Guides on the Operational Standards for New Energy Charging Pile Business*. By strengthening compliance supervision over business processes, the Company facilitates the clear and precise achievement of its risk management and control objectives.

To achieve robust risk management, we have established a comprehensive risk management framework, with the Board of Directors serving as the highest decision-making and oversight body. The framework is built on a "Three Lines of Defense" risk management structure, supported by an efficient reporting mechanism to enable effective collaboration across all levels, enhancing the Company's ability to prevent, identify, and respond to risks.



First Line of Defense: Audit Office

- Through internal audit and internal control means, it plays an important role in risk management in the management of business operations:
  - Internal Control: Conducts annual comprehensive management inspections and internal control self-assessments to evaluate the implementation of regulations and internal management requirements across subsidiaries.
  - Internal Audit: Through continuously identifying, analyzing, and rectifying issues, focusing on key areas, addressing weaknesses, and strengthening deficiencies., it provides senior management with a comprehensive and objective information channel for viewing operational management.

Second Line of Defense: Audit Committee and ESG Management Committee

- Audit Committee: Composed of three independent non-executive directors; responsible for identifying, managing, supervising, and controlling various risks faced by the Company, including but not limited to strategic, financial, market, and legal risks. It provides risk analysis and decision-making support to the Board of Directors.
- ESG Management Committee: Composed of three executive directors; responsible for identifying, defining, managing, and supervising significant ESG risks, and providing risk analysis and decision-making support to the Board of Directors.

Third Line of Defense: Board of Directors

- The Board of Directors: Responsible for risk management and the internal control system, which covers all critical aspects of production and operations.

Based on a robust risk management framework, Conch Cement actively engages in internal control and risk management activities. During the Reporting Period, we focused on the governance objectives of "strengthening compliance and preventing risks", deepened the integrated and coordinated pattern of the "Comprehensive Supervision" system, and systematically expanded the scope of internal control evaluation and risk identification to emerging industry sectors including new energy, data economy and consumer building materials. Through continuous optimization of key business processes, enhanced specialized supervision in key areas and promotion of institutional remediation based on audit findings, we steadily established and improved the compliance management system, enhancing the Company's ability to prevent, identify, and address various operational risks. Meanwhile, we actively explored digital supervision tools, deepened our commitment to building a compliance culture, and further strengthened the compliance and risk prevention awareness of all employees, safeguarding the long-term, steady development of the Company.



Strengthening Internal Control Management and Standardizing Company's Operations

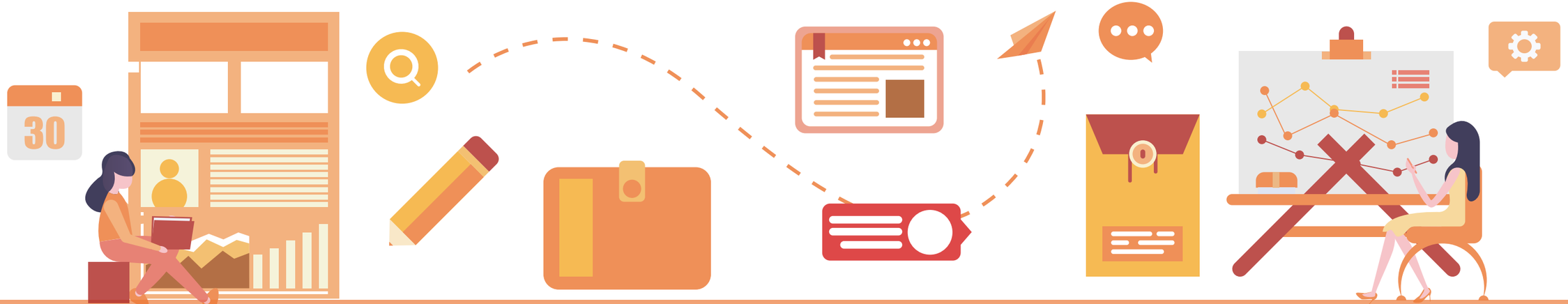
In 2025, the Company issued the Annual Internal Control Management Key Points, coordinated the self-assessment of professional departments and the cooperation with external auditors, and systematically sorted out and resolved management deficiencies. We conducted region-specific and discipline-specific rectification verification on 3,646 deficiencies identified in the previous year's internal control self-assessment, and successfully completed rectification and closure of all internal control issues identified by external auditors, ensuring the system's efficient operation and closed-loop management.

Focusing on Key Areas and Conducting Audit Supervision in an Orderly Manner

The Company adheres to the principle of "auditing upon departure and full coverage every five years", scientifically implements the annual audit plan, and realizes effective supervision over economic activities and management behaviors. In 2025, the Company conducted 72 audit projects, focusing primarily on audits of economic responsibilities of responsible personnel, and dynamically tracked the full-process implementation of major risk management, production and operation, safety and environmental protection, as well as Party conduct and integrity building. During the Reporting Period, the rectification completion rate for all types of audit issues reached over 99.48%.

Strengthening Internal Control of Subsidiaries and Preventing Operational Risks

The Company has continuously extended the reach of internal control management and strengthened compliance guidance for subsidiaries and emerging industries. In 2025, the Company provided follow-up supervision and guidance on the internal control system development for 9 newly established or newly acquired companies, and conducted regular audits of emerging industry companies as well as internal control effectiveness audits. We rectified deviations in the details of emerging businesses such as software cost allocation and quantitative acceptance of unmanned mining trucks at entities including Haibo Technology, effectively enhancing the risk prevention capabilities of grassroots units in areas such as new energy and digital transformation.



07

Environmental: Green Development, Protecting Lucid Waters and Lush Mountains

- 7.1 Response to Climate Change 61
- 7.2 Energy Utilization and Low-carbon Transformation 72
- 7.3 Ecological and Environmental Protection 85



07 Environmental: Green Development, Protecting Lucid Waters and Lush Mountains

Industry is booming because of green. Conch Cement actively responds to the national call of "reducing pollution and carbon emissions, and enhancing efficiency through synergy", adheres to the concept of ecological priority and green development, takes continuous improvement of ecological environment quality as the core, and promotes carbon reduction, pollution reduction, green expansion and growth in a coordinated manner to create a green and low-carbon development model in all directions. We focus on addressing climate change, systematically promoting the transformation of energy structure and the application of low-carbon technologies, and improving energy utilization efficiency and resource recycling levels. We strengthen emission reduction at the source and continuously reduce the intensity of carbon emissions and pollutant emissions. Simultaneously, we strengthen water resources protection, implement biodiversity conservation, promote green mine construction and ecological restoration, and accelerate the pace of green and low-carbon transformation.

7.1 Response to Climate Change

In the context of global active response to climate change, Conch Cement knows that actively identifying and responding to climate-related risks is not only an inevitable requirement for the sustainable development of the industry, but also the core of long-term competitiveness. We have deeply integrated climate risk management into our daily operations, systematically improved our operational resilience through management upgrading, technological innovation and energy efficiency improvement, and made a key contribution to building a green and low-carbon future cement industry while fulfilling our environmental responsibilities.

7.1.1 Governance

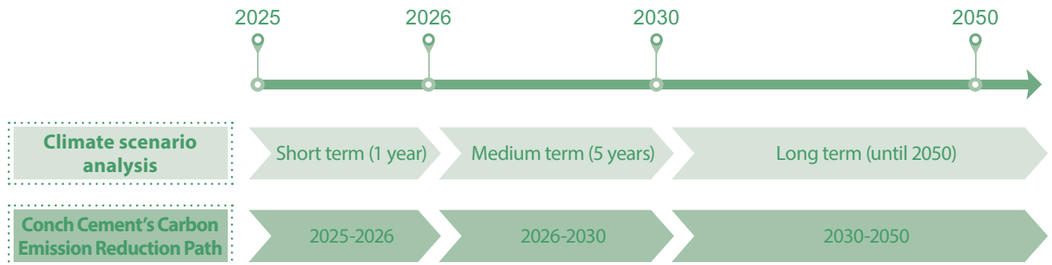
Conch Cement has established a three-tier climate change governance system comprising the Board of Directors, the ESG Management Committee and the ESG Working Group. The Board of Directors, as the highest decision-making body for climate change matters, is responsible for formulating policies, strategies and objectives related to climate change and supervising the overall progress of climate change work. The ESG Management Committee, under the authorization by the Board of Directors, coordinates the Company's response to climate change, promotes the implementation of climate-related strategies and objectives, regularly evaluates progress, identifies major climate risks and opportunities, and reports the meeting results and decision-making suggestions to the Board of Directors after each meeting. The ESG Working Group, under the guidance by the ESG Management Committee, implements ESG management, including climate risk identification, data analysis, daily management and response, and reports to the ESG Management Committee on a regular basis.

In order to strengthen the implementation of responsibilities, we have incorporated climate-related performance indicators into the performance appraisal of the general manager and the deputy general manager in charge of safety and environmental protection, so as to realize the linkage between target management and salary incentives and ensure the effective implementation of climate change-related strategies.

7.1.2 Strategy

Conch Cement pays close attention to the policy trends and industry development trends in response to climate change at home and abroad, and systematically identifies, evaluates and responds to the risks and opportunities brought about by climate change according to the framework of the Task Force on Climate-Related Financial Disclosures (TCFD), the International Financial Reporting Standards Sustainability Disclosure Standards No. 2 Climate-related Disclosures (IFRS S2) and Part D (Climate-related Disclosures) of Appendix C2 Environmental, Social and Governance Reporting Code of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Company has deeply integrated climate factors into the "Dual Carbon" strategic plan, continuously improved our operational resilience, and actively guided supply chain partners to collaboratively promote low-carbon transformation and enhance the climate adaptability of the whole value chain.

In order to systematically assess the impact of climate change-related risks in different time dimensions, Conch Cement has set a time frame for climate risk assessment based on the Company's medium-and long-term development strategy and clear green and low-carbon development goals: 2026 is short term, 2030 is medium term, and 2050 is long term. This division is based on the key target nodes of the Company's development plan, which ensures that the staged judgment of risk assessment matches the actual situation of operation, enhances the pertinence and foresight of climate risk management, and provides scientific basis for formulating phased environmental and sustainable development strategies.



On this basis, we have built a closed-loop climate strategic management covering "identification - judgment - evaluation - response", and relied on scientific scenario analysis and financial quantitative analysis to assess the potential impact of climate-related risks and opportunities on business operations and formulate countermeasures to promote the deep integration of low-carbon transformation and sustainable development strategies.

Scenario Analysis and Financial Impact Analysis

Through interviews, studies and discussions and expert evaluation, the Group integrated and analyzed the actual risk response expenditure incurred in the current period, and the results indicate that the climate-related physical and transformation risks did not have a significant impact on the Company's financial position, financial performance and cash flow in the current period. In order to measure the expected impact of climate-related risks on the Company's financial performance, we systematically carried out the expected financial impact assessment on the climate-related risks identified above during the Reporting Period.

It is worth noting that the results of scenario analysis and financial impact analysis in this section do not represent the Company's final actual results. Whether the hypothesis of scenario analysis is realized or not is possible, and it is also based on the information available during the analysis. In addition, these scenarios may be influenced by other factors beyond the assumptions made in the analysis.

Physical Risk

We carry out physical risk assessment according to the climate scenarios of the Intergovernmental Panel on Climate Change (IPCC) RCP2.6 and RCP4.5.

Selection of Physical Risk Scenarios	Scenario Description
RCP2.6	This scenario requires global greenhouse gas emissions to reach net zero around the middle of this century, which represents the ideal path for global temperature rise to be controlled within 2℃ of the pre-industrial level at the end of this century.
RCP4.5	This scenario assumes that countries implement certain climate policies, and global carbon dioxide emissions will remain at the current level before the middle of this century, but will not reach net zero, and it is estimated that the temperature rise will be less than 3℃ in 2100.

In order to evaluate the possibility of the occurrence of physical risks and their potential impact on the Company, the Company introduced risk data platforms such as WRI Aqueduct Water Risk Atlas, ETH Zurich CLIMADA and Climate Analytics Climate Impact Explorer to measure the damage ratios of the places where all production enterprises of Conch Cement operate to identify medium and high risk areas, fully supporting physical risk identification and climate resilience planning.

Definition of Physical Risk Impact Level Interval

Impact Level	Corresponding Damage Ratio
Low	0-3%
Medium	3-5%
High	5% and above

Result of the Impact level of Physical Risks

Type of Physical Risk	Specific Risk	Description of Correlation	Time Period	Impact Level		Response Initiatives
				RCP2.6	RCP4.5	
Acute risk	Extreme heat	Extreme heat refers to the high temperature and high humidity weather that lasts for more than two days and the temperature reaches more than 35℃, which may aggravate the heating and aging of equipment, increase the power load, affect the cooling efficiency of clinker, and lead to unstable process and rising operating costs	Short term			• Formulated an Emergency Plan for Flood Control, Flood Control and Typhoon Prevention, and timely deployed preventive work according to the extreme weather warning to ensure the stability of operation in extreme climate • Monitorting climate risks related to operation for a long time, updating the response plan according to the identification results, and continuously improved our physical risk resistance • Bought property all risks insurance and other climate-related insurance, improved the risk mitigation mechanism, and enhanced the overall financial resilience
			Medium term			
			Long term			
	Typhoon/ tropical cyclone	Typhoon refers to a tropical cyclone with a central wind speed of 32.7–41.4m/s, which may damage factories and production facilities, resulting in production line shutdown, and bring potential risks to the operation of the Group's subsidiaries in the southeast coast	Short term			
			Medium term			
			Long term			
	Flood	Flood refers to a flood and secondary disasters caused by torrential rains with a precipitation of more than 250 mm in 24 hours, which may cause flooding of the factory, equipment damage, supply chain interruption and environmental pollution. The operations of the Group's production bases along the Yangtze River and related terminals may face operational risks	Short term			
			Medium term			
			Long term			

Based on the analysis of the damage ratios of physical risks such as extreme heat, typhoon and flood in different scenarios and periods, we define the locations of production enterprises with "medium" and "high" risk levels as "operating places vulnerable to climate-related physical risks", and accordingly, we make statistics on the proportions of fixed assets of these enterprises in the total productive assets of the Group. The proportions of related assets are as follows:

	Extreme Heat	Typhoon/Tropical Cyclone	Flood
RCP 2.6			
Short term	21.13%	0.00%	5.05%
Medium term	34.08%	0.00%	5.05%
Long term	83.93%	0.00%	5.05%
RCP 4.5			
Short term	21.29%	0.00%	5.05%
Medium term	34.08%	0.00%	5.05%
Long term	89.79%	0.00%	10.09%

Under two climate scenarios, extreme heat is the most important physical risk faced by the Group, and the proportion of assets affected by it increases with the intensification of climate warming and the passage of time. In contrast, the impact of flood risk is relatively small and stable, and the impact of typhoon risk is very small in the current assessment. The analysis results provided a clear basis for the Group to give priority to the allocation of adaptive resources.

Transition Risk

In view of the transition risk under the background of climate change, we choose the stated policies scenario (STEPS) and the net zero emissions (NZE) scenario in 2050 as the analysis basis according to the policy scenarios under the framework of the International Energy Agency (IEA) and the Paris Agreement.

Selection of Transition Risk Scenarios	Scenario Description
STEPS	The stated policies scenario (STEPS) represents the future development trend of energy and emissions without changing the current policy framework, and is used to evaluate the potential impact of existing policies on climate change.
NZE	The 2050 net zero emissions (NZE) scenario is a normative path proposed by the International Energy Agency, which requires the energy and industrial systems to achieve net zero emissions by 2050 and not rely on external offsets.

The Group identified the key drivers (such as carbon emissions, carbon prices, energy prices, energy intensity and low-carbon investment-related expenditures, etc.) of policy, technology and market risks under different transition risk scenarios, and analyzed how their changes drove the changes of key financial indicators in Conch Cement, so as to judge the expected impact level based on this. As capital expenditure can comprehensively reflect the superimposed influence of key driving factors such as carbon costs, energy costs and low-carbon technology investment, The Group takes the percentage change indicator of capital expenditure compared with the base year (2024) as the core basis for measuring the level of financial impact of transition risk.

Based on this, the Group assessed the expected financial impact of the transition risk under different scenarios and formulated targeted management measures. For details, please refer to the "Special Story - Going Green, Prospering with Green" and the "Strategy" of 7.2 "Energy Utilization and Low-carbon Transformation" of this report.

Definition of Transition Risk Impact Level Interval

Impact Level	Percentage Change of Capital Expenditure Compared with the Base Year (%)
Low	10% and below
Medium	10–20%
High	20% and above

Transition Risk Impact Level Results

	Time Period	Impact Level	
		STEPS	NZE
Overall Impact Level of Transition Risk	Short term	■	■
	Medium term	■	■
	Long term	■	■

Expected Financial Impact of Transition Risk

Type of Transformation Risk	Description of Correlation	Response Initiatives
Policy and legal risks - increase in the carbon pricing	The cement industry has been brought into the national carbon market, and the carbon price will become a key factor affecting the Group's cost and profit Under the STEPS scenario, in the short term, the Company can profit from carbon trading because our carbon emissions are better than the industry level, and in the medium term, the Company will face the pressure of rising performance costs, and in the long term, the Company will need to convert carbon costs into regular operating expenses through low-carbon transformation Under the NZE scenario, the Company needs to accelerate the layout of energy saving and green electricity to maintain the short-term cost advantage, reduce the emission intensity through fuel substitution and energy efficiency transformation in the medium term, and rely on deep decarbonization and carbon capture technology to meet the challenge of high carbon price in the long term to build long-term competitiveness	• **Construction of carbon management system:** Established a three-level management and control system comprising headquarters, regional departments and subsidiaries and a leading group for "dual carbon" work, and strengthened the building of carbon asset management and carbon trading capacities • **Investment in low-carbon technological transformation:** Continuously increasing investment in energy-saving and carbon-reducing technological transformation, accelerating the application of green and low-carbon technologies to reduce carbon emissions from the source, and ease the compliance cost pressure brought by carbon pricing mechanism

Expected Financial Impact of Transition Risk

Type of Transformation Risk	Description of Correlation	Response Initiatives
Technological risk - cost of transitioning to lower emission technologies	The national policies such as the Special Action Plan for Energy Saving and Carbon Reduction in the Cement Industry and the Action Plan for Energy Saving and Carbon Reduction in 2024-2025 have put forward clear requirements for energy saving and carbon reduction transformation and clean energy use in cement industry. In order to respond to the policies and adapt to the industry transformation trend, the Group's continuous investment in related technology fields will increase capital expenditure and push up depreciation and amortization costs, which may affect our capital structure and profitability Under the STEPS scenario, the Company will gradually expand the scale and bear the corresponding costs in the short term and the medium term, while the Company tends to pay attention to the development and storage of emission reduction potential of implemented technologies in the long term Under the NZE scenario, the Company has a stronger driving force to simultaneously promote a number of transformations in the short term, and the capital expenditure will increase substantially; in the medium term, the Company will push up depreciation and amortization costs; in the long run, the Company may face the pressure of asset renewal brought by technical iteration	• **Application of mature low-carbon technologies:** Large-scale application of alternative fuels, oxygen-enriched combustion and low-carbon processes, and layout of low-carbon cementitious materials demonstration lines • **Reserve cutting-edge technologies:** Carried out pilot projects for hydrogen production by hydrogen-doped combustion and green electricity, and continued to strengthen the technical reserves and capabilities of low-carbon processes
Market risk - increase in energy costs	Cement production is an energy-intensive industry, and the energy cost accounts for a high proportion of the total cost. The national policy of energy conservation and carbon reduction not only promotes the transformation of energy structure, but also makes the price of traditional energy more vulnerable to fluctuations due to factors such as carbon cost Under the STEPS scenario, the pressure of energy cost stems from the increase of traditional fuel price and the optimization of energy structure. In the short term, the Company may be greatly affected by the fluctuation of fossil energy prices. In the medium term and the long term, the energy cost pressure will be reduced because the Company's energy consumption level will be well controlled Under the NZE scenario, the transition is more urgent and the cost pressure will be intensified	• **Implement energy-saving and consumption-reducing technical transformation:** Carried out energy-saving transformation of clinker production lines, and applied new combustion technology, low-nitrogen decomposing furnace, raw material vertical mill and roller press and other advanced technologies and equipment to reduce energy consumption per unit product and continuously improve energy efficiency level • **Increase the proportion of alternative fuels:** Expanding the scale of resource utilization and reduce dependence on fossil energy • **Optimize the energy structure:** Deepening the collaborative layout of clean energy such as photovoltaic and wind power, and enhancing the capability to independently guarantee energy

Because of its business attributes, the Group's main cement industry is the main sector affected by policies, technologies and market risks related to low-carbon transition, and it is also the core area for the Company to respond to the challenges of transition and practice sustainable development, and the revenue from the main cement industry accounts for about 82.85% of the Company's total operating revenue.

At the same time, the trend of low-carbon transition has also brought development opportunities for new energy and environmental protection industries. The Group is actively deploying related businesses. At present, the total revenue from new energy and environmental protection business accounts for about 2.39% of the Company's total revenue, and the business is gradually becoming our future-oriented growth engine.

Opportunities

Identification of Climate Change Opportunities

Opportunity Type	Description of Correlation	Impact Timeframe	Financial Impact[9]	Response Initiatives
Products and services	• Continuing to develop green and low-carbon products, further enhancing market competitiveness and effectively promoting operating income growth	Medium term and long term	• It is expected to have a positive impact on the revenue from the main business	• Further promoting the low carbonization of products in the whole life cycle, and reducing the carbon footprint of products through the application of clean energy and energy-saving upgrading of equipment • Accelerating the research and development process of low-carbon cement, and continuing to provide the market with more environmentally friendly green choices
Resource efficiency	• Relying on our own technological advantages, the Group uses waste as an alternative fuel while consuming waste, reducing energy consumption costs and carbon emissions	Short term and medium term	• Profitability can be improved by reducing operating costs and creating cooperative disposal benefits	• Actively promoting the cooperative disposal of wastes in cement kilns, and applying advanced solid waste recycling technology to realize the efficient treatment of internal wastes and the cooperative consumption of social wastes, and promote the recycling of resources

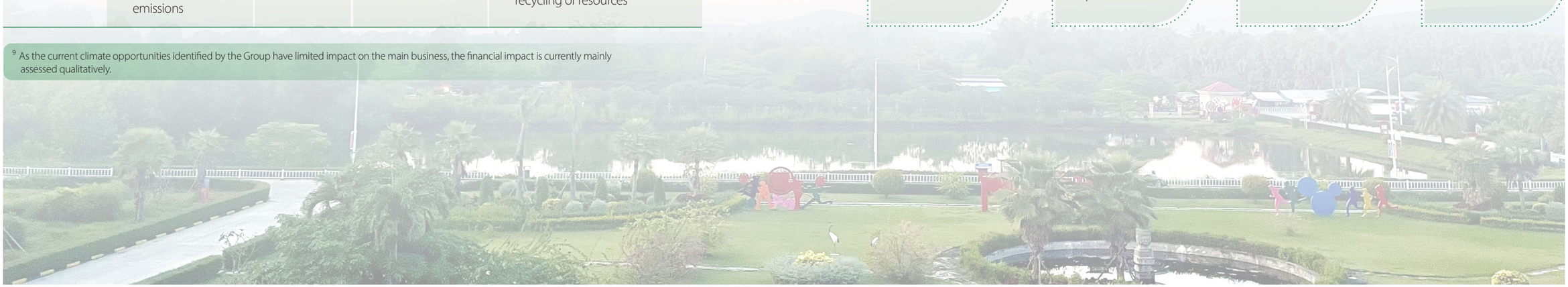
[9] As the current climate opportunities identified by the Group have limited impact on the main business, the financial impact is currently mainly assessed qualitatively.

7.1.3 Risk Management

Conch Cement has incorporated climate-related risks into the Company's overall risk management system, and such risks run through the whole process of identification, assessment, response and monitoring and are managed equally with major risks such as safety, environmental protection and operation. Our management relies on the Company's perfect EHS system, and through the implementation of institutionalized mechanisms and measures, we systematically improve our capability to cope with the physical and transition risks brought about by climate change and ensure the stable operation and sustainable development of our business.

Climate Risk Management Process of Conch Cement

Risk Identification	Risk Assessment	Risk Response	Risk Monitoring
• Based on the geographical distribution of production bases and regional climate characteristics, we identify the physical impact of extreme weather on production and operation, as well as the transition pressures such as rising of carbon prices and policy adjustments, and accordingly establish a list of climate change risks and opportunities to ensure that the risk assessment closely fits the actual business.	• This year, we introduced a scenario analysis model to assess the potential impact on operation and finance under different climate paths. We, in combination with a financial model, carried out quantitative analysis, measured the sensitivity of carbon price fluctuation and energy structure adjustment to unit manufacturing cost and profit, identified key influencing paths, and supported strategic direction judgment and long-term planning optimization.	• We have formulated a series of future plans focusing on eco-environmental protection, energy conservation and carbon reduction, clearly defined the strategic objectives for coping with the risks and opportunities of climate change, continued to promote the green and low-carbon transition, and systematically dealt with climate-related risks. Please refer to the Section "Energy Utilization and Low-carbon Transition" for specific strategies and implementation paths.	• We continue to pay attention to the operational and policy risks brought about by climate change, track and review the implementation of climate-related risk response measures in combination with the annual management review and external environmental changes, promote the continuous optimization of management mechanisms, and ensure that risk response is compatible with development trends.



7.1.4 Indicators and Goals

On the road of green and low-carbon development, Conch Cement has deeply integrated development goals with climate responsibility, led actions with clear indicators, implemented goals with systematic management, steadily and collaboratively improved development quality and environmental performance, and transformed climate commitments into tangible results promoted year by year.

Green and Low-carbon Development Goals[10, 11]

2030

Alternative fuel application goal:

- By 2030, the thermal substitution rate alternative fuels will reach 15%; progress towards 2025 goal: 8%

Energy consumption goal:

- By 2030, over 90% (aiming for 100%) of the production lines will reach the national level-1 energy consumption standard; progress towards 2025 goal: 78%

Greenhouse gas emissions goal:

- By 2030, carbon intensity of clinker process (tonnes of CO_2 equivalent/tonne of clinker) will decline to within 0.76; progress towards 2025 goal: 0.8033

2050

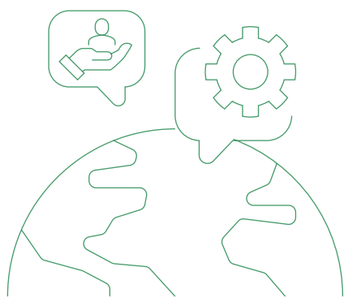
Carbon neutral goal for certain regions:

- By 2050, subsidiaries in Jiangsu, Zhejiang and Shanghai take the lead in achieving carbon neutral in operation

2060

Energy efficiency goal:

- By 2060, achieve green, low-carbon and recycling transformation and development of the entire Group, with energy efficiency of all clinker production lines reaching international advanced levels



[10] The establishment of greenhouse gas emission goals and the scope of data tracking do not include overseas production bases.

