CONCH
海螺水泥



2024 Environmental, Social and Governance Report



CONCH
海螺水泥

Anhui Conch Cement Company Limited
00914.HK 600585.SH

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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 2024 will systematically describe the Company's strategies, policies, measures and achievements in terms of corporate social responsibility and sustainable development in 2024.

Report Time

This report covers the information and data from 1 January 2024 to 31 December 2024 (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 2024 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 Guidance on Climate Disclosures of the Appendix C2 Environmental, Social and Governance Reporting Guide 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 Environmental Protection") also prepares and publishes ESG reports or sustainability reports based on the stakeholders demands, which are available on the website of the HKEx and Conch Environmental 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 Policy Statement*, *the Supplier Code of Conduct*, and *the Anti-bribery and Anti-corruption Policy*, 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, 2025 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:

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01 Message from the Chairman

Dear readers, thank you for your interest in Conch Cement's 2024 Environmental, Social and Governance Report.

In 2024, Conch Cement adhered to its original intention and forged ahead, continuing to plough into the main cement industry, vigorously promoting the diversification of the industrial chain, and steadily expanding the scope of the overseas market in a complex and volatile market environment, so as to help its high-quality development step forward to a new level. We adhered to the high-quality development route of "innovation-driven development, digital empowerment and green transformation", deeply integrating technology innovation and industrial practice, accelerating the construction of intelligent and green industrial ecosystems, and committing ourselves to creating a greener and better living space for the whole society.

Under the situation and background of global climate change and the clear national "dual carbon" target, Conch Cement was boldly taking the mission of green development, practicing the whole chain of low-carbon operation of "carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal", actively engaging in the carbon trading market, creating a low-carbon product system, gradually promoting scientific and efficient carbon management practices, and taking practical actions to accelerate our progress towards a zero carbon future. In 2024, we further defined our strategy and path of low-carbon transformation, continued to refine green technology research and development, deepened energy-saving technological reforms, vigorously promoted the application of clean energy, and made use of digital technology to comprehensively empower environmental management, so as to contribute to the environmental protection and the mitigation of climate change.

Conch Cement has built a strong foundation for compliance, continued to improve its governance structure, and reinforced the culture of integrity while enhancing risk management and response capabilities to foster a positive business environment. We attach great importance to the needs of our internal and external stakeholders, promote healthy interaction and communication with them, and steadily improve the accuracy, detail and credibility of information disclosure in response to external concerns.

Conch Cement always regards its employees as a key driving force for its development. We are unwavering in our commitment to implementing a talent-driven corporate strategy, continuously optimizing the talent cultivation and development system, and striving to build a professional and industry-leading talent team. We are dedicated to improving the employee welfare and rights protection system, ensuring the effective implementation of employee care and support, and committed to providing them with solid backing, fostering a collaborative environment where employees and the Company share a common destiny and thrive together towards shared goals.

In its pursuit of steady development, Conch Cement recognizes its social responsibility and commitment to "enhancing societal well-being" and actively devotes itself to community development and welfare undertakings to give back to society with practical actions. In 2024, we thoroughly followed the requirements of the national Rural Revitalization Strategy, focused on the public welfare needs of communities and villages, effectively improved the quality of life for residents, promoted the sustainability of the local economy, and realized the coexistence and mutual prosperity between the Company and society.

Looking ahead, guided by our business philosophy of "creating future living space for human beings", we will continuously seek sustainable development models that align with changes of the times. We are committed to enhancing our core competitiveness through innovation, green transformation, and other strategic initiatives, which enable us to meet the trust and support of society with improved performance and contribute our insights and efforts towards the establishment of a shared future for humanity.

Chairman of Anhui Conch Cement Company Limited
Yang Jun

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About Conch Cement

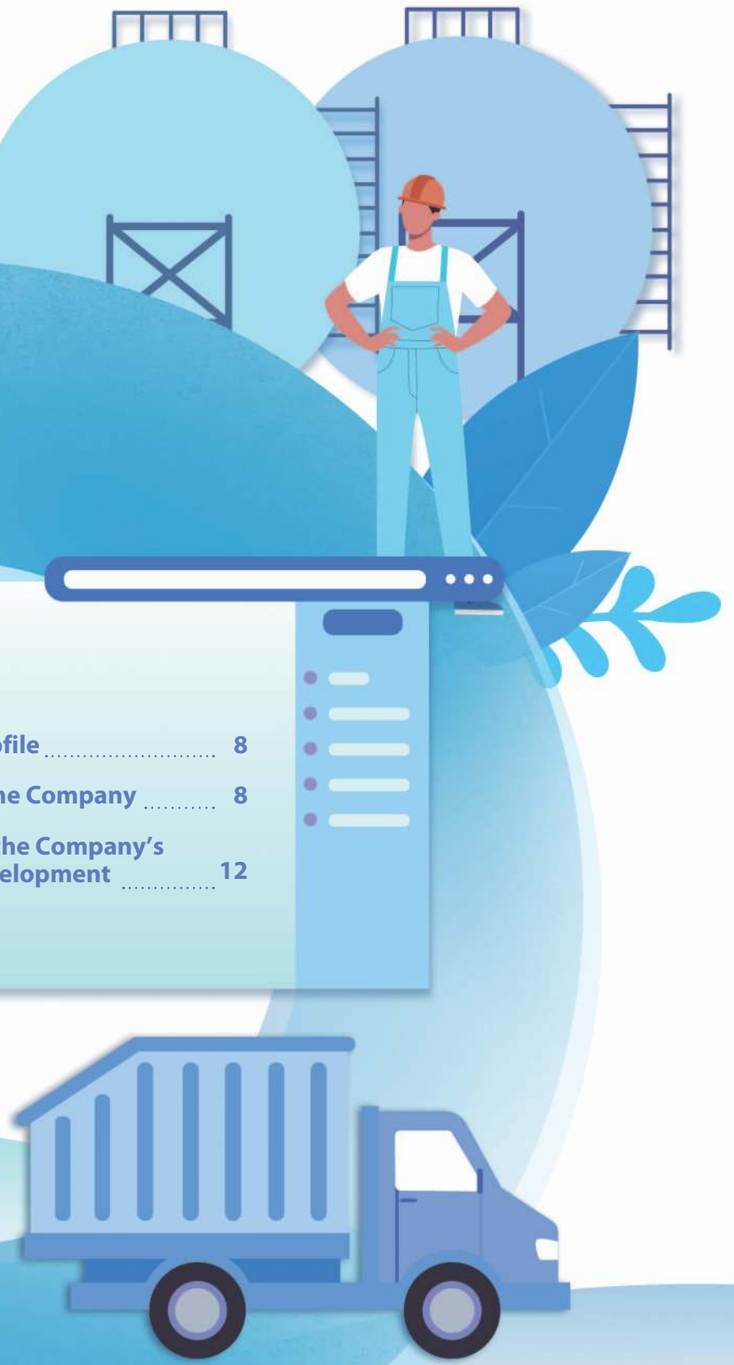
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02 About Conch Cement

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 470 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 49,397.

2.2 Business of the Company

Focusing on the main industry of cement, the Group has been following the high-quality development route of "innovation driving, digital enablement and green transformation", We are actively working to extend, supplement, and strengthen our industrial chains, accelerating the development of new productive forces, continuously optimizing the industrial layout, promoting the synergistic development of the industry, and striving to build a green, environmentally friendly, robust and sustainable industrial chain and value chain. The Group has now evolved into a global large-scale building materials conglomerate, encompassing six major industrial segments: cement manufacturing, environmental protection, new energy, digital industry, equipment manufacturing and consumer building materials.

Cement Manufacturing Sector


Tongren Conch Cement Plant Construction



Nanjing Conch Commercial Concrete Company


Maanshan Aggregate Project



Quanjiao Prefabricated Construction Company

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 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.

Environmental Protection Sector


Cement Kiln Co-disposal of Solid and Hazardous Waste Project



Fly Ash Washing Project


Comprehensive Resource Utilization Project


Sludge Treatment Project

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

New Energy Industry


Battambang Conch Photovoltaic Project


Pingliang Wind Power Supporting Hydrogen Integration Application Project


Xuancheng Bi[illegible] Industrial Park



Zongyang Conch All-vanadium Redox Flow Battery Energy Storage Project

Conch New Energy, a subsidiary of the Company, 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 Industry


Intelligent Laboratories


Intelligent logistics


Full-process automatic loading system

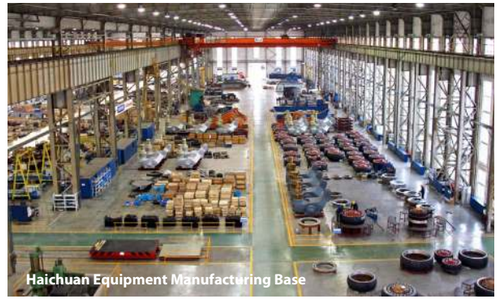

Unmanned mining truck

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 Information 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.

Equipment Manufacturing Segment



Anhui Province's First Exported Shield Machine


Haichuan Equipment Manufacturing Base


Fire-resistant material manufacturing base


Iron-nickel alloy rotary kiln

The Group is committed to the independent research and development of core technologies and equipment for the cement industry, and has established its own global value chain through the export of advanced technologies and domestically produced equipment, focusing on the manufacturing of machinery and equipment for the cement industry, heat-resistant and wear-resistant casting, etc. It has formed an equipment manufacturing base with the main focus on high-end equipment, such as shield machines, and the secondary focus on energy-saving and environmentally-friendly equipment, such as noise management.

Consumer Building Materials Sector


Jiangmen Conch Consumer Building Materials Production Base



Product styling photography


Tile adhesives production line


Dry mix mortar production line

The Group has established fully automated production lines, utilizing the high-quality cement and aggregates, and leveraging the Group's R&D capabilities to actively expand its consumer building materials business, manufacturing high-quality ceramic tile adhesive and dry mix mortar products .

2.3 Overview of the Company's Business Development

In 2024, facing a complex and severe external landscape as well as a fiercely competitive market environment, We adhered to goal-oriented strategies, strengthened operational coordination, precisely managed production and sales rhythms, rigorously controlled costs and expenses, vigorously promoted innovation. We have also actively maintained the industry ecosystem. As a result, our operational development has shown resilience, our operational efficiency has led the industry, and our competitive strength has continued to increase.

We are committed to achieving higher-quality development in our core business. Guided by effective investment, we have made a two-way effort at home and abroad to steadily advance the deployment of projects in our core cement industry. The three grinding station projects including Baling Conch were put into production on schedule, Andijan Conch in Uzbekistan was successfully put into production and operation, Phnom Penh Conch in Cambodia accelerated its construction and was successfully put into production and operation in February 2025, and the overseas trusteeship projects were successfully promoted, and offices in Africa and South America were set up one after another, which laid a good foundation for the later stage of development.

We are committed to extending and supplementing the chain more effectively. Throughout the year, six aggregate projects, including those in Yiyang and Chaohu, were put into operation. We acquired 15 commercial concrete projects through new construction and other means. We accelerated the growth of new business models such as dry mix mortar and tile adhesive, opening up new high-quality development avenues. Three projects in Liquan, Feixi, and Shangyu were completed and put into operation, while six projects, including those in Qianxian and Shuangfeng, commenced smoothly. We continued to expand our advantages in waterway distribution points and accelerated the construction of onshore channels. The Mengcheng Conch 5-million-ton sand and gravel transshipment project was completed and put into operation.

We are devoted to achieving greater breakthroughs in industrial transformation. Aligning with the national dual-carbon strategy, we are continuously strengthening our environmental protection and new energy industries. The Tongchuan Yaobo hazardous waste project, the Qingyang oil sludge projects and general solid waste projects in Dazhou and Mianyang were successfully put into operation, and the Wuhu fly ash project was selected for the national-level East China regional hazardous waste (fly ash) centralized disposal list. Eleven photovoltaic projects, including the Jining Conch Phase III and Liangping Conch Phase II, were successfully connected to the grid, and the Pingliang hydrogen energy project commenced smoothly, marking solid steps in industrial transformation.

During the Reporting Period, the Group increased the clinker production capacity, cement production capacity, aggregate production capacity and commercial concrete production capacity reached 2.3 million tonnes (overseas), 8 million tonnes, 14.5 million tonnes and 12.10 million cubic meters respectively, through relocation, and the capacity of photovoltaic power generation and power storage was 103 MW. As of the end of the Reporting Period, the Group had a clinker production capacity of 274 million tonnes, a cement production capacity of 403 million tonnes, an aggregate production capacity of 163 million tonnes, a commercial concrete in operation production capacity of 51.90 million cubic meters, and the capacity of photovoltaic power generation and power storage in operation of 645MW.

BUSINESS DATA 2024

Revenue[1]
910.30 RMB100 million

Profit before taxation
100.29 RMB100 million

Tax payment
73.58 RMB100 million

Basic earnings per share
1.46 RMB/share

Net profit attributable to parent company
76.96 RMB100 million

FINANCIAL INDICATOR 2024

Total assets
2,546.35 RMB100 million

Net assets attributable to the parent company
1,879.40 RMB100 million

Asset-liability ratio
21.31 %

Business Data of Conch Cement in 2024[2]

1 Earnings from trade items are included
2 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



Wuhu Conch Environmental Fly Ash Disposal Project Selected as the First Batch of National Regional Hazardous Waste (Fly Ash) Centralized Disposal Center



Andijan Conch Ignition Ceremony



Phnom Penh Conch Ignition and Launching Ceremony



Qarshi Conch 10MW distributed photovoltaic power generation project successfully connected to the grid

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Achievements in 2024

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03 Achievements in 2024

3.1 ESG Targets and Progress

We uphold our commitment to social responsibility and have systematically planned and established a series of short-, medium-, and long-term goals in the key areas of ESG, aiming to promote the sustainable and steady development of the enterprise.

Lean Governance, the right path

Conch Cement is dedicated to building a standardized corporate governance structure, enhancing the transparency and scientific rigor of decision-making, and advancing the culture of integrity. We promote integrity and righteousness, safeguard the rights and interests of shareholders and stakeholders, and set a benchmark for integrity within the industry.