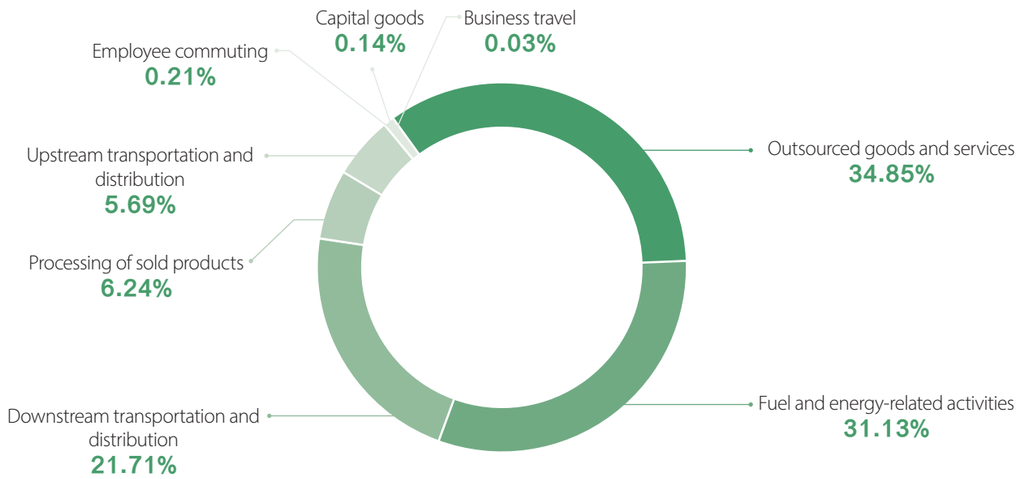
[11] The establishment of energy consumption goals and the scope of data tracking include overseas production bases.

Energy use	Unit	2024	2025
Direct energy consumption[12]	10,000 tonnes of standard coal	2,257.09	2,216.33
	10,000 MWh	18,365.28	18,033.58
Indirect energy consumption	10,000 tonnes of standard coal	202.88	194.48
	10,000 MWh	1,650.79	1,582.40
Total energy consumption	10,000 tonnes of standard coal	2,459.97	2,410.81
	10,000 MWh	20,016.07	19,615.98
Energy consumption per unit clinker (clinker process)	kg of standard coal/t-clinker	99.84	96.38
	MWh/t-clinker	0.8124	0.7842
Energy consumption per unit operation revenue	10,000 tonnes of standard coal/RMB100 million	2.70	2.92
	10,000 MWh/RMB100 million	21.99	23.77
Total renewable energy consumption	10,000 tonnes of standard coal	0.34	19.17
	10,000 MWh	2.74	155.95
Non-renewable energy consumption	10,000 tonnes of standard coal	2,459.63	2,391.64
	10,000 MWh	20,013.33	19,460.03

In order to closely monitor the level of greenhouse gas emissions in the Company's value chain, during the Reporting Period, we used the operation control method for the first time to initiate a Scope-III greenhouse gas emissions inventory in the Company, and identified a total of 13 categories of emission sources and completed the calculation. Based on the Cement Science-Based Target-Setting Guidance issued by the Science-based Targets initiative (SBTi), this report prioritized the disclosure of eight typical categories related to the cement industry, the emissions of which accounted for more than 95% of the total emissions of the identified scope III. In the future, based on this, we will continuously improve the comprehensiveness and accuracy of the Scope 3 inventory, actively identify carbon reduction opportunities in the value chain, and work with all stakeholders to reduce carbon emissions in the value chain.

[12] The energy consumption is calculated in accordance with the General Principles for Calculation of Total Production Energy Consumption (GB2589-2020) and other national standards.

Scope III Greenhouse Gas Emissions



Greenhouse Gas Emission of Conch Cement

Greenhouse Gas Emissions	Unit	2024	2025
Scope I greenhouse gas emission[13]	Tonnes of CO_2 equivalent	174,027,718	**171,323,369**
Scope II greenhouse gas emission[14]	Tonnes of CO_2 equivalent	8,132,792	**7,568,714**
Total greenhouse gas emission (Scope I + Scope II)	Tonnes of CO_2 equivalent	182,160,510	**178,892,083**
Greenhouse gas emission per unit clinker (clinker process)	Tonnes of CO_2 equivalent/ tonne of clinker	0.8112	**0.8033**
Greenhouse gas emission per unit operation revenue	Tonnes of CO_2 equivalent/ RMB100 million	200,110	**216,755**
Scope III greenhouse gas emission[15]	Tonnes of CO_2 equivalent	/	**18,225,478**

[13] The greenhouse gas emission (Scope I) is calculated in accordance with the GHG Protocol issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC), *Ministry of Ecology and Environment's Guidelines on Accounting and Reporting of Greenhouse Gas Emissions by Enterprises for the Cement Industry*, etc. Scope-I greenhouse gas emission mainly comes from combustion of fuels such as coal, diesel, gasoline, natural gas, liquefied petroleum gas and coal gangue as well as emission from clinker production processes.

[14] The greenhouse gas emission (Scope II) is calculated in accordance with the Ministry of Ecology and Environment and the National Bureau of Statistics' *Announcement on the Publication of CO_2 Emission Factors for Electricity in 2023*. Scope-II greenhouse gas emission mainly comes from power outsourcing.

[15] The greenhouse gas emission (Scope III) does not include Conch Environment Protection. Please refer to the Separate Annual ESG Report of Conch Environment Protection for its Scope-III data. The greenhouse gas emission (Scope III) is checked according to the GHG Protocol-Accounting and Reporting Standards for Enterprise Value Chain (Scope III) and ISO 14064 series standards. The data includes eight categories: purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, downstream transportation and distribution, business travel , employee commuting and processing of sold products.

7.2 Energy Utilization and Low-carbon Transformation

Conch Cement continued to deepen the optimization of energy structure and low-carbon transformation, comprehensively promoted the application of renewable energy and the upgrading of energy-saving technologies, constantly improved the efficiency of energy utilization, devoted itself to building a green, efficient and sustainable production system, and actively practiced the high-quality development path under the goal of "Dual Carbon".

7.2.1 Governance

Conch Cement has established a three-level ESG governance structure of "Board of Directors - ESG Management Committee - ESG Working Group". The Board of Directors assumes the highest leadership responsibility for key issues such as energy utilization and low-carbon transformation. The ESG Management Committee is responsible for monitoring and reporting the implementation progress of the low-carbon development strategy, and the ESG Working Group is responsible for implementing specific work.

At the implementation level, Conch Cement has established a Leading Group for "Dual Carbon" Work by relying on the three-level energy-saving and carbon reduction management system of "headquarters - regions - subsidiaries" to comprehensively coordinate carbon science and technology research and development, carbon asset management and the implementation of low-carbon transformation strategy. At the same time, the Safety and Environmental Protection Department has established a Leading Group Office for Dual Carbon Work, which is responsible for the implementation of decision-making and deployment, the drafting of systems and the research of policies.

The Company has formulated the *Carbon Asset Management Measures* and the *Interim Management Measures for Raw Coal Statistical Accounting and Internal Assessment*, etc., and incorporated the improvement of energy efficiency and the management of carbon emission level of products into the performance appraisal system of managers at all levels to ensure the improvement of energy efficiency and the implementation of carbon emission reduction goals.

As at the end of the Reporting Period, all the major clinker production plants of Conch Cement have passed the ISO 50001 energy management system certification. The Company continues to carry out third-party external audit, routine internal audit and special audit, and regularly implemented system audit to promote continuous optimization of management. During the Reporting Period, the Company invested a total of RMB2.837 billion in energy-saving and carbon-reducing projects, which provided solid support for the effective operation of the energy management system and the low-carbon transformation, and devoted ourselves to the adaptation and mitigation of climate change.

7.2.2 Strategy

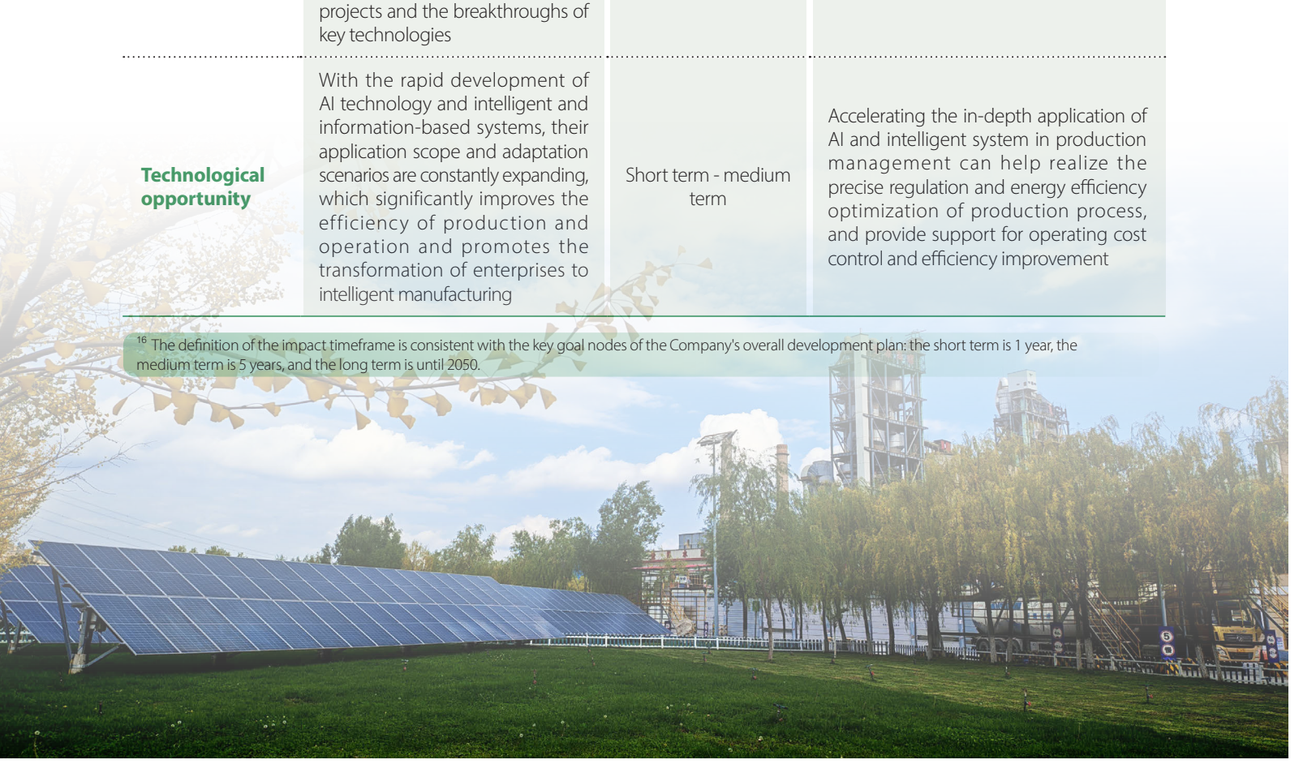
Conch Cement takes "carbon peaking and carbon neutrality" as our strategic goal, and strives to achieve carbon neutrality of our subsidiaries in Jiangsu, Zhejiang and Shanghai by 2050. During the Reporting Period, the Company fully implemented the established deployments such as the *Action Plan for Peak Carbon Achievement and Carbon Neutrality* and the *Energy Conservation and Carbon Reduction Development Plan for the 14th Five-Year Plan*, leading the Company's energy saving and carbon reduction actions and promoting green transformation. At the same time, based on the new development stage of the "15th Five-Year Plan", we formulated a series of future plans focusing on eco-environmental protection, energy conservation and carbon reduction, systematically defined the path, objectives and implementation measures of energy saving and carbon reduction, and strengthened the guarantee mechanisms such as organizational leadership, investment in scientific and technological innovation and talent team building to provide solid support for the continuous promotion of low-carbon development.

In order to systematically cope with the challenges and opportunities brought by energy utilization and low-carbon transformation, we comprehensively identify and evaluate their potential impacts on our business operations and financial conditions, and form a list of risks and opportunities to support scientific decision-making and dynamic management of low-carbon development strategies.

Risks and Opportunities Related to Energy Utilization and Their Impacts

Risk/Opportunity type	Specific description of risks/opportunities	Impact timeframe[16]	Impact description
Policy and law risk	The tightening of carbon emission policy and the increasing pressure of carbon price may increase the cost of contract performance	Medium term - long term	With the continuous increase of carbon price, the cost of carbon emission compliance may increase, which will put pressure on the manufacturing cost of unit products and then affect the overall profitability
Technology application risk	The supply of alternative fuels and renewable energy is intermittent and uncertain, posing a challenge to the stability of production system	Short term - medium term	If the capability of multi-energy collaborative scheduling is insufficient, it may lead to the fluctuation of cement kiln system or load, which will affect the production continuity and energy efficiency stability
Policy and law opportunity	Five departments, including the National Development and Reform Commission and the Ministry of Industry and Information Technology, jointly issued the Special Action Plan for Energy Saving and Carbon Reduction in the Cement Industry, clearly supporting the implementation of demonstration projects and the breakthroughs of key technologies	Short term - medium term	Providing institutional guarantee and policy incentives for R&D and engineering application of low-carbon technologies will help to reduce project investment risks, improve capital return expectations and enhance green financing capabilities
Technological opportunity	With the rapid development of AI technology and intelligent and information-based systems, their application scope and adaptation scenarios are constantly expanding, which significantly improves the efficiency of production and operation and promotes the transformation of enterprises to intelligent manufacturing	Short term - medium term	Accelerating the in-depth application of AI and intelligent system in production management can help realize the precise regulation and energy efficiency optimization of production process, and provide support for operating cost control and efficiency improvement

[16] The definition of the impact timeframe is consistent with the key goal nodes of the Company's overall development plan: the short term is 1 year, the medium term is 5 years, and the long term is until 2050.



Based on the initially identified risks and opportunities related to energy utilization, we focused on three dimensions of product carbon footprint management, low-carbon operation, carbon offset and carbon trading, systematically promoted the implementation of low-carbon development strategy in the whole business process, continued to deepen the green transformation, and accelerated to a new stage of low-carbon development.

Reduce the carbon footprint of products

We practice the concept of "carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal" through process optimization and technology upgrading to reduce the carbon footprint of products

Carbon emission reduction at source:

- Use of Cleaner Sources of Energy
- Application of alternative fuels
- Mineralized coal gangue project
- Research and development of low-carbon cement

Carbon emission decrease in the process:

- Production energy efficiency management
- Energy-saving transformation of equipment
- Application of coal-fired promotion technology
- Application of oxygen-enriched combustion technology
- Application of new thermal insulation materials
- Use of Mineralizer

Carbon sequestration at terminal:

- Carbon capture, utilization and storage (CCUS)
- Mineralized fiberboard
- Carbonated phosphogypsum

Low-Carbon Operations Advocacy

Integrate low-carbon concept into office and travel scenarios to promote the normalization of green behavior

Green office

Green travel

Carbon Offsets and Carbon Trading

Take the initiative to make up for the inevitable carbon emissions and improve the full-cycle management of carbon assets

Optimize carbon asset management

China certified emission reduction (CCER) trading

Carbon emissions allowance (CEA) trading

Reduce the Carbon Footprint of Products

Based on the principle of "carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal", we systematically carried out clean energy promotion, fuel substitution, energy efficiency improvement and carbon capture application, comprehensively controlled the carbon emissions of products throughout their life cycle, and continuously reduced the carbon emissions per unit product.

In terms of carbon emission reduction at source, we actively responded to the *Implementation Measures for Production Capacity Replacement in the Cement Glass Industry (2024 Version)*, intensified the elimination of backward production capacity, and continued to promote the application of alternative fuels and clean energy. On the premise of ensuring product quality, we have improved the utilization level of calcium-containing industrial waste residue resources such as calcium carbide slag, phosphogypsum and fluorgypsum, increased R&D investment and promotion of green products such as low-carbon cement, and promoted the transformation of the cement industry from "gray" to "green".

Application of Alternative Fuels

The continuous promotion of alternative fuel-related projects is the Company's active practice in promoting the low-carbon transformation of the industry, showing the Company's strategic determination to unswervingly promote green development.

Based on the application of existing alternative fuels such as agricultural straw, coal-fired slag and waste synthetic resin, we expanded the varieties of waste rubber and foam powder, and built the first biomass alternative fuel project in the domestic cement industry in the subsidiary Zongyang Conch. We simultaneously promoted the front-end disposal, oxygen-enriched combustion and bypass venting technology, and applied microcrystalline anti-scaling materials and chlorine removal system to effectively deal with the problem of crust and chloride ion increase, and continuously increased the substitution ratio.

As at the end of the Reporting Period, the Company has promoted the use of alternative fuels in more than 90% of the clinker base companies, and a total of 40 alternative fuel projects have been put into use. At the same time, the Company continued to increase the comprehensive utilization of calorific value resources and strengthen the mechanism of resource pooling and cost linkage, so that the use of alternative fuels accounted for 26.5% of coal usage.

Conch Cement's subsidiaries using alternative fuels as at the end of the Reporting Period

69

Accumulated use of various alternative fuels

6.77 million tonnes

Alternative fuel calorific value substitute

8%

Research on Alternative Fuel Technology and Its Large-scale Application

The Company has carried out scientific and technological innovation cooperation with various scientific research institutions and domestic key universities, focusing on the research and development of key technologies and equipment for the large-scale substitution of fuels in cement kilns. The Company has systematically tackled core bottlenecks such as low calorific value substitution rate and large fluctuations in kiln operating conditions, and promoted the engineering application of alternative fuel technology.



Battambang Conch Biomass Alternative Fuel Project

During the Reporting Period, we developed the key technology of oxygen-enriched combustion coupling alternative fuel in cement kiln, and research and developed pressure swing adsorption oxygen production technology to achieve oxygen production energy consumption of 0.3kWh/Nm^3. Through simulation analysis, the heat substitution rate of coupling alternative fuel using calciner was ≥50%, and we carried out a pilot test in Tongling Conch, which realized that the consumption of alternative fuel increased from 6.5t/h to 12t/h, and the heat substitution rate was nearly doubled.

During the Reporting Period, the subsidiary Battambang Conch promoted the use of alternative fuels by expanding supply pipeline and optimizing production organization. In 2025, the biomass substitution rate exceeded 64%, the best level in history.

Use of Cleaner Sources of Energy

We continue to promote the diversified application of clean energy, and have achieved large-scale deployment of photovoltaic, wind power, biomass power generation and energy storage systems, and built a green power supply system covering various types of renewable energy. As at the end of the Reporting Period, the Company's installed capacity of wind, photovoltaic power generation and energy storage in operation amounted to 1,377 MW.

Self-generated and self-used photovoltaic power in 2025

480 million kWh

Self-generated and self-used wind power in 2025

1,125,900 kWh

Cumulatively reduced carbon dioxide emissions in 2025

255,300 tonnes

All-Green Electricity Plant Demonstration Project of Baimashan Cement Plant

Conch Cement seized the opportunity of green development, and built an all-green electricity plant demonstration project by taking the subsidiary Baimashan Cement Plant as the pilot on the basis of establishing the first zero-outsourced electricity demonstration park in the cement industry at its subsidiary Jining Conch.

Conch Cement innovatively applied the "cloud-management-end devices" solution in the all-green electricity plant demonstration project, and used the wind and solar energy resources inside and outside the plant to build a green microgrid system integrating distributed power supply, energy storage, load, monitoring and protection, realizing on-site energy consumption, two-way interaction and efficient utilization. Conch Cement simultaneously participated in the electricity market transaction in Anhui Province, built a transactional virtual power plant platform in the cement industry, and endowed the outsourced electricity with green attributes.

We deeply explored the spatial resources of the plant area and installed photovoltaics in scenarios such as building corridors, cement warehouse facades and preheaters to improve the efficiency of renewable energy utilization. At the same time, we planned to build energy storage and electric charging piles, and built an Intelligent microgrid platform to explore the path of multi-energy complementarity and collaborative utilization.





All-Green Electricity Plant of Baimashan Cement Plant

Arc Shed BIPV Project of Xuancheng Conch



BIPV Project of Xuancheng Conch

In order to improve the utilization efficiency of clean energy and fully tap the potential of renewable energy use in the plant area, the Company started the arc shed BIPV project at its subsidiary Xuancheng Conch. In response to the problems of special structure, limited bearing capacity and easy accumulation of ash in the arc roof, the project innovatively adopted the structure of "safety platform + zigzag steel ladder" and customized arc components, realizing the laying of T-shaped color steel tile roof along the slope. The Company synchronously researched and developed an arc cleaning robot system equipped with borderless BIPV components, effectively solving the problem of dust accumulation affecting power generation efficiency.

During the Reporting Period, the arc shed BIPV project of Xuancheng Conch was built and connected to the grid. The total installed capacity of the power station is 0.5 MW, and the annual power generation is expected to be 468,000 kWh, providing a technical demonstration for the photovoltaic application of arc roofs in the Group and helping the efficient use of clean energy.

Research and Development of Low-carbon Cement

The Company vigorously developed the preparation technology of low-carbon slag cement, optimized the clinker consumption to 19.2% based on RRB powder distribution model, and reduced carbon emissions by 64% on a year-on-year basis. The product performance was better than that of P.O42.5 cement. At the same time, we cooperated with universities to develop technologies such as low clinker composite cement and low calcium high belite cement activation, and systematically promoted carbon reduction in cement production process. We completed the industrialized continuous production of high-iron phase cement in our subordinate Chizhou Conch. The energy consumption and carbon emission indicators were better than those of ordinary Portland cement clinker, and we also had advantages in reducing the production cost of clinker and the comprehensive cost of concrete.

In the process of carbon reduction, the Company closely followed the main line of energy saving and carbon reduction, took energy efficiency improvement as the core, widely applied four new technologies of energy saving, and continuously promoted the energy-saving transformation of production lines. At the same time, we adhered to the empowerment of industrial Internet, strengthened technical support by relying on intelligent platform and refined management means, and systematically promoted the development of production links in an efficient, low-carbon and sustainable direction.

Technical Modification of Equipment Energy Saving

The Company actively carried out energy efficiency improvement and transformation of existing production equipment, and applied the most advanced energy-saving and consumption-reducing technology and equipment, such as raw meal roller press, energy-saving fan, fourth-generation grate cooler, etc., to improve production efficiency and reduce energy consumption. At present, the transformation of 64 production lines has been completed. After the transformation, the standard coal consumption per tonne of clinker is reduced by about 5 kg, and the comprehensive power consumption is reduced by about 5 kWh, which can stably reach the benchmark level of energy efficiency.

The Company continued to carry out the energy-saving transformation of large fans by frequency conversion, and completed the upgrading of cement grinding systems in 21 subsidiaries, achieving remarkable results in energy saving and consumption reduction. The Company simultaneously promoted the technical transformation of waste heat power generation system, realized the efficient utilization of waste heat, and significantly improved the power generation per tonne of clinker.

Coal Combustion Enhancement Technology

The Company promoted the combustion optimization technology, and the combustion accelerator has been applied in 21 units and 25 production lines, and the melting accelerator has been applied in 7 units and 15 production lines. We deployed precise dropping equipment, realizing the on-demand dosing of chemicals and controllable process. After the application of the technology, the standard coal consumption of clinker was reduced by 2.4 kg standard coal/t clinker on average, and the coal saving effect was remarkable. The overall technical achievements have reached the domestic leading level.

Oxygen-Enriched Combustion Technology

The Company actively promoted the large-scale application of oxygen-enriched combustion technology to improve combustion efficiency.

An oxygen-enriched combustion system was added at the subsidiary Linxia Conch . It is estimated that the standard coal consumption per tonne of clinker will decrease by 3.3kg, saving approximately 5,000 tonnes of standard coal and reducing carbon dioxide emissions by about 12,870 tonnes annually.

The application of oxygen-enriched combustion technology has been promoted at subsidiaries Chizhou Conch and Basu Conch and other subsidiaries, reducing the standard coal consumption per tonne of clinker by about 3.5 kg, which helped the production process to operate in an efficient and low-carbon manner.

New Insulation Materials

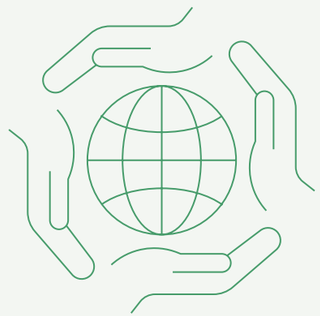
The Company independently researched and developed new high-temperature thermal insulation aerogel nano-materials, and developed new thermal insulation products such as aerogel coating, aerogel felt and composite brick, significantly reducing the surface temperature of thermal equipment and achieving remarkable coal-saving effect. At present, this technology has been successfully applied in the new production line of the subsidiary Fenyi Conch, and it is expected to reduce 1 kg standard coal/t clinker.

Use of Mineralizer

The Company promoted the large-scale application of solid wastes such as stone tailings and yellow phosphorus slag at the raw material end, and strengthened the use and management of mineralizers such as fluorite tailings and calcium fluoride sludge, effectively improving the quality of clinker and reducing the energy consumption per unit clinker.

Industrial Internet Empowerment

The Company have developed and popularized application systems covering the whole process of cement manufacturing, and realized the industrialization of intelligent technology in the whole process of cement manufacturing. Through the construction of unmanned mine transportation projects and the deployment of pure electric unmanned wide-body vehicles, the Company has promoted the digitalization of mine mining, maximizing the utilization of resources and minimizing energy consumption. In addition, the Company released the "Conch Yungong" AI large model in the building materials industry, covering more than 40 sub-scenarios in five categories, including quality control, production optimization, equipment management, safety control and intelligent question and answer, and continued to conduct iterative optimization to help the enterprise improve quality and efficiency.



Research and Development of Intelligent Optimization Control Technology



Optimization Control System for Conch Candle Dragon

The Company's self-developed intelligent optimization control platform for process industry deeply integrates classical control algorithms with advanced technologies such as deep learning and visual recognition, realizing intelligent control of key links in cement production.

The intelligent optimization control platform significantly improved the stability of the system and the capability to cope with complex scenarios, effectively reducing the power consumption of raw material processes and the standard coal consumption of the burning system, reducing the labor intensity of operators by 50%, and providing an effective Intelligent solution for energy saving and carbon reduction at the production end.

Cloud-based Integrated Energy Management System

The Company has developed and deployed a cloud-based integrated energy management system, and established a unified energy data standard for the Group. The system improves data quality and logic accuracy by introducing intelligent allocation algorithm and combining jump identification and abnormal data cleaning technology. The system integrates multiple functions, supports layer-by-layer drilling and comprehensive power consumption benchmarking analysis from process to host, and accurately identifies weak links in energy efficiency.

At present, the accuracy rate of key data in the system has exceeded 98%, providing strong support for plants to realize refined energy management and laying a solid foundation for the Group to promote energy saving and carbon reduction measures.



Cloud-based Integrated Energy Management System

In terms of carbon sequestration at terminal, the Company actively explored the technical paths of carbon capture and resource utilization, and promoted the transformation of carbon dioxide from the emission end to the resource end, facilitating to achieve the goal of net zero emission. During the Reporting Period, the Company continued to tackle key technical problems and made important breakthroughs in the fields of carbon dioxide capture adsorbent and methanol catalyst preparation.

Carbon Dioxide Capture and Utilisation

The Company has built the world's first CO_2 capture device for cement kiln flue gas at Baimashan Cement Plant, a subsidiary of Conch Cement. Relying on the new dry-process production line with a daily output of 5,000 tonnes in the plant, the device adopts the chemical absorption method to capture and purify the carbon dioxide in the flue gas of cement kiln, with an annual output of 50,000 tonnes of liquid carbon dioxide. The captured carbon dioxide is innovatively applied to intelligence agriculture projects in the plant, and is widely used in many industrial fields, such as dry ice manufacturing, food preservation and welding. The annual production capacity of dry ice products is 3,000 tonnes, which is well sold throughout the country.



Device for Capturing and Purifying Carbon Dioxide in Flue Gas of Cement Kiln

On this basis, the Company focused on carbon capture technology to tackle key problems, and made efforts to improve the terminal carbon reduction capacity. In terms of physical adsorption technology, the adsorption capacity and separation coefficient of the new MOF adsorbent developed by the Company increased by 70% and 30% respectively, and its comprehensive performance was better than that of commercial products. The new STM-1 adsorbent developed by the Company has achieved kilogram preparation, and its performance is significantly better than that of traditional materials.

At present, the Company has the capabilities to design and develop small-scale and pilot-scale devices for two kinds of carbon capture technology routes, laying the foundation for promoting the efficient and low-cost large-scale application of carbon capture technology in the future. We plan to build a pressure swing adsorption carbon capture pilot platform in the subsidiary Wuhu Conch, with a flue gas treatment capacity of about 280 Nm^3/h and an estimated annual carbon dioxide capture capacity of 500 tonnes, which will gradually promote the large-scale development of carbon sequestration technology at terminal.

Research on Carbon Dioxide Resource Utilization Technology

During the Reporting Period, the Company further expanded the implementation path of carbon sequestration at terminal through process optimization and material innovation.

In the preparation of methanol catalyst, the innovative process of "spray drying and ammonia evaporation" proposed by the Company can greatly shorten the catalyst synthesis time, improve the efficiency and reduce the preparation cost. At present, the process has realized the synthesis of kilogram-level catalyst, and the catalyst production cost is 5% lower than that of commercial catalysts on the market. With our outstanding cost advantage and rapid mass production capacity, the Company can respond quickly when the market demand rises, showing strong market competitiveness.

Low-Carbon Operations Advocacy

Conch Cement always adheres to the concept of green development, and integrates low-carbon transformation throughout the entire process of production, operation and daily management. While continuing to promote energy conservation and emission reduction in production, we have comprehensively promoted green operation and green office practice, and implemented energy conservation and carbon reduction requirements in daily management and operation through system construction and infrastructure upgrading.

During the Reporting Period, the Company formulated and issued the *Management Measures for Green Office and Low-carbon Operation*, which clarified the management requirements for office energy saving and paperless office, and advocated a low-energy, high-efficiency and sustainable office mode. We organized subsidiaries to participate in the theme activities of the National Energy Conservation Publicity Week, the National Low Carbon Day and the June 5th Environment Day Environment Day, and carried out practical actions such as green travel and green exchange in combination with the actual situation to promote all employees to practice the concept of green and low carbon development. At the same time, the Company focused on emission reduction in the transportation field, systematically promoted the layout of new energy vehicle charging and power exchange infrastructure, and created a green and low-carbon production and living atmosphere in the Company.

Deepen the Layout of Green Travelling





New Energy Charging Pile of Subsidiaries

Through overall planning and classified implementation, the Company has accelerated the layout of the charging and power exchange network, built a charging pile operation platform, reduced carbon emissions in the transportation sector, and helped the main business to increase efficiency.

During the Reporting Period, the Company vigorously promoted the bidding for new energy transportation and promoted the large-scale development of green transportation. The average proportion of new energy transportation in the whole year reached 17%. The transportation cost of new energy vehicles is significantly lower than that of traditional fuel vehicles, which has built a virtuous circle of "cost reduction + efficiency increase" for subsidiaries.

As at the end of the Reporting Period, the Company had completed the new energy site construction planning of 112 cement subsidiaries in 13 regions of China, 92 of which had been put into operation, and 73 million kWh of electricity was sold during the Reporting Period, bringing incremental benefits to the Company.

Carbon Offsets and Carbon Trading

Conch Cement regards carbon assets as an important strategic resource for sustainable development, and realizes a win-win situation of economic and environmental benefits through systematic management. Accurate data is the basis of its value realization. To this end, we lay a solid foundation from both "monitoring" and "testing".

Explore Online Monitoring of Carbon Dioxide

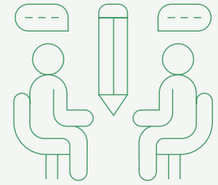
The Company has collaborated with Tsinghua University Wuxi Research Institute to develop the online monitoring technology for carbon dioxide in the complex flue gas flow field at the cement kiln tail. We have explored monitoring paths such as non-dispersive infrared method, laser method and Fourier transform infrared method, as well as accurate measurement methods for large-diameter chimney flow.

Based on above technology, the Company has built and put into use an online monitoring project for carbon dioxide in the production line of the subsidiary Xuancheng Conch. During the Reporting Period, the project was included in the national carbon emission standardization pilot project by the National Development and Reform Commission and the State Administration for Market Regulation. All indicators of the project are superior to the requirements of standard specifications based on performance comparison.

In addition, the Company took the lead in preparing the building materials industry group standard *"National Carbon Emissions Trading Market-Joint Monitoring Method and Application Specification of Carbon Emissions in the Cement Industry"* (T/CSES 221-2025) that has been released during the Reporting Period, transforming technological achievements into industry standards.

Carry out Laboratory CNAS Certification

In order to meet the requirements of specifications such as the *Technical Guide for Verification of Greenhouse Gas Emissions of Enterprises-Cement Industry* and the *Guide for Accounting and Reporting of Greenhouse Gas Emissions of Enterprises-Cement Industry*, improve the detection quality of calorific value of received incoming coal and enhance the level of carbon accounting, we actively promoted the accreditation of laboratories of five subsidiaries by China National Accreditation Service for Conformity Assessment (CNAS). As of the end of the Reporting Period, the laboratories of four subsidiaries including Liquan Conch, Guangyuan Conch, Wenshan Conch and Guiyang Conch have been successfully accredited by the CNAS.



The Company improved the professional level of carbon asset development, operation and trading through systematic management combining system construction, platform operation and market response with reliable data support.

The Company continued to improve the *Carbon Asset Management Measures*, the *Carbon Account Management Measures* and other systems, set up a three-tier carbon asset management system, namely "Headquarters - Regional - Subsidiaries", and specified the departments for coordination and management. At the same time, as a professional carbon asset management platform, Zhongtan Technology, a subsidiary of Company, provided comprehensive services such as CCER development, carbon asset activation and trading strategies to ensure the standardized operation of the carbon asset management system.

During the Reporting Period, the Company made substantial progress in our carbon market work. In terms of asset operation, we sold a total of 110,000 tonnes of carbon quota in Chongqing local carbon market. In terms of strategic reserve, we have continuously followed the policy trends such as the *Work Plan of National Carbon Emission Permit Trading Market Covering Steel, Cement and Aluminum Smelting Industries* and the *Total Quota and Distribution Plan of National Carbon Emission Permit Trading Market for Steel, Cement and Aluminum Smelting Industries in 2024 and 2025*, actively carried out policy publicity and formulated countermeasures. Our holding subsidiaries have all completed the opening and activation of accounts in the national carbon market, and carried out CEA procurement reserves in combination with the CEA price fluctuation in the national carbon market. In addition, we maintain communication with professional companies such as SPIC Carbon Asset Management Co., Ltd. (國家電投集團碳資產管理有限公司), Shenwan Hongyuan Securities Co., Ltd. and Shenzhen GDR Carbon Co., Ltd. to continuously optimize the management system.

In the future, based on the existing foundation, the Company will steadily expand the trading scale of carbon assets, strengthen the reserve and development of CCER projects, enhance the supply capacity of carbon emission reduction, and help the enterprise achieve low-carbon development goals.

Co-construction of Low-carbon Industries

Conch Cement adheres to the cooperative concept of openness, collaboration, mutual benefit and win-win, and works together with industry partners and scientific research institutions to explore the sustainable development path of the cement industry by taking technology as the link and promoting development through cooperation.

During the Reporting Period, the Company actively participated in industry exchanges and shared the "Conch Experience" of green and low-carbon transformation. At the 2025 China Cement Dual Carbon Conference and the 13th Energy Conservation and Environmental Protection Technology Exchange Conference, we carried out thematic sharing around digital intelligence, empowerment, energy conservation and efficiency improvement. At the first building materials ESG sustainable development forum, we won many ESG honors, fully demonstrating our responsibilities and commitments and industry influence. In terms of scientific and technological collaborative innovation, the Company has deepened cooperation with many universities, built an integrated development mechanism for "companies, universities and research institutes", carried out the construction of a carbon-neutral joint laboratory, and focused on cutting-edge energy technology research, and through extensive technical exchanges, we shared the innovative achievements in green, low-carbon and ultra-low emission technologies to help the industry iterate and improve energy efficiency.

Conch Cement is providing strong support for the green, low-carbon and high-quality development of the cement industry through practical actions by deeply participating in industry dialogues and conducting technological collaboration.

Conch Cement Attended the 2025 China Cement Dual Carbon Conference



Scene of Client Interactive Forum at the 2025 China Cement Dual Carbon Conference

In May 2025, Conch Cement attended the 2025 China Cement Dual Carbon Conference and the 13th Energy Conservation and Environmental Protection Technology Exchange Conference hosted by China Cement Network. With the theme of "Moving towards a New Path of Emission Reduction, Carbon Reduction, Energy Conservation and Efficiency Enhancement", the conference focused on accelerating the "Dual Carbon" Goal and promoting the green and high-quality development of the cement industry, and released the "ESG Ranking of Cement Industry in 2025". At the conference, Conch Cement shared the experience of intelligent transformation to empower the cement industry to reduce carbon emissions with the theme of "intelligent transformation helps cement industry to save energy and increase efficiency". Conch Cement ranked in the top three among the ESG Ranking of Cement Enterprises in China released by the conference.

Conch Cement Participated in the First ESG Forum of Building Materials Industry

In June 2025, Conch Cement participated in the first ESG sustainable development forum of building materials industry sponsored by China Building Materials Federation. With the theme of "Green Transformation for a Sustainable Future", the forum focused on the practical path of ESG concept in the building materials industry, launched the ESG public service platform in the building materials industry, and released the industry ESG theme report, annual rating and typical practice cases. At the forum, Conch Cement shared ESG practical experience in combination with the enterprise's "Dual Carbon" strategy, and actively participated in the exchange and cooperation of green, low-carbon and high-quality development in the industry.



Scene of ESG Sustainable Development Forum in Building Materials Industry

7.2.3 Risk Management

We systematically address the key challenges in the process of energy transformation through risk identification, response implementation and regular reviews, providing solid support for the optimization of energy structure and the steady decline of carbon emission intensity.

Risk Identification and List Establishment	Risk Management Policy	Risk Response	Risk Management Reviews
• The Company continuously pays attention to the carbon emission-related policy trends and the energy structure transformation trend, identifies and sorts out relevant risks and opportunities in combination with our actual operation, and forms a list of risks and opportunities to provide a basis for defining the key direction of strategic transformation	• The Company has included the clean transformation of energy structure and carbon emission intensity control in the key risk management category, and defined the division of responsibilities of key links such as the implementation of new energy projects, raw material substitution and production process innovation, carbon capture and intelligent management	• In view of the potential risks such as intensified competition in the green power project industry and adjustment of carbon emission accounting rules, the Company strengthened goal decomposition and process tracking, and promoted the progress of key tasks as planned	• The Company regularly carries out reviews in combination with core indicators such as cement energy consumption indicator and CO_2 emission per tonne of clinker, identifies implementation deviation, and optimizes technical path and resource allocation strategy

7.2.4 Indicators and Goals

Conch Cement has formulated and actively implemented the indicators and goals related to energy utilization and low-carbon transformation, and constructed short-, medium-and long-term goals and plans. See the Indicators and Goals in Section 7.1 "Response to Climate Change" of this Report for details of relevant progress and annual performance data.



7.3 Ecological and Environmental Protection

Conch Cement adheres to systematic environmental governance, focuses on environmental impact control in the whole operation process, and continuously promotes the deep integration of environmental management system and low-carbon operation. Focusing on emission control, resource reduction, biodiversity protection and other dimensions, we strengthened system construction and process management, realized the coordinated promotion of ultra-low pollutant emission, efficient resource utilization and ecological restoration, continuously reduced the environmental footprint, and helped green and low-carbon development.

7.3.1 Environmental Management

Environmental Management System

Conch Cement has established a three-tier environmental management system, namely 'Headquarters —Regional — Subsidiaries', clarifying the division of responsibilities and strengthening organizational guarantee and implementation capacity.

Three-tier Environmental Management System of Conch Cement

Headquarters	• Formulate environmental management objectives and annual plans, organize the inspection and supervision of environmental protection work of subsidiaries, and promote the implementation of environmental protection policies dissemination and professional training
Regional	• Implement the Group's medium-and long-term development strategy of energy conservation, emission reduction and environmental protection, integrate the requirements of ecological environment protection into the whole process of production and operation, and report the implementation progress to the headquarters regularly
Subsidiaries	• Specifically promote the implementation of various environmental protection measures according to the environmental management goals and plans issued by the headquarters to ensure that the responsibilities are properly conducted and effectively implemented.

On this basis, the Company explicitly incorporated the environmental performance as one of the factors in determining remuneration of senior management. The Company has established a mechanism to directly link the performance appraisal of the management with the achievement of environmental protection goals, so as to promote the implementation of environmental management goals and the continuous improvement of environmental performance. We have set environmental protection performance assessment indicators[17] for the general manager and the deputy general manager in charge of safety and environmental protection, and implemented a performance veto mechanism for major environmental events to effectively implement environmental responsibility.

The Company continued to promote the certification of environmental management system. As at the end of the Reporting Period, production units such as clinker bases and grinding stations have carried out the ISO 14001 system certification, and the coverage rate reached 100%. During the Reporting Period, we implemented 285 environmental protection technical transformation projects, with a total investment of about RMB628 million, focusing on deep desulfurization and denitrification, organized and unorganized particle emission control, effectively supporting the realization of ultra-low emission of pollutants and green and low-carbon operation goals.

[17] Environmental performance assessment indicators include: the goal of reducing carbon emission intensity per unit of clinker, the goal of reducing standard coal consumption per tonne of clinker, the goal of reducing comprehensive power consumption of clinker, and the goal of reducing power consumption in cement process.

Environmental Management Goals and Progress in 2025

In 2021, the Company has set key environmental goals such as water consumption and emission management, and continuously promoted goal decomposition, process supervision and implementation tracking. As at the end of the Reporting Period, the goals related to water resources utilization and emissions have been achieved.

Environmental Management Goals and Performance

Indicator	Unit	Goal	2020 (Baseline year)	2025	Progress
Water resource	t-water consumption/ t-clinker	Use intensity (t-water consumption/t-clinker) of water resources (clinker process) declined by 10% by 2025 from 2020	0.403	0.302	Completed
Waste gas	Tonne	The total emission of nitrogen oxides decreased by 50% in 2025 from 2020	113,060	40,062	Completed
Wastewater	%	Wastewater treatment is 100% qualified, further strengthening the treatment of waste heat power generation wastewater and improving the reuse rate of wastewater	/	100%	Completed
Waste	%	Realize 100% compliance disposal of hazardous wastes, and 100% recycling of general solid waste	/	100%	Completed
Environmental compliance	/	0 case of environmental pollution incident in 2025	0	0	Completed

Environmental Goals for 2030

Conch Cement continued to pay attention to the key indicators of environmental governance, and formulated the environmental goals for 2030 during the Reporting Period, specifying that by 2028, 80% of clinker bases and grinding stations of the Company will complete the ultra-low emission renovation. By 2030, the emission level and total amount of major pollutants will continue to decline, the capacity for ecological environment governance will be significantly improved, and the driving force for green development will continue to increase.

Environmental Goals for 2030

Indicator		Unit	2025	2030 (goal year)
Waste gas emission	Emission concentration of nitrogen oxides	mg/m^3	113.78	50
	Total sulfur dioxide emission	Tonne	5,448	4,358
	Coverage rate of ultra-low emission enterprises in clinker bases and grinding stations	%	3%	80%

In addition, we have deployed management goals in key areas such as green mines, green plants, new energy rate of electric mining trucks, intelligent mine construction and water resources protection, and built a comprehensive ecological environment protection management system to promote the continuous improvement of environmental performance.

Environmental Management Supervision and Audit

Conch Cement strictly adheres to with the *Environmental Protection Law of the People's Republic of China* and other national laws and regulations related to environmental protection, fully implements the internal management system such as *Environmental Protection Management Measures*, and continuously improves the environmental management system. The Company formulated and publicly released the *Environmental Policy Statement*, which systematically clarifies the management principles in key areas such as climate change, pollutant and waste management, resource recycling and biodiversity protection. This policy is applicable to the production and operation facilities, products and services, distribution and logistics, waste management, due diligence and mergers and acquisitions of headquarters and subsidiaries of Conch Cement. On this basis, the Company established a traceability mechanism for environmental incident responsibility through the *Environmental Protection Management Responsibility Investigation System*, and incorporated the environmental protection responsibility performance into the performance evaluation of managers to effectively promote the closed-loop management of environmental protection responsibility.

The Company continuously strengthens the implementation of environmental protection responsibility, conducts environmental compliance review on all our operations every year, and establishes a normalized supervision mechanism covering all links. We systematically identify implementation deviations and promote closed-loop rectification of problems by regularly organizing internal and external audits, and rely on the internal tracking mechanism to ensure the effectiveness of rectification and continuously improve the efficiency of environmental governance.

Internal	Internal Audit of Environmental Management	The Company conducts an environmental internal audit in the middle of each year covering all production lines and subsidiaries of the Group, carries out a comprehensive inspection on a number of environmental protection compliance requirements, and urges relevant units to implement rectifications according to the problems found.
	Special Environmental Protection Inspection	In daily management, we carry out "Four No's and Two Direct's" special environmental protection inspections on all subsidiaries to promptly identify potential environmental protection problems and follow up the improvement of the problems.
External	Environmental Protection Compliance Monitoring	Each subsidiary prepares an annual self-monitoring programme and engages a third-party monitoring unit with qualifications to carry out environmental entrusted monitoring on a quarterly basis. The major emission outlets of each company are installed with online monitoring equipment of pollutants as required to realize real-time monitoring of emission data.
	Environmental Impact Assessment Management	The newly-built, reconstructed and expanded projects all carry out environmental impact assessment and obtain approval on time, strictly implement environmental protection management measures during the construction process, and carry out independent examination and acceptance on schedule.
	Emission Permit Management	All production units have obtained sewage discharge permits in accordance with the law, strictly control the discharge of pollutants in accordance with the requirements permits, and ensure compliance operation.

During the Reporting Period, we achieved remarkable results in green production and low-carbon transformation. In terms of the construction of green plants, 17 subsidiaries including Lu'an Conch, Quanjiao Conch and Ma'anshan Conch were awarded provincial and municipal green factories. As at the end of the Reporting Period, Conch Cement had 29 national-level green factories and 56 provincial-level green factories.



National Green Factory - Tongling Conch

At the same time, the case of "Pollution Reduction, Carbon Reduction and Green Development" of Wuhu Conch, a subsidiary of the Company, was selected as the "Typical Case of Green Low Carbon Series in 2025" by the Ministry of Ecology and Environment, becoming the only enterprise case selected in Anhui Province and the cement industry; Conch Cement Green Low-carbon Transformation Practice and Shandong Jining Conch Zero-outsourced Power Low-carbon Park Construction Practice were successfully selected as "2025 Green Low-carbon Empowering High-quality Development Practice Case" by Xinhua Net, fully reflecting the Company's demonstration and leading role in green low-carbon.

Promotion of Environmental Protection Awareness

During the Reporting Period, Conch Cement continued to strengthen environmental protection promotion through various channels and forms, and made great efforts to raise the awareness of environmental protection, energy conservation and carbon reduction of all employees. We rely on the official website, WeChat official account and OA column to carry out normalized publicity, and promote the effective implementation of the green concept by watching theme videos and cooperating with local ecological and environmental departments to carry out public publicity.

7.3.2 Discharge Management

Conch Cement adheres to the whole-process management concept of "prevention at the source, control in the process, and treatment at the terminal", and integrates environmental protection requirements into all production and operation processes and sites. On the basis of ensuring 100% compliance discharge of waste gas, waste water and waste, we actively strive to achieve excellent environmental performance in all dimensions and continuously reduce the impact on regional ecology.

- **Air Emission Management**

Conch Cement strictly abides by the requirements of *the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Opinions on Promoting the Implementation of Ultra-low Emission in the Cement Industry* and other regulations and policies, and systematically promotes the cooperative governance of air pollutants around three key points of organized emission control, unorganized emission management and clean transportation optimization, and continuously improves our comprehensive control capability.

The Group has achieved 100% coverage of waste gas pollutant management in all operating places. By deploying emission monitoring systems, the Group has promoted technological transformation, deepened the application of self-developed integrated platform for environmental management and control in the whole plant, and improved the accuracy and intelligence of pollution control. As at the end of the Reporting Period, the pollutant emission concentrations of all subsidiaries were better than the relevant national and local emission standards, and the emission concentrations of flue gas particulate matter and sulfur dioxide were lower than the ultra-low emission control requirements.

Fully Benchmark Ultra-Low Emission Requirements

The Company actively promoted the ultra-low emission transformation, actively cooperated with government departments in the research, formulation and demonstration of relevant policies, established a leading group headed by the general manager of the Company, and cooperated extensively with relevant policy-making authorities to fully promote the ultra-low emission transformation of subordinate enterprises.

- **Organized Transformation**

In terms of denitration, we took the lead in independently researching and developing SCR technology with high temperature and high dust as well as medium temperature and medium dust, and promoted the application of the technology in more than 120 lines inside and outside the Company. In terms of desulfurization, we have implemented wet desulfurization in 44 production lines, accounting for more than 30% of the total production lines, and promoted the application of powder desulfurization technology in more than 40 production lines. In terms of the management and control of organized particles, the Company can independently design, manufacture and sell bag dust collectors, and adopts the most advanced high-pressure spunlace technology in the world, and the produced filter bags are widely used in various industries for ultra-low emission.

- **Unorganized Transformation**

We independently researched and developed technologies such as loading flying dust control system, cement packaging automatic loading system, dry fog dust suppression system and automatic car washing platform, which have been widely used in subsidiaries and serve the ultra-low emission transformation of building materials industry.

- **Clean Transportation Transformation**

Haihui Supply Chain, a subsidiary of Conch Cement, actively promotes the installation of charging piles, and vigorously promotes the use of new energy vehicles with suppliers at both ends of the supply and marketing, accelerating the promotion of the proportion of green transportation.



First Domestic SCR Denitration System with High Temperature and High Dust of Baimashan Cement Plant

During the Reporting Period, the Company formulated the principle of ultra-low emission creation and implementation guidance, and arranged and promoted the ultra-low mission creation plans of 28 clinker base companies according to the principle of "leading by demonstration and promotion in batches". As of the end of the Reporting Period, 3 clinker base companies including Jining Conch, Baimashan Cement Plant and Yangzhou Conch have completed the ultra-low emission transformation and acceptance publicity, and the remaining clinker base companies have completed the on-site ultra-low emission transformation and are applying for publicity.

The Company continued to promote the establishment of heavy pollutant weather performance grading A - grade enterprises and leading enterprises of subordinate enterprises. During the Reporting Period, 1 enterprise passed the evaluation of A - grade environmental protection performance enterprises, 13 enterprises passed the evaluation of leading environmental protection performance enterprises, a total of 25 subsidiaries passed the evaluation of heavy pollutant weather performance grading A - grade enterprises, and 33 subsidiaries passed the evaluation of heavy pollutant weather performance grading leading enterprises.

Intelligent Upgrading of Environmental Protection Management and Control Platform

The "Plant-wide Environmental Management and Control Platform" independently developed by the Company connects data such as access control system and distribution system, integrates data such as on-site environmental protection equipment operation and maintenance signals and video system signals, and introduces DCS data into the platform for storage, solving the pain points of traditional environmental protection management and control systems such as dispersion, lack of integration, dependence on labor and low efficiency, and empowering environmental protection management through intelligent means.

During the Reporting Period, we promoted the application of the platform in 36 internal and external companies, helping the industry to create ultra-low emissions, effectively improving the intelligent level of environmental management and control, and expanding the Company's business. In addition, the platform was successfully selected into the "First Batch of Anhui First Edition Software Evaluation List in 2025", demonstrating its technological advancement and industry demonstration value. Through the appraisal of scientific and technological achievements organized by China Building Materials Federation, the judging panel unanimously believed that the platform reached the domestic advanced level.



Integrated Management and Control Platform for Plant-wide Environment Ultra-low Emission

Integrated Technology of Flue Gas Desulfurization, Decarbonization and Mineralization



During the Reporting Period, the Company continued to promote the research and development of integrated technology of flue gas desulfurization, decarbonization and mineralization, and carried out the first small-scale experimental study of integrated desulfurization, decarbonization and mineralization in the cement industry in our subordinate Tongling Conch. The conversion rate of phosphogypsum can reach 95%, the removal rate of sulphur dioxide can reach 97%, and the removal rate of carbon dioxide can reach 80%. At present, the Company has formulated a pilot project. After the project is completed, it can realize the flue gas of cement kiln free of capture, the resource utilization of phosphogypsum and the simultaneous desulfurization of flue gas of cement kiln. Based on the flue gas of a 5,000-tonne/day cement kiln, about 1 million tonnes of phosphogypsum can be recycled every year, which has remarkable economic and environmental benefits.

Experimental Study on Integration of Flue Gas Desulfurization, Decarbonization and Mineralization

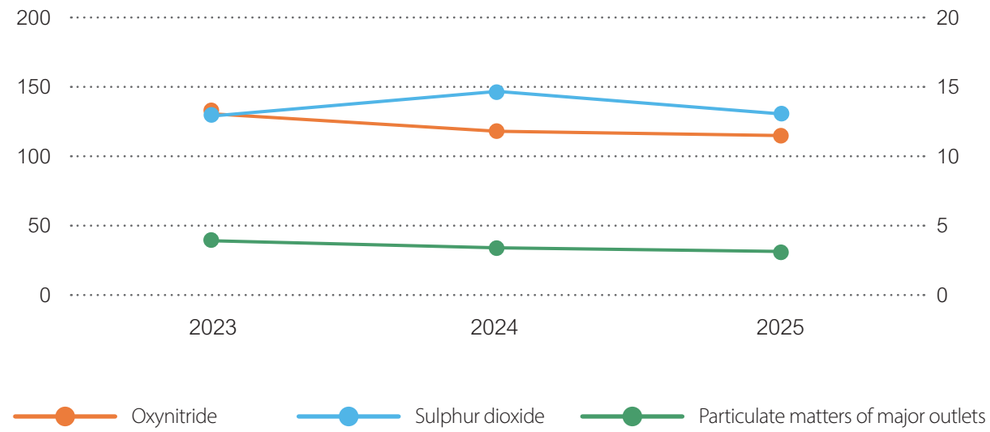
During the Reporting Period, Conch Cement focused on environmental protection governance and sustainable development, participated in the revision, compilation and discussion of the *Emission Standard for Air Pollutants in the Cement Industry*, and promoted the optimization of industry standards. Focusing on environmental protection, emission reduction and carbon reduction, we have completed the preparation of a series of future plans such as the *Research Report on Energy Conservation and Environmental Protection, Emission Reduction and Carbon Reduction*, providing strategic guidance for the green and low-carbon development of the Company.

Subsidiaries of the Group sell surplus emission rights through emission trading, gaining economic benefits while injecting momentum into the Company's high-quality green development. In 2025, the subsidiaries of the Company achieved gains of RMB4.77 million in total through the trading of surplus emission rights, demonstrating the significant improvement of the Company's environmental protection management level.

Total Exhaust Emission and Concentration of Conch Cement

Category of Pollutant	Total Emissions (tonne)	Emission Concentration (mg/m³)	Mean Concentration (mg/Nm³)	
	2025	2025	Ultra-low Emission Standard[18]	Emission Standard of Air Pollutants in the Cement Industry GB 4915-2013
SO_2	5,448	13.00	35	200
NO_X	40,062	113.78	50	400
Particulate matters of major outlets	1,564	3.01	10	30

Trend Chart of Average Emission Concentration of Pollutants from Main Emission Outlets in Recent Three Years[19](mg/Nm³)



[18] The source of ultra-low emission standard comes from the organized emission indicator limit in the *Opinions onPromoting the Implementation of Ultra-low Emission in the Cement Industry.*

[19] In the chart, the indicators of nitrogen oxides correspond to the left coordinate axis, and the indicators of sulfur dioxide and particulate matters of major outlets correspond to the right coordinate axis.