Our Goals	KPI	Progress in 2024
Ensure Integrity in Operations	100% of employees sign integrity commitment agreements	**100**%
	100% of suppliers 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 consistently integrate environmental protection concepts throughout our production and operations, striving to create a green, low-carbon, and circular development model. We comprehensively deepen environmental management measures and set multi-dimensional environmental management goals. For details on our green and low-carbon development goals and progress, please refer to Sub-sections 7.1.4 and 7.2.

Our Goals	KPI	Progress in 2024
Reduce Greenhouse Gas Emissions	Carbon emission (clinker process) intensity tCO_2e/t-clinker declines by 6% in 2025 from 2020	declined by **3.57**% from 2020
Reduce Energy Consumption	Energy consumption(clinker process) intensity (kg standard coal/t-clinker) declines by 6% in 2025 from 2020	declined by approximately **9.68**% from 2020
	Comprehensive energy consumption of clinker declines by no less than 1% in 2024 from 2023	declined by **2.11**% from 2023
Increase the Proportion of Alternative Fuel Usage	The proportion of alternative fuel usage reaches 15% by 2030	**13**% of coal usage
Improve Energy Efficiency	By 2060, achieve green, low-carbon and recycling transformation and development of the entire Group, with all clinker production line energy efficiency reaching international advanced levels	proportion of production lines reaching or above the energy efficiency benchmark level **55**%
Improve Environmental Management System Certification Coverage	All production subsidiaries to obtain ISO 14001 certification by 2025, with 100% coverage	**90**%
Strengthen Exhaust Gas Management	By 2025, reduce total nitrogen oxide emissions by 50% compared to 2020	**62.35**% reduction compared to 2020
	By 2028, key regional[3] subsidiaries to achieve hourly average emission concentrations of particulate matter, sulfur dioxide, and nitrogen oxides from cement kilns and waste heat utilization systems not exceeding 10 mg/Nm^3, 35 mg/Nm^3, and 50 mg/Nm^3, respectively	The average emission concentrations of particulate matter, sulphur dioxide and nitrogen oxides from cement kilns and waste heat utilization systems of key regional subsidiaries are **1.94** mg/Nm^3, **9.65** mg/Nm^3 and **44.42** mg/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) declines 10% by 2025 from 2020	**24.81**% reduction compared to 2020
Environmental Compliance Management	Zero environmental pollution incidents in 2024	**0** case
Carbon Emission Rights Compliance Trading	Zero breaches in carbon emission rights trading compliance in 2024	**0** case

[3] According to the Action Plan for Continuous Improvement of Air Quality issued by the State Council, the key regional areas include Beijing-Tianjin-Hebei and its surrounding areas, the Yangtze River Delta region and the Fenwei Plain.

Harmony and Integration for People's Well-being

We actively fulfill our social responsibilities. We are committed to building harmonious labor relations, striving to achieve comprehensive management goals, safeguarding the health and safety of employees, enhancing supply chain stability, ensuring the welfare of employees, and optimizing customer service. We promote the steady development of the enterprise with practical actions.

Our Goals	KPI	Progress in 2024
Strengthen Health and Safety Management	No new case of occupational pneumoconiosis disease	0 case
	Injury rate per thousand employees less than 1‰	0.958‰
	No more than 2 work-related casualty liability accidents of suppliers	2 cases
	No fire-related accidents causing injuries or direct economic losses of RMB1 million or more	0 case
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%

2024 New Fortune Magazine ESG Best Practice Award "Best Corporate Governance Responsibility Award" in China ESG Golden Awards 2024 by Sina Finance



A Wind Rating

A- SynTao Green Finance Rating

AA- China Chengxin Rating

AA Quantdata Rating

BB MSCI Rating

A Shanghai Stock Exchange Information Disclosure Evaluation

A CSI Index Rating

Completed S&P Global Corporate Sustainability Assessment (CSA)

Completed CDP questionnaire responses

3.2 Honors and Awards



Outstanding ESG Value Communication Award
Quanjing



Selected as "2024 ESG Best Practice Case in the Building Materials Industry"
China Building Materials Federation



Selected as "2024 Best Practice Case for Listed Company Boards"
China Association for Public Companies



Selected as "2024 Best Practice Case for Sustainable Development of Listed Companies"
China Association for Public Companies



Selected into the "Pioneer 50 of China ESG Listed Companies Yangtze River Delta"
China Central Television (CCTV)



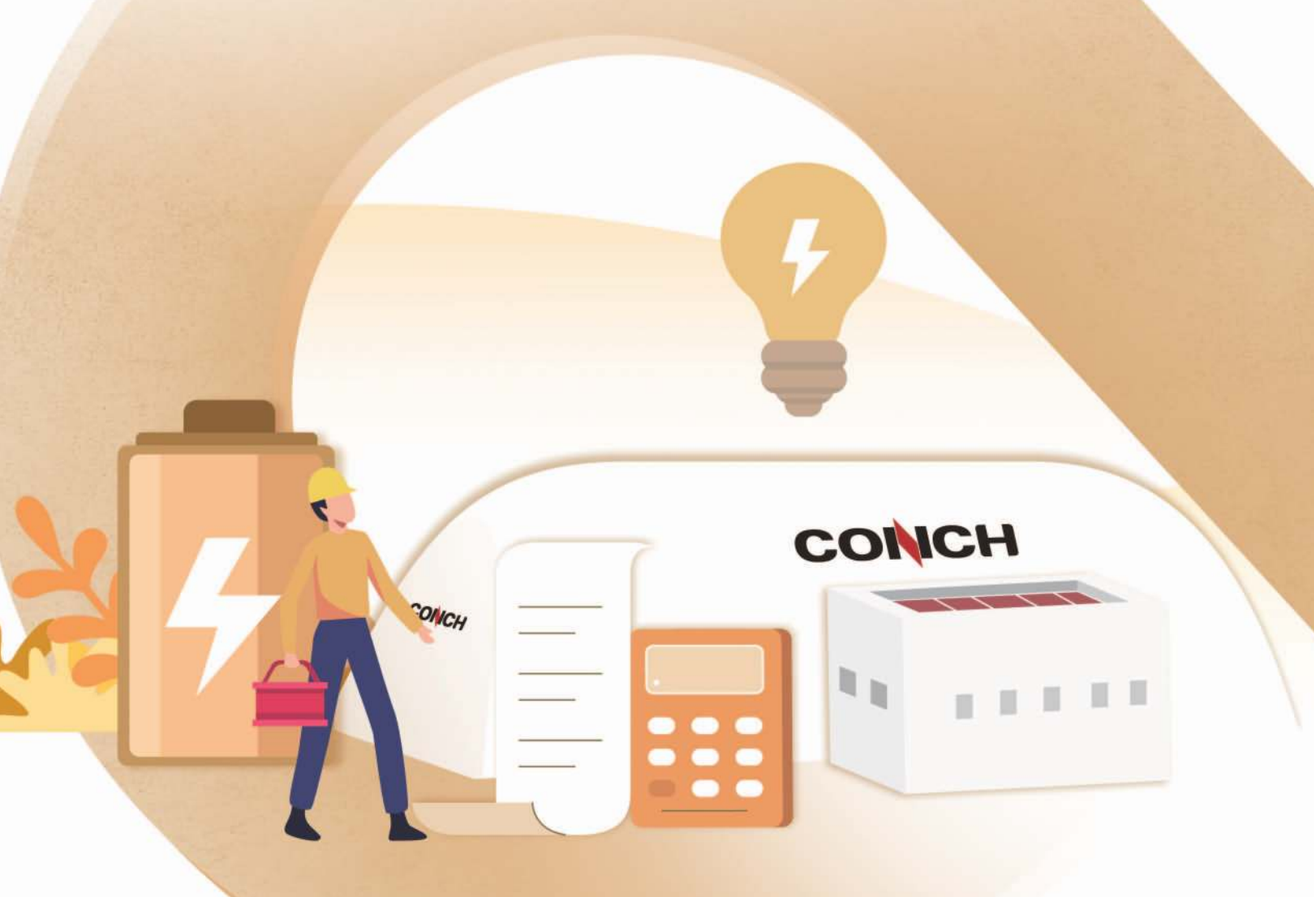
Selected into the "ESG-Pioneer 100 Index of Listed State-owned Enterprises"
Assets Supervision and Administration Commission of State Council (SASAC)

恒生可持续发展企业指数系列 2024 - 2025成份股

Selected as Hang Seng (China A) Corporate Sustainability Benchmark Index
Hang Seng Indexes

04

Feature Story:
Accelerating Carbon Management Practices and Building the Foundation for Green Transformation



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04 Feature Story: Accelerating Carbon Management Practices and Building the Foundation for Green Transformation

As global climate change issues become intensifies, actively addressing climate change and moving toward a zero-carbon future have become a global consensus and action. Conch Cement profoundly recognizes its responsibility and mission in promoting green and low-carbon development. We start with carbon inventory, clarify our emissions and those of upstream and downstream chains, formulate targeted energy-saving and carbon-reduction measures, accelerate carbon asset development and management practices, gradually deepen low-carbon operations, increase the development of low-carbon products, and promote low-carbon product certification. We are committed to empowering the transition to a sustainable, low-carbon future, guided by excellence in carbon management.

Overall Carbon Management Plan and Progress

	Plan	Progress
Climate-Related Risk Management	• We plan to conduct climate change scenario analysis by 2025, aiming to build a comprehensive and systematic climate scenario analysis and risk management framework to enhance the Company's adaptability to climate change and seize related opportunities.	• We have established a three-tier climate change governance system and conducted risk identification and response measures, laying the foundation for climate adaptation management.
Carbon Accounting Management	• We have set up a working group to initiate a Scope 3 greenhouse gas emissions inventory and plan to conduct an audit of Scope 3 greenhouse gas emissions by 2025, aiming to establish a continuous and comprehensive greenhouse gas emissions inventory and accounting system to enhance internal carbon inventory and accounting capabilities. During the Reporting Period, we have conducted a preliminary Scope 3 emissions study, which shows that purchased goods and services, fuel and energy-related activities, and upstream and downstream transport and distribution fall within our Scope 3 key emissions categories. Relevant Scope 3 greenhouse gas emissions data will be disclosed in the 2025 ESG report.	• As of the Reporting Period, the Group has completed carbon inventory for Scope 1 and Scope 2 emissions across 138 production lines at 68 clinker bases, achieving a 100% inventory rate for clinker production subsidiaries, identifying issues in the carbon accounting process, proposing nearly 500 carbon reduction optimization suggestions, and guiding emission control enterprises to standardize their carbon accounting systems from the perspective of building a carbon management system.



Overall Carbon Management Plan and Progress

	Plan	Progress
Carbon Asset Management	• We plan to make carbon asset development and management a core part of the Company's strategy, building a group-wide intelligent and refined carbon asset management system to achieve scientific carbon asset management and secure a favorable position in the carbon trading market, supporting the Company's long-term sustainable development and economic benefits.	• We have proactively established CCER (China Certified Emission Reduction) trading channels. During the Reporting Period, we developed and continuously optimized the Dual Carbon Interconnection Platform, which has been promoted and applied among clinker base subsidiaries in Anhui Province, realizing automatic collection and accounting of carbon emission data, improving the efficiency and accuracy of carbon emission data accounting, and integrates carbon asset management and trading, achieving low-carbon digital empowerment.
Carbon Neutral Operations	• We have incorporated low-carbon development into the Company's long-term development strategy, implementing carbon reduction plans comprehensively and leading the industry toward low-carbon transition. We are committed to achieving carbon neutrality in Jiangsu, Zhejiang and Shanghai subsidiaries by 2050.	• In our production operations, we adhere to "carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal" principle in production and operation, implementing multiple low-carbon operation strategies that have significantly reduced energy consumption and carbon emissions.
Building a Low-Carbon Brand Image	• We aim to develop a low-carbon, environmentally friendly, and sustainable product system, shaping the Company's green brand image by pursuing low-carbon product certification and establishing a differentiated competitive advantage in the market.	• During the Reporting Period, we obtained low-carbon product certification for Ordinary Portland Cement, marking a good start to our low-carbon product certification plan.

Low-Carbon Achievements and Awards

- Conch Cement participated in the completion of the "Application and Development of Design/Preparation Technology of Anti-corrosion Cementitious Materials for High-Speed Railway and Harsh Environmental Engineering" project, which won the second prize of the 2023 National Technology Improvement Award.
- In collaboration with partners, Conch Cement completed the "Research and Application of Low-Energy Deep Cooling Direct Oxygen Combustion and Clinker Firing Matching Technology in Cement Kilns" project, which won the second prize of the 2024 Building Materials Industry Conference Technology Progress Award.
- "Key Technology of Intelligent Control and Optimised Operation of Large Cement Production Processes and Industrial Application" applied by Wuhu Conch won the first prize of 2023 Shanghai Science and Technology Progress Award.
- The project of "Research and Application of Key Technology of Explosives-Dry Ice Cooperative Blasting for Mining", which was completed with the participation of Conch Cement, won the first prize of 2024 Science and Technology Award of China Society of Explosives and Blasting.
- Conch Cement released the "World's First Zero External Power Purchase Demonstration Plant in the Cement Industry" at the 2024 Building Materials Industry Conference, attracting attention from media outlets such as CCTV.
- Quanjiao Conch was awarded the first batch of building materials "carbon labels".
- Conch Cement was selected as a participant in the "Precise Measurement Technology and Equipment for Carbon Dioxide Emissions in Cement Production Lines — Research and Pilot Application of Carbon Dioxide Online Monitoring Data Governance Technology in Cement Enterprises" project.
- Established the Building Materials Industry (Cement) Low-Carbon Standardization Workstation.

4.1 Assess Carbon Emissions Baseline — Clear Direction for Emission Reduction

We aim to guide emission reduction pathways by conducting a comprehensive inventory of carbon emissions throughout the product lifecycle, thereby promoting the construction of a green industry and value chain.