- **Wastewater Management**

Conch Cement always insists on carrying out wastewater management according to laws and regulations, strictly abides by relevant national and local environmental protection laws and regulations, and continuously promotes wastewater treatment and resource utilization.

The main type of wastewater of the Group is domestic wastewater. All subsidiaries of the Group are equipped with buried domestic sewage treatment devices, and regularly entrust a third party to detect the concentration of wastewater emissions. During the Reporting Period, the qualified rate of our wastewater treatment was 100%.

We adhered to the concept of rational water use and water conservation, and strengthened the management of wastewater resource utilization. The factories, docks and mines of all subsidiaries fully implemented rain and sewage diversion, and the wastewater generated by factory operation and project construction was deeply treated and reused, effectively improving resource utilization rate and reducing wastewater emissions.

Implement Renovation for Waste Heat Power Generation and Zero Emission of Desulfurization Wastewater

According to the characteristics of waste heat power generation and desulfurization wastewater in the cement industry, the Company developed and applied zero-emission wastewater technology integrating high-pressure reverse osmosis concentration and electrodialysis concentration processes, and built 19 sets of advanced wastewater treatment projects in 16 subsidiaries, realizing 100% reuse of waste heat power generation wastewater and desulfurization wastewater. During the Reporting Period, the Company continuously optimized the operation of the system and further strengthened our capability of resource recycling.

Wastewater Emission

Emission after qualified treatment of wastewater

2024	2025
522,563 Tonne	530,351 Tonne

- **Waste Management**

Conch Cement strictly abides by national and local laws and regulations on solid waste management, adheres to the principle of "harmlessness, reduction and recycling", defines the waste management goals, and establishes a normalized supervision mechanism to ensure 100% compliant disposal of hazardous waste.

In terms of hazardous waste management, the Company strengthened the whole process control, focusing on strengthening the standardized management of key links such as storage, warehouse out and in and transshipment. All subsidiaries have established temporary storage warehouses for hazardous wastes, strictly implement the management requirements for hazardous wastes, and regularly entrust qualified professional units to carry out standardized disposal. During the Reporting Period, the hazardous wastes generated in the Company's production process achieved 100% compliant disposal.

In terms of solid waste resource utilization and management, the Company continued to promote the construction of the cement kiln collaborative waste disposal system, and relied on solid waste disposal and resource recycling technologies to solve our problems and urban waste reuse and digestion problems. The Company has built 83 cement kiln solid waste collaborative disposal projects, with an annual disposal scale of over 10 million tonnes and an average annual reduction of carbon dioxide emissions of over 500,000 tonnes.

During the Reporting Period, the Company generated a total of 3,963 tonnes of hazardous waste, with the amount of hazardous waste generated per unit of business revenue being 4.80 tonnes/RMB100 million; the total amount of general solid waste generated was 574,910 tonnes, all of which were recycled, and the comprehensive utilization rate reached 100%; the amount of general solid waste generated per unit of business revenue was 696.59 tonnes/RMB100 million, and the resource utilization efficiency and environmental performance were continuously optimized.

Domestic Sludge Disposal

- We realize the reduction and recycling of domestic sludge through mechanical dehydration and energy drying.

Urban Domestic Waste Disposal

- We build a cement kiln co-disposal system for urban domestic waste, and rely on solid waste disposal and resource recycling technology to reduce the negative impact of garbage incineration and landfill on the environment.

Industrial Solid Waste Disposal

- We continue to deepen the application of general industrial solid waste, and use industrial waste residues such as coal gangue, volcanic ash and desulfurized gypsum as alternative raw materials for cement production, so as to improve the level of solid waste resource utilization.

Resource Utilization of Fly Ash

In view of the disposal problem of fly ash from domestic waste incineration, we actively explore the path of resource utilization and promote the transformation of waste from "end treatment" to "high value utilization".

The Company have initially established a technical route for recycling all components of fly ash, significantly improving comprehensive utilization rate of solid waste. During the Reporting Period, the Company started the first resource utilization project of fly ash washing and low-temperature pyrolysis in Taizhou Conch, which is currently under construction. The project adopts the process of "water washing + low temperature pyrolysis" and can dispose of 50,000 tonnes of fly ash from domestic garbage incineration every year, thus realizing the safe disposal and reduction of fly ash. After decoloration and pretreatment, the washing wastewater is prepared into light calcium carbonate which met the building materials standard, so as to realize resource utilization. By-product salt is converted into ammonium chloride and carbonate by electrodialysis technology, and the products can meet the agricultural standards.

Research on the Technology for Collaborative Disposal of Solid Hazardous Waste Using Plasma Coupled Cement Kiln Step Furnace

During the Reporting Period, we continued to carry out the research on the technology for collaborative disposal of solid hazardous waste using plasma coupled cement kiln step furnace, and carried out a small-scale experimental study on plasma in Chaohu Conch, realizing that the burn-out rate of solid hazardous waste was increased by plasma by more than 20%. At the same time, we developed 150kW special air plasma torch equipment for solid hazardous waste disposal, and the thermal-electrical conversion efficiency is ≥89%, reaching the domestic advanced level. In the future, this achievement is expected to replace fossil fuels with "green electricity-thermal plasma" coupling for cement clinker calcination. If it is applied in a 5,000t/d production line, the treatment capacity of hazardous wastes such as slurry and slag can be increased by more than 13%, new energy power can be consumed by 5,000 MWh/ year, and carbon emissions can be reduced by about 4,250 tonnes/year.

During the Reporting Period, the Group disposed of 2,431,491 tonnes of general solid waste and 1,170,498 tonnes of hazardous waste.

Cement Kiln Co-treatment

Cement Kiln Co-treatment	Unit	2024	2025
Domestic waste	Tonne	448,920	**448,818**
Sludge	Tonne	667,367	**729,165**
Hazardous waste	Tonne	1,218,470	**1,170,498**
Other general solid waste	Tonne	1,557,792	**1,253,508**
Total	Tonne	3,892,549	**3,601,989**

7.3.3 Resource Utilization

Conch Cement adheres to the concept of sustainable development, co-ordinates resource allocation and production efficiency, focuses on efficient utilization of key resources such as water resources and packaging materials, promotes green production and circular development, and continuously improves resource utilization efficiency.

- **Water Resource Management**

The Company strictly abides by relevant national laws and regulations on water resources, establishes and improves the internal water intake management system, conducts water resources demonstration in the early stage of a project, obtains water intake permits according to law, and takes water according to the certificate in production and operation, so as to realize compliance management in the whole process of water resources. The subsidiaries of the Group mainly use river water and rainwater recovered from the factories as water supply sources, and constantly reduce their dependence on new water.

We have set a clear water consumption goal and comprehensively promoted the "double control" of total water consumption and intensity. All subsidiaries strictly implemented the water consumption indicator requirements of provincial, municipal and county administrative regions, and continuously improved the efficiency of water resources utilization by improving the water-saving system, strengthening source control and deepening the recycling of industrial wastewater.

Enhance Fine-tuned Water Conservation Management

- We urge all subsidiaries to improve the water-saving management system, carry out water balance test, water performance evaluation and water efficiency benchmarking, and incorporate water-saving management into the whole production process control system.

Establishment of Internal Water Recycling System

- We promote rainwater collection and comprehensive utilization to replace dust suppression and recycling water. We comprehensively investigate wastewater discharge, formulate targeted recycling programs, and help achieve zero wastewater discharge.

Communicate the Concept of Water Conservation

- We regularly carry out water conservation publicity and technology promotion, actively advocate water conservation, and create a good atmosphere for all employees to participate and cherish resources.

Establishment of Water Conservation Enterprises

We give full play to its demonstration and leading role, actively promote advanced water conservation technology and management experience, and comprehensively improve the efficiency of industrial water use. During the Reporting Period, subordinate companies such as Shimen Conch and Hunan Conch were awarded provincial-level water conservation enterprises, and subordinate companies such as Pingliang Conch were awarded municipal-level water conservation enterprises. In the 2025 China Water Conservation Award selection and commendation activity organized by the Ministry of Water Resources, Yiyang Conch was awarded the advanced collective of China Water Conservation Award, and was selected as a typical case of industrial wastewater recycling in Hunan Province.

Water Resource Use of Conch Cement

Water Resource Use	Unit	2024	2025
Total water consumption	Tonne	98,113,783	**97,635,425**
Water consumption intensity per unit clinker (clinker process)	t-water consumption/ t-clinker	0.303	**0.302**
Water consumption intensity per unit operation revenue	t-water consumption/ RMB100 million	107,781.81	**118,300.08**

- **Packing Materials Management**

Conch Cement adheres to the concept of green packaging, and takes reduction of resource consumption and environmental impact as the core to continuously promote the whole life cycle management of packaging. The Company attaches great importance to the saving of packaging materials resources. The Plastics Company, a subsidiary of the Company, introduced international advanced laminating, printing and bag-making equipment to realize the automation of the whole production process, greatly improving the process accuracy and resource utilization efficiency, effectively solving the problem of ash emission in traditional cement packaging bags, and reducing material waste and environmental pollution.

In terms of packaging reduction and recycling, the Company vigorously promoted bulk cement transportation, reduced packaging demand from the source, and avoided damage and loss during transportation. At the same time, we continued to optimize the packaging design, gave priority to raw materials with low environmental impact and low energy consumption on the premise of meeting the functional requirements, and actively promoted recyclable packaging bags to promote the development of packaging in the direction of lightweight and recycling.

Usage of Packing Materials of Conch Cement

Usage of Packing Materials	Unit	2024	2025
Total amount of cement package bags consumed	Tonne	100,500	**105,971**
Cement package bags consumed per unit operation revenue	tonnes/RMB100 million	110.40	**128.40**

7.3.4 Green Construction

Conch Cement actively responds to the national green and low-carbon building policy, systematically promotes the R&D and application of assembled products based on the market and sustainable development needs, and comprehensively improves the resource utilization efficiency and low-carbon level of building links.

Demonstration Application Implementation	• We actively promoted assembly-type construction, and replaced steel walkway panels with precast concrete walkway panels through the optimization and demonstration of design scheme, so as to improve durability and safety, reduce the risk of aerial work and environmental protection, and simultaneously improve productivity and efficiency.
Breakthrough of Industrial Synergy	• We cooperated with Wanbang, CATL and other enterprises to develop energy storage cabinets and warehouses, completed testing and promoted internal application of these energy storage cabinets and warehouses, and promoted the use of precast concrete energy storage products.
Scenario Expansion and Extension	• We have developed prefabricated concrete finished cement houses for residential buildings, supporting gatehouses, kerbstones, prefabricated ditches and other products, realizing marketization promotion and expanding assembly-type new application scenarios.

7.3.5 Green Mines

Guided by the *Convention on Biological Diversity, the Kunming-Montreal Global Biodiversity Framework* and other documents, Conch Cement adheres to the commitment of biodiversity protection and non-deforestation and integrates biodiversity protection into the whole process of production and operation in compliance with the directives outlined in the *Opinions on Further Strengthening Biodiversity Protection by CPC Central Committee and the General Office of the State Council* and other documents.

The Company has formulated and published the *Biodiversity Statement*, which clearly defines the management policies for biodiversity-related risk assessment and control, damage tracking and restoration and governance, publicity, communication and co-operation, as well as monitoring and auditing, and strengthens source control and ecological restoration.

During the Reporting Period, we focused on the standardization of ecological restoration and management, revised and issued the evaluation indicators of green mine construction, and comprehensively carried out the update of the expired ecological management plan. We continued to improve the management requirements of internal mine ecological restoration and enhance the standardization and sustainability of mine ecological governance. As at the end of the Reporting Period, 44 mines were awarded national green mines and 42 mines were awarded provincial green mines.

Whole Process Control of Mining

Conch Cement has built a closed loop covering the whole life cycle of mining, including exploration and development, green mining, resource recycling and ecological restoration, which have achieved 100% utilization of ore and stone-inclusion resources in the mining area, and recycled dust water and rainwater for ecological irrigation, actively promoting the construction of green mines.

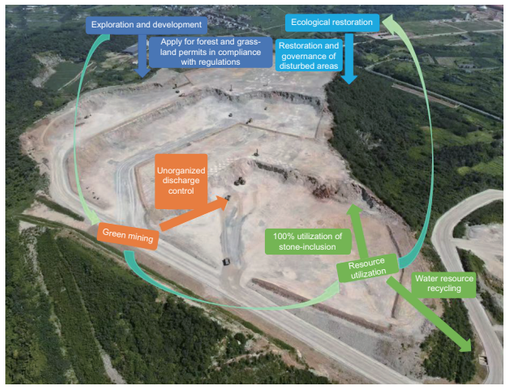


Diagram of the Whole Life Cycle of Green Mines

Prior to mining

The Company strictly carries out biodiversity assessment before mine construction to ensure that the disturbance of mining activities to the ecology is minimized, and at the same time, the Company promotes the handling of forest land certificates according to law. During the Reporting Period, we obtained certificates covering a total of 3,538 mu of forest land.

During the Mining Cycle

Conch Cement actively responded to the call of national green mine construction, adhered to the principle of "mining while restoring", and continuously promoted multi-dimensional measures such as control external discharge of wastewater, unorganized discharge control and optimization of hardware facilities during the Reporting Period to minimize the interference of mining activities on the environment.

Closed-loop Management of Wastewater

We set up sewage treatment facilities in industrial areas and living quarters of the Company's mines, and established sedimentation tanks and drainage ditches simultaneously, and strictly implement the requirements of the *Geological Environment Restoration and Land Reclamation Programme* to ensure that wastewater is not externally discharged.

Dust Control

We installed dry fog dust suppression devices in crusher, stacker and other parts, effectively suppressing the dust of materials under high temperature and dry conditions and improving the level of unorganized emission control.

Optimization of Traffic Facilities in Mining Area

During the Reporting Period, Chizhou Conch invested RMB3.5 million to reform the asphalt pavement of the 2.4-kilometer access road passing through residential areas, effectively improving the traffic conditions, reducing the risk of conflict between transportation and surrounding traffic, and improving the operation efficiency of the mining area.



Chizhou Conch Upgraded the Road in the Mining Area

Mine Re-greening

Since the "14th Five-Year Plan", the Company has invested more than RMB400 million in mine ecological restoration, completed 13.85 million square meters of greening treatment, planted more than 4.5 million seedlings and sowed more than 350,000 kilograms of grass seeds, effectively slowing down the impact of production and operation on the surrounding biodiversity. During the Reporting Period, many mining areas carried out re-greening practice, achieving remarkable results.



Fengkai Conch

In the process of mine infrastructure construction, Fengkai Conch completed approximately 137,000 square meters of reclamation and re-greening by laying geotextile, planting rubber grass and spraying external soil, effectively reducing the erosion of roads and slopes in rainy season and significantly preventing soil erosion. In addition, Fengkai Conch simultaneously built drainage ditches, grit chambers and other facilities, realizing the orderly drainage and resource utilization of rainwater.

Mine Re-greening

Deqing Conch completed the re-greening of about 140,000 square meters of slope by hanging net and spraying, and built 1.2 kilometers of intercepting ditch, 7.5 kilometers of road and step slope drainage ditch, more than 10 sedimentation tanks and 3 energy dissipation tanks, effectively curbing soil erosion.





Deqing Conch

Digitalization and Unmanned Mines

Conch Cement continued to promote the intelligent construction of mines, accelerated the realization of less manpower in mining operations, digital operation management and automation of operation processes, and continuously improved the green production efficiency of mines.

Promote the Electrification Transformation of Construction Machinery and Build a New Path of Green Transportation

Conch Cement actively responded to the national "Dual Carbon" goal, accelerated the pace of electrification of transportation equipment, and systematically promoted the strategic transformation of construction machinery from diesel-driven to electric-driven. In 2025, the electrification rate of transportation equipment increased to more than 25%, representing a year-on-year increase of 12.5%.

Baimashan Cement Plant, a subsidiary of the Company, has taken the lead in realizing the whole process of electric operation, and electric drilling rigs and mining trucks have been put into use, greatly reducing energy consumption and achieving zero pollution. At the same time, the Company promoted the technical transformation "from oil to electricity", and planned to complete the transformation of 100 mining trucks throughout the year. It is estimated that the operation and maintenance cost per tonne of ore will drop by over 50%, saving 12,000 tonnes of oil and 37,000 tonnes of carbon annually, with remarkable economic and environmental benefits.





Electric Mining Trucks

Biodiversity Protection

Adhering to the concept of ecological priority, Conch Cement controls the disturbance by delineating the mining boundary in advance, builds animal shelters, feeding points and botanical gardens during the process, and carries out artificial auxiliary protection. At the same time, Conch Cement promotes the ecological governance of "mining while repairing" and guides public participation to promote the harmonious coexistence between humans and nature.

Green Factory Area Integrates Nature, and Ecological Symbiosis Draws a Harmonious Picture

Chizhou Conch located in Chizhou, Anhui Province adheres to ecological priority in planning and construction, fully respects the surrounding natural environment, and realizes the organic integration of plant layout and natural landscape.

In production and operation, Chizhou Conch strengthened environmental management, promoted resource recycling, effectively controlled pollution, and continuously improved ecology, and was awarded the "National Industrial Tourism Demonstration Site". The plant area and its surroundings have now become the habitats of wild animals such as yellow muntjacs, wild boars, squirrels, wild rabbits, bamboo chickens, swans and silver gulls, and the biodiversity has been significantly improved, vividly interpreting the ecological background of green development and becoming a model of "harmonious coexistence between humans and nature".





Chizhou Conch

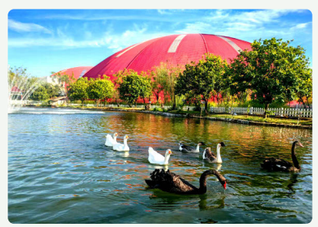




Chongqing Conch

Chongqing Conch, located in Zhong County, Chongqing, continues to carry out environmental improvement and ecological restoration, attracting a large number of wild birds to inhabit and multiply. At the peak of summer, thousands of birds such as egrets gather here, and more than ten kinds of birds such as night herons, pond herons and cattle egrets breed here, with the largest population exceeding 3,000, becoming a model for regional biodiversity conservation.

Beiliu Conch located in Beiliu, Guangxi Province successfully cultivated a stable and rich ecological community in the factory area through resource utilization of canteen leftovers, scientific feeding and systematic epidemic prevention. Peacocks, goats, chickens, colorful ducks, swans and other animals freely move and live in the factory area and ponds for a long time, vividly presenting a green ecological picture of the integration of industry and nature.





Beiliu Conch

08

Social: Harmony and Integration for People's Well-being

- 8.1 Employee Development 101
- 8.2 Excellent Quality 120
- 8.3 Joint Creation and Common Prosperity 133



08 Social: Harmony and Integration for People's Well-being

Conch Cement has always integrated the people-oriented concept and quality pursuit into development practice, focused on employee development, planted fertile soil for talents, and built a solid talent foundation for sustainable development of the enterprise. We empower value creation with excellent quality, deepen industrial chain coordination and community co-construction, promote co-creation and common prosperity with partners and local communities, and continue to contribute to the high-quality development of society.

8.1 Employee Development

Conch Cement always regards employee development as the core driving force of the Company's sustainable development, and pays full attention to employees' career growth and welfare protection. By perfecting the mechanism and broadening the channels, the Company builds a growth platform for employees and promotes the common progress of individuals and the enterprise. At the same time, the Company strengthens employee care and safety production management, and creates a safe, harmonious and win-win working environment.

8.1.1 Talent Strategy

Guided by the "15th Five-Year Plan" human resources strategy, Conch Cement continues to improve the scientific, lean and digital human resources management system around the idea of "12345"[20], focuses on talent introduction and cultivation, incentives and constraints and organizational efficiency enhancement, coordinates key measures such as promoting the "11251" key talent cultivation project[21], building a market-oriented salary system, implementing differentiated assessments, and advancing professional digital transformation, and continuously consolidates the talent support and team capability foundation for transformation and development.

Conch Cement Talent Development Strategy System

Talent Introduction

- **Haiying Project**: Reserve High-end Talents
- **Haixing Project**: Import outstanding college graduates with solid professional knowledge and recognition ofConch culture.

Talent Cultivation

	Grassroots and middle-level staff		Senior Management
Operational Talents	**Haina Project**: Introducing and cultivating talents in financial management, capital operation or innovation and entrepreneurship	Critical Position Training Programme for Smart Plant	**Pilot Project**: Cultivate industry leaders and executive successors
Technical Talents	**Haigong Project**: Introducing and nurturing key technical talents who are capable of grasping core technologies		
Management Talents	**Silk Road Talent Project**: Strengthening the international training of management personnel **Youth Backbone Project**: Cultivate and select the future management talents	TTT (Training the Trainer to Train) Programme	Executive training courses

Conch University: Microlecture · Specialised Training · Conch Lecture · Technical Exchange

[20] Idea of "12345": To build a scientific, lean and digital human resource management system as "one direction", stimulate organizational vitality and service transformation and development as "two goals", strengthen talent introduction and cultivation, improve incentive mechanisms and enhance organizational efficiency as "three main lines", and finally achieve the "five achievements" of accurate regulation of the total amount of employees, practical improvement of the quality of talents, smoother development channels, gradual improvement of management efficiency and leading human efficiency through the coordinated promotion of the "four paths" of the "11251" key talent cultivation project, market-oriented salary, differentiated assessment and professional digital transformation.

[21] "11251" Key Talent Cultivation Project: To Cultivate and introduce five types of talents including leaders, managers, young cadres, engineers/skilled talents and college graduates according to industry demand, and form a closed loop through job rotation practice, training and assessment to support the high-quality development of the Company.

8.1.2 Employee Employment

Conch Cement strictly follows the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China* and other laws and regulations, and continuously improves its internal recruitment system and management processes to devote itself to building an open and transparent standardized recruitment system and fully implementing compliance requirements.

Compliance Employment	Conch Cement strictly complies with relevant national and local laws and regulations to ensure the compliance and transparency of the recruitment process. The Company clearly stipulates the recruitment age limit and standard working hour requirements in the labor contract and related internal systems, resolutely prohibits the employment of child labor and puts an end to any form of forced labor. In 2025, the Company optimized the examination and approval process for employees' onboarding and strengthened the strict information review and verification of employed employees by deepening the application of the digital human resources platform to ensure recruitment compliance. The platform also realizes the online management of employees' working hours, overtime and scheduling, and combines the online attendance confirmation system to strengthen the dynamic supervision of labor relations based on real-time attendance data, effectively protecting employees' legitimate rights and interests. During the Reporting Period, no incidents of child labour or forced labour occurred in the Company.
Talent Recruitment	In order to support the Company's high-quality development, the Group continuously introduces various talents through campus recruitment and social recruitment every year. In 2025, the Company actively expanded campus recruitment channels, travelled to renowned universities such as Anhui University, Hefei University of Technology, Wuhan University of Technology, China University of Geosciences and Donghua University to hold a number of "Conch Talents" special career talks and double selection meetings, and successfully hired many outstanding college graduates.

School-Enterprise Cooperation to Introduce Talents

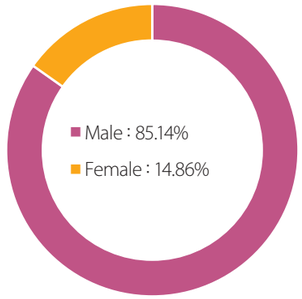
In order to continuously deepen school-enterprise cooperation and broaden the channels of talent introduction, the Company actively promotes the integration of industry and education from cooperation and exchange to collaborative education around the demand for key professional talents. In June 2025, the Company renewed and signed a cooperation agreement on the innovative practice base of integration of industry and education with Tongji University School of Materials Science and Engineering, and in October 2025, the Company held a special campus career talk with the support of Wuhan University of Technology Employment Guidance Center and related colleges. In addition, the Company provided practice and training support for the summer practice teams of the two schools, with more than 50 teachers and students participating, further enhancing the effectiveness of school-enterprise collaborative education.



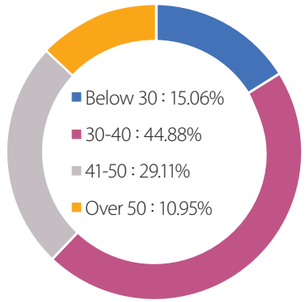


Scene of Summer Practice Activity

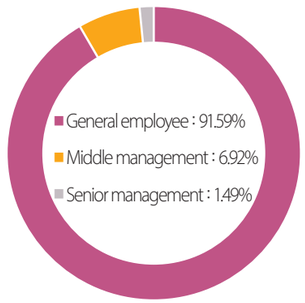
As at the end of the Reporting Period, the Group had a total of 48,286 employees, all of whom were full-time employees; 7.97% were foreign employees and 6.81% were ethnic minority employees. Among all management personnel, 5.81% were women and 3.63% were members of ethnic minorities.



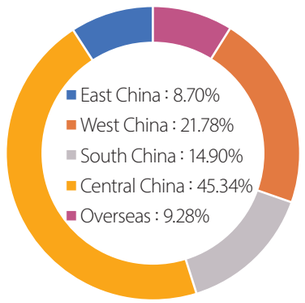
Employees by Gender



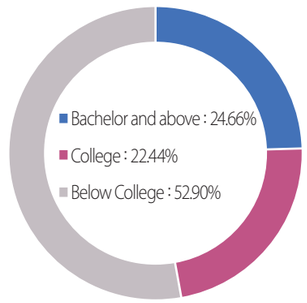
Employees by Age



Employees by Rank

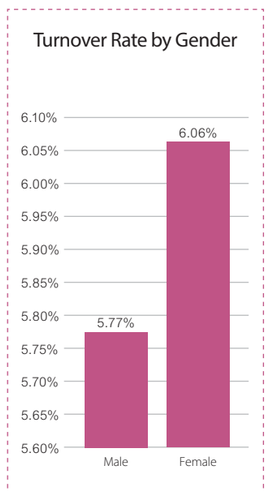


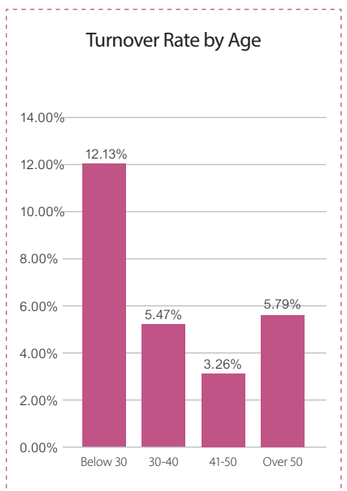
Employees by Region

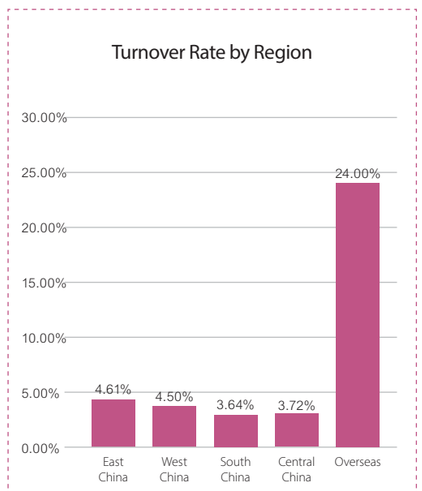


Employees by Education

Conch Cement always insists on fulfilling corporate social responsibility, ensuring the establishment of legal labor relations with employees through labor contracts, and effectively protecting the legitimate rights and interests of employees. In order to optimize the stability of team, the Group continuously pays attention to and takes measures to reduce employee turnover. During the Reporting Period, the Group recorded a turnover of 2,861 employees, with the turnover rate of 5.86%.