Carbon Emission Inventory

To commence the greenhouse gas inventory work for clinker base subsidiaries, we have established Zhongtan (Anhui) Environmental Technology Co., Ltd.. By referencing the *Guidelines for Greenhouse Gas Emission Accounting and Reporting in the Cement Industry* and integrating the characteristics of our Company's production and operations, we strive to build a scientific, rigorous, and comprehensive greenhouse gas emission accounting system.

Through regular and precise carbon emission inventories spanning production, operations, logistics, and other aspects of the enterprise, the Group aims to achieve transparency and traceability of carbon emission data. In the future, Zhongtan will deepen the carbon inventory system, with a particular focus on enhancing the data collection, accounting, and analysis of Scope 3 emissions for Conch Cement to ensure accurate and efficient data processing.

As of the end of the Reporting Period, Zhongtan has completed Scope 1 and Scope 2 greenhouse gas inventories of the Group's clinker production subsidiaries.

Product Carbon Footprint Certification

Through product carbon footprint certification, we deliver reliable data support for carbon reduction initiatives across the entire value chain and offer customers intuitive and transparent carbon emission information. During the Reporting Period, Quanjiao Conch, a subsidiary of the Company, was awarded the first batch of carbon labelling certificates for construction materials in China.



Carbon labelling certificates for construction materials

4.2 Deepening Low-Carbon Operations — Enhancing Carbon Reduction Efficiency

We adhere to the principle of "carbon emission reduction at source, carbon emission reduction in the process, carbon sequestration at terminal"and promote low-carbon operations in all aspects.

Carbon Emission Reduction at Source

Conch Cement optimizes its energy structure and reduces carbon emissions at source by developing clean energy technologies and adopting diversified alternative fuels.

New Breakthrough in Hydrogen Energy Utilization: Green Hydrogen Calcination Leads the Green and Low-Carbon Transformation in the Cement Industry

Conch Cement focuses on the innovative research and development of hydrogen-blended combustion technology to achieve the use of hydrogen energy in production and operations. By delving into the gas-solid flow field and heat-energy-mass transfer mechanisms in the calcination system under green hydrogen calcination conditions, the Company is committed to overcoming the challenges of efficiently utilizing hydrogen energy in cement calcination equipment and developing core technology for hydrogen combustion devices. Simultaneously, leveraging the characteristics of hydrogen's fast combustion speed and high instantaneous oxygen demand, the Company has analyzed the temperature field distribution in the decomposition furnace and formulated technical solutions for hydrogen-blended coal powder combustion at different ratios.

During the Reporting Period, the Company expedited the construction of the Pingliang Conch Hydrogen Production, Storage, and Transportation Integration Project. This project was selected as part of the supporting industrial projects for the second batch of wind and solar power key construction projects in Pingliang City during the 14th Five-Year Plan period. The project is expected to produce 625 tonnes of hydrogen annually, based on 7,000 hours of operation per year. The produced hydrogen will be used in clinker production to replace coal, significantly reducing carbon emissions associated with traditional fossil fuel combustion.

Carbon Emission Decrease in the Process

Conch Cement places great emphasis on improving energy efficiency in the production process and is committed to reducing energy consumption and carbon emissions through the research and innovation of carbon reduction technologies.

Breakthrough in Oxygen-Enriched Combustion Technology Reduces Energy Consumption

Basu Conch, a subsidiary of Conch Cement situated on a plateau at an elevation of 3,380 meters, faces challenges in production capacity and energy efficiency due to oxygen deficiency. To optimize production, improve energy efficiency, and reduce carbon emissions, we have implemented oxygen-enriched combustion technology in its production line. By producing high-concentration oxygen-enriched products and delivering them precisely to key combustion points, the Company has effectively addressed the issue of incomplete coal powder combustion. Industry experts have recognized the oxygen-enriched combustion technology in the cement kiln as achieving international advanced levels. During the Reporting Period, the project was successfully commissioned, saving over 3 kilograms of standard coal per ton of clinker.



Oxygen-Enriched Combustion Transformation Project

Carbon Sequestration at Terminal

Conch Cement actively explores carbon capture and utilization technologies to achieve dual goals of carbon sequestration at terminal and resource recycling.

Exploring New Pathways for Carbon Dioxide Resource Utilization, Breakthrough in Carbon Mineralization Building Materials

In collaboration with Wuhan University of Technology, Conch Cement has achieved groundbreaking progress in the research and development of high-efficiency carbon sequestration fiberboard production technology. This project leverages carbon mineralization building materials to achieve the conversion and utilization of carbon dioxide. By capturing CO_2 from the cement production process and utilizing specific mineralization reactions, the carbon dioxide is solidified into building material products, such as carbonate concrete. During this process, CO_2 reacts with calcium-containing minerals to form stable carbonate structures, not only achieving permanent carbon sequestration but also enhancing the mechanical properties and durability of the building materials.

During the Reporting Period, Conch Cement successfully completed the pilot phase of its first "CO_2 Conversion and Utilization Technology — Carbon-Sequestering Fiberboard Demonstration Project". In the future, the Company aims to extend this technology to more production lines, enabling large-scale CO_2 conversion and utilization, and setting a benchmark for carbon neutrality in the building materials industry.



Pilot Production Line for Carbon-Sequestering Fiberboard Demonstration

4.3 Developing Low-Carbon Assets — Exploring Low-Carbon Opportunities

With a forward-looking strategic vision, we are actively engaged in the development and management of carbon assets, striving to effectively reduce future carbon compliance costs through scientific carbon asset management, achieving a win-win situation for both economic and environmental benefits.

Intelligent Carbon Asset Management

We are dedicated to building an intelligent and refined carbon asset management system. Through technological innovation and digital means, we have successfully developed the Dual Carbon Interconnection Platform, enhanced the efficiency of carbon asset management by integrating functions such as carbon asset accounting and management, and precise carbon data accounting and intelligent management, improving the Company's carbon asset management efficiency. This platform serves as Conch's "intelligent steward" in advancing the "Dual Carbon" goals. By the end of the Reporting Period, the platform has been implemented in subsidiaries at clinker bases in Anhui Province, with plans for group-wide promotion in the future.



CO_2 Online Monitoring



To fully implement the policies outlined in the "Guiding Opinions of the Central Committee of the Communist Party of China and the State Council on Fully, Accurately, and Comprehensively Implementing the New Development Philosophy to Achieve Carbon Peak and Carbon Neutrality" and the "Carbon Peak Action Plan Before 2030", we partnered with the Wuxi Research Institute of Tsinghua University to develop CO_2 online monitoring technology. It has been successfully piloted at Xuancheng Conch, achieving phased results and demonstrating strong potential for widespread application in the cement industry. Additionally, we participated in the formulation of the *"Calibration Specification for CO_2 Online Monitoring Systems in the Building Materials Industry"* standard.

To support the operational application of carbon monitoring in the national carbon emissions trading market and enhance the quality of data in the national carbon market, we assigned professional technical personnel to participate in the China National Environmental Monitoring Centre's special research on carbon emissions monitoring in key industries. Our contributions have been unanimously recognized by the Centre.

Smart Inventory System

To further improve the accuracy of carbon emissions accounting data, we developed a smart inventory system and an automatic bulk density system. Using electronic devices such as 3D imaging radar and algorithms, the system generates 3D models of clinker and limestone storage, enabling real-time partitioned inventory calculations and accurate tracking of material stock levels. This system has been piloted at Xuancheng Conch and Baimashan Cement Plant, significantly enhancing the quality and accuracy of carbon accounting data.



Carbon Trading Market Engagement

Conch Cement actively aligns with national and local policies, actively participating in carbon trading in pilot regions. Our subsidiaries in Guangdong Province and Chongqing have completed their annual carbon quota compliance obligations on time and actively sold surplus carbon quotas. During the Reporting Period, we sold 680,000 tonnes of quotas, generating revenue of RMB35.75 million. Furthermore, we expanded our reach into international carbon trading through CDM projects. By the end of the Reporting Period, we had signed 12 UN CDM agreements for waste heat power generation, laying a solid foundation for future carbon asset revenue.

Furthermore, we proactively established CCER (Chinese Certified Emission Reduction) trading channels and built a carbon trading partner database. During the Reporting Period, we secured over 20 high-quality carbon trading partners and signed CCER forward exchange and trading agreements with several internationally renowned carbon asset companies to ensure smooth future compliance and locks in future carbon trading revenue, demonstrating our forward-looking strategic capabilities.

4.4 Low-Carbon Product Certification — Shaping Green Brands

We continuously explore the development of a low-carbon, environmentally friendly, and sustainable product system, committed to pursuing diversified low-carbon development pathways and shaping a green brand image. To ensure that our low-carbon products meet authoritative evaluation standards, we strictly adhere to standard processes, including application and acceptance, product testing, on-site verification, and certification evaluation and approval, to ensure comprehensive accounting and review of product carbon footprints, which have been verified through third party assurance.

During the Reporting Period, a number of our subsidiaries obtained low-carbon product certifications for a wide range of products, including clinker, Ordinary Portland Cement, Type II Portland Cement and Composite Portland Cement.



Low-Carbon Product Certification Certificates

Wuhu Conch Talent Apartment "Zero-Carbon" Renovation Project, Exploring New Opportunities for Low-Carbon Transformation in the Construction Industry


碳中和证书
Carbon Neutral Certificate

We actively responded to national policies such as the "Work Plan for Accelerating Energy Conservation and Carbon Reduction in the Construction Sector", exploring green and low-carbon construction practices. The "Zero-Carbon" renovation project for Conch Talent Apartments reduced carbon emissions by cutting material consumption, introducing renewable energy, and minimizing fossil fuel use. Additionally, the project achieved carbon neutrality by purchasing 140 tonnes of VCS (Verified Carbon Standard) carbon credits. This project received a carbon neutral certificate from the Shanghai Environment and Energy Exchange, paving a new path for low-carbon transformation in the construction industry.

Carbon Neutral Certificate for the Renovation Phase of Wuhu Conch Talent Apartment Project

Furthermore, we actively participate in the co-creation of a green and low-carbon industry. Through collaboration with industry partners, we collectively drive the green and low-carbon transformation of the building materials industry, demonstrating our responsibility and commitment under the "Dual Carbon" goals, and contribute to building an open, innovative, low-carbon, and shared industrial ecosystem.

Participating in the Co-Chain Initiative for the Modern Low-Carbon Inorganic Non-Metallic Materials Industry and Joining the Green and Low-Carbon Building Materials Innovation Consortium

On 28 November 2024, Conch Cement, in collaboration with China National Building Materials Group and 15 other organizations, launched the Co-Chain Initiative for the Modern Low-Carbon Inorganic Non-Metallic Materials Industry in Beijing and established the Green and Low-Carbon Building Materials Innovation Consortium. As a co-builder, we are dedicated to driving technological innovation and breakthroughs in low-carbon industrial chains, promoting green building materials, and building digital and intelligent platforms, and jointly seek green development of the inorganic non-metallic materials industry chain. This initiative highlights Conch Cement's proactive efforts under the "Dual Carbon" strategy, contributing to the creation of an open, innovative, low-carbon, and shared industrial ecosystem.



Conch Cement Participates in the Establishment Ceremony of the Green and Low-Carbon Building Materials Innovation Consortium

4.5 Green and Low-Carbon Technology — Enabling Sustainable Development

We focus on "energy saving, carbon reduction and emission reduction", and vigorously promote the research and development of innovative projects. During the Reporting Period, we carried out a total of 6 provincial and ministerial-level major scientific research projects, 77 key R&D projects, and built 5 demonstration lines such as "Bozhou Solid Carbon Fibre Board" and "Fenghuangshan New Low-Carbon Cementitious Material Project", etc., and was approved to set up the first batch of Low-Carbon standardisation workstations for the building materials industry (cement).


证 书

授予 安徽海螺水泥股份有限公司：

建材行业（水泥）低碳标准化

工 作 站

中国建筑材料联合会

二〇二四年十一月

China's First Low-Carbon Cementitious Material Demonstration Line Successfully Operational, Ushering in a New Era of Green and Low-Carbon Development

In collaboration with Xi'an University of Architecture and Technology, Conch Cement has pioneered the development of a novel low-carbon cementitious material, and carried out research on key technologies for preparing active materials, the design and optimization of low-carbon cementitious material formulations, the performance of low-clinker low-carbon cement, and the carbon reduction benefits of low-clinker high-performance cement. The related research has led to the development of a production process for new low-carbon cementitious materials, and the Company has established China's first low-carbon cementitious material demonstration line at its subsidiary, Fenghuangshan Company. The project was completed and put into operation in November 2024. By coupling the activation and calcination of coal gangue with the cement production system, the cement kiln system achieves self-heating calcination of coal gangue in a suspended state, producing 65,000 tonnes of low-carbon cementitious material annually. The prepared low-carbon cementitious material can replace 30–40% of cement clinker, achieving a reduction of over 20% in CO_2 emissions per unit of cement.



Fenghuangshan New Low-Carbon Cementitious Material Project

On this basis, we are intensifying our research and development efforts in green and low-carbon cutting-edge technologies, constantly optimizing and improving the carbon technology R&D system, actively recruiting high-level talent both domestically and internationally while strengthening communication and collaboration between universities and enterprises. Systematically, we are advancing research on topics such as 'Preparation of low-carbon Portland cement products that meet national standards by blending high-ferrite clinker with ordinary Portland clinker', 'Plasma-coupled cement kiln step-grate collaborative solid and hazardous waste disposal technology', and 'Removal of chlorine-containing compounds from biomass fuels', striving to achieve breakthroughs in key technologies.

Successful Acceptance of Anhui Province's First "Unveiling and Commanding" Project

Conch Cement participated in Anhui Province's "Unveiling and Commanding" major science and technology project, "Research and Development of Carbon Peak, Carbon Neutrality, and Carbon Dioxide Resource Utilization Technologies in the Cement Industry". Focusing on six aspects of carbon dioxide conversion and utilisation technology, cement kiln fuel substitution technology, new type of low-carbon cementitious materials, low clinker composite cement, low-calcium and high-belite cement, and the utilisation of cement kilns. A series of R&D work has been carried out in six aspects of clean energy technology, which has exceeded the task objectives, applied for 29 patents and authorised 19, published 16 papers, and obtained one new product, two new technologies and two new devices. This project was successfully accepted by the Anhui Provincial Department of Science and Technology in December 2024, receiving high praise from the department.



Successful Acceptance of Anhui Province's First "Unveiling and Commanding" Project

05

ESG Governance



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05 ESG Governance

Conch Cement firmly believes that sustainable development is a key driver for creating long-term value. We have established a scientific ESG governance framework, actively responding to the demands and concerns of stakeholders through comprehensive ESG management. We are committed to achieving sustainable, and healthy development.

5.1 ESG Management Approach

With high quality and sustainable development as its core, Conch Cement is promoting green transformation, digital transformation, and industrial expansion in parallel. We have also formulated an ESG management policy tailored to the Company's actual situation to scientifically promote sustainable development.

Environmental

- We focus on low-carbon transformation, implementing a low-carbon development strategy 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 preserving green mountains and clear waters, striving to set industry benchmarks for ultra-low emissions through a robust environmental management system and emission control expertise, while seeking more environmentally friendly development models.

Social

- We adhere to the guiding principle of high-quality development, aiming to expand the collaborative network of the value chain through a systematic quality management system and a sustainable supplier ecosystem, thereby fostering technological innovation and development.
- We are committed to transforming outstanding talent into core internal drivers, creating a broad talent development platform by safeguarding labor rights, incentivizing talent development, and enriching employee care. We ensure the health and safety of employees through system improvement, responsibility implementation, and risk prevention.
- We uphold the strategic philosophy of openness, inclusiveness, cooperation and sharing, actively giving back to society through public welfare activities and Rural Revitalization projects.

Governance

- We have deeply integrated ESG principles into our corporate governance structure, continuously solidifying the ESG management system. We focus on identifying and assessing potential ESG risks across key issue areas, formulate effective strategies.
- Relying on a "five-in-one" supervision mechanism, we provide safeguards for 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 the "Board of Directors — ESG Management Committee — ESG Working Group", clarifying the management functions at each level and ensuring the effective execution of ESG work plans, thereby providing strong support and guarantees for the sustainable development.

Decision-making Body	**Board of Directors**	Formulates and oversees ESG management policies, strategic goals, and progress, bearing primary responsibility for the Company's ESG performance Responsible for the finalization of ESG reporting strategies and reviewing decisions on 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 to the Board of Directors and provides recommendations
The Executive	**ESG Working Group**	Advances ESG-related works and integrates them with the Company's ESG strategies, vision, and values Conducts regular statistics and analysis of ESG-related data, reporting progress and outcomes to the ESG Management Committee

To enhance awareness of ESG management responsibilities and effectively promote ESG initiatives, Conch Cement has set ESG-related performance evaluation indicators for senior management, accompanied by corresponding assessment targets. Upon the completion of the evaluation period, the Company organizes an evaluation working group to comprehensively assess the achievement of targets. Based on the evaluation results, annual performance compensation and tenure incentive compensation are determined. 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.

[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 Double Materiality Analysis

Conch Cement deeply understands that identifying the financial and impact significance of ESG issues is crucial for enhancing corporate financial performance, strengthening social influence, improving corporate image and competitiveness, and guiding decision-making and strategic planning. During the Reporting Period, we established a dual materiality assessment process tailored to our business and operation, aiming to evaluate and identify the company's most material issues, so as to actively respond to the expectations and demands of various stakeholders.

Background Research and Stakeholder Identification

- Conduct an analysis of the Company's current internal and external environment, considering and evaluating external factors such as ESG capital market rating requirements, market trends, and the Company's strategic and developmental needs, and review the Company's current status, including business strategies, financial performance, and legal frameworks.
- Identify the Company's value chain and stakeholders to understand their needs.

List of issues

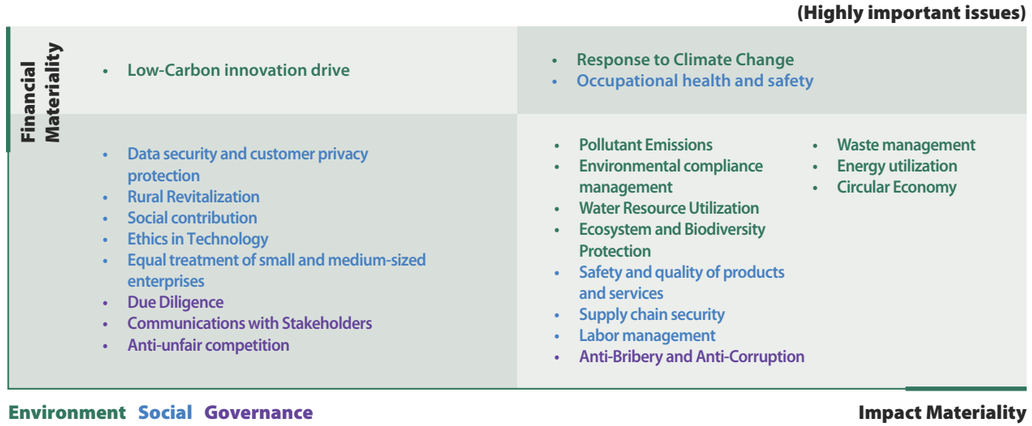
- Based on industry standards and the Company's characteristics, screen potential material issues that may impact the Company.
- Incorporate macro policies, industry norms, and peer company practices to finalize a list of 22 material issues.

Materiality Assessment

- Conduct in-depth analysis of the identified issues, distributing financial and impact materiality questionnaires to internal and external stakeholders to assess the potential financial and non-financial impacts of these issues on the Company.
- Determine the materiality level of each issue based on stakeholder questionnaire feedback, peer benchmarking analysis, and the Company's actual business conditions.

Issue Disclosure and Communication

- Organize the assessment results, analyze the identified material issues, and integrate them into the Company's strategy and report, and develop targeted improvement plans to enhance related initiatives.
- For highly material issues, we summarize their governance, strategy, risk management, metrics, and targets in the report, with a focus on disclosing relevant practical actions.



5.4 Communications with Stakeholders

Conch Cement emphasizes on maintaining active communication with various stakeholders and sharing the Group's operational dynamics and development plan with all parties in a timely manner, as well as actively adopting their feedback and suggestions on the Company's operations. We maintain information exchanges with our stakeholders through various means and provide feedback on their concerns in order to deepen their understanding of the Group's business and industry development.

Our managers also actively participate in ESG-related industry forums and seminars, and exchange and share ESG management practices with external partners, so as to continuously strengthen the professional skills and capabilities of our management team and promote the improvement of the Company's ESG management level.

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

Identification of stakeholders	Concerned issues	Communication channels of the Company
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
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

Conch Cement is committed to maintaining the relationships with stakeholders and enhance stakeholder management practices. During the Reporting Period, we organized various activities, including the interim results conferences, annual general meeting, and on-site investor research sessions, actively delivering the Company's investment value and sustainable development strategy. Additionally, through roadshow events in the Middle East, Conch Cement showcased its competitiveness and growth prospects to international investors, which were highly recognised by international investors.



Roadshow Events in Middle East



2024 Interim Results Conference



"I Am a Shareholder" Investor Education Program

06

Governance:
Lean Governance, the right path



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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 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.

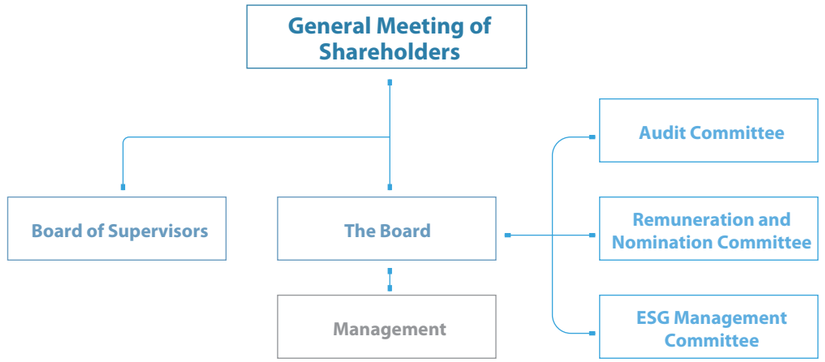
6.1 Statement of the Board of Directors

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 2024.

Responsibility of the Board	The Board has ultimate responsibility for the formulation and tracking of ESG strategies, tactics and objectives of the Group. The Group has established 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 Anhui Conch Cement Company Limited*.
Daily Implementation	During the Reporting Period, Conch Cement continuously integrated ESG management into daily operations, further enhancing sustainable development performance: 1. Strengthening ESG Governance System: revised the *Compliance Management Measures of Anhui Conch Cement Co., Ltd.* to improve compliance management, reduce operational risks, and promote sustainable development. 2. Formulating Low-Carbon Development Goals: formulated the 2050 carbon neutrality goals for certain operating areas and the 2060 goals to enhance energy efficiency during the Reporting Period, so as to effectively promote green transformation. 3. Formulating ESG Policy Statements: developed the *Environmental Policy Statement*, the *Occupational Health and Safety Policy Statement*, and the *Biodiversity Statement* to further reinforce ESG management. 4. Enhancing ESG Disclosure Transparency: completed the S&P Global Corporate Sustainability Assessment (CSA) and Carbon Disclosure Project (CDP) questionnaires during the Reporting Period. The Company's S&P CSA score increased by 12 points, and the adoption level of submitted data improved from "Medium" to "High", further enhancing the quality and transparency of ESG disclosures. 5. Integrating ESG into Special Action Plans: established *the 2024 Action Plan for"Quality Improvement, Efficiency Enhancement, and Value Return"* during the Reporting Period, incorporating ESG principles and sustainable development into the plan to further improve the strategic planning of ESG management.
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 mechanisms with internal and external stakeholders to identify and assess material ESG risks, formulate the Group's ESG strategies, and stay informed of international ESG trends and industry practices, actively review and adjust its sustainable development strategy.

6.2 Corporate Governance

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, continuously improves its governance systems and enhances management standards, forming a clear and well-defined governance structure. We have established a "Three Meetings and One Layer" governance structure, which is comprised of the Shareholders' Meeting, the Board, Board of Supervisors, and the Management.



Conch Cement Governance Structure

- **The General Meeting of Shareholders** is the body with the highest authority in the Company.
- **The Board of Directors** is the business decision-making body of the Group and is responsible to the general meeting of shareholders.
- **The Board of Supervisors** is a supervisory body responsible for overseeing both of the Board and the management, and is accountable to the General Meeting of Shareholders.
- **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 places high importance on the effectiveness of the Board of Directors, regularly implementing self-assessment mechanisms to ensure impartial decision-making, protect shareholder interests, and enhance the Company's sustainable operational capabilities. The Company annually evaluates the independence of independent non-executive directors to ensure they provide independent perspectives and recommendations 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 alignment between the performance of directors and senior management of corporate objectives. A reasonable remuneration incentive mechanism is in place to drive long-term growth.

While safeguarding Board effectiveness, Conch Cement deeply recognizes the importance of Board diversity. The Company has established a *Board Diversity Policy* to build a diversified Board structure. Board member selection is based on diversity criteria such as gender, age, cultural background, and professional expertise. Candidates' industry experience, technical skills, and career history are also key considerations. The structure, size, and composition of Board are reviewed and adjusted annually to meet evolving requirements.

As of the end of the Reporting Period, the Board is comprised of eight members, including five executive directors and three independent non-executive directors, accounting for 62.5% and 37.5% respectively, with two female directors, accounting for 25%. Board members possess extensive industry experience in building materials. The members of the Company's Board of Directors have extensive industry experience in the building materials industry[7] and have deep knowledge reserves in areas such as financial management and risk management[8], and can provide professional and diverse insights into corporate governance and decision-making.

On this basis, Conch Cement actively fulfills tax obligations and strictly adheres to tax laws and regulations to maintain a fair and transparent business environment. The Company discloses key applicable taxes and rates in annual reports, including Value-Added Tax (VAT), Urban Maintenance and Construction Tax, and Corporate Income Tax, ensuring compliance and transparency. Further details on the recognition principles for income tax assets and liabilities, tax entities, and corresponding rates are provided to safeguard sustainable development and the long-term value of shareholders.

6.3 Business Ethics

Conch Cement holds integrity and compliance as core values, rigorously adhering to business ethics regulations, and is committed to establishing policies and systems in areas such as anti-corruption, anti-monopoly, and anti-unfair competition, fostering a transparent and equitable business culture. Robust monitoring mechanisms, integrity advocacy initiatives, and accessible whistleblowing channels are implemented to continuously elevate ethical standards.

6.3.1 Policies and Systems Guarantee

The Company strictly complies with the business ethics laws and regulations applicable to each location of operation, to ensure that it operates in good faith. We have formulated 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, members of the Supervisory Board, and senior management) who have signed employment contracts with the Company. In terms of internal systems, we have formulated systems such as *Rules for the Work of the Discipline Inspection Committee of CPC Anhui Conch Cement (Trial)* and *Interim Measures for Acceptance and Disposal of Discipline Inspection Letters and Calls and Reports of Conch Cement*, which set out clear provisions on ethical standards in business conduct. During the Reporting Period, we formulated and issued the *Conch Cement Disciplinary Inspection Work Assessment Rules (Trial)* to further standardize the workflow of disciplinary inspection and strengthen supervision and inspection, so as to ensure that the disciplinary inspectors perform their duties in a conscientious and standardized manner.

In respect of ethical standards of conduct for suppliers, we formulated the *Conch Cement Supplier Code of Conduct* during the Reporting Period to regulate the standards of conduct to be observed by suppliers. 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 set out clear integrity requirements to our partners in the form of integrity agreements, and the percentage of supplier integrity agreements signed during the Reporting Period is 100%.

In order to ensure that the responsibility of comprehensively and strictly governing the Party was effectively fulfilled, the Company has signed a total of 4,038 main responsibility letters, supervision responsibility letters and integrity agreements with grass-roots Party organizations, persons in charge of disciplinary inspections and other members of the team in the Reporting Period, achieving a signing rate of 100%. In addition, we updated 556 integrity files of cadres to further strengthen the leading cadres' sense of demonstration and promote their leading role.