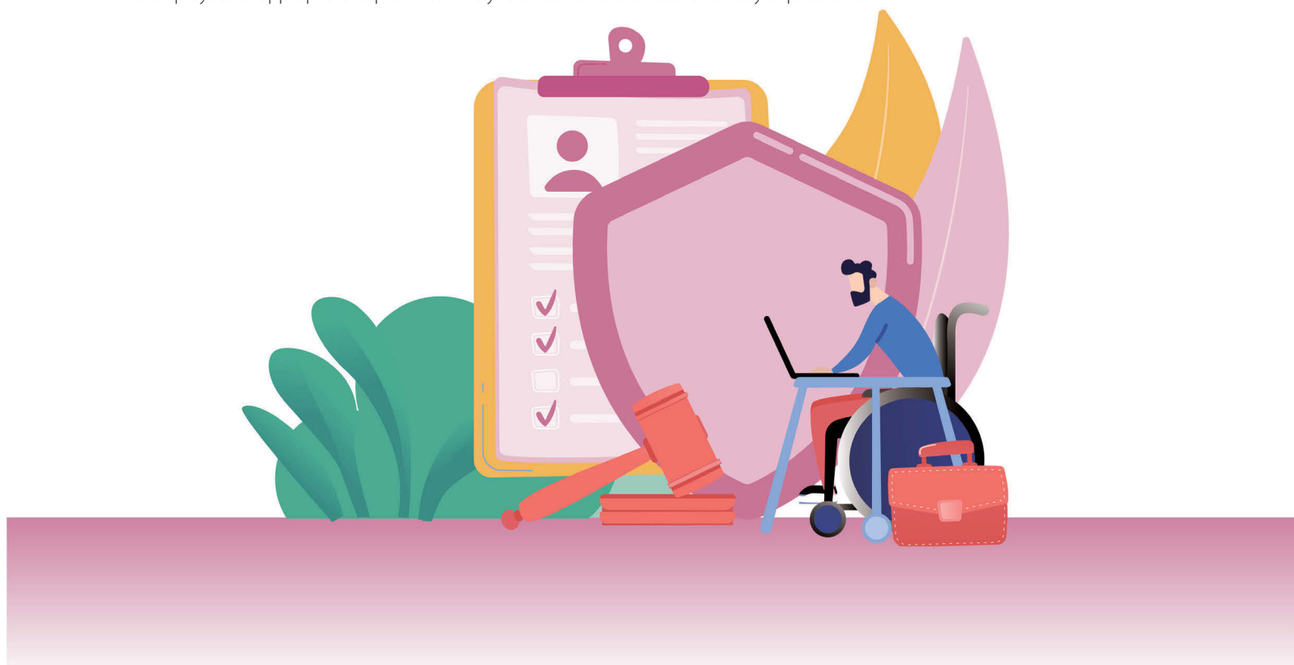
8.1.3 Employee Rights

Conch Cement attaches great importance to the protection of employees' human rights, always upholds the core principles of equality, respect and dignity, devotes itself to creating a fair, just, respectful and dignified working environment for all employees, and continuously integrates human rights requirements into system construction and management practice. In August 2025, the Company formally drafted and issued the *Human Rights Policy Statement of Anhui Conch Cement Company Limited*, took the internationally recognized human rights protection regulations such as the *Universal Declaration of Human Rights* and the *ILO Declaration on Fundamental Principles and Rights at Work* as the benchmark requirements, and expected and encouraged suppliers, partners and other stakeholders to work together to promote human rights protection and provide protection measures for employees in the value chain that meet the human rights standards such as the core conventions of the ILO.

The Company supports employees' freedom of association based on laws, encourages collective consultation and social dialogue, unblocks communication channels, and promotes harmonious and stable labor relations. During the Reporting Period, the Company's trade unions continued to carry out collective negotiation and normative inspection of the collective contract signing process. As at the end of the Reporting Period, the collective contract signing rates of Conch Cement and the subsidiaries all regions remained at 100%.

The Company also attaches great importance to the construction of pluralistic, equal and inclusive culture, strictly implements the internal anti-discrimination management requirements, adheres to the principle of equality and diversity in employment, and prohibits any discriminatory behavior based on factors such as gender, age, education, region, nationality, race and religious belief. According to the requirements of national and territorial laws and regulations, the Company regularly organizes relevant inspections, covering key links such as recruitment, employment and employee management, and provides employees with information feedback and complaint channels for misconduct such as discrimination and harassment through trade unions. In terms of salary equity, the Company regularly conducts comparative analysis of salary data, continuously pays attention to gender salary differences, and implements the salary management principle of equal salary for equal work. There was no gender pay gap at Conch Cement during the Reporting Period.

At the same time, the Company continued to strengthen the identification and management of human rights risks, carried out inspections in combination with domestic and international human rights-related regulations and standards, and timely discovered potential risks through employee communication and survey. The Company verified and investigated the identified human rights risks and the reports of human rights problems received according to internal procedures, and provided necessary support and assistance to employees as appropriate to promote timely rectification and effective remedy of problems.

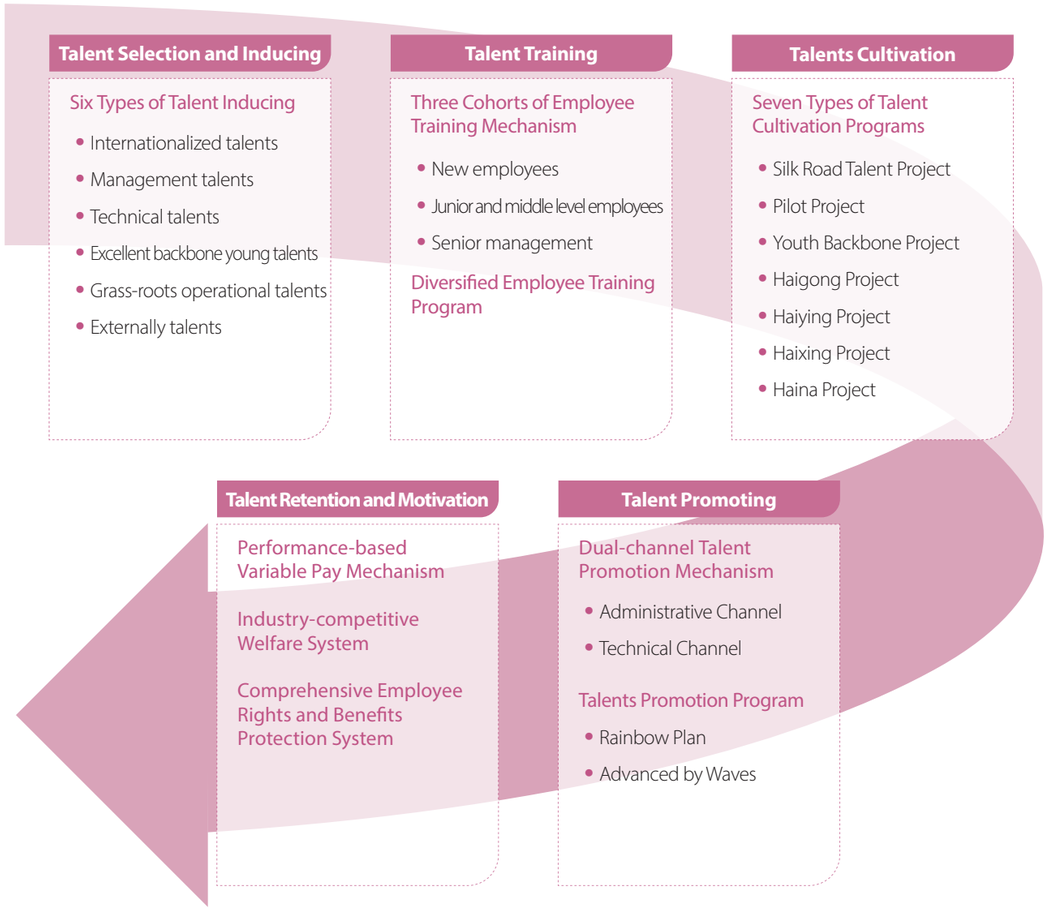


8.1.4 Talents Development

Conch Cement regards talents as an important development kinetic energy, and continuously optimizes the cultivation, promotion and incentive mechanism of talents around strategic demands. The Company improves the ability of employees through training and post experience, improves the mechanism of career development and promotion, and optimizes the salary incentive oriented to post value and performance contribution, so as to stimulate the vitality of employees and provide talent guarantee for the Company's high-quality development.

Talents Cultivation

Conch Cement continued to promote the "11251" key talent cultivation project, focused on improving the ability of key positions and cultivating talents in short supply around the transformation and development of the Company and the needs of key industries, continuously improved the all-round talent succession planning system, and promoted the arrangement of talent echelon construction and growth and development. The Company continuously improved the professional and management capabilities of employees and strove to build a high-quality and professional talent team through hierarchical cultivation, post experience and special empowerment.



Conch Cement Talent Succession Planning System

During the Reporting Period, the Company drafted and issued the *Management Measures for Training of Departments and Offices of Conch Cement*, further clarifying the responsibilities and management requirements of training organizations, and continuously improving the hierarchical and classified training management mechanism. The Company established a hierarchical and classified training mechanism, organized the formulation and implementation of the annual training plans of Conch Cement and its subordinate regional subsidiaries, covering leadership training and skills and knowledge development training, covering all employees of the Company (including part-time employees and contractors) and providing training and development opportunities for employees at different levels. At the same time, the Company relied on Ningguo Training Center as an important training platform, integrated internal and external teachers and curriculum resources as a whole, and conducted skills and comprehensive ability training around key tasks and front-line needs to provide support for the improvement of employees' abilities and the operation of talent training system.

New employees (including Haiying talents, Haixing talents, etc.)

- To organize pre-job training and exchange activities to help new employees integrate themselves into the enterprise, master the basic requirements of posts and improve their post adaptabilities

Junior and middle level employees

- To carry out special training on professional skills, comprehensive ability, safety management and corporate culture in combination with the business needs,and rely on platforms such as Ningguo Training Center to strengthen the support for capacity improvement

Senior management

- To arrange for executives to participate in executive advanced study and training and other trainings, and improve their leadership and management capabilities by focusing on the themes such as performance management driving value creation, and operation and practice of scientific and technological innovation organizations

Hierarchical Training Mechanism



Specialized Training Class for Senior Executive "Top Leaders"



Training on Improvement of the Duty Performance Ability of Middle Managers



Pre-job Training of "Conch Star Talents"



Graduation Ceremony of Conch "International Order Class"

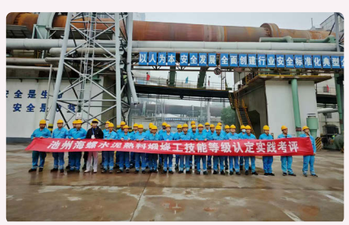
Cultivation of Multi-skilled Talents of Chizhou Conch

Conch Cement continues to improve the employee training and skills upgrading mechanism to provide talent support for its production and operation. In 2025, Chizhou Conch systematically carried out internal training and skill evaluation around the production demand, and deepened the cooperative cultivation with external institutions through new apprenticeship and other projects.

During the Reporting Period, the Company achieved 190 person-times improvement in multi-job skills, including 2 senior technicians and 23 technicians for cement producers, 73 apprentices in the electrician and fitter training program passed the examination of the cultivation project and obtained intermediate-level worker' qualifications, and 92 employees in three occupations of electrician, supply chain manager and mechanical equipment installer obtained senior-level workers' qualifications, further consolidating the foundation of skilled talents in key positions and providing strong guarantee for production and operation.



High-skilled Talents Training Base



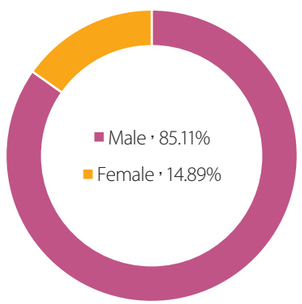
Practical Evaluation of Skill Level Identification



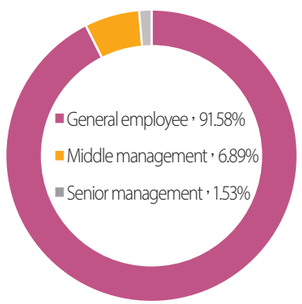
Evaluation of Clinker Calcination Workers

The Company also strictly implements the *Guiding Opinions on Encouraging Employees to Learn and Educate*, supports all employees (including part-time employees and contractors) to carry out academic advancement and professional qualification certification, and provides education subsidies and professional qualification allowances for registered safety engineers, construction engineers and other engineers in accordance with the system regulations, continuously motivating employees to learn and grow and improve their abilities. As at the end of the Reporting Period, the Company's employee education expenditure totaled RMB16,250,600, and 869 employees were supported by education subsidies and professional qualification allowances.

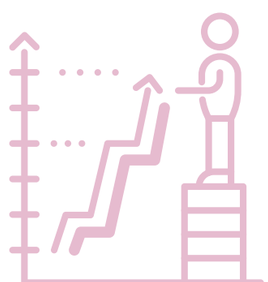
As at the end of the Reporting Period, the total investment in employee training by the Group amounted to RMB14,798,500. The proportion of employees regularly undergoing performance and career development assessments reached 100%, with a total training participation rate of 100%. The total training hours for employees amounted to 4,497,246 hours, averaging 92 hours per person, with a total of 863,353 persons participating in training. The data related to employee training classified by category is as follows.

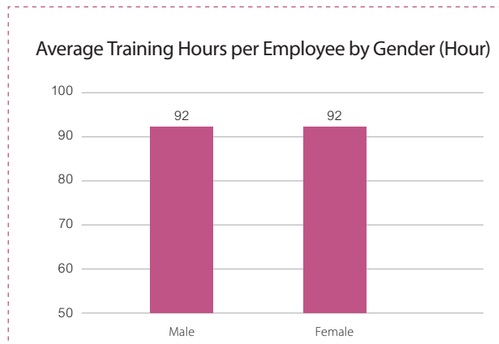


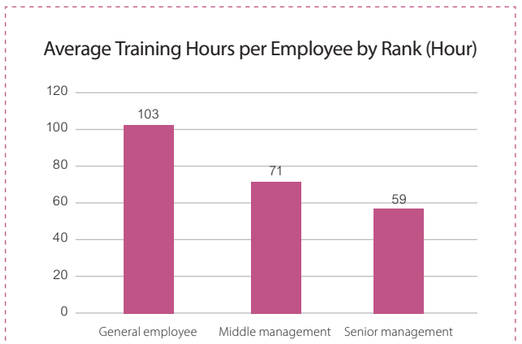
Percentage of Employees Trained by Gender



Percentage of Employees Trained by Rank



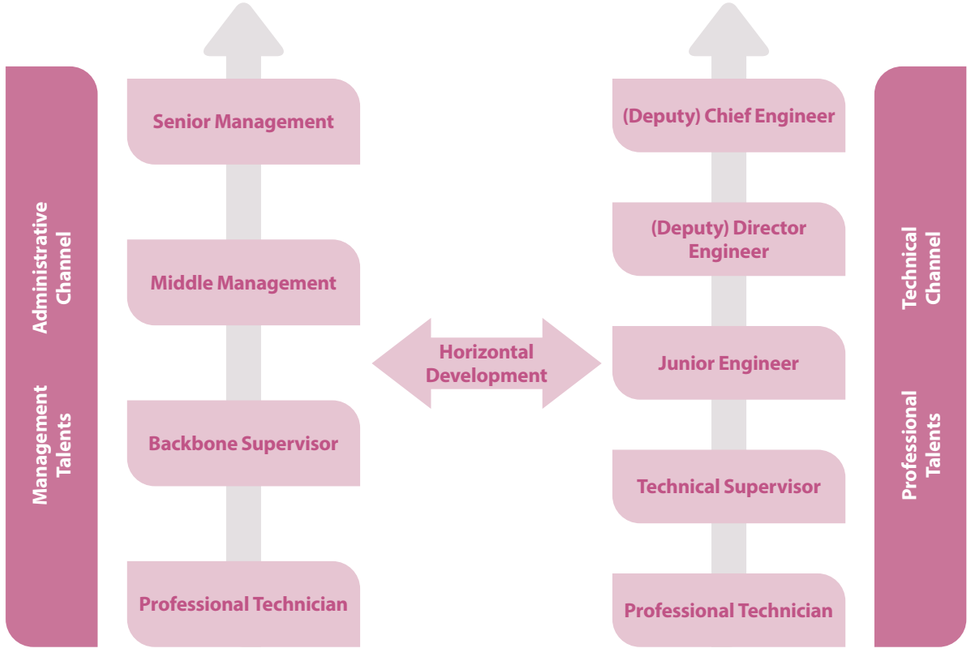




Talent Promoting

Conch Cement continues to improve the management system of employee career development and promotion by focusing on the transformation and development of the Company and the needs of key industries. The Company optimizes the rank system and post development channels, clarifies the job requirements and promotion paths of technical and operational posts, promotes the effective connection between employee ability improvement and post development, and provides clear career development guidance for employees.

The Company continues to improve the arrangement of promotion evaluation and qualification management, optimizes the evaluation and management mechanism of professional titles, and links the evaluation of professional titles with job appointment, job promotion and salary adjustment, promoting the promotion management to be more standardized and orderly. At the same time, the company promotes talent promotion evaluation projects such as "Rainbow Plan" to smooth employee growth channels.



Promotion Path Dual Channels of Conch Cement

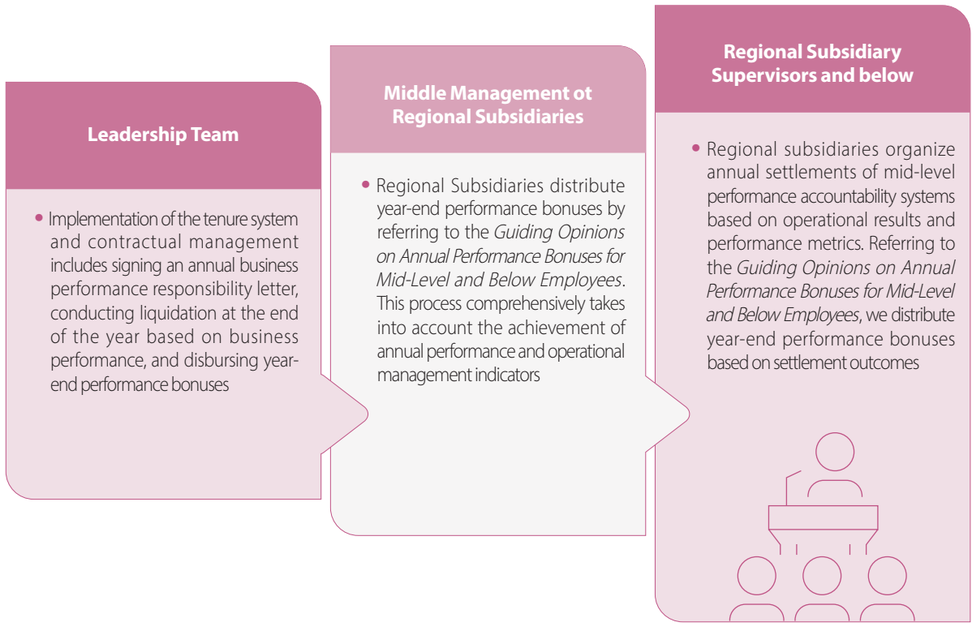
During the Reporting Period, the Company formulated and issued the *Conch Cement Implementation Plan for Deepening the Reform of Industrial Worker Team Construction*, built a skill upgrading support system covering all employees and running through the whole process, and integrated internal and external high-quality resources to broaden the channels for employees to grow into talents.

Salary Incentive

Conch Cement has continuously improved the salary management system, established a salary distribution mechanism that is linked with business performance, personal performance and job responsibilities, and continuously stimulated employees' vitality. During the Reporting Period, in order to encourage regional subsidiaries to promote key work around effective investment and operation promotion, the Company issued the *Conch Cement Special Award Scheme in 2025*, clarifying the scope of application and distribution principles of awards, tilting the incentive towards frontline positions, and refining the applicable objects and incentive standards in conjunction with investment development, environmental assessment, and other matters.

The Company has established a performance-based salary mechanism for all full-time employees, fully stimulating employees' work vitality, effectively guaranteeing the fairness and justice of the salary system, and building a win-win foundation for employees' rights and interests and enterprise development. The Company's employee salary system consists of three parts, i.e. monthly basic salary, monthly post bonus and year-end performance bonus, in which the post bonus is linked to the Company's monthly production and operation benefits and personal performance, while the year-end performance bonus is adjusted in a floating manner according to the completion of the annual operation objectives. Through scientific salary incentive design, the Company fully mobilized the subjective initiative of employees, promoted the continuous optimization and improvement of employee performance, and realized the two-way empowerment of the enterprise's development and employees' personal value improvement.

In addition, the Company established a hierarchical and classified performance bonus management mechanism for employees at different levels, and implemented differentiated incentives in combination with the annual operation performance results and performance appraisal.



Annual Performance-based Bonus Management Mechanism

Conch Cement continued to stimulate employees' work enthusiasm and creativity through diversified incentive mechanism and in combination with skills upgrading, innovation contribution and employee reward system, The Company further promoted the improvement of employees' professional capabilities and the cultivation of their innovative spirit by regularly holding skill competitions and innovation activities.

Employee Skill Competition

In 2025, Conch Cement successfully held the 4th Skill Competition, and expanded the competition venues and items for the first time, further enhancing employees' sense of participation and team cohesion. At the same time, the Company carried out all-employee innovation activities, encouraged employees to put forward suggestions for improvement in management, technology and process, and gave immediate, quarterly and annual rewards through the three-level evaluation mechanism, effectively stimulating employees' innovation vitality and work enthusiasm. These measures not only enhanced employees' professional capability and innovative consciousness, but also enhanced employees' sense of identity and belonging to the enterprise through supporting honors and material incentives.



Employee Skill Competition Site

8.1.5 Care for Employees

Conch Cement adheres to the people-oriented principle, continuously improves the communication mechanism of employees, improves the welfare security system, optimizes the care and support measures for employees, and constantly enhances employees' sense of acquisition and belonging.

Employee Communication

Conch Cement establishes a normalized employee communication and opinion feedback mechanism, and ensures employees' knowledge, participation and supervision rights to matters involving their immediate interests through annual employees' representative conference, quarterly grass-roots symposium and exchange and online feedback platform.

Employees' Representative Conference	• The Company holds an employees' representative conference every year to consider important matters or systems related to the vital interests of employees, such as salary distribution, rest and vacation, labor security and welfare.
Employee Symposium	• The Company's trade union, in combination with the quarterly work arrangement, organizes grass-roots units to hold employee symposiums to listen to opinions and suggestions on matters of general concern to employees, such as health checkups, collective welfare and logistics life, so as to promote the improvement and closed-loop implementation of problems.
"Scan QR Code for Matters" Platform	• The Company accepts matters such as consulting for help, opinions and suggestions, complaints and reports through the online feedback platform, and improves the response efficiency through closed-loop handling and result feedback.

Employee Communication Mechanism

Employee Symposium

In 2025, the headquarters and subsidiaries of the Company held over 600 grass-roots employee symposiums to collect employees' suggestions on logistics life, welfare guarantee and health checkup. After systematic classification, related problems have been transferred to the corresponding responsible units for improvement, and a tracking mechanism has been established to ensure that such problems are effectively addressed.



Employee Symposium

In 2025, the Company launched and operated the "Scan QR Code for Matters" Platform to realize "one-click direct access" to employees' demands. In the whole year, the Company received 91 requests from employees for help, opinions and suggestions, complaints and reports, including 44 complaints and reports, 25 opinions and suggestions, and 22 requests for help, with a settlement rate of 100%, effectively improving the coverage and response efficiency of employee services.

At the same time, in order to systematically evaluate the employee experience and identify the improvement direction, the Company regularly conducts employee satisfaction surveys. In October 2025, the Company conducted an anonymous questionnaire survey for employees in all regions and at all levels, covering salary and benefits, office environment, information security, training and growth, value recognition, internal collaboration, work pressure and corporate culture recognition. The survey results showed that more than 90% employees gave positive comments on the overall situation, which reflected employees' overall recognition of the Company's management and organizational atmosphere. The Company used the survey results to optimize relevant management and care measures. By improving the digital human resources system and promoting paperless office, the Company alleviated the pressure of grassroots affairs while promoting the improvement of overall work efficiency. The Company also relied on the professional departments and offices of the headquarters to conduct regular centralized training and questions answering for regions and subsidiaries, and responded to their business difficulties in time, helping to steadily enhance professional capabilities.



Employee Welfare

Conch Cement always complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China*, and the *Regulation on Paid Annual Leave for Employees*, etc. to ensure that all employees enjoy basic welfare protection according to law. The Company provides employees with social security including pension, unemployment, work injury, medical care, maternity insurance, supplementary medical insurance and housing provident funds, and provides eligible employees with pension and retirement benefits to ensure that employees enjoy adequate retirement protection.

Conch Cement provides employees with comprehensive non-salary welfare protection, covering family care, health protection and long-term welfare, and is committed to improving employees' job satisfaction and quality of life, and enhancing their sense of belonging and loyalty.

Non-salary Welfare Protection	
Family-related Welfare	Maternity leave, paternity leave and parental leave: The domestic subsidiaries of the Group strictly abide by the *Special Provisions on Labor Protection for Female Employees* issued by the State Council and the *Regulations on Population and Family Planning* issued by local governments, and provide employees with corresponding leave periods when they meet the prescribed conditions. The Company provides no less than 14 weeks of maternity leave for female employees, and no less than 2 weeks of paternity leave for male employees. In addition, before the employee's children reach the age of six, employees and their spouses can enjoy two weeks of parental leave each year to help employees balance their work and family responsibilities The overseas subsidiaries of the Group strictly implement the policies of the countries or regions where they are located
Life Security Welfare	Supplementary Medical Insurance: The Company provides supplementary medical insurance for all employees to ensure their additional medical needs beyond the basic medical insurance
	Catering Subsidies and Holiday Benefits: According to different positions and regions, the Company provides catering subsidies and holiday benefits to improve the daily life security of employees
	Enterprise Annuity: Employees can voluntarily choose to pay enterprise annuity after the probation period, providing long-term retirement protection for employees
	Talent Apartment: The Company provides talent apartments for employees to ensure that employees have a comfortable and convenient accommodation environment during their work
	Employee Canteen: The Company provides employees with three meals a day to ensure that employees have delicious and nutritious meals during their work

During the Reporting Period, the newly renovated employee canteen of the Company's headquarters was completed and put into use, using low-carbon and energy-saving building materials, and providing employees with a more warm and comfortable dining environment with the help of cutting-edge technologies such as artificial intelligence.





Employee Canteen of the Company's Headquarters

Care for Employees

Conch Cement always pays attention to employees' physical and mental health and quality of life, and enhances employees' sense of belonging and job satisfaction through various cultural, sports and welfare activities, and promotes the balance between employees' work and life.

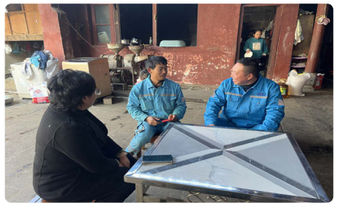
The Company regularly organizes sports events, cultural exchanges and festival-themed activities by focusing on employees' physical and mental health and cultural identity, and actively implements the employees' recuperation policy. In 2025, the Company successfully held the second "Conch Trade Union Cup" basketball game, effectively enhancing team cohesion and cooperation spirit. In the same year, the Company also organized "Reading Day", "Mid-Autumn Festival Flower Arrangement", tree planting and other activities to further enrich the spiritual life of employees and create a harmonious cultural atmosphere. The Company coordinated the participation of model workers, craftsmen, and frontline employee party representatives in the treatment and recuperation activities arranged by the All China Federation of Trade Unions and local governments. The Company also carried out three batches of micro recuperation activities, reaching 300 person-times.