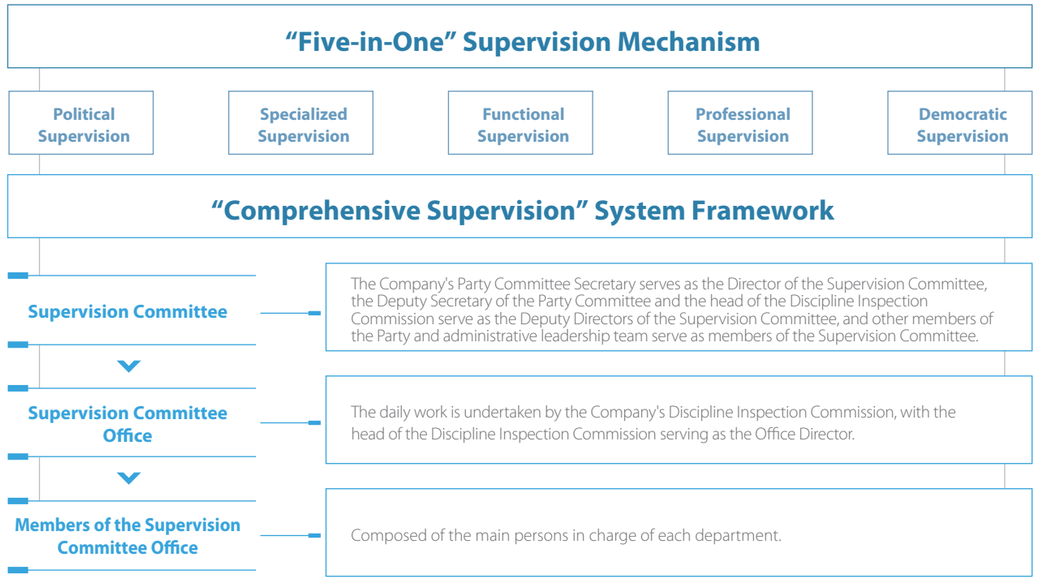
[7] Mr. Qu Wenzhou, the independent non-executive director of the Company, was an independent non-executive director of Fuyao Glass Industry Group Co., Ltd, a company in the building materials industry, and has extensive knowledge and experience in the building materials industry.

[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. Zhang Yunyan, the independent non-executive Director, has a number of academic research achievements in the field of legal risk management (her key academic achievements include the paper "Preventing Legal Risks in Supply Chain Finance" being awarded as the Outstanding Paper of 2019 in the China Network and Hi-Tech Legal Practice Symposium). All three Directors have demonstrated their profound professional ability and rich experience in the field of risk management.

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 Supervisory Committee and senior management, further clarifying the responsibilities of supervisors at all levels, promoting mutual cooperation among employees at different levels, and promoting the regularization of the supervision work. During the Reporting Period, we included the business ethical behavior of our employees in the scope of regular audits covering all of our operations, 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.

During the Reporting Period, the Group did not engage in any litigation relating to corruption, bribery and unfair competition in violation of business ethics.



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

The Company Held Annual Discipline Inspection Work Conference and Subsidiary Party Discipline Inspection Commission Secretaries' Reporting and Integrity Presentation Meeting

During the Reporting Period, the Company's Discipline Inspection Commission convened its Annual Discipline Inspection Work Conference and Subsidiary Party Discipline Inspection Commission Secretaries' Reporting and Integrity Presentation Meeting. The meeting reviewed and issued the *2024 Discipline Inspection Work Guidelines for Conch Cement Co., Ltd.*, which outlined tasks for improving Party conduct, integrity, and anti-corruption efforts across seven key areas and 21 specific initiatives. It provided clear guiding principles for discipline regulatory personnel at all levels to carry out annual supervision and disciplinary enforcement. By the end of the Reporting Period, all established annual tasks had been successfully completed.

6.3.3 Integrity-Based Culture

To thoroughly implement the principle of integrity in professional conduct, we regularly conduct integrity culture promotion activities, adopting various methods such as on-site lectures, online training, and online testing, covering all full-time and part-time employees to provide integrity education and training, continuously strengthening the atmosphere of integrity culture. We also enhance the promotion of integrity education to external suppliers and clients, requiring all clients, suppliers, and engineering contractors to comply with the same business ethics regulations and systems, and monitoring potential business ethics risks in operations.

Conducting 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 staff, and contractors, a total of 36 sessions, covering 116,000 participants, further instilling the concept of integrity and honesty among employees and fostering a clean working environment.



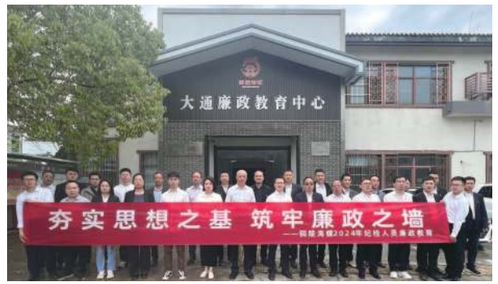
Integrity Education and Training

Launching the "Integrity Culture Month" Activity

In May 2024, in accordance with the requirements of the group company's third "Integrity Culture Month", the Company focused on four key areas: "four types of education", building "three lines of defense", establishing "three platforms", and addressing "three governance issues". The Company implemented detailed measures to ensure adherence to these requirements. By organizing special integrity culture party lectures, themed party day activities, visiting the family tradition museums, and setting up integrity culture promotion boards, the Company achieved full coverage of integrity education and created a strong atmosphere of integrity culture.



Court Hearing



Visiting Integrity Education Centers



Visiting Family Culture Museums



Family Culture Symposium

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 built a smooth reporting channel and conducted investigation and verification of clues received in the principle of "hierarchical responsibility and assigning tasks to dedicated office and personnel" and dealt with violations in strict accordance with relevant regulations. During the Reporting Period, all petitions and reports of the Company were settled within the prescribed time limit with 100% of the settlement rate.

Conch Cement adopts a "zero-tolerance" stance towards any retaliation taken against whistleblowers. We have established a comprehensive whistleblower protection mechanism, firmly safeguarded the privacy rights of every whistleblower and committed to strict confidentiality of their privacy information and the content of their reports. Any acts of retaliation against whistleblowers will be dealt with severely upon discovery.

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*. The Company has formulated internal management policies and systems, including the *Anhui Conch Cement Co., Ltd. Internal Control Evaluation Management Measures, Anhui Conch Cement Co., Ltd. Internal Control System Construction Management Measures, Anhui Conch Cement Co., Ltd. Economic Responsibility Audit Management Measures,* and *Anhui Conch Cement Co., Ltd. Internal Audit Management Measures*. These measures continuously improve the Company's audit and internal control systems, reducing operational risks. Additionally, the Company has issued guidelines such as the *Guidance on Graded Approval Management Procedures for Hazardous Operations (Revised Draft), Interim Measures for Supply Personnel Management,* and *Waterway Transportation Bidding Management Measures*, further strengthening control over business risks and ensuring precise risk management.

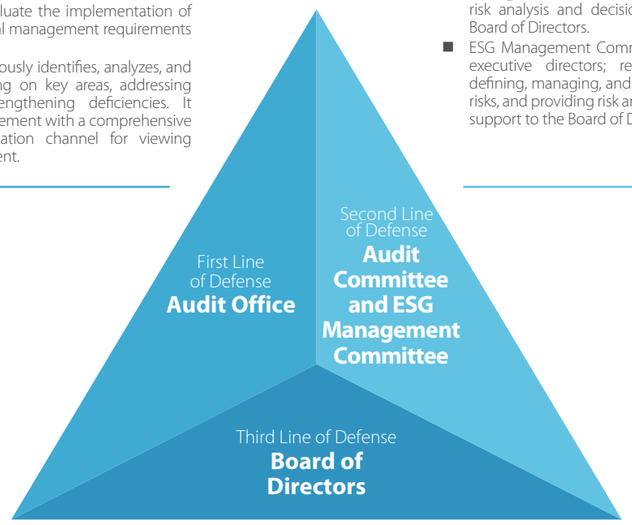
To achieve robust risk management, we have established a comprehensive risk management framework, with the Board of Directors serving as the highest decision-making and oversight body. The framework is built on a "Three Lines of Defense" risk management structure, supported by an efficient reporting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

Risk Management Framework

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 selfassessments to evaluate the implementation of regulations and internal management requirements across subsidiaries.
- Internal Audit: Continuously identifies, analyzes, and rectifies 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.

- 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.



- 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 conducted risk identification and assessment in key areas, compiling the *Conch Cement Compliance, Internal Control, and Risk Control Integration List*. By establishing review mechanisms, optimizing processes, and strengthening supervision and inspection, we aim to continuously improve organizational mechanisms, build a sound compliance management team, and promote the development of a compliance management system, thereby enhancing risk management capabilities. Simultaneously, the Company has deepened its compliance culture, raising overall compliance awareness to ensure long-term stable development.

Strengthening Internal Control Management and Standardizing Company Operations

To enhance management efficiency and strengthen the internal management system, the Company systematically reviewed and classified a total of 4,294 internal control deficiencies during the Reporting Period, closely tracking the progress of rectification and maintaining ongoing attention to unresolved issues. On this basis, we compiled and issued the *Annual Internal Control Management Key Points*, comprehensively analyzing and reporting on the internal control construction of 24 subsidiaries. Additionally, we conducted specialized internal control management verifications for some subsidiaries, aiming to further fortify risk defenses and effectively reduce various risk hazards.

Advancing Audit Work for Overseas Companies

To ensure compliance in the operations of overseas companies and pre-emptively mitigate potential risks, the Company conducted comprehensive economic responsibility audits for eight companies in the Indonesia region during the Reporting Period. This audit systematically reviewed the operations and development status of overseas companies, assisting them in identifying and resolving potential operational issues and optimizing their risk prevention and control systems.

Conducting Special Audits for Minor Engineering Projects

During the Reporting Period, Conch Cement completed 70 audit projects, including 15 routine audits, one special audit, and one external audit, uncovering 1,136 audit issues. To further advance compliance management and address management loopholes, the Company conducted on-site inspections at 10 subsidiaries, verifying the supervision and control of minor maintenance projects, standardizing project approval processes, and ensuring strict adherence to relevant regulations by subsidiaries, thereby improving the compliance of project management.



07

Environmental: Green development, protecting lucid waters and lush mountains



7.1 Response to Climate Change 50

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7.3 Ecological and Environmental Protection ... 66

07 Environmental: Green development, protecting lucid waters and lush mountains

Conch Cement remains steadfast in its commitment to mitigating the environmental impact of its operations, safeguarding ecological environments and preserving biodiversity. By integrating green and low-carbon operational strategies, the Company is dedicated to long-term improvements in environmental performance across various areas, including emission management, water resource protection, energy structure transformation, and biodiversity conservation. The Company aims to achieve waste reduction, ultra-low emissions compliance, and carbon emission reduction, thereby promoting greater environmental benefits in its operations and creating a greener, better, and more sustainable future.

7.1 Response to Climate Change

Given the increasingly severe global climate change situation, Conch Cement deeply understands its profound impact on the Company's business operations and long-term planning. To this end, the Company has begun a comprehensive analysis of climate change trends, systematically assessing potential risk factors and actively exploring development opportunities within them, thereby enhancing resilience to climate change.

7.1.1 Governance

We have 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 setting policies, strategies, and goals, and overseeing progress, with overall accountability for climate change initiatives. The ESG Management Committee leads the Company's climate change response efforts, coordinating and supervising the work of the ESG Working Group to ensure the effective implementation of risks and opportunities, goals, and strategies. The ESG Working Group is responsible for specific tasks such as climate change risk identification, data analysis, risk management, and response, regularly reporting progress to the ESG Management Committee to ensure effective implementation and oversight.

7.1.2 Strategy

Guided by the framework of the Task Force on Climate-Related Financial Disclosures (TCFD), we have systematically identified and analyzed climate change-related risks. By evaluating and prioritizing these risks in line with the Company's business characteristics, we have developed effective risk response and mitigation measures, continuously enhancing our ability to manage climate change risks.