"Reading Day" Activity Site


"Arbor Day" Activity Site

The Company attaches great importance to the care of employees and their families. During traditional festivals such as the Spring Festival, the Dragon Boat Festival and the Mid-Autumn Festival, the Company carried out visits and condolences to employees in difficulty and overseas employees' families in a hierarchical system, with more than 2,000 visits and condolences throughout the year, which effectively helped solve practical difficulties. In 2025, after the sudden earthquake in Myanmar, the Company's trade union contacted the families of the affected Chinese employees for the first time and provided condolences and assistance in time.


Consolation Activity for Overseas Employees' Families during the Dragon Boat Festival


Condolence to Employees in Difficulty during the Spring Festival

During the Reporting Period, the Company actively promoted the protection and all-round development of women workers' rights and interests, extensively carried out the publicity of legal popularization for women workers, and held more than 110 lectures on women workers' physical and mental health, professional women's lecture halls and other activities, paying close attention to the actual needs of women workers in their work and life. At the same time, the Company continued to improve the working mechanism of the Women's Workers' Committee in accordance with the *Detailed Rules for the Implementation of the Work of the Women's Workers' Committee of the Trade Union*, promoted the normalization and institutionalization of its work, and ensured that the legitimate rights and interests of women workers were effectively protected.

8.1.6 Production Safety

Conch Cement always regards production safety as the core task of the Company's operation, and ensures production safety and employee health by establishing a sound safety management system and strengthening the responsibility for production safety. The Company continues to promote the construction of safety culture and risk control, and ensures the achievement of the Company's safety objectives and improves the safety management level through strict implementation of safety production norms.

Production Safety Responsibility

Conch Cement strictly complies with the *Production Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, the *Trade Union Law of the People's Republic of China* and other relevant laws and regulations. We have issued the *Occupational Health and Safety Policy Statement* as an important program for promoting occupational health and safety management, defining management principles, objectives and supervision and audit mechanisms, and effectively promoting the implementation of safety management requirements and the achievement of objectives. During the Reporting Period, Conch Cement revised the *Responsibility Investigation System for Production Safety* to further refine the criteria for determining and investigating accidents, and strove to build a comprehensive and clear-cut responsibility system for production safety. In addition, the Company revised the *Reward System for Internal Report of Accident Hidden Danger Investigation* at the same time to strengthen the safety management mechanism of "full participation and prevention first", encourage employees to actively discover and report hidden dangers, promote prevention and control in advance, and effectively reduce the risk of safety accidents.

Conch Cement has established a perfect safety management framework, and formed a full-coverage safety management responsibility system through the vertical management system of "EHS Management Committee-Region-Subsidiary-Department-Workshop-Team".

EHS Management Structure and Division of Responsibilities

EHS Management Committee

EHS Management Committee, as the executive body at the board level, is responsible for formulating and reviewing the Company's health and safety strategy, and supervising the achievement of safety performance and objectives. Conch Cement's general manager (CEO) and deputy general manager in charge of safety and environmental protection are members of this committee, who are responsible for the Company's safety management affairs, and incorporate the safety and environmental accident assessment indicators into the salary performance assessment scope of the general manager and deputy general manager in charge of safety and environmental protection to ensure the effective implementation of the health and safety strategy.

Management of Regions and Subsidiaries

The management agencies of all regions, subsidiaries and factories are responsible for implementing the health and safety strategy decomposed by superiors, conveying and implementing the safety management requirements, and ensuring the smooth achievement of objectives.



Safety Management Structure of Conch Cement

In addition, the Company formulates annual occupational health and safety objectives including relevant parties (suppliers and contractors), and decomposes the objectives into responsible subjects at all levels, which are included in the performance appraisal and reward and punishment mechanism.

Conch Cement's Safety Management Targets for 2025	
Zero Target	• Zero major and above safety responsibility accidents • Zero new case of occupational pneumoconiosis disease
Non-Zero Target	• Accident injury rate per thousand employees was less than 0.5‰ • Accident injury rate per thousand stakeholders was less than 0.5‰

Focusing on the implementation of occupational health and safety policies, Conch Cement has established a hierarchical and normalized supervision, inspection and audit evaluation mechanism to realize closed-loop management of problem identification, rectification implementation and rectification effectiveness verification. During the Reporting Period, the Company organized 3 comprehensive safety inspections of the whole Company and 2 regional safety inspections, and promoted 18 subsidiaries to carry out pre-evaluation of third-party safety standardization, so as to continuously identify management shortcomings, verify the implementation effect and promote improvement.

We also strictly implemented the *Interim Measures for Safety Management of Relevant Parties of Conch Group*, and incorporated the safety management of suppliers and contractors into the overall safety management system of the Company. By defining the safety responsibilities of suppliers and contractors, the Company ensured that suppliers and contractors complied with the Company's safety production standards, and regularly evaluated and assessed their safety management. At the same time, the Company required suppliers and contractors to conduct regular safety training to ensure that their employees had the necessary safety knowledge and skills to ensure the effective realization of production safety objectives.

Conch Cement continued to deepen the construction of the standardization of safety management system. As at the end of the Reporting Period, clinker bases and grinding stations and other production units of subsidiaries of the Group have carried out occupational health and safety management system certification, with a coverage rate of 100%.



During the Reporting Period, the important achievements related to safety management and production safety are presented in the table below:

Indicators	Unit	2025 Performance
Number of major and above safety responsibility accidents	/	0
New case of occupational pneumoconiosis disease	/	0
Accident injury rate per thousand employees	‰	0.23
Accident injury rate per thousand stakeholders	‰	0.35
Number of work-related accidents per million working hours - employees	Times/million working hours	0.55
Number of work-related accidents per million working hours - contractors	Times/million working hours	0.06
Employee's occupational health and safety input	RMB100 million	2.14
Production safety input	RMB100 million	9.55
Coverage rate of occupational health examination	%	100

Safety Management Performance of Conch Cement in 2025

Production Safety Guarantee

Conch Cement continued to improve the occupational health and safety management system, focused on key areas and key links, carried out annual safety audit, safety inspection and hidden danger investigation and governance in an orderly manner, continued to improve the level of production safety, and ensures the smooth operation of production and operation.

Conch Cement continued to improve the health and safety risk identification and assessment mechanism, and in combination with the annual inspection, special inspection and daily patrol arrangements, carried out assessment and dynamic update by focusing on high-risk links such as hazardous operations, inspection and maintenance, new reconstruction and expansion projects, management of interested parties and prevention and treatment of occupational diseases. Each subsidiary carried out coverage assessment according to laws, regulations and the Company's system, formulated rectification measures for identified risk points, defined the division of responsibilities and completion time limit, and implemented targeted control measures to reduce risk levels. In 2025, the Company invited the safety expert team of China Testing & Certification International Group Co., Ltd. (CTC) in batches to carry out training and inspection, and to carry out on-site assessment and guidance on the first-level safety production standardization for subsidiaries.

In order to continuously improve the overall safety governance level, the Company formulated and implemented the *Guidance and Assistance Plan for Weak Safety Management Units of the Company in 2025* during the Reporting Period. The plan comprehensively considered the factors such as past accidents and safety management capabilities, and determined 18 subsidiaries as key assistance targets, and realized accurate guidance and full coverage support through special inspections, customized training and in-depth publicity of the system. In addition, the Company organized special inspections for key regions such as Hunan and Anhui, implemented differentiated risk management and control, and further consolidated regional security defense lines.

Construction of Safety Culture

Conch Cement continued to promote safety culture education and capacity building, and launched a series of activities around the themes of "Production Safety Month", "*Law on Prevention and Control of Occupational Diseases* Publicity Week" and "Fire Prevention Publicity Month" to promote the integration of the safety concept into daily management. During the Reporting Period, the Company formulated and implemented the *Implementation Plan of 2025 Annual EHS Education and Training*, and formed 26 professional training plans, focusing on key groups such as the main person in charge of the enterprise, safety management personnel, special operations personnel and newly hired and re-employed (transferred) personnel.

"Production Safety Month" in 2025



"Production Safety Month" Activity Site

During the "Production Safety Month" in 2025, Conch Cement systematically carried out a series of safety education and capacity improvement activities covering all employees and in various forms around the theme of "everyone talks about safety, everyone knows how to respond to emergencies - finding safety hazards around them". The Company effectively promoted the deep penetration and practice implementation of safety culture by organizing diversified forms such as safety presentations by the principal responsible persons, online knowledge contest, special skills training, demonstration team creation and on-site safety consultation, and continuously consolidated the safety awareness and emergency response capabilities of all employees.

During the activities, the Company organized 173 safety presentations by the principal responsible persons, covering about 5,000 employees. At the same time, during the "6.16 Safety Publicity and Consultation Day", the Company organized about 42,000 persons to watch warning education, and received and responded to nearly 3,000 on-site safety consultations.

Publicity Week of the Law on Prevention and Control of Occupational Diseases in 2025

Focusing on the theme of "caring for workers' mental health", Conch Cement organized occupational health popularization activities, publicized the *Law on Prevention and Control of Occupational Diseases* and the new edition of *Classification and Catalogue of Occupational Diseases*, and carried out video exhibitions, special lectures and interactive popularization of science through billboards, electronic screens and online platforms. Some units carried out joint publicity with local health authorities, and invited professionals to carry out mental health lectures and consulting services to help employees improve their mental health cognition and stress management capabilities. Through diversified mental health activities, Conch Cement has established a people-oriented occupational health management system, demonstrating the care and responsibility the enterprise for employees.



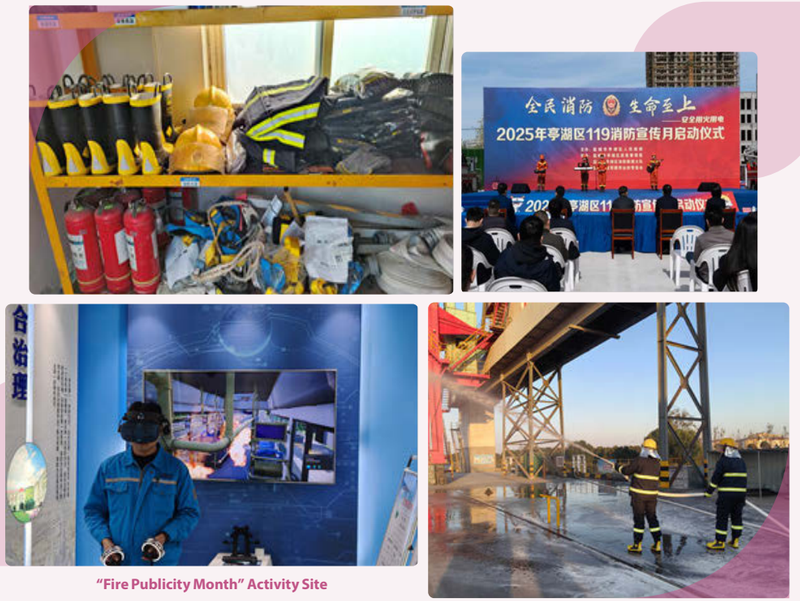
Site of Publicity Week of the Law on Prevention and Control of Occupational Diseases

"Fire Publicity Month" in 2025

During the fire prevention publicity month in 2025, Conch Cement organized fire prevention publicity and capacity improvement activities covering all units around the theme of "fire prevention by the whole people, life first-safe use of fire and electricity". The Company strengthened employees' understanding of safe use of fire and electricity, fire prevention and escape self-help knowledge by posting signs on site, making billboards and exhibition boards, distributing fire knowledge materials and pushing popular science contents on online platforms.

At the same time, the Company combined publicity activities with hidden dangers investigation and management, and conducted special fire-fighting investigations around key areas such as warehouses, workshops, dormitory office areas, dangerous chemicals and hot work, so as to promote the closed-loop implementation of risk source control and hidden dangers rectification.

During the activity, fire warning education and learning covered a total of 75,918 persons, and 4,335 persons participated in the fire evacuation and firefighting drill, further enhancing employees' emergency response and self-help and mutual rescue capabilities.



"Fire Publicity Month" Activity Site

Ensure Safety with Science and Technology

Conch Cement continues to promote the digitalization and intelligence of safety management, reduce the exposure of high-risk operations by technical means, and improve the actual safety level on site.

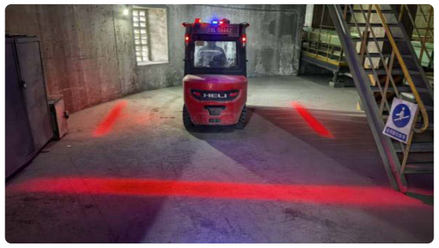
During the Reporting Period, the Company independently developed an integrated platform for safety management and control, promoted the enterprise to realize "prevention by persons" to "prevention by technology" based on functional modules such as task management, duty performance management, risk classification management, hidden danger investigation and management, safety education, training and examination, personnel file management, equipment and facilities, dangerous operations, interested parties, major hazard sources, emergencies, occupational health and labor prevention, qualifications and certificates, accident management, etc. and in combination with intelligent video AI monitoring and intelligent personnel positioning means. At present, the platform has been put into use in 170 subsidiaries, realizing the transformation from "traditional safety management mode" to "modern safety management mode".

In the logistics shipment process, the Company independently developed the "robot shipment information-based system platform", deployed the automatic loading system of bagged cement robots in 43 subsidiaries, which integrated the functions of vehicle positioning, stacking planning and material traceability, realizing unmanned and accurate loading. The system reduces the risk of personnel entering high-risk and high-dust operation areas such as loading, reduces the risk of dust exposure and mechanical injury during manual handling and loading, improves the shipment efficiency and operation stability, further improves the on-site operation environment and strengthens occupational health protection. At the same time, the Company promoted the double robot pallet palletizing and high-level palletizing system in 21 subsidiaries, promoted the automatic connection from production to shipment, and reduced the safety and occupational health risks caused by high-intensity repetitive operations.



Robot Shipment Information-Based System Platform

In terms of vehicle safety in the factory, the Company implemented intelligent safety modification of forklifts, installed intelligent speed limit control and AI anti-collision system for forklift trucks, limited the speed of forklifts, and identified the unsafe state of drivers and the risks of surrounding pedestrians and vehicles in real time, triggering emergency braking or flameout and other protective measures. As at the end of the Reporting Period, more than 400 forklifts were modified, and no forklift vehicle injury accident occurred after the modification.



Intelligent Modification of Forklifts

In terms of on-site violation management, the Company carried out AI visual identification and real-time management and control application, and built an AI identification model around four high-risk areas, such as raw material high-voltage power room, pre-heater, cement grinding belt and paper bag warehouse, to realize intelligent identification of unsafe behaviors of personnel, labor protection articles wearing specifications, key post status and other scenarios, and linked with the Group's safety management and control platform for early warning. At present, the application has been put into operation in Baimashan Cement Plant and Chizhou Conch, and the on-site violations have been significantly reduced, which has promoted the transformation of safety management from "manual monitoring" to "intelligent prevention" and continuously iteratively optimized the identification effect.



Real-time Violation Control of AI Large Model

8.2 Excellent Quality

Conch Cement regards quality as the lifeline of the enterprise, and strives to polish the excellent quality of cement by building a strict quality control system. The Company is committed to the steady operation of the supply chain, relying on hierarchical evaluation and risk management and control mechanisms to ensure the safety and efficiency of supply channels. We insist on customer demand-oriented to provide professional and accurate service solutions. At the same time, the Company continuously expanded its technological boundaries by deepening internal and external cooperation and technological innovation, and continued to lead the industry towards digital intelligence while winning wide social praise.

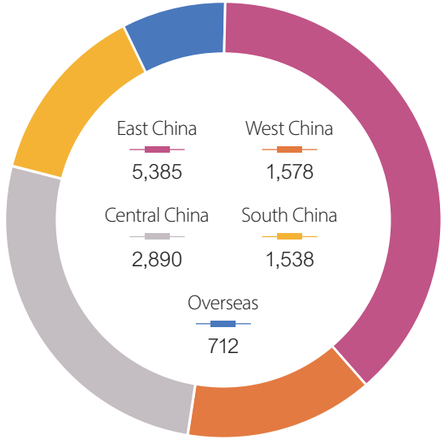
8.2.1 Sustainable Supply Chains

Conch Cement continued to improve the sustainable competitiveness of its supply chains through practical actions. Focusing on the Company's annual business objectives, we constantly optimized the procurement process, strengthened supplier management and risk assessment, and helped partners achieve green transformation and common growth. We also continued to promote the construction of green and resilient supply chains and were committed to building a safer, more efficient and stable sustainable supply pattern.

Procurement Management

Conch Cement is committed to building a standardized, transparent and efficient procurement control system through institutionalization and digital empowerment. In 2025, the Company maintained the continuity and stability of the management system, ensured that all businesses strictly implemented the *Measures for the Administration of Bidding for Material Procurement* and the *Interim Measures for the Management of Automobile Transportation Bidding*, and implemented the management systems such as the *Detailed Rules for the Implementation of Bidding for Material Procurement*, so as to standardize the bidding and procurement business and ensure the standardization and risk prevention and control of the whole procurement process of materials and transportation services. We established a functional system of procurement management with clear responsibilities. Through a three-level procurement management and control structure composed of the supply departments, regional procurement centers and subsidiary supply departments, we implemented a management strategy of combining unification with separation and centralization with authorization, so as to achieve efficient and unified procurement management.

We adhere to the principle of purchasing nearby to realize the optimal allocation of resources and the maximization of economic benefits. In the procurement of raw and supplementary materials, we comprehensively considered the factors such as distribution of resources, logistics conditions and convenience of regional industrial solid waste disposal, achieving 100% localized raw material procurement. At the same time, we innovatively implemented the "trial + co-creation" mode, empowering domestic equipment technology and procurement to achieve breakthroughs. We signed equipment trial agreements with main domestic manufacturers such as Xuzhou Xugong, Guangxi Liugong and LOVOL Heavy Industry, breaking the traditional separation mode of procurement and use. The Company also continued to promote the development of direct supply procurement of raw materials, and established a cooperation mechanism for direct supply of non-ferrous metal ash and phosphogypsum with partners. In 2025, the proportion of direct supply procurement of raw materials increased to 91%, further enhancing the support capacity of the supply chain.



Number of Suppliers by Region

Conch Cement continued to promote the construction of smart procurement system, and realized the online management of material procurement and transportation bidding in the whole life cycle by relying on the "Conch Sunshine Intelligent Purchase Platform" and the Haihui Supply Chain Unified Online Bidding Platform. During the Reporting Period, we added a sealed supplier management module to the platform, improving the dynamic management efficiency of sealed suppliers.

Supplier Management

Conch Cement rigorously complies with applicable laws and regulations in our supplier management practices, such as the *Law of the People's Republic of China on Tenders and Bids* and the *Implementation Regulations on the Law of the People's Republic of China on Tenders and Bids*. During the Reporting Period, in accordance with the *Measures for Supplier Management* and the *Conch Cement Supplier Code of Conduct*, we put forward clear requirements and guidance for suppliers' practical behaviors in multiple dimensions such as business ethics, non-illegitimate benefit transfer, fair competition, compliance with laws and regulations, quality and services, labor protection, safety, sustainable development, data and privacy protection, further improving the comprehensive level of suppliers and perfecting the supplier grading and dynamic management mechanism.

We implemented a strict supplier life cycle management process, and incorporated sustainable development indicators such as quality assurance ability, environmental protection performance, production safety standards and integrity behaviors into the core dimensions of supplier management.

Whole-Process Management Mechanism for Suppliers

Supplier Access

Conch Cement ensures the source compliance and sustainability of the supply chain through strict access review mechanism. In the supplier access stage, we not only set precise requirements for suppliers regarding production quality, production capacity scale and delivery timelines, but also deeply integrate the concept of sustainable development into the screening process. We give priority to suppliers who have obtained the certification of third-party management systems such as quality, environment, occupational health and safety, and have outstanding performance in environmental protection, safety, human rights and business ethics. As at the end of the Reporting Period, 2,438 suppliers had obtained ISO 9001, ISO 14001, ISO 45001 and other quality/environment/safety system certifications, accounting for 20.14% of the total registered suppliers.

In the field of engineering construction and special procurement, we implemented more refined access control. During the Reporting Period, we conducted survey, planning and guidance before bidding qualification evaluation, and included qualified contractors in the "partner resource pool" to create a sustainable supply chain ecology. In addition, in terms of environmental protection and safety management, we have listed operators' insurance and safety training as access requirements in the business of waste material disposal and material transportation.

In terms of advocating integrity behaviors, the Company sign integrity agreements with suppliers before signing business contracts with them, explicitly prohibiting any form of bribery, corruption and other illegal acts. Additionally, the Company publicly announces complaint hotlines for suppliers and regional representatives during the bidding process to fully guarantee an access environment for fair competition. During the Reporting Period, the signing rate of the integrity agreements of the Group's suppliers reached 100%, and no supplier integrity issues occurred.

Supplier Regular Assessment

Conch Cement has established a normalized supplier performance evaluation and hierarchical management mechanism. Through the annual comprehensive review, we make an in-depth evaluation of suppliers' contract performance and ESG responsibility performance from the perspectives of business ethics, production safety, environmental protection and labor protection. Based on the evaluation results, the Company classifies the suppliers into Tier A (strategic suppliers), Tier B (excellent suppliers) and Tier C (sealed suppliers). Conch Cement selects leading companies in the industry with strong branding, competitive pricing, and high-quality standards as strategic suppliers to build collaborative relationships.

At the same time, the Company adheres to the "one-vote veto" system for compliance performance, and takes the results of the integrity return visit and the performance of the safety and environmental protection agreement as the red line indicators for assessment.

A Tier suppliers

- Large enterprises that have signed strategic agreements with the Company can be given priority to be included in Tier A suppliers, and other suppliers must pass the pre-evaluation procedure and score ≥80 points before they can be rated as Tier A strategic suppliers
- The strength, equipment scale and performance of suppliers can be used as the bidding access criteria for some high-level products

B Tier suppliers

- The default qualification system is adopted for the categories and channels that have not been pre-evaluated, and they are directly evaluated as Tier B excellent suppliers
- Suppliers carry out normal bidding, price inquiry and supply-related procurement processes

C Tier suppliers

- If strategic and excellent suppliers violate laws and regulations and have serious breach of contract during their performance, they will be included in the management of Tier C sealed suppliers
- Sealed suppliers are disqualified from business cooperation for two years

Supplier Blacklist Management

Conch Cement strictly implements the *Guidelines for Supplier Blacklist Management*, and implements segmented management, classification and tiered approval for non-compliant and unqualified suppliers. Relying on the "Conch Sunshine Intelligent Purchase Platform", Conch Cement have realized the online enhanced management of the blacklist database. At the same time, we continue to smooth the channels of publicity and appeal, and accept complaints from suppliers within the prescribed time limit to ensure that the whole process of blacklist management is open, fair and transparent.

ESG Risk Assessment and Response of Supply Chain

In order to assess and deal with ESG risks in the supply chain, the *Supply Information Briefing* compiled and published by the Company every ten days deeply integrates national policies, industry trends and market situation, provides information support for the overall planning of supply market and procurement strategy planning, and continuously improves the predictability and emergency response capability of the supply system to environmental and social risks. During the Reporting Period, we comprehensively identified five main supply chain risks based on our operations.

In view of the above five main supply chain risks, we took relevant measures during the Reporting Period to further strengthen the assessment and control of suppliers' ESG risks.

Type of Risk		Response Measures
Compliance risk	Risks in compliance operation of suppliers, such as term of validity of resource warrants, mining scope and relevant formalities of environmental protection documents	• To strictly check the compliance of supplier qualification documents with policies, establish a dynamic supplier qualification update database, and seal up non-compliant suppliers • In 2025, we organized an online special training on the "Compliance Red Line and Accountability of Supply Chains of State-owned Enterprises", in which a total of 112 suppliers participated, and organized the signing of the Compliance and Integrity Co-construction Agreement
Quality risk	Risks in product quality of suppliers, such as the risk that the delivered materials fail to satisfy the quality specifications	• To implement supplier quality classification management, give priority cooperation rights to Tier A suppliers, and continuously conduct sampling inspection of raw materials and retrospective audit of production processes • To establish the evaluation standards covering safety, quality, progress cooperation and other dimensions for engineering construction projects. Professional departments and offices and project companies conduct regular assessments and random inspections to verify the contract performance capability and on-site construction quality
Environmental risk	Risks of negative impact on the environment during the operation of suppliers, risks of illegal emission, etc.	• To check the discharge data and on-site environmental protection facilities of industrial solid waste suppliers before conducting the bidding, and strictly prohibit non-compliant units from participating in the bidding projects • To clearly set the "harmful substance control indicators" in the supplier contract, and take it as an important basis for contract performance evaluation to ensure that the supplied products meet the green environmental protection standards • For engineering construction suppliers, the Company sets special "special funds for safety and environmental protection measures" and binding terms of safety and environmental protection contracts to ensure that they have sufficient resources to fulfill their sustainable development responsibilities for environmental protection management and safety management. We also regard the implementation of safety and environmental protection agreements as the core dimension of supplier evaluation, and ensure the effectiveness of management and control of supplier risks through the factual approval and process supervision of "safety and environmental protection measures fees" on the project site.
Safety risk	Safety risks in the production process, such as the risk of work injuries and work-related fatalities	• To strictly implement the "one-vote veto on safety and environmental protection" mechanism in the bidding qualification examination stage, and encourage suppliers to carry out safety management system certification • During the Reporting Period, we established a normalized joint inspection mechanism with core suppliers such as NHL and Komatsu, and investigated and rectified more than 100 potential safety hazards of equipment
Employment risk	Risks in labor rights and interests of suppliers, such as illegal recruitment of child labor and forced labor	• To strictly check the labor contracts of suppliers, prohibit cooperation with units with records of unpaid wages and illegal employment, and comprehensively promote suppliers to sign the Letter of Commitment on Legal Employment

Supplier Empowerment

While strengthening the construction of the supply chain system, Conch Cement is committed to establishing a smooth communication and cooperation mechanism for all suppliers. By sharing technical experience and application scenarios, we help suppliers to achieve technological breakthroughs and green transformation, improve their core competitiveness in the industry, and thus achieve mutual benefit and win-win in the whole value chain.

Deepen the Reform of Logistics Bidding Mechanism and Promote the Green Transformation of Value Chain

Since 2025, relying on the Haihui Supply Chain Online Bidding Platform, Conch Cement has deeply integrated the promotion of new energy transportation capacity into the transportation bidding management system. The Company adhered to the principles of advance planning, scientific tendering and differentiated policy. Through a series of measures, such as extending the tendering period, consolidating tender subjects and implementing a bidding commitment system, the Company actively guided carriers to accelerate the new energy transformation, effectively alleviating the initial investment pressure of logistics and transportation service partners while promoting the green transformation of the value chain.

As at the end of the Reporting Period, the transportation volume of new energy at both ends of the Company's supply and marketing has accounted for more than 31%, of which the transportation volume at the supply end has accounted for 54%, and the logistics cost of new energy has been reduced by about 21% compared with that of traditional fuel vehicles, which has achieved remarkable cost reduction and efficiency improvement while improving the green level of the supply chain.



New Energy Logistics Promotion Conference of Conch Cement

8.2.2 Quality First

Conch Cement always regards product quality as the core driving force, continuously improves the quality management system, promotes product innovation based on customer demand, and actively promotes the construction of intelligent quality control system.

Quality Management System

In quality management, we strictly adhere to national laws and regulations, including the *Product Quality Law of the People's Republic of China*, the *Product Trademark Law of the People's Republic of China*, and the *Quality Control Regulations for Cement Manufacturers* and other laws and regulations. During the Reporting Period, we formulated and issued the *Quality Management Regulations for Ready-mixed Mortar Production Enterprises* and the *Quality Management Regulations for Ready-mixed Concrete Products*, aiming at strengthening the quality control of ready-mixed mortar production enterprises and ready-mixed concrete and continuously improving the product quality.

Conch Cement has continuously optimized the quality management system, implemented the "One Concentration, Six Unifications[22]" quality management system, improved product quality by centralized management with Conch Cement characteristics, and promoted the continuous improvement and excellent development of quality management. Conch Cement has established a three-level quality management structure, covering the headquarters, regional and subsidiary levels, defining the responsibilities of quality management at all levels, and ensuring the effective implementation of quality management. As at the end of the Reporting Period, 160 subsidiaries of the Company passed the ISO 9001 quality management system certification, an increase of 16 subsidiaries from the end of 2024.

[22] "One Centralisation" means "centralised management" and "Six Unifications" means the unification of "product quality standards, testing and inspection standards, staff qualifications, key quality systems, product R&D capabilities and market service levels".

Conch Cement's Three-Level Quality Management Structure

Quality Department

- Coordinate the Company's quality management, including quality supervision and control, project development quality management, comprehensive utilization of resources management, inspection and appraisal and R&D management, brand and warrant management, national standard implementation management, and quality management system and regulations management
- Responsible for professional training and team building, work evaluation and inspection and related daily management

Regional Quality Specialist Team

- Responsible for quality management in the region, including annual plan preparation and review, technical support coordination, training organization, special inspection and mutual inspection
- Carry out trademark rights protection, management of major quality accidents and customer complaints, participate in rewards and punishments and evaluation of quality personnel, and assist in quality evaluation of M&A enterprises and quality management of entrusted enterprises

Quality Control Department of Subsidiaries

- Responsible for the quality management of production first-lines, covering the acceptance of raw materials for combustion, quality control of production process, quality inspection, system operation and after-sales service management
- Responsible for trademark and packaging management, system implementation, training and team building, as well as work evaluation and inspection

Conch Cement adheres to the principle of "quality first", implements the "quality one-vote veto" and continuously strengthens the quality management requirements. On the basis of comprehensive control of professional management, the quality qualification rate of our exported clinker, ex-factory cement, ready-mixed concrete and dry-mixed mortar is 100%. As at the end of the Reporting Period, the Company's cement products have received 134 times of national, provincial and municipal quality supervision and spot checks, and the results of spot checks all met the requirements of product standards.

In order to systematically control the quality and service risks, we have formulated and implemented the *Interim Measures for the Management of Return and Replacement of Unified Sales of Products* and the *Management Measures for the Quality Complaint and Dispute Resolution*, defining the rights and responsibilities and processes, and improving the quality assurance mechanism at the market end. As at the end of the Reporting Period, the Company did not experience any product quality incidents, nor were there any products recalled due to safety and health issues.



Construction of Intelligent Quality Control System

Conch Cement is committed to improving the intelligent quality control system, promoting the digitalization, automation and traceability of quality management, focusing on core links such as quality control, process management and intelligent testing.

Relying on our independent research and development capabilities, Conch Cement has made remarkable achievements in the research and development, popularization and application of intelligent management systems.

Intellectualization of Detection

Conch Zhizhi completed the development and pilot of the automatic detection system for free calcium, which improved the detection efficiency by more than 80% and controlled the repeatability error within 1%, significantly improving the accuracy and timeliness of data.

Construction of Intelligent Application Scenarios

Haibo Technology promoted the mine unmanned driving project, and deployed 46 unmanned vehicles, improving the transportation efficiency by 43%, reducing the input of transportation personnel by 72%, and providing a successful demonstration for mine intelligent transportation.

Intelligent Equipment Construction

Conch Zhongnan optimized the robot automatic loading system for bagged materials, and at the same time launched a "remote operation and maintenance platform for loading and shipping", realizing real-time monitoring and intelligent early warning of equipment and reducing operation and maintenance costs.

Intelligent Dispatching System

The intelligent dispatching application of Haibo Technology has been put into use in several mines. Production efficiency is improved and operational risks are reduced by real-time monitoring and optimizing production dispatching.

The Company will continue to deepen the intelligent level of quality management, expand the system coverage, optimize the application effect of typical scenarios, and provide more solid support for the high-quality development of the enterprise.

Quality Culture Construction

Conch Cement continues to promote the construction of quality culture. Through systematic publicity and practical activities, we have enhanced employees' sense of quality responsibility and created a good atmosphere in which all employees attach importance to quality.

2025 "Quality Month" Activity



"Quality Month" Activity Site

During the Reporting Period, the Company systematically carried out a number of special work around quality improvement and brand building. Conch Cement, relying on the platform of "Conch University", organized and carried out employee quality awareness testing, with a total participation of over 30,000 persons. In addition, we actively carried out customer visits and market promotion, promoted product anti-counterfeiting QR codes and strengthened on-site publicity through in-depth connection with market demand to enhance customer trust and service experience. The Company also participated in industry quality meetings and shared management experience to enhance our industry influence and brand reputation.

During the Reporting Period, the Company won many industry awards by virtue of excellent product quality and strict quality control. In particular, in the 20th National Comparison and Evaluation of Cement Quality Indicators, the subsidiary Baoshan Conch won the Grand Prize, and 46 subsidiaries, including Shaoyang Yunfeng, Chifeng Conch, Beigu Conch and Ganxian Conch, won the Overall Excellence Prize, demonstrating the Company's outstanding achievements in product quality and management.

Honors & Awards

The Company's "low-carbon slag cement" research group won the first prize of "2024 Quality Management Group of Building Materials Industry" by the China Building Materials Federation.

The "Quality Control System for Innovative Research and Development of Low-carbon and High-performance Cement" established by the Company was selected by Anhui Provincial Administration for Market Regulation as one of the "Top Ten Typical Cases for Strengthening Comprehensive Quality Management by the Chief Quality Officers of Enterprises in 2025".

The 14th National Comparison of Physical Inspection and Chemical Analysis of Cement in Anhui Province in 2025: Digang Conch, Tongling Conch, Zongyang Conch, Wuhu Conch and Chaohu Conch won the Grand Prize; 12 subsidiaries, including Baimashan Cement Plant, Quanjiao Conch, Bozhou Conch, Huainan Conch and Chizhou Conch, won the Overall Excellence Prize.

The Company's micro-video work titled "'Hardcore' Evolution Theory of One Cubic Cement" won the First Prize for "Strong Enterprise, Strong Chain and Strong County by Quality" micro-video work in Anhui Province awarded by Anhui Provincial Administration for Market Regulation.

Protection of Innovation Achievements

Conch Cement continues to strengthen R&D investment, optimizes the innovation management mechanism, accelerated the transformation of scientific and technological achievements into productivity, and constantly enhances the core competitiveness of the enterprise. In the whole year, the total investment in R&D (excluding fixed assets) was RMB1.026 billion, and 439 innovative projects were initiated and implemented, including 21 major R&D projects.

Conch Cement always insists on strengthening the application and protection of intellectual property rights, and strictly abides by laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and the *Specifications for the Administration of Intellectual Property Rights of Enterprises* and other internal systems such as *Conch Interim Measures for Intellectual Property Management*, so as to ensure the steady progress of intellectual property management. During the Reporting Period, the Company organized training on intellectual property compliance management, aiming at enhancing employees' awareness and consciousness of intellectual property protection.

In 2025, the Company strengthened product anti-counterfeiting management, conducted extensive market investigation, and cooperated with local regulatory authorities to implement product confiscation and seizure. At the same time, by promoting the function of anti-counterfeiting QR code on packaging bags, the Company guides customers to use scanning the QR code to distinguish authenticity, so as to enhance the traceability of products. During the Reporting Period, the Company continued to carry out special anti-counterfeiting actions in Shanghai and Suzhou, and carried out 162 anti-counterfeiting actions, involving 1,212 tonnes of products and 102,000 packaging bags.

On the basis of continuously strengthening R&D investment and achievements protection, the Company made remarkable achievements in technological innovation. During the Reporting Period, the Company applied for 399 patents (including 138 invention patents) and obtained 395 licensed patents (including 52 invention patents). As at the end of the Reporting Period, the Company had 1,700 valid patents.

Some of the Awards for Innovation and R&D Achievements of Conch Cement



First Prize for Technological Invention of the China Machinery Industry Association



Second Prize for Building Materials Science and Technology Progress



Second Prize for Environmental Protection and Scientific and Technological Progress



Third Prize for Scientific and Technological Progress in Anhui Province

8.2.3 Customer-oriented

Conch Cement continuously pays attention to customer demand and service experience, devotes itself to providing high-quality products and standardized services, constantly improves the customer communication and feedback mechanism, and effectively protects customers' legitimate rights and interests.

Responsible Marketing

The Company always adheres to the operation philosophy of "highest quality and sincere service", strictly controls product quality, standardizes marketing behavior, builds an open, fair and just market environment by improving the marketing management system and the service mechanism, and continuously creates value for customers. The Company actively cultivates the sales culture of "integrity, fairness, service and value", fully implements the unified marketing policy, puts an end to unfair marketing behaviors and misleading information dissemination, and ensures that all kinds of customers get equal and standardized services.

In terms of management of sales behaviors, the Company organizes sales personnel to sign the *Integrity Agreements* every year, and continuously improves the internal systems such as the *Interim Measures for the Management of Sales Personnel* and the *Interim Measures for Investigating the Responsibilities of Sales Personnel for Incorruptible Work*, clarifying the code of conduct and the standards for handling violations. During the Reporting Period, the Company organized three special trainings on compliance, covering key areas such as sales contracts, anti-monopoly and price policies, with a total of 459 participants, which effectively improved the compliance awareness and business norms of the sales team.

At the same time, the Company has established a perfect violation handling mechanism to ensure compliance in the sales process and effective protection of customers' rights and interests. In 2025, the Company further broadened the customer feedback path and added an online service channel of "On-site QR Code scanning and Direct Reporting", so that customers can directly put forward questions by scanning the QR code. The Company received a total of 66 customer feedbacks, including 39 complaints and 27 rationalization suggestions, further improving the customer service response efficiency and the closed-loop processing capability.





Training on Incorruptible Work and Compliance for Sales Personnel

Handling Mechanism for Violations

Smooth and fast communication

· Establish "400 National Service Hotline", "Sales Supervision Reporting Hotline" and the telephone numbers of discipline inspection and supervision departments, and post them on the factory delivery sites and print them on the business cards of sales personnel, add the "On-site QR Code scanning and Direct Reporting" service channel to ensure smooth and timely feedback of customers' opinions.

Proactively seeking the opinion

· Establish a three-level telephone consultation mechanism comprising the "headquarters, regional departments and subsidiaries" to proactively understand customer demands and customer feedback, and identify and deal with potential issues in time.

Serious handling

· Any actions that violate national laws and regulations or company policies will be subject to accountability depending on the seriousness of the circumstances in accordance with relevant regulations, so as to ensure standardized and orderly marketing behaviors and effective protection of customers' rights and interests.

In September 2025, Conch Cement successfully held the "First Conch Consumer Building Materials Partner Conference", and nearly 100 consumer building materials partners from all over the country gathered in Wuhu Headquarters. With the theme of "Cooperation, Empowerment and Win-win", the conference focused on publicizing the strategic planning and development direction of Conch consumer building materials. At the same time, the Company conducted exchange and training around core issues such as channel expansion and online promotion, and output reproducible marketing practices and tools to help partners improve their market operation capabilities and brand promotion effect.



Conch Consumer Building Materials Partner Conference and Activity Site

During the Reporting Period, Conch Cement continued to deepen overseas marketing and brand promotion, and launched a series of activities in combination with regional characteristics, effectively enhancing brand awareness and customer loyalty, and highlighting the responsible marketing concept of the enterprise.

Multi-Dimensional Terminal Promotion and Content Dissemination in Indonesia Region

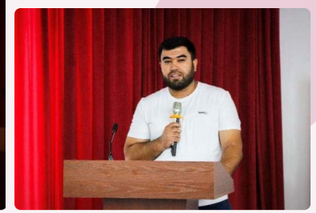
In 2025, relying on the platform of China Chamber of Commerce in Indonesia, Conch Cement successfully held the "Conch Cement Cup Badminton Competition", which attracted nearly 300 participants and won favorable comments from China Embassy and other parties. At the same time, the Company organized 7 large-scale brand promotion conferences, piloted live marketing, implemented 155 store publicity activities, and released 94 brand videos through social media platforms. We also combined experiential marketing to enhance users' intuitive knowledge of products, forming an online and offline collaborative brand communication system. This series of activities effectively improved the popularity and influence of Conch Cement brand in Indonesian market.



Product Promotion Conference in Indonesia Region

Multi-Sector Product Joint Promotion Conference Held in Uzbekistan Region









In June 2025, Conch Cement in Uzbekistan region jointly held a "Product Promotion Conference" in Uzbekistan. The conference invited more than 80 end users, distributors and high-quality customer representatives to attend the conference, and conducted a centralized display and explanations by focusing on products such as cement, additives, doors and windows and refractories, further enhancing customer stickiness and brand reputation.

Product Joint Promotion Conference

Customer Service

Conch Cement continuously optimizes the customer communication mechanism, focuses on complaint handling process and feedback closed-loop management, and strives to improve customer experience and service response efficiency.

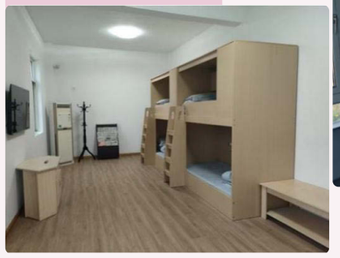
In terms of customer complaint response and handling mechanism, the Company has enacted management systems including the *Administrative Measures for Handling Quality Complaints and Disputes*, the *Interim Provisions on the 400 Customer Service Hotline Management*, and the *Instruction for Internal Control Inspection of Sales*, clarifying the handling process and division of responsibilities, and improving the standardization and efficiency of complaint handling. We use WeChat mini-program, the "400 National Service Hotline" and other channels to smooth the customer feedback path and ensure timely acceptance and closed-loop handling of problems. After receiving a complaint, the Company will arrange for a special person to be responsible for the registration and transfer, and the relevant departments and subsidiaries will handle the compliant according to the prescribed procedures and arrange a return visit by a commissioner. For a complaint involving product quality, the Company will strictly implement the emergency handling mechanism, requiring the subsidiary to report the complaint to the quality dispute handling team at the first time, and send a commissioner to the site to verify the situation and properly solve it within the specified time, so as to effectively safeguard the legitimate rights and interests of customers.

Conch Cement continuously pays attention to customer satisfaction and service quality, regularly organizes satisfaction surveys, collects customer feedback and promotes service improvement. In July 2025, the Company collected 9,359 valid questionnaires through the satisfaction survey conducted by Conch e-commerce system. Customers generally recognized the Company's performance in product quality, shipment management, sales and services, and the overall satisfaction reached 99%, representing a year-on-year increase of 1 percentage point, which fully reflected the customers' high recognition of the Company's service level.

The Company continued to promote the quarterly and annual comparison mechanism of "factories with the best/worst customer services", and encourages factories to improve their service quality, strengthen their employees' sense of responsibility, promote service level improvement, and enhance customer satisfaction and brand competitiveness through selection and assessment.

Spotlight on Conch Cement's Customer Service

In 2025, Xiangshan Conch continued to optimize the customer service environment, upgraded the original office space to a service area integrating the functions of rest, dining and waiting, added supporting sofas, wireless networks, vending machines and other facilities, and established a "space capsule" lounge and a "leisure station" to provide convenient and comfortable service experience for drivers waiting for loading, further improving customer satisfaction and service warmth.



Xiangshan Conch's "Space Capsule" Lounge



Xiangshan Conch's "Leisure Station"

Conch Cement attaches great importance to the security of customers' information, implements encryption protection and authority control for the contents involving personal privacy and sensitive data, implements graded and classified management according to data types, and regularly cleans up information. The Company clearly defines the confidentiality clause in the customer contract, and requires all sales personnel to sign the *Confidentiality Agreement* to strengthen the responsibility of information protection. During the Reporting Period, Conch Cement did not experience any incidents of divulging customer privacy.

Customer Recognition

In several key projects, Conch Cement has established special supply guarantee teams, built a standardized service guarantee system, strictly controlled cement production, quality and supply, ensured high-quality supply and supported the smooth progress of projects.

Project Supply Guarantee and Coordinated Development

In 2025, Conch Cement actively served the national key projects such as Zhangjinggao Yangtze River Bridge and Tongling Yangtze River Railway Bridge, formulated special technologies and supply guarantee schemes according to different construction needs, strengthened the cooperative guarantee mechanism, innovatively solved problems such as high temperature control and structural performance, ensured the stable supply of cement products and the quality and safety of construction, and assisted the high-quality promotion of key projects with professional services.



Supply Guarantee by Zhangjiagang Conch - Zhangjinggao Yangtze River Bridge



Supply Guarantee by Tongling Conch - Tongling Yangtze River Railway Bridge

8.2.4 Industry Exchange

Conch Cement continues to deepen exchanges and cooperation with scientific research institutions in universities and industry organizations, and steadily promotes technology research and development and application of achievements around key directions such as green, low-carbon and intelligent manufacturing, so as to jointly promote the high-quality development of the industry.

During the Reporting Period, in terms of scientific research cooperation, the Company jointly carried out research on key technologies of preparing biochar from agricultural and forestry biomass with Hefei University of Technology, which passed provincial professional evaluation; the Company cooperated with the University of Science and Technology of China on the project "Key Technologies and Applications of Intelligent IOT for Cement Production Quality Control", and the provincial review procedure for which has been completed.

Conch Cement Went to Europe for Investigation, Exchange and Promotion of Roadshows

In March 2025, the Company's senior management went to Europe to hold talks with the international building materials leading enterprises such as Heidelberg Materials, Holcim Group and Sika Group, exchanged opinions on issues such as industry trends, development strategy and carbon neutrality, and reached consensuses on product market and international cooperation. During the same period, we carried out the annual performance roadshow, and exchanged the prospect of international cement industry, company operation and ESG management with Union Investment, Millennium Fund and other institutions.





Exchange Forum with Heidelberg Materials , Holcim Group and Sika Group





8.3 Joint Creation and Common Prosperity

Conch Cement always adheres to the open and inclusive development concept, actively fulfills our corporate social responsibility, and strives to achieve symbiosis and common prosperity with the communities. By identifying the community demands and the needs of key people in the operation areas, the Company actively strengthened communication and linkage with local governments, communities and stakeholders, promoted the coordinated development of local society, economy and environment, and helped to build a harmonious and sustainable business environment and social ecology.

8.3.1 Community Welfare

Conch Cement has long been concerned about social public needs and people's well-being, and has continued to carry out public welfare actions around key areas such as people's livelihood care and community service. Conch Cement actively fulfills its social responsibilities, and continues to carry out voluntary services and public welfare practice by organizing employees to donate blood for free, carrying out environmental protection public welfare activities, visiting and condoling schools and pension institutions, and supporting local governments to solve practical difficulties. More than 100 related activities are held every year. During the Reporting Period, the Company distributed solatium and materials totaling about RMB7.45 million.

Disaster Relief and Assistance in Plateau

On January 7, 2025, a 6.8-magnitude earthquake struck Dingri County, Shigatse City, Tibet, Basu Conch immediately confirmed the aid channels, learned about the shortage of materials in the disaster-stricken areas, urgently purchased more than 1,000 pieces of daily necessities such as quilts, cotton-padded jacket, purified water and heaters, and quickly sent them to the disaster-stricken areas, and organized employees to donate money, earnestly fulfilling its social responsibilities and illuminating the light of emergency assistance with practical actions.

In combination with the dense tourists entering Tibet on National Highway 318 and the heavy traffic load, the Company established the "Conch Care Station" based on the project department of Zhuba Village Rural Revitalization Material Transfer Station in Baima Town to provide convenient services for passing tourists and drivers, such as rest, drinking water, oxygen inhalation, emergency medicine, mobile phone charging, etc., demonstrating the Company's humanistic care and social responsibility.



Procurement of Disaster Relief Materials



Materials Sent to the Disaster-Stricken Areas



Organize Employee to Donate Money


Volunteers Provided Convenient Services to Households


Snow Cleaning Action on National Highway 318


Conch Care Station

Building a Harmonious Community Together

During the Double Ninth Festival, Chongqing Conch and the local community jointly held a collective birthday party, sending holiday wishes and warm care to more than 300 elderly people in the community. Through collective birthday celebrations and cordial exchanges, it promoted the traditional virtues of respecting the elderly and created a warm and harmonious community atmosphere.


Chongqing Conch Double Ninth Festival to Respect the Elderly

Support Sports Events



Jiangmen Conch Donation Certificate



Foshan Conch Donation Certificate

From November 9 to 21, 2025, the 15th National Games (NG) and the 12th National Games for Persons with Disabilities (NGD) and the 9th National Special Olympic Games (NSOG) were successfully held in Guangdong, Hong Kong and Macao. In order to help the 15th NG and the12th NGD and the 9th NSOG achieve the goal of carbon neutrality, Jiangmen Conch and Foshan Conch within Guangdong competition area, subsidiaries of the Company, responded positively by respectively donating 2,000 tonnes of special carbon emission quota to Guangdong Province from the Company's carbon emission quota account.

8.3.2 Rural Revitalization

Conch Cement thoroughly implements the national rural revitalization strategy, actively meets the needs of local development, and makes overall plans to promote projects such as the assistance of characteristic industries, the construction of farmland water conservancy facilities and the transformation of safe drinking water projects around key directions such as people's livelihood security, infrastructure improvement and industrial development. In 2025, the Company invested a total of assistance funds of about RMB200,000.

Protecting Pastoral Water Conservancy Together

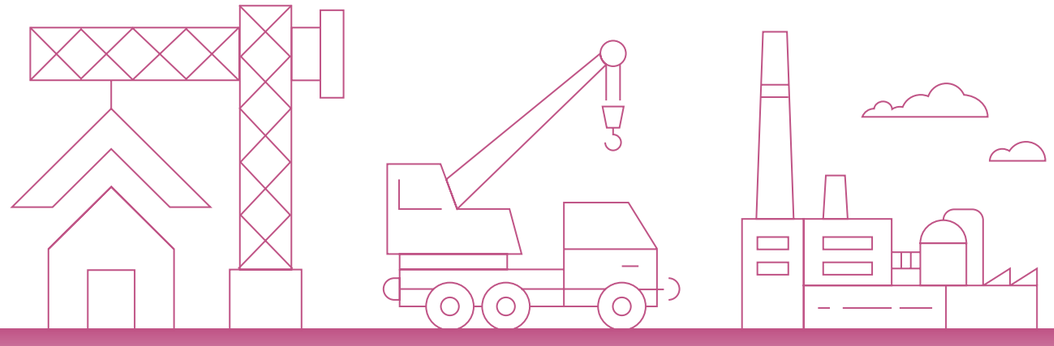
During the Reporting Period, the Company supported the construction of irrigation ditches of its assisted area located in Pingding Village, Yanqiao Town, and its subsidiary Beiliu Conch assisted a local village in dredging irrigation canals, mobilized excavators, solved the problems of canal blockage and water shortage in rice fields, ensured farmers' agricultural water use, and helped the local spring ploughing to advance smoothly.



Supported the construction of irrigation ditches



Assisted the Village Dredge Irrigation Canals



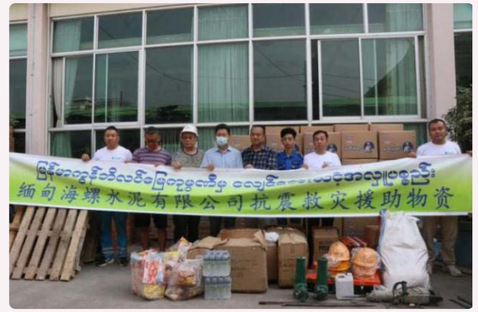
8.3.3 Performing Responsibilities Overseas

As a firm practitioner of the "Belt and Road" initiative, while promoting the steady development of overseas business, Conch Cement actively fulfilled the social responsibilities of overseas enterprises, deeply integrated into territorial development, and continued to carry out diversified territorial public welfare actions in the fields of disaster relief and education assistance, and conveyed the enterprise warmth through practical measures, practiced the ESG development concept, helped to build a symbiotic and mutually beneficial overseas development pattern between people and enterprises, and established a responsible and warm corporate image of China.

Actively Fulfilling Overseas Social Responsibilities

Disaster Relief and Medical Support

On March 28, 2025 (Beijing Time), a strong earthquake with a magnitude of 7.9 occurred in central Myanmar. Myanmar Conch immediately launched an emergency response plan after the earthquake, established an emergency headquarters and a working group, organized employees to evacuate in an orderly manner, set up temporary living settlements and reserved necessary living materials, and provided necessary support to the rescue front line. In June 2025, Myanmar Conch and its partners launched earthquake relief assistance and donated 300 million kyats specifically used for repairing local medical institutions damaged by the 3.28 earthquake.



Myanmar Conch Donated Materials

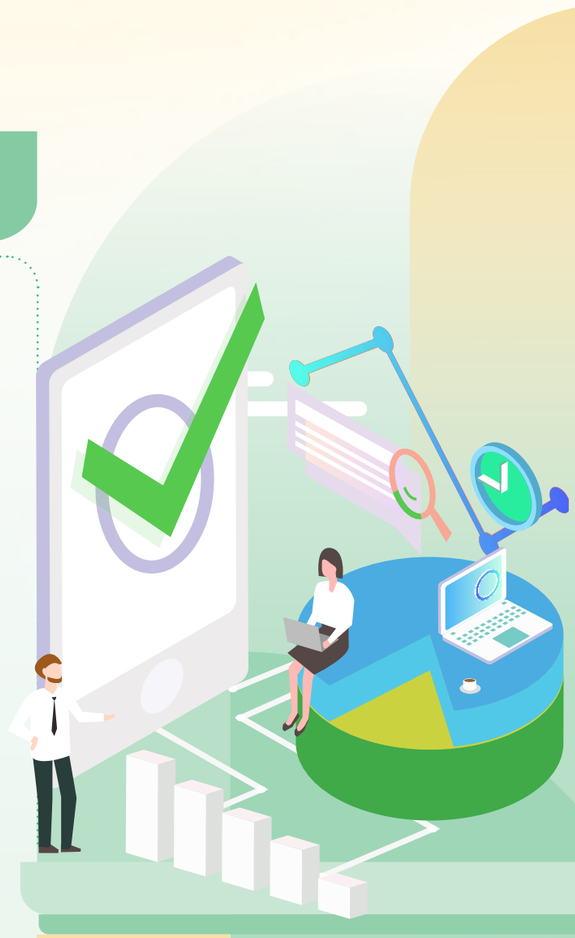


West Pakistan Conch Expressed Condolences to the Local Orphan School

Education Care and Community Service

In March 2025, West Pakistan Conch went into a local school to express condolences, donated stationery, food, sporting goods and other materials to students, and carried out campus care activities, giving learning supplies regularly.

09 Looking Forward to 2026



As time changes, a new chapter starts again. The year of 2026 is the first year of the "15th Five-Year" Plan, and it is also a crucial year for the building materials industry to lead the construction of modern industrial system with new quality productive forces. Facing the era background of the deep adjustment of global economic structure and the deepening of climate change governance, we will focus on the theme of high-quality development, anchor the goal of world-class building materials enterprises, expand our layout around the main cement industry and industrial chain, systematically promote the change of development mode from "quantity growth" to "quality improvement", and forge ahead and continue to write a brilliant chapter on the new journey.