Risk Identification

- Identify the full range of potential climate risks and opportunities by consulting experts, data analysis, and regular monitoring of the carbon market

Risk Assessment

- Using a combination of qualitative and quantitative methods, assess the potential impact of each risk on the Company's business operations, financial position and sustainable development

Risk Prioritising

- Prioritising risks and opportunities based on severity of impact and likelihood of occurrence to ensure efficient allocation of resources

Conch Cement Climate Change Risks and Opportunities Identification

Risk/ Opportunity type	Climate change-related risks/ opportunities	Possible impact of risks/opportunities on the Group	Impact timeframe	Response initiatives taken by the Group
Transition risk	Policy and Law	• In line with the policy requirements, the cement industry is likely to be included in the national carbon trading market by the end of 2025, and the Group is likely to be affected by the pressure of low carbon transformation such as energy structure transformation and carbon emission management • Depending on future policy changes in the industry's carbon allowance allocation programme, it may face the need to purchase carbon allowances to cope with the shortage of carbon credits, which will lead to additional capital expenditure • The growing demand for carbon asset management will result in additional operational management expenditures	Medium to long term	• Investigated carbon asset companies such as Shanghai Environment and Energy Exchange and Shanghai Climate Bridge to support external business cooperation • Participated in the meeting of the cement industry 'dual carbon' policy working group, participate in the discussion and formulation of relevant policies and standards, anticipate the direction of carbon policy and prepare the cement industry to enter the carbon market • Established a dedicated 'Dual Carbon' policy working group, compiled a compendium of interpretation briefs and provided guidance on the management of carbon assets of the Group's enterprises • Developed an Intelligent Dual Carbon Interconnection Platform, an online CO_2 monitoring platform and an intelligent inventory platform to achieve accurate monitoring and management of carbon emissions • Formulated the *Carbon Asset Management Measures* to provide programmatic guidance on the development, planning, control and trading of carbon assets • Refine the carbon inventory data system, and actively participate in local carbon market transactions • Adopted a forward-looking approach by CCER trading channels and securing carbon quotas in advance to ensure strategic readiness
	Technology	• Driven by the national policy, the Group needs to further introduce green and low-carbon production technology and equipment, and carry out research and development and application of green and low-carbon production technology	Medium-term	• Adhering to the principle of 'carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal', we actively adopt green and low-carbon technologies such as the application of clean energy, energy-saving modification of equipment and CCUS around the product lifecycle stage

Conch Cement Climate Change Risks and Opportunities Identification

Risk/ Opportunity type	Climate change-related risks/ opportunities	Possible impact of risks/opportunities on the Group	Impact timeframe	Response initiatives taken by the Group
Physical risk	Urgent	• Extreme weather (heavy rain, typhoon, snow, flood, high temperature, severe cold, etc.) may cause equipment damage, stoppage of production, etc., thereby affecting the normal operation of the Company	Short-term	• Formulation of the Company's 'Emergency Plan for Flood Prevention, Flood Control and Typhoon Prevention', ensuring timely issuance of notices and deployment of relevant preventive work in conjunction with extreme weather conditions, so as to realise effective prevention and control of extreme weather emergencies in daily operations • Monitoring of climate change risks related to operations on a long-term basis, and formulation of plans based on the results of identification, to strengthen the Company's ability to cope with physical risks and ensure sound operations • Increase resilience to climate change by purchasing climate risk-related insurance (e.g., property all risks, etc.)
	Chronic	• Rising average temperatures affect the Company's production conditions and increase operating costs	Long-term	
Opportunities	Products and Services	• Through the research and development of green and low-carbon products, the Company's market competitiveness will be significantly improved, which will lead to an increase in operating income	Medium to long term	• Focusing on the whole product lifecycle, carry out low-carbon transformation including the adoption of clean energy and the implementation of energy-saving equipment upgrades, so as to significantly reduce the carbon footprint of products • Research and development of low-carbon cement to provide the market with more choices of low-carbon products
	Resource Efficiency	• In accordance with the policy requirements, the Group relies on its technological advantages to consume waste and at the same time use the waste as a substitute for raw fuel, thereby reducing energy consumption costs and lowering carbon emissions	Short to medium term	• Actively promote the collaborative disposal of waste systems in cement kilns, using advanced solid waste elimination and resource recycling technologies, not only to dispose of and utilise internally generated waste, but also to effectively assist in the reuse and elimination of social waste, and realise the recycling of resources

7.1.3 Risk management

We have integrated the response to climate change into our risk management system to reduce the impact of climate-related risks on the Company through refined risk management and to ensure long-term stable operation and sustainable development.

Risk Management Policy

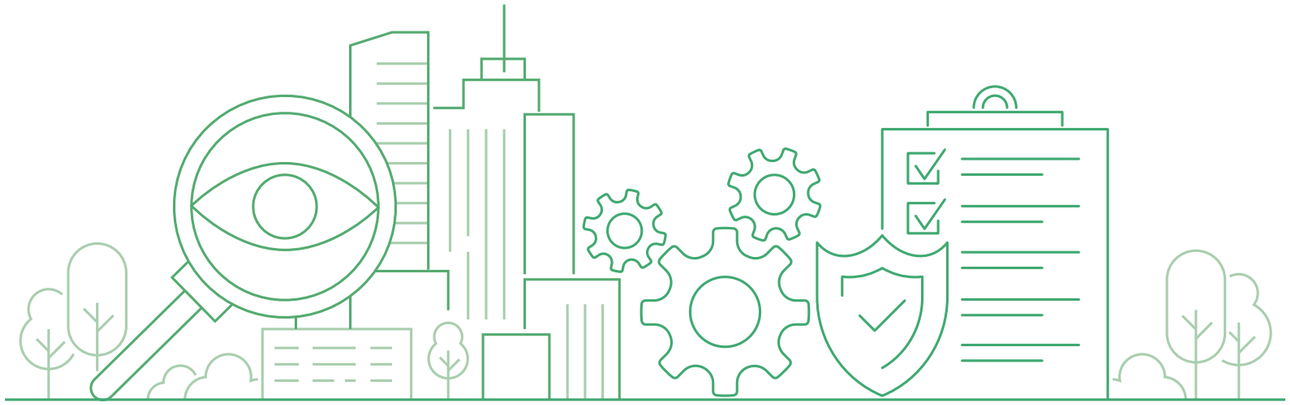
- ☑ The Company has incorporated climate change risk factors into the overall risk control system and identified, analysed and controlled them on a par with other major risks.
- ☑ Our top-level long-term mechanism for climate change risk management relies on the Company's well -established EHS management system. Meanwhile, we have actively deployed and implemented supply chain emission reduction strategies in conjunction with relevant parties to enhance the resilience of the value chain in coping with climate change.

Risk Response

- ☑ The Company has set up strategic objectives to address the risks and opportunities of climate change in conjunction with its own business planning, and to realise risk adaptation through the implementation of green and low-carbon transformation. Please refer to the section headed 'Low-Carbon Transformation Leadership' for our development strategy and implementation path for green and low-carbon transformation.

Risk Management Review

- ☑ The Company assesses and refines its climate change risk management process on a regular basis to ensure that it can effectively identify, assess, monitor and respond to potential climate-related risks.



7.1.4 Indicators and Goals

Conch Cement has always adhered to the green and low-carbon development path, and is committed to promoting the decoupling of economic development and climate impact. During the Reporting Period, Conch Cement further optimised its low-carbon development goals and made significant progress in greenhouse gas emission reduction and the proportion of alternative fuels, steadily moving towards a high-quality low-carbon transformation.

2025

Greenhouse gas emissions goal:

- Reduce carbon (clinker process) intensity (tonnes of CO_2 equivalent/tonne of clinker) by 6% in 2025 compared to 2020
- Progress towards 2024 goal: 3.57%

Energy consumption goal:

- Reduce energy consumption (clinker process) intensity (kg standard coal/tonne of clinker) by 6% in 2025 compared to 2020
- Progress towards 2024 goal: 9.68%

2030

Alternative fuel application goal:

- By 2030, 15% use of alternative fuels
- Progress towards 2024 goal: 13%

2050

Carbon neutral goal for certain regions:

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

2060

Energy efficiency goal:

- By 2060, achieve green, low-carbon and recycling transformation and development of the entire Group, with energy with all clinker production lines and energy efficiency reaching international advanced levels
- Progress towards 2024 goal: proportion of production lines reaching or above the energy efficiency benchmark level 55%

Goals Related to Green and Low-Carbon Development

Energy Use of Conch Cement

Energy use	Unit	2024
Direct energy consumption[9]	10,000 tonnes of standard coal	2,257.09
	10,000 MWh	18,365.28
Indirect energy consumption	10,000 tonnes of standard coal	202.88
	10,000 MWh	1,650.79
Total energy consumption	10,000 tonnes of standard coal	2,459.97
	10,000 MWh	20,016.07
Energy consumption per unit clinker (clinker process)	kg of standard coal/t-clinker	99.84
	MWh/t-clinker	0.8124
Energy consumption per unit operation revenue	10,000 tonnes of standard coal/ RMB100 million	2.70
	10,000 MWh/RMB100 million	21.99
Total Renewable energy consumption	10,000 tonnes of standard coal	0.34
	10,000 MWh	2.74
Non-renewable energy consumption	10,000 tonnes of standard coal	2,459.63
	10,000 MWh	20,013.33

Greenhouse Gas Emission of Conch Cement

Greenhouse gas emission	Unit	2024
Scope-I greenhouse gas emission[10]	tCO_2	174,027,718
Scope-II greenhouse gas emission[11]	tCO_2	8,132,792
Total greenhouse gas emission (Scope I + Scope II)	tCO_2	182,160,510
Greenhouse gas emission per unit clinker (clinker process)	tCO_2/t-clinker	0.8112
Greenhouse gas emission per unit operation revenue	tCO_2/RMB100 million	200,110

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

10 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 substances such as coal, diesel, gasoline, natural gas, liquefied petroleum gas and coal gangue.

11 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 2022*. Scope-II greenhouse gas emission mainly comes from power outsourcing.

7.2 Low-Carbon Transformation Leadership

Conch Cement has integrated low-carbon development into its long-term corporate strategy, and has implemented a comprehensive carbon reduction plan to lead the industry towards low carbon development. We understand that reducing emissions from fossil fuel combustion and process emissions is the key to the cement industry's move towards low-carbon development, and we have therefore carefully planned a low-carbon transition path that is in line with the Group's business development strategy.

7.2.1 Governance

The Board of Directors of the Company, as the highest governing body responsible for carbon emission management, is responsible for the final decision-making of the low carbon development strategy, and authorises the ESG Management Committee to supervise and report on the implementation of the low carbon development strategy, while the ESG Working Group ensures its effective execution at the operational level. For day-to-day operations, we have established a three-tier energy management and carbon emission management system, comprising headquarters, regions and subsidiaries, to ensure that each subsidiary can efficiently implement the relevant work.

We have formulated internal management systems such as the *Carbon Asset Management Measures* and the *Interim Management Measures for Raw Coal Statistical Accounting and Internal Assessment*, with the aim of constructing a set of scientific and rigorous energy and carbon emission management processes with comprehensive coverage. On this basis, we have incorporated the effectiveness of energy management and product carbon emission levels as KPIs into the assessment and evaluation system for personnel at all levels, thereby motivating all employees to actively participate in energy saving and carbon reduction.

As of the end of the Reporting Period, all of Conch Cement's major clinker base plants have passed the ISO 50001 energy management system certification, and regular system audits are conducted to ensure the effective operation of the energy management system. At the same time, we regularly conduct energy management system audits, such as third-party external audits, regular internal audits and special audits, to identify and solve potential problems in a timely manner and put forward suggestions for improvement, so as to provide a strong guarantee for the continuous optimisation of the energy management system. During the Reporting Period, we invested a total of RMB2,666 million in energy saving and carbon reduction projects.

7.2.2 Low-Carbon Development Strategy and Implementation

Conch Cement has set carbon peaking and carbon neutrality as the long-term goals carbon peaking and carbon neutrality as the long-term goal of low-carbon development, and is committed to taking the lead in achieving carbon neutrality in its Jiangsu, Zhejiang, Shanghai subsidiaries by 2050. At the same time, we have a deep understanding of the new trends and challenges brought about by the dual carbon policy. During the Reporting Period, we improved and implemented a series of important plans, such as the *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 *Environmental Protection Plan for the 14th Five-Year Plan*, to clearly outline the roadmap, timetable and implementation path for ecological and environmental protection and carbon emission reduction etc. Conch Cement is pushing forward its low-carbon transformation at a determined pace, aiming to contribute to a low-carbon future.





In order to be a better practitioner and promoter of the dual carbon goal, we will endeavour to promote the Group's green and carbon neutrality development in three key directions, and fully implement the low-carbon development strategy in all relevant production and business activities of the Group, in an effort to move towards a low-carbon future.

Reducing Carbon Footprint of Products	Carbon Emission Reduction at Source:	Carbon Emission Decrease in the Process:	Carbon Sequestration at Terminal:
Through production technology innovation and process optimisation, we practice the concept of 'carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal' to reduce the carbon footprint of products	• Use of Cleaner Sources of Energy • Alternative Fuel Applications • Mineralised Coal Gangue Project	• Production Energy Efficiency Management • Equipment Energy Efficiency Modification • Coal Combustion Enhancement Technology Applications • Oxygen-Enriched Combustion Technology Applications • New Insulation Materials Applications	• Carbon Capture, Utilisation and Storage (CCUS) • Mineralised fibreboard • Carbonised phosphogypsum

Low Carbon Operations Advocacy	Green Office	Green Travelling
Integrating low carbon concepts from green office to low carbon travelling		

Carbon Offsets And Carbon Trading	Optimising Carbon Asset Management	China Certified Emission Reduction (CCER) Trading	Chinese Emission Allowance (CEA) Trading
Practical actions to remedyunavoidable carbon emissions while implementing sound carbon asset management			

Reducing Carbon Footprint of Products

In order to reduce the carbon footprint of products, we uphold the principle of "carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal", and carry out low-carbon improvements around the entire life cycle of products. In terms of carbon emission reduction at source, we are promoting the use of cleaner sources of energy and alternative fuels.

Use of Cleaner Sources of Energy

By strategic investments in clean energy projects encompassing photovoltaic, wind power and biomass power generation, we are optimising the structure of energy use and increasing the proportion of clean energy. By the end of the Reporting Period, we had the capacity of photovoltaic power generation and power storage in operation of 645MW, and had 318.91 MW of photovoltaic and 110 MW of wind power under construction.

During the Reporting Period, we used a total of

373 million kWh
Self-generated photovoltaic power

1,052.8 MWh
Self-generated wind power

Application of Alternative Fuels

Through diversified alternative solutions such as biomass fuels, refuse-derived fuels (RDF) and waste oil, we effectively reduce carbon emissions from cement production. Meanwhile, we continue to promote research on technologies such as the optimisation of Cement Kiln Co-disposal of Domestic Waste (CKK) and Cement Kiln Co-incineration of Waste Fly Ash (CADS), to increase the proportion of waste alternative fuels used and the stability of co-disposal.

As of the end of the Reporting Period, Conch Cement had a total of

61 subsidiaries use alternative fuels

cumulative use of various alternative fuels

357 10,000 tonnes

approximate share of fuels usage

13 %

Alternative Fuel Technology Optimisation Achieves Historic Breakthrough in Scale of Use

During the Reporting Period, Battambang Conch achieved a historic breakthrough in the scale of alternative fuel usage. Through the construction of diversified supply channels, Battambang Conch innovatively introduced cashew nut shells, rags and other auxiliary supply channels to ensure sufficient supply of biomass fuel, while optimising equipment to improve the combustion efficiency and material flow of biomass fuel. These comprehensive measures have enabled Battambang Conch's biomass substitution rate to climb to 60%, the best level in history, demonstrating the Company's excellent ability and continuous innovation in clean energy management.