In 2026, Conch Cement will maintain the strategic focus of "making dedicated efforts" and deepen reform and innovation closely around the established strategic goals. We will firmly focus on the main cement industry, expand the industrial chain in depth, actively lay out new areas of consumer building materials, strictly abide by the requirements of production capacity control, and promote the transformation of the industry from "emphasizing scale" to "high technology and high added value". We will vigorously develop new quality productive forces, deepen the integration and innovation of intelligence, digitalization and greening, cultivate green intelligent factories, and create a new sustainable development model with Conch characteristics, laying a solid foundation for building a modern building materials industry system.

In 2026, Conch Cement will maintain the spirit of "Striving Hard", pay attention to improving development quality and value creation, and adhere to the high-quality development direction of green, low-carbon and safety. We will take innovation and low carbon as the core engine, implement the green development strategy, deepen the whole chain of low-carbon operation of "carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal", increase the research and development and application of energy-saving and emission-reduction technologies such as biomass fuel substitution and oxygen-enriched combustion, promote the development of the new energy and energy conservation and environmental protection industries and empower them around the main business, support the environment and carbon reduction management by intelligent means, benchmark the "six-zero" demonstration factory standards, accelerate the realization of carbon neutrality goals, and create an industry model for green transformation.

In 2026, Conch Cement will adhere to the business purpose of "highest quality and sincere service", strengthen the whole-cycle quality control of products with the attitude of pursuing excellence, and wholeheartedly provide customers with high-quality and reliable products and services. We will continue to improve the mechanism for supplier access, evaluation and dynamic management, integrate ESG standards into supply chain management, strengthen the identification, evaluation and response of ESG risks in the whole supply chain, promote the coordinated development of upstream and downstream companies, and work together with all parties to create a safe, stable, sustainable and responsible industrial chain ecology.

In 2026, Conch Cement will strictly abide by the bottom line of "compliant operation", optimize the governance structure, fully permeate the concept of sustainable development into all aspects of operation management and strategic decision-making, improve the multi-level risk prevention and control system, enhance the capability of risk pre-judgment and disposal, and consolidate the foundation of high-quality development of the enterprise. We will continue to pay attention to the concerns and demands of all stakeholders, smooth and expand communication channels, deepen interaction and cooperation, and maintain a harmonious and win-win relationship.

In 2026, Conch Cement will maintain the "people-oriented" original aspiration of development, implement the strategy of "strengthening the enterprise with talents" in depth, actively respond to the reform of industrial workers' team construction, improve the market-oriented salary and differentiated assessment mechanism by promoting the "11251" key talent project, and improve the whole chain mechanism of "Selection, Cultivation, Use and Retaining" to build a leading talent gathering place in the industry. We will optimize the salary and welfare security system, strive for solid progress in promoting employee care, strengthen leadership training and skill development, enhance employees' happiness and satisfaction, and unite the strong force of the enterprise and employees to share the same destiny and work together for progress.

In 2026, Conch Cement will maintain the responsibility and commitment of "gratitude for the source of benefit", and uphold the concept of "contributing to the society with the benefit getting from society" to expand the breadth and depth of public welfare undertakings. We will continue to promote rural assistance, implement the policy for promoting green building materials in rural areas, help the implementation of the beautiful countryside construction and rural revitalization strategy, interpret corporate citizenship responsibility with practical actions, promote the symbiosis and common prosperity of the enterprise and society, and demonstrate the mission of leading enterprises in the building materials industry.

Dreams and wishes may be far, but they can be fulfilled with dedicated pursuit. In 2026, Conch Cement will, with a firmer belief, more pragmatic measures and a more high-spirited attitude, expand the increment, optimize the stock, grasp the variables and strengthen the quality, continuously enhance our core functions, enhance our core competitiveness, give better play to the supporting role of scientific and technological innovation, industrial control and safety, strive to be the "vanguard" of high-quality development of the industry, start a new journey of the "15th Five-Year" Plan with solid results and high standards of coordinated development, continuously enhance our sustainable development capacity, and contribute more Conch wisdom and strength to the Chinese modernization in comprehensively promoting the construction of a strong country and the great cause of national rejuvenation!

Appendix I: Glossary

Terms	Definitions
Greenhouse Gases	Includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6).
Nitrogen Oxides (NOx)	Includes a number of compounds such as nitrous oxide (N_2O), nitric oxide (NO), nitrogen dioxide (NO_2), dinitrogen trioxide (N_2O_3), nitrogen tetroxide (N_2O_4) and dinitrogen pentoxide (N_2O_5), etc. Except for NO_2, all other NOx variants are extremely unstable and, when exposed to light, moisture or heat, are liable to converting into NO_2 and NO, and then from NO into NO_2. Therefore, the gas to which workers are exposed to in the working environment is usually a mixture of several types of gas, which is called smoke (gas) and is mainly comprised of nitric oxide and nitrogen dioxide, with nitrogen dioxide being the main component. Nitrogen Oxides are all toxic to a varying degree.
Denitration Technology	A technical measure to prevent excessive emission of NOx from the combustion process within the cement kilns for the purpose of environmental protection by reducing the amount of NOx and eliminating the NOx in the flue gas.
Desulphurization Technology	A technical measure to prevent excessive emission of SO_2 from the combustion process within the cement kilns for the purpose of environmental protection by reducing the amount of SO_2 and eliminating the SO_2 in the flue gas.
Bag Dust Collection Technology	A dust collection technology that uses porous fiber filter bags to filter out dust from dusty gases.
SCR	Selective Catalytic Reduction (SCR), a process of selective reaction of reducing agents such as ammonia with NOx under the action of a catalyst to generate N_2 and H_2O.
Carbon Capture, Utilization and Storage (CCUS)	A process where the CO_2 captured is treated through desulphurisation, purification, compression, dehumidification and liquefaction and then sold to the market for reuse or converted into other valuable resources for utilization.
BIPV	Building Integrated Photovoltaics (BIPV) is a technology that designs, constructs and installs solar photovoltaic power generation systems and buildings at the same time, and forms a perfect combination with the buildings, with the functions of power generation and building components, forming a perfect unity with the buildings.

Appendix II: Summarization of Indicator Data

Tracking of Environmental Goals							
Indicators	**Goals**	**2020 (Baseline year)**	**2021**	**2022**	**2023**	**2024**	**2025**
Greenhouse gas emission	Reduce carbon emission (clinker process) intensity (t-carbon dioxide/t-clinker) by 6% compared to a 2020 baseline by 2025	0.8412	0.8392	0.8356	0.8270	0.8112	**0.8033**
Energy consumption	Reduce energy consumption (clinker process) intensity (kg standard coal/t-clinker) by 6% compared to a 2020 baseline by 2025	110.54	110.20	104.88	102.63	99.84	**96.38**
Water resources	Reduce Water consumption (clinker process) intensity (t-water consumption/ t-clinker) by 10% compared to a 2020 baseline by 2025	0.403	0.352	0.343	0.308	0.303	**0.302**
Wastes	100% compliance disposal of hazardous wastes and 100% recycling of general solid waste	/	100%	100%	100%	100%	**100%**

All Performance Indicators	Unit	Indicator data in 2024	Indicator data in 2025
Clinker production capacity	100 million tonnes	2.74	**2.34**
Cement production capacity	100 million tonnes	4.03	**4.15**
Aggregates production capacity	100 million tonnes	1.63	**1.8**
Commercial concrete production capacity	10,000 cubic meters	5,190	**7,025**
Revenue from principal operations	RMB100 million	910.30	**825.32**
Payment of taxes	RMB100 million	73.58	**72.14**
Investment in environmental, technological improvement	RMB100 million	8.46	**6.28**
Investment in energy conservation and emission reduction	RMB100 million	26.66	**28.37**
Total Sulfur dioxide emissions	Tonne	6,288	**5,448**
Average emission concentration of Sulfur dioxide	mg/Nm^3	14.58	**13.00**
Total Nitrogen oxides emissions	Tonne	42,567	**40,062**
Average emission concentration of Nitrogen oxides	mg/Nm^3	117.10	**113.78**

All Performance Indicators	Unit	Indicator data in 2024	Indicator data in 2025
Total particular matter emissions	Tonne	2,010	**1,564**
Average emission concentration of particular matter	mg/Nm^3	3.32	**3.01**
Greenhouse gas direct emission (Scope I)	tCO_2 equivalent	174,027,718	**171,323,369**
Greenhouse gas indirect emission (Scope II)	tCO_2 equivalent	8,132,792	**7,568,714**
Total greenhouse gas emission (Scope I + Scope II)	tCO_2 equivalent	182,160,510	**178,892,083**
Greenhouse gas emission per unit clinker (clinker process)	tCO_2 equivalent /t-clinker	0.8112	**0.8033**
Greenhouse gas emission per unit operation revenue	tCO_2 equivalent /RMB100 million	200,110	**216,755**
Greenhouse gas indirect emission (Scope III)	tCO_2 equivalent	/	**18,225,478**
Direct energy consumption	10,000 tonnes of standard coal	2,257.09	**2,216.33**
	10,000 MWh	18,365.28	**18,033.58**
Indirect energy consumption	10,000 tonnes of standard coal	202.88	**194.48**
	10,000 MWh	1,650.79	**1,582.40**
Total renewable energy consumption	10,000 tonnes of standard coal	0.34	**19.17**
	10,000 MWh	2.74	**155.95**
Total non-renewable energy consumption	10,000 tonnes of standard coal	2,459.63	**2,391.64**
	10,000 MWh	20,013.33	**19,460.03**
Total energy consumption	10,000 tonnes of standard coal	2,459.97	**2,410.81**
	10,000 MWh	20,016.07	**19,615.98**
Energy consumption per unit clinker (clinker process)	kg of standard coal/t-clinker	99.84	**96.38**
	MWh/t-clinker	0.8124	**0.7842**
Energy consumption per unit operation revenue	10,000 tonnes of standard coal/RMB100 million	2.70	**2.92**
	10,000 MWh/RMB100 million	21.99	**23.77**
Wind power generation	10,000 kWh	105.76	**6,939.76**
Optical storage power generation (electric discharge)	100 million kWh	5.15	**6.45**
Total amount of hazardous wastes	Tonne	7,849	**3,963**
Hazardous wastes per unit operation revenue	t-hazardous waste/RMB100 million	8.62	**4.80**
Total amount of general solid waste	Tonne	590,108	**574,910**
General solid waste per unit operation revenue	t-general solid waste/ RMB100 million	648.26	**696.59**

All Performance Indicators		Unit	Indicator data in 2024	Indicator data in 2025
Discharge of wastewater after treatment that meeting the wastewater discharge standard		Tonne	522,563	**530,351**
Total water consumption		Tonne	98,113,782.87	**97,635,424.63**
Water consumption intensity per unit clinker		t-water consumption/ t-clinker	0.303	**0.302**
Water consumption intensity per unit operation revenue		t-water consumption/ RMB100 million	107,781.81	**118,300.08**
Quantity of cement package bags consumed		Tonne	100,500	**105,971**
Cement package bags consumed per unit operation revenue		Tonne/RMB100 million	110.40	**128.40**
Total treatment with cement kiln		Tonne	3,892,549	**3,601,989**
Total number of employees		Person	49,397	**48,286**
By gender	Male	Person	41,887	**41,111**
	Female	Person	7,510	**7,175**
By rank	Senior management	Person	716	**719**
	Middle management	Person	3,417	**3,343**
	Ordinary employee	Person	45,264	**44,224**
By age	Under 30	Person	7,049	**7,273**
	30–40	Person	21,478	**21,672**
	41–50	Person	15,437	**14,054**
	Above 50	Person	5,433	**5,287**
By region	East China	Person	5,292	**4,201**
	West China	Person	11,020	**10,516**
	South China	Person	7,341	**7,197**
	Central China	Person	21,238	**21,895**
	Overseas	Person	4,506	**4,477**
By service years	Under 5 years	Person	7,014	**7,025**
	5–10	Person	8,590	**7,866**
	11–20	Person	23,068	**22,265**
	Above 20 years	Person	10,725	**11,130**
By educational level	Bachelor degree or above	Person	11,254	**11,908**
	College degree	Person	11,006	**10,833**
	Below college	Person	27,137	**25,545**

All Performance Indicators		Unit	Indicator data in 2024	Indicator data in 2025
Proportion of female members of management		%	5.54	**5.81**
Proportion of minority members of management		%	3.85	**3.63**
Employee turnover rate		%	5.25	**5.86**
Voluntary employee turnover rate		%	/	**1.87**
By gender	Male	%	5.30	**5.77**
	Female	%	4.41	**6.06**
By age	Under 30	%	12.65	**12.13**
	30–40	%	4.11	**5.47**
	41–50	%	2.20	**3.26**
	Above 50	%	11.50	**5.79**
By region	East China	%	4.91	**4.61**
	West China	%	5.83	**4.50**
	South China	%	5.39	**3.64**
	Central China	%	4.55	**3.72**
	Overseas	%	8.59	**24.00**
Number and rate of work-related fatalities	2023	Person		**2**
		‰		**0.0432**
	2024	Person		**5**
		‰		**0.0975**
	2025	Person		**2**
		‰		**0.0460**
Lost days due to work injury		Day	33,704	**14,830**
Major and above-level work safety liability accidents		/	/	**0**
New case of occupational pneumoconiosis disease		/	0	**0**
Accident injury rate per thousand employees		‰	/	**0.23**
Accident injury rate per thousand stakeholders		‰	/	**0.35**
Number of work-related accidents per million work hours - Employees		Time/Million work hours	/	**0.55**
Number of work-related accidents per million work hours - Contractors		Time/Million work hours	/	**0.06**
Investment in employees' in production safety occupational health and safety		RMB100 million	2.14	**2.14**
Investment in safe production		RMB100 million	8.70	**9.55**

All Performance Indicators		Unit	Indicator data in 2024	Indicator data in 2025
Coverage rate of occupational health examinations		%	100	**100**
Total number of trained employees		Person	49,397	**48,286**
Total training time		Hour	4,531,186	**4,497,246**
Percentage of trained employees		%	100	**100**
By gender	Male	%	84.80	**85.11**
	Female	%	15.20	**14.89**
By rank	Senior management	%	1.45	**1.53**
	Middle management	%	6.92	**6.89**
	Ordinary employee	%	91.63	**91.58**
Average training hours of employees		Hour	92.00	**92.00**
By gender	Male	Hour	92.00	**92.00**
	Female	Hour	92.00	**92.00**
By rank	Senior management	Hour	53.00	**59.00**
	Middle management	Hour	63.00	**71.00**
	Ordinary employee	Hour	97.00	**103.00**
Number of suppliers		/	11,869	**12,103**
By region	East China	/	4,988	**5,385**
	West China	/	1,665	**1,578**
	Central China	/	1,669	**2,890**
	South China	/	2,865	**1,538**
	Overseas	/	682	**712**
Percentage of products recalled for safety and health reasons		%	0	**0**
Number of compliant relating to service and products		/	0	**0**
Percentage of compliant relating to service and products		%	0	**0**
Number of cases regarding corrupt practices		/	0	**0**
Money contributed to the charity		RMB	8,107,500	**8,546,400**
Anti-corruption training for members of the Board, Management and Employees		Number of individuals	116,000	**104,000**
		Time	36	**31**
Discrimination or harassment cases		/	/	**0**

Appendix III: HKEX ESG Reporting Code Index

Part C: "Comply or explain" Provisions

ESG aspects, General Disclosure and KPI (KPI)			Chapter
Environment			
A1: Emissions	General Disclosure	Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Environmental – Ecological and Environmental Protection – Discharge Management Environmental - Energy Utilization and Low-carbon Transformation - Governance
	KPI A1.1	The types of emissions and respective emissions data.	Environmental – Ecological and Environmental Protection – Discharge Management
	KPI A1.2	Repealed on 1 January 2025	
	KPI A1.3	Total hazardous wastes produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental – Ecological and Environmental Protection – Discharge Management
	KPI A1.4	Total non-hazardous wastes produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental – Ecological and Environmental Protection – Discharge Management
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental – Ecological and Environmental Protection – Discharge Management
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction target(s) set and steps taken to achieve them.	Environmental – Ecological and Environmental Protection – Discharge Management

ESG aspects, General Disclosure and KPI (KPI)			Chapter
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental – Ecological and Environmental Protection – Resource Utilization
	KPI 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).	Environmental - Response to Climate Change - Indicators and Goals
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental - Ecological and Environmental Protection - Resource Utilization
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental - Response to Climate Change - Indicators and Goals Environmental - Energy Utilization and Low-carbon Transformation - Strategy Environmental - Ecological and Environmental Protection - Environmental Management
	KPI A2.4	Description of issue in sourcing water, water efficiency target(s) and steps taken to achieve them.	Environmental - Ecological and Environmental Protection - Environmental Management Environmental – Ecological and Environmental Protection – Resource Utilization
	KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental – Ecological and Environmental Protection – Resource Utilization
A3: Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental – Ecological and Environmental Protection – Resource Utilization Environmental – Ecological and Environmental Protection – Resource Utilization, Green Mines
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental – Ecological and Environmental Protection – Resource Utilization Environmental - Ecological and Environmental Protection - Green Mines
A4: Climate Change	General Disclosure	Repealed on 1 January 2025	
	KPI A4.1	Repealed on 1 January 2025	

ESG aspects, General Disclosure and KPI (KPI)			Chapter
Society			
B1: Employment	General Disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Social - Employee Development - Employee Employment, Employee Rights
	KPI B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	Social - Employee Development - Employee Employment
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social - Employee Development - Employee Employment
B2: Health and Safety	General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Social - Employee Development - Production Safety
	KPI B2.1	Number and rate of work-related fatalities for each year in the past three years (including the reporting year).	Appendix II - Summarization of Indicator Data
	KPI B2.2	Lost days due to work injury.	Appendix II - Summarization of Indicator Data
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Social - Employee Development - Production Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social - Employee Development - Talents Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social - Employee Development - Talents Development
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Social - Employee Development - Talents Development
B4: Labour Standards	General Disclosure	Information relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Social - Employee Development - Employee Employment
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social - Employee Development - Employee Employment
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social - Employee Development - Employee Employment

ESG aspects, General Disclosure and KPI (KPI)			Chapter
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social - Excellent Quality - Sustainable Supply Chains
	KPI B5.1	Number of suppliers by geographical region.	Social - Excellent Quality - Sustainable Supply Chains
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, as well as how they are implemented and monitored.	Social - Excellent Quality - Sustainable Supply Chains
	KPI B5.3	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, as well as how they are implemented and monitored.	Social - Excellent Quality - Sustainable Supply Chains
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social - Excellent Quality - Sustainable Supply Chains
B6: Product Responsibility	General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Social - Excellent Quality - Customer-oriented
	KPI B6.1	Percentage of total products sold or shipped subject to recall for safety and health reasons.	Social - Excellent Quality - Quality First
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Social - Excellent Quality - Quality First
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social - Excellent Quality - Quality First
	KPI B6.4	Description of quality assurance process and product recall procedures.	Social - Excellent Quality - Quality First
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Social - Excellent Quality - Customer-oriented
B7: Anti-corruption	General Disclosure	Information relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Governance - Business Ethics - Policies and Systems Guarantee
	KPI 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.	Governance - Business Ethics - Business Ethics - Supervision and Inspection Mechanisms
	KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Governance - Business Ethics - Reporting Channels
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Governance - Business Ethics - Integrity-Based Culture

ESG aspects, General Disclosure and KPI (KPI)			Chapter
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social - Harmony and Integration for People's Well-being
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Social - Harmony and Integration for People's Well-being
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social - Harmony and Integration for People's Well-being - Community Welfare

Part D: Climate-related Disclosures

Climate-related Disclosures Requirements		Index
Governance	19(a) The governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities;	Environmental - Response to Climate Change - Governance
	19(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Environmental - Response to Climate Change - Governance
Strategy	20 Climate-related risks and opportunities that could affect the cash flows, its access to finance or cost of capital over the short, medium or long term;	Environmental - Response to Climate Change - Strategy
	21 The current and anticipated effects of climate-related risks and opportunities on business model and value chain.	Environmental - Response to Climate Change - Strategy
	22 The effects of climate-related risks and opportunities on the issuer's strategy and decision-making.	Environmental - Response to Climate Change - Strategy
	23 The progress of plans disclosed in previous reporting periods in accordance with paragraph 22	Environmental - Response to Climate Change - Strategy Environmental - Energy Utilization and Low-carbon Transformation - Strategy
	24 Qualitative and quantitative information about climate-related risks and opportunities with current financial effect	Environmental - Response to Climate Change - Strategy
	25 Qualitative and quantitative information about climate-related risks and opportunities with anticipated financial effect	Environmental - Response to Climate Change - Strategy
	26 The resilience of the strategy and business model to climate-related changes, developments and uncertainties, and how and when the climate-related scenario analysis was carried out for the assessment of its climate resilience	Environmental - Response to Climate Change - Strategy

Climate-related Disclosures Requirements		Index
Risk Management	27(a)(b) The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks and opportunities;	Environmental - Response to Climate Change - Risk Management
	27(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the overall risk management process.	Environmental - Response to Climate Change - Risk Management
Indicators and Goals	28 The absolute gross greenhouse gas emissions generated during the Reporting Period, classified as: · Scope 1, Scope 2 and Scope 3	Environmental - Response to Climate Change - Indicators and Goals
	29 The standards, approach and other reasonable and supportable information for measuring the greenhouse gas emissions	Environmental - Response to Climate Change - Indicators and Goals
	30 The amount and percentage of assets or business activities vulnerable to climate-related transition risks	Environmental - Response to Climate Change - Strategy
	31 The amount and percentage of assets or business activities vulnerable to climate-related physical risks	Environmental - Response to Climate Change - Strategy
	32 The amount and percentage of assets or business activities aligned with climate-related opportunities	Environmental - Response to Climate Change - Strategy
	33 The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Environmental - Energy Utilization and Low-carbon Transformation - Strategy
	34 whether and how the issuer is applying a carbon price in decision-making and the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions	N/A
	35 whether and how climate-related considerations are factored into remuneration policy	Environmental - Response to Climate Change - Governance
	36 Industry-based metrics that are associated with business models, activities or other common features that characterise participation in an industry	Environmental - Response to Climate Change - Indicators and Goals
	37 The qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals and any targets the issuer is required to meet by law or regulation	Environmental - Response to Climate Change - Indicators and Goals
	38 Approach to setting and reviewing each target, and how it monitors progress against each target	Environmental - Response to Climate Change - Indicators and Goals
	39 Information about the performance against each climate-related target and an analysis of trends or changes in the performance	Environmental - Response to Climate Change - Indicators and Goals
	40 For each greenhouse gas emissions target disclosed, the types and the coverage of the target, the setting approach, and the use of any carbon credits	Environmental - Response to Climate Change - Indicators and Goals
	41 Applicability of cross-industry metrics and industry-based metrics	Environmental - Response to Climate Change - Indicators and Goals

Appendix IV: Index to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial) issued by the SSE

Dimension	Number	Topic	Article	Chapter
Environment	1	Climate Change tackling	Article 21-28	Environmental - Response to Climate Change
	2	Pollutant discharge	Article 30	Environmental - Ecological and Environmental Protection - Discharge Management
	3	Waste disposal	Article 31	Environmental - Ecological and Environmental Protection - Discharge Management
	4	Ecosystem and biodiversity protection	Article 32	Environmental - Ecological and Environmental Protection - Green Mines
	5	Environmental compliance management	Article 33	Environmental - Ecological and Environmental Protection - Environmental Management
	6	Energy usage	Article 35	Environmental - Response to Climate Change - Indicators and Goals Environmental - Energy Utilization and Low-carbon Transformation - Strategy
	7	Usage of water resources	Article 36	Environmental - Ecological and Environmental Protection - Resource Utilization
	8	Circular economy	Article 37	Environmental - Ecological and Environmental Protection - Resource Utilization
Society	9	Rural revitalization	Article 39	Social - Harmony and Integration for People's Well-being - Rural revitalization
	10	Contributions to the society	Article 40	Social - Harmony and Integration for People's Well-being - Community Welfare
	11	Innovation-driven	Article 42	Social - Excellent Quality - Quality First, Industry Exchange
	12	Ethics of science and technology	Article 43	Social - Excellent Quality - Quality First
	13	Supply chain security	Article 45	Social - Excellent Quality - Sustainable Supply Chains
	14	Equal treatment to small and medium-sized enterprises	Article 46	Social - Excellent Quality - Sustainable Supply Chains
	15	Safety and quality of products and services	Article 47	Social - Excellent Quality - Quality First
	16	Data security and customer privacy protection	Article 48	Social - Excellent Quality - Customer-oriented
	17	Employees	Article 50	Social - Employee Development
Sustainability-related governance	18	Due diligence	Article 52	Governance - Risk Management and Control
	19	Communications with stakeholders	Article 53	ESG Governance - Communications with Stakeholders
	20	Anti-commercial bribery and anti-corruption	Article 55	Governance - Business Ethics
	21	Anti- unfair competition	Article 56	Governance - Business Ethics

Appendix V: Contribution to the United Nations Sustainable Development Goals (SDGs)

Contribution to SDGs	Action-Involving Chapters
3 GOOD HEALTH AND WELL-BEING	Social - Employee Development - Care for Employees, Production Safety
4 QUALITY EDUCATION	Social - Employee Development - Talents development
5 GENDER EQUALITY	Social - Employee Development - Employee Rights
7 AFFORDABLE AND CLEAN ENERGY	Environmental - Energy Utilization and Low-carbon Transformation - Strategy
8 DECENT WORK AND ECONOMIC GROWTH	Social - Employee Development - Talent Strategy, Employee Employment, Employee Rights, Talents Development, Care for Employees
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Social - Excellent Quality - Sustainable Supply Chains, Quality First, Customer-oriented
13 CLIMATE ACTION	Environmental - Response to Climate Change - Energy Utilization and Low-carbon Transformation, Ecological and Environmental Protection
15 LIFE ON LAND	Environmental - Ecological and Environmental Protection - Green Mines
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Governance – Corporate Governance
17 PARTNERSHIPS FOR THE GOALS	Social - Excellent Quality - Sustainable Supply Chains

Appendix VI: United Nations Global Compact Ten Principles Reference Table

Human Rights	Corresponding Chapter
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Social - Employee Development - Employee Rights
Principle 2: Businesses should make sure that they are not complicit in human rights abuses	Social - Employee Development - Employee Employment
Labor Standards	**Corresponding Chapter**
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Social - Employee Development - Employee Rights
Principle 4: Businesses should eliminate all forms of forced and compulsory labor	Social - Employee Development - Employee Employment
Principle 5: Businesses should insist on the effective abolition of child labor	Social - Employee Development - Employee Employment
Principle 6: Businesses should insist on the elimination of discrimination in respect of employment and occupation	Social - Employee Development - Employee Rights
Environment	**Corresponding Chapter**
Principle 7: Businesses should support a precautionary approach to environmental challenges	Environmental - Ecological and Environmental Protection - Environmental Management
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Environmental - Ecological and Environmental Protection - Environmental Management
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Environmental - Energy Utilization and Low-carbon Transformation - Strategy Environmental - Ecological and Environmental Protection - Environmental Management, Discharge Management, Resource Utilization
Anti-corruption	**Corresponding Chapter**
Principle 10: Businesses should work against corruption in all forms, including extortion and bribery	Governance - Business Ethics - Policies and Systems Guarantee