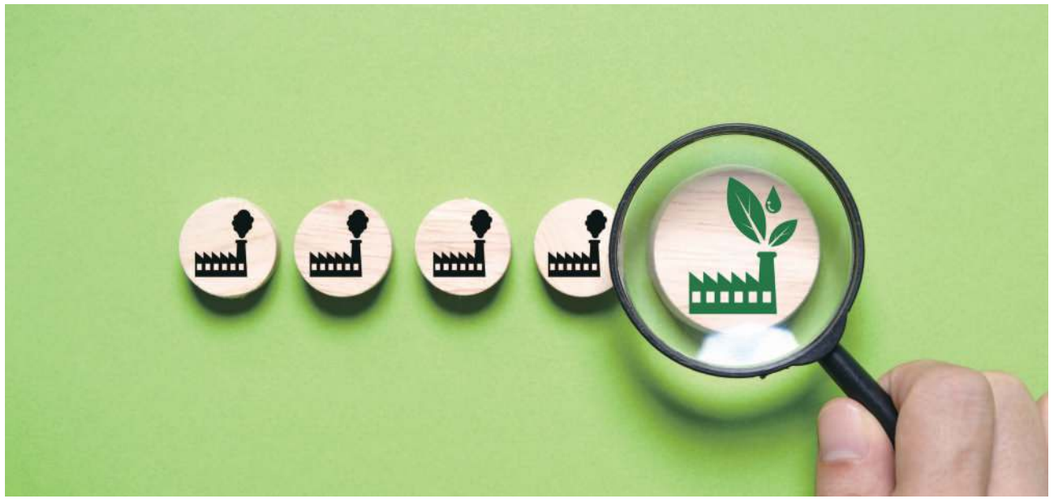
Battambang Conch Alternative Fuel Project

Implementation of Municipal Sludge Dewatering, Drying and Resource Utilisation Technology to Realise Sludge Resource Utilisation

Through the implementation of municipal sludge dewatering, drying and resource utilisation technology, we have innovatively developed the vertical step-by-step pressurized sludge dewatering process and a cement kiln waste heat steam disc-type sludge indirect heat drying system has solved the problem of low disposal efficiency and high cost of the kiln system due to the high moisture content of incoming wet sludge. The technology has achieved the environmental benefits of saving 122.73 kg of standard coal per tonne of dried sludge, reducing carbon emission by about 319.52 kg, saving ammonia consumption by 20 kg, reducing production and operation costs, and forming an effective coal-saving and carbon-reducing technological route for cement kiln co-disposal of sludge.



Chaohu Conch Cement Kiln Co-disposal Project



In terms of carbon emission decrease in the process, we enhance the overall energy-saving effectiveness by strengthening production energy efficiency management and promoting energy-saving equipment renovation. At the same time, we apply coal combustion promotion and oxygen-enriched combustion technologies to optimise the combustion process. We have also introduced new insulation materials to improve energy efficiency, and these comprehensive measures work together to drive Conch Cement to achieve low-carbon production.

Production Energy Efficiency Management

- Through the construction of a zero-outsourced power purchase smart energy demonstration park and a digital energy management system, we have realised the efficient use of green and clean energy and a significant reduction in fossil energy.

Equipment Energy Saving Modification

- We vigorously launched the optimisation and upgrading of comprehensive energy consumption of equipment, and completed comprehensive energy efficiency upgrading of 9 production lines during the Reporting Period. At the same time, we promoted a number of equipment renovation projects, including the modification of the six-stage preheater, the modification of the external circulation cement vertical mill system, the modification of the hyperbolic line of the roller press, the modification of the energy-saving inverter of the equipment, and the upgrade and modification of the permanent magnet direct-drive motor, etc, which have achieved a better energy-saving effect.

Coal Combustion Enhancement Technology Applications

- We have been actively promoting the application of coal combustion enhancement technology to optimize the efficiency of fossil fuel utilization. As at the end of the Reporting Period, we had promoted the use of coal combustion enhancers in 24 production lines of 21 companies, including Tongling, Digang and Chizhou, and the average reduction in standard coal consumption per tonne of clinker during the period of use was approximately 2.1kg.

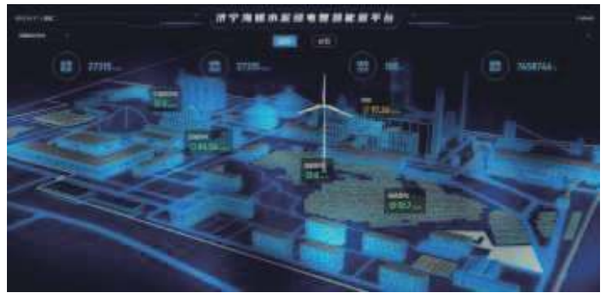
Oxygen-Enriched Combustion Technology Applications

- Through the modification of oxygen-enriched combustion technology, we have successfully produced highly concentrated oxygen and delivered it precisely, which significantly improves the combustion efficiency of pulverised coal and reduces coal consumption while realising plateau production.

New Insulation Materials Applications

- Together with the University of Science and Technology of China, we have successfully solved the key technology of high-temperature insulating aerogel nanomaterials and applied them to the thermal system of cement kilns to significantly reduce heat loss. It has been used in a number of subsidiaries, and the temperature of the shell at the test site has been significantly reduced, with the standard coal consumption of tonnes of clinker reduced by about 0.12kg.

Building Zero-Outsourced Power Smart Energy Demonstration Park to Lead Energy Transformation



Jining Conch Green Power Smart Energy Platform

Jining Conch Zero-Outsourced Power Smart Energy Demonstration Park is centered around an innovative load balancing control and management system, and integrates green technologies such as waste heat power generation, biomass gasification and supplemental gas power generation, photovoltaic power generation and wind power generation, and domestic waste power generation, to significantly increase the utilisation rate of green and clean energy and significantly reduce fossil energy consumption. The park has been selected as one of the seventh batch of demonstration enterprise parks for power demand side management in the national industrial field, which not only highlights Conch Cement's forward-looking vision on energy transformation, but also sets a new benchmark for green development in the industry.

In terms of carbon sequestration at terminal, we are actively exploring and implementing a number of carbon dioxide conversion and utilisation technologies, including the production of combustible gas, mineralised building materials, carbon dioxide energy storage, etc., to help achieve 'near-zero' carbon emissions from cement production and to promote the cement industry's goal of carbon neutrality.

Carbon Dioxide Purification and Utilisation

- We adopt advanced carbon dioxide purification technology to efficiently separate and purify carbon dioxide generated during the cement production process and use it in agriculture and other areas. On this basis, we are actively exploring retrofit solutions for energy consumption reduction of this technology.

Production of Combustible Gas

- In collaboration with Nankai University, we are exploring the cutting-edge technology of preparing syngas from electrocatalytic carbon dioxide. Through the development of efficient and stable catalysts, we have initially achieved industrial mass production of membrane electrodes, laying the technical foundation for the subsequent preparation of syngas from electrocatalytic carbon dioxide.

Mineralised Building Materials

- Through carbon mineralisation reaction of carbon dioxide, we prepare new building materials with high strength, high durability and good environmental performance. These materials not only have better performance, but also can effectively fix carbon dioxide and reduce carbon emissions during the cement production process.

Carbon Dioxide Energy Storage

- We utilises the carbon dioxide generated from cement production as a medium for the energy storage system, which reduces the cost of the energy storage system while realising the temporary storage and recycling of carbon dioxide, providing strong support for energy transformation and carbon neutrality.

Novel Energy Storage System Settled Down, Delivering A New Answer For Long-Term Energy Storage

The national pilot demonstration project of novel energy storage — Wuhu Conch 10 MW/80 MWh CO_2 energy storage project has been successfully settled. The innovative project utilises the carbon dioxide generated from cement production as a medium for the energy storage system, which reduces the cost of the energy storage system while realising the temporary storage and recycling of carbon dioxide.

During the Reporting Period, the project achieved temporary storage of carbon dioxide

4,100 tonnes

Storage of electricity

186 10,000 kWh



Carbon dioxide energy storage demonstration project

Continuous Improvement of Carbon Dioxide Capture and Utilisation Project Leads Low-Carbon Transformation of the Industry

The world's first carbon dioxide capture and purification demonstration project for cement kiln flue gas was implemented at the Baimashan Cement Plant, which used chemical absorption to produce high-purity industrial-grade and food-grade liquid carbon dioxide, which has been innovatively applied as a plant gas fertiliser for the plant's smart agriculture project, significantly boosting photosynthesis in tomatoes and reducing reliance on chemical fertilisers. On this basis, this year we joined hands with Dalian University of Technology to optimise the carbon capture and purification project in depth, focusing on process upgrading and energy consumption reduction to carry out the research and development of new absorbents and energy-saving technological transformation, and the carbon capture optimisation device of the Baimashan plant has been installed, and will soon enter into the commissioning stage.



Baimashan Cement Plant CCUS Project

During the Reporting Period, the carbon dioxide capture and purification demonstration project at the Baimashan Cement Plant produced a total of 10,907 tonnes of carbon dioxide, and the intelligent agriculture project at the Baimashan Cement Plant achieved a total of 605 tonnes of carbon dioxide comprehensive utilisation, with an annual production capacity of 105,158 tonnes of tomatoes, demonstrating a win-win model of green and low-carbon and efficient use of resources.

In addition, in order to promote the popularization and application of carbon dioxide capture technology in the building materials industry, we participated in the compilation of the Chinese building materials industry standard "Technical Specification for Carbon Dioxide Capture and Purification of Flue Gas from Cement Kilns Part 1: Chemical Absorption", which is currently being prepared.

In addition, we have joined hands with the University of Science and Technology of China to set up a carbon neutral joint laboratory to carry out a series of carbon neutral innovative technology research topics, aiming to promote the low carbon transformation of the cement industry through technological innovation.

Low-Carbon Operations Advocacy

While making efforts to save energy and reduce emissions in our production bases, we also actively advocate low-carbon operations and are committed to infiltrating the principle of green sustainable development into our daily operation and management. We have implemented a number of environmental protection initiatives, imposed strict regulations on office energy consumption and water usage, and led by technology to create an intelligent office environment and achieve a paperless office. At the same time, we have installed new energy charging facilities in the company area to promote the replacement of electrification of logistics and transport and mining engineering vehicles, and encourage employees to use green and low-carbon new energy vehicles for commuting.

Forward-Looking Layout Of Green Travelling, Leading The New Trend Of Industry Transformation

Conch Cement has demonstrated a forward-thinking approach to green transportation. We took the lead in introducing new energy vehicles as production and operation support vehicles in our regional headquarters in Zhejiang and Guizhou. During the Reporting Period, we added 455 new energy vehicles, saving RMB888,000 in economic costs and 1,186 tonnes of fuel consumption. As at the end of the Reporting Period, we had a total of 1,442 new energy vehicles. In addition, we have embraced the new energy and low-carbon concept by actively promoting the replacement of electrification of logistics and transport and mining engineering vehicles, and planning and constructing new energy charging pile projects. As at the end of the Reporting Period, we have 26 companies configured with electric production and operation vehicles, and have installed a total of 129 charging posts, which together contribute to green and low-carbon travelling.



New Energy Exchange Station



New Energy Carport

Carbon Offsets And Carbon Trading

To respond positively to the incorporation of the cement industry into the national carbon trading market and to preserve and increase the value of the Company's carbon assets in the future, Conch Cement has formulated the *Carbon Asset Management Measures*, which are used to regulate the management of the Company's carbon assets, and to supervise and guide the management personnel at all levels to carry out the work of developing, planning, controlling and trading of carbon assets. The Company has set up a three-tier carbon asset management system, namely 'Headquarters — Regional — Subsidiaries', with the Safety and Environmental Protection Department acting as the head of the carbon asset management business unit, leading and implementing relevant initiatives.

During the Reporting Period, our subsidiaries in Guangdong Province and Chongqing have completed their annual carbon quota compliance obligations on time and actively sold surplus carbon quotas. During the Reporting Period, we sold 680,000 tonnes of quotas, generating revenue of RMB35.75 million.

In addition, it is also crucial to reserve and cultivate professionals in the field of carbon assets. We increased the introduction of outstanding talents, strengthened the training of professional skills in carbon assets, improved the incentive and assessment mechanism and utilised the various talents, cultivating a group of professionals who understand the policies related to the carbon market, carbon emission accounting and verification technology and carbon market trading rules. During the Reporting Period, we have conducted three carbon asset technician trainings, with a total of 508 participants.

Increase the Training of Professional and Technical Personnel, and Organise Training on the Carbon Market and Capacity Building For The 'Two Guidelines'[12]



Training on the Carbon Market and the 'Two Guidelines' Capacity Building

During the Reporting Period, in order to better help the emission-control enterprises to understand the 'Two Guidelines' in depth, and to promote the successful completion of the late stage of compliance tasks by the emission-control enterprises as well as the preservation and appreciation of the value of the carbon assets, Conch Cement, in cooperation with Shanghai Environment and Energy Exchange, organised a training on the carbon market and the 'Two Guidelines' capacity building, focusing on key areas such as carbon emission accounting, verification technology, market policies and trading rules, which was highly recognised by the trainees.

[12] Two Guidelines: *Guidelines on Enterprise Greenhouse Gas Emission Verification Technologies for the Cement Industry and Guidelines on Enterprise Greenhouse Gas Emission Accounting and Reporting for the Cement Industry*

Co-construction of Low-carbon Industries

With an open and co-operative attitude, we will work together with all parties to make more contributions to the promotion of low-carbon development in the industry. We actively participate in low-carbon technology exchanges among the industry, and have started in-depth co-operation with top enterprises, research institutes and universities at home and abroad to explore the research, development and application of low-carbon technologies. From the Carbon Peaking Summit in Hefei to the 'Carbon Road 3060' forum at Shanghai Jiao Tong University, we have actively shared our experience to help the industry transform into a low-carbon business.

We actively participate in the research of 'dual carbon' related policies and provide advice to government departments and industry associations to help formulate scientific and reasonable policies. In terms of industry standards, we have been working tirelessly to compile standards that are in line with the actual situation of the building materials industry. During the Reporting Period, we participated in the compilation of more than 10 industry standards and regulations on carbon emission accounting and energy efficiency, providing strong support for the green and low-carbon development of the building materials industry. The promotion of these standards not only promotes the low-carbon development of the industry, but also lays a solid foundation for the Company's low-carbon business layout in both domestic and overseas markets.

Zongyang Conch Project Selected as Sino-German Demonstration Project for Energy Efficiency Improvement in Key Fields

In order to implement the important results of the first high-level dialogue of Sino-German Cooperation Mechanism on Climate Change and Green Transformation reached between the National Development and Reform Commission of China and the Federal Ministry of Economics and Climate Protection of Germany, the National Energy Conservation Center (NECC) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) acted as the executive agencies of the two sides respectively, and pushed forward the implementation of Sino-German demonstration projects for energy-efficiency upgrading in key areas. During the Reporting Period, the Company participated in the Sino-German Technical Exchange Meeting on Energy Saving and Carbon Reduction in the Cement Industry hosted by the National Energy Conservation Center and GIZ, and organized by the China Building Materials Federation (CBMF), and carried out thematic sharing of energy saving and carbon reduction technologies and cases. At the same time, we actively promoted Sino-German demonstration projects for energy efficiency improvement in key areas. The energy saving and carbon reduction renovation project of Line 4 of Zongyang Conch Plant successfully passed the evaluation of National Energy Conservation Center and GIZ, and was selected as one of the first batch of Sino-German demonstration projects for energy efficiency improvement in the cement industry, and it became one of the only two projects selected in the cement industry.



7.3 Ecological and Environmental Protection

Conch Cement continues to optimise the management of key issues such as solid waste disposal, exhaust emission control, water resource management and biological population protection. Together with our low-carbon operation strategy, we continue to promote the transformation of our energy structure into a green and low-carbon one, and to achieve synergy between waste recycling, ultra-low pollutant emissions, and the continuous reduction of carbon emissions, so that we can build a green future together.

7.3.1 Environmental Management System

Conch Cement has established a comprehensive environmental management organisational structure, aiming to clarify the responsibilities and authorities of environmental management and strengthen the professional capacity of environmental governance. We have established and implemented a three-tier environmental management system, namely 'Headquarters — Regional — Subsidiaries', to ensure that all environmental management measures are fully implemented.

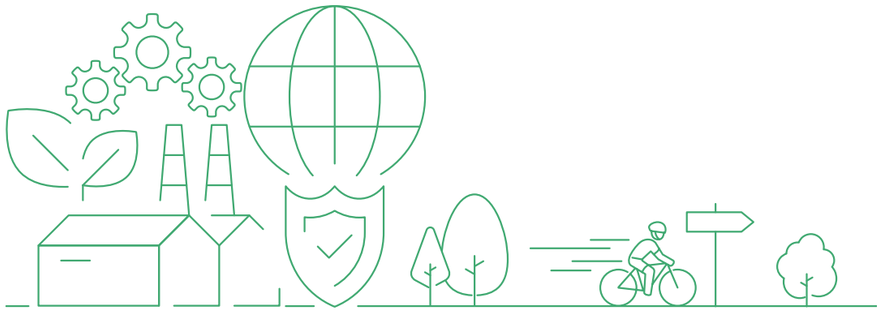
In addition, we have established a direct link between management performance incentives and the achievement of environmental protection goals, and set environmental protection-related performance assessment indicators[13] for the general manager and the deputy general manager in charge of safety and environmental protection, so as to ensure that the environmental protection responsibilities are effectively fulfilled by guaranteeing the continuous improvement of environmental performance through the incentive of the management's remuneration. In the event of a major environmental problem or incident, the Company will, based on the severity of the environmental problem, veto the performance of the relevant units and management personnel responsible.

Conch Cement is committed to achieving ISO 14001 environmental management system certification for all production subsidiaries by 2025. As of the end of the Reporting Period, a total of 136 of our production companies have obtained ISO 14001 environmental management system certification, with a certification coverage rate of 90%.

During the Reporting Period, the Group carried out a total of 307 environmental protection technological improvement projects, and invested approximately RMB846 million in environmental protection technological improvement for the year, of which approximately RMB196 million was invested in denitrification technological improvement, approximately RMB13 million was invested in dust collection (particulate matter emission reduction) technological improvement and approximately RMB637 million was invested in the control and management of organisation less emissions and other environmental protection-type technological improvement.

Headquarters	Regional	Subsidiaries
• Setting up environmental management objectives and annual plans, inspecting and supervising environmental management of subsidiaries, promoting and implementing environmental policies and organising professional training on environmental management	• Implement the Group's medium- and long-term development strategy of energy conservation, emission reduction and environmental protection, and integrate ecological and environmental protection into production and operation. • Commence environmental management and report to the headquarters	• Implement the environmental management measures issued by the headquarters in accordance with the objectives of the management plan formulated by the headquarters

Conch Cement Three-tier Environmental Management System



[13] Environmental protection-related performance assessment indicators include: indicators for decreasing carbon emission intensity, decreasing standard coal consumption per tonne of clinker, decreasing integrated power consumption of clinker and decreasing power consumption of cement processes.

Environmental Management Goals and Progress in 2024

In order to promote the efficient execution of environmental management, Conch Cement has set a series of goals in key areas of environmental management for 2021, demonstrating its strong commitment to environmental protection. As of the end of the Reporting Period, we have achieved our goals in the areas of energy consumption, water resources and waste, and we are making steady progress on our greenhouse gas emission reduction targets.

Environmental Management Goals and Performance

Indicator	Unit	Goal	2020 (baseline year)	2024	Progress
Greenhouse gas emission[14]	tCO_2 e/t-clinker	Carbon dioxide emission (clinker process) intensity (t CO_2/t-clinker) declines by 6% by 2025 from 2020	0.8412	0.8112	59.44%
Energy consumption[15]	kg standard coal/ t-clinker	Energy consumption (clinker process) intensity (kg standard coal/t-clinker) declines by 6% by 2025 from 2020	110.54	99.84	Completed
	%	Integrated clinker energy consumption reduction rate of not less than 1% in 2024 compared to 2023	/	Decrease of 2.11% from 2023	Completed
Water resources	t-water consumption/ t-clinker	Use intensity (t-water consumption/t-clinker) of water resources (clinker process) declines 10% by 2025 from 2020	0.403	0.303	Completed
Waste	%	Realize 100% compliance disposal of hazardous wastes, and 100% recycling of general solid waste	/	100%	Completed
Environmental Compliance	Case	0 Case of environmental pollution incident in 2024	0	0	Completed
Carbon Trading	Case	0 Case of carbon emission trading compliance defaults in 2024	0	0	Completed

[14] Overseas production sites are not included in the establishment of greenhouse gas emission goals and the scope of data tracking.

[15] Overseas production sites are included in the establishment of energy consumption goals and the scope of data tracking.

Environmental Management Supervision and Audit

Conch Cement strictly adheres to with the *Environmental Protection Law of the People's Republic of China* and other environmental laws and regulations and standards, and carries out scientific environmental management in accordance with the *Environmental Protection Management Measures* and other internal systems to fulfil its environmental management responsibilities. At the same time, we have established an internal *Environmental Protection Management Responsibility Accountability System* to ensure that the responsibility for environmental accidents is tracked and the performance of our management staff is evaluated, thus creating a closed loop of environmental responsibility. During the Reporting Period, we formulated and publicly released our *Environmental Policy Statement*, which clearly states the management principles for key environmental protection issues such as climate change, management of pollutants and waste, resource recycling and biodiversity protection, and is applicable to the production and operation facilities, products and services, distribution and logistics, waste management, due diligence and mergers and acquisitions of our headquarters and subsidiaries.

In order to achieve a high level of environmental responsibility, we strictly control the environmental compliance of all our operations and regularly conduct comprehensive internal and external environmental compliance audits. We actively rectify irregularities identified during internal and external audits, and organise internal tracking and review to ensure that management improvement work is completed.

Internal	**Special Environmental Protection Inspection**	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.
	Internal Audit of Environmental Protection Management	We conduct an internal environmental impact audit in the middle of each year covering all of the Group's operating sites, and rigorously review a number of environmental compliance requirements.
External	**Environmental Compliance Monitoring**	Each subsidiary prepares an annual self-monitoring programme and engages a third-party monitoring unit with appropriate 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 pollutant emissions in accordance with relevant laws and regulations to ensure real-time monitoring of pollutant emissions.
	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 in a timely manner.
	Emission Permit Management	Each production enterprise applies for a sewage discharge permit in accordance with the requirements of regulations, and controls the discharge of pollutants in strict accordance with the requirements of the sewage discharge permit.

As of the end of the Reporting Period, we have 99 subsidiaries that have declared and passed cleaner production audits, 47 subsidiaries have been selected for provincial and municipal "Green Factory" lists, and 29 subsidiaries have been selected for national "Green Factory" lists.

Conch Cement places a high priority on the emergency management of environmental emergencies. All subsidiaries have developed detailed Emergency Response Plans for Environmental Emergencies, which are retrospectively evaluated and revised every three years. On this basis, we have established a sound system for the investigation and management of potential environmental risks and a standing management mechanism. During the Reporting Period, we carried out a number of environmental emergency drills and improved our internal 'Environmental Risks and Potential Problems Examination List' in accordance with environmental protection regulations, technical standards and the priorities of the inspectors, so as to continuously strengthen our emergency preparedness and response capability in case of environmental emergencies.

Environmental Protection Promotion

We have organised a number of environmental protection promotional activities, aiming to encourage all employees to actively participate in environmental protection practices and to jointly create a green corporate culture. During the Reporting Period, we launched a series of environmental protection and energy-saving and carbon reduction publicity activities, such as the National Energy Conservation Publicity Week and the National Low-Carbon Day.

7.3.2 Discharge Management

Conch Cement is actively involved in pollution prevention and control by adhering to the whole-process management concept of "Prevention at the source, control in the process, and treatment at the terminal", which is applied to all production and operation processes and sites. On the basis of ensuring 100% emission compliance, we pursue excellence and strive to exceed the standard, fully guarding the natural ecological environment.

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 has set up a comprehensive air emission management system and process. We comprehensively sorted out the standards and made efforts in three aspects, namely organised, unorganised and clean transportation, and formulated air emission management targets in line with the requirements of ultra-low emission in the cement industry, in order to enhance the comprehensive management capability of air pollution.

Air Emission Management Targets

In 2025, the total amount of nitrogen oxides emissions

reduced by

50 % compared with that of 2020

By 2028, key regional subsidiaries to achieve the cement kiln and kiln tail waste heat utilisation system flue gas particulate matter, sulphur dioxide, nitrogen oxides emission concentration hourly average value of

no more than

10 mg/Nm^3 | **35** mg/Nm^3 | **50** mg/Nm^3

During the Reporting Period, the Group's air pollutant management plans and projects have covered 100% of all operating sites. These initiatives have driven ultra-low emission transformation and upgrading in key areas, including real-time monitoring, technological transformation and solution optimisation. As of the end of the Reporting Period, the emission intensity of all types of pollutants from Conch Cement's subsidiaries was better than the relevant national and local emission standards, and the emission intensity of flue gas particulate matter and sulphur dioxide was better than the ultra-low emission requirements.

Real-time Monitoring

- Each subsidiary has installed an online monitoring system for emission intensity and engaged an external third party to carry out organised monitoring and assessment work, so as to achieve precise, scientific and lawful pollution control.

Technological Transformation

- Steadily promote the transformation and application of wet desulphurisation technology, SCR denitrification technology and conversion of electric dust collection to bag collection technology to achieve organised ultra-low emission control.
- **Desulphurisation technology reform:** During the Reporting Period, we completed the technological transformation of wet desulphurisation of 3 clinker production lines, and continued to promote the construction of technological transformation of wet desulphurisation of 1 clinker production line, and as at the end of the Reporting Period, we had completed the technological transformation of 43 clinker production lines concentration of sulphur dioxide emission were maintained at 35mg/Nm^3 or less after the technological transformation.
- **Denitrification technology reform:** During the Reporting Period, we completed the SCR denitrification technological transformation of 13 clinker production lines, and continued to promote the construction of SCR denitrification technological transformation of 3 clinker production lines, and as at the end of the Reporting Period, a total of 94 completed SCR denitrification technological transformations of clinker production line have been completed, and the average concentration of nitrogen oxides emission were maintained at up to 50mg/Nm^3 or less after the technological transformation.
- **Ultra-low emission reform:** During the Reporting Period,we have a standardised solution for the creation of ultra-low emission enterprises, and promote the ultra-low emission reform of our subsidiaries in several batches, so as to maintain our leading position in the industry in terms of environmental protection management. At present, all production subsidiaries in the key regions have met the requirements for ultra-low emission control in terms of organised emissions, and the relevant work has been unanimously recognised by the Ministry of Ecology and Environment and other competent authorities at all levels.
- **Dust control:** In the construction of the project, we strictly comply with the national environmental protection and pollution prevention regulations, deploy dust prevention, noise reduction and fog cannon dust reduction facilities, and implement the six hundred per cent standard for dust control in building construction.

Solution Optimisation

- Combined with the pre-existing experience of several subsidiaries, we will further optimise and validate the existing ultra-low emission modification scheme, so as to achieve a large-scale expansion of the ultra-low emission modification.

During the Reporting Period, the Group had a total of 3 new clinker production enterprises passing the evaluation of the cement industry's heavy pollutant weather performance grading A- grade enterprises, 4 new cement grinding enterprises passing the evaluation of the cement industry's heavy pollutant weather performance grading leading enterprises, and 1 other company passing the evaluation of the performance grading leading enterprises. As at the end of the Reporting Period, the Group had a cumulative total of 24 companies passed the evaluation of heavy pollutant weather performance grading A- grade enterprises and 23 companies passed the evaluation of heavy pollutant weather performance grading leading enterprises.

Each subsidiary actively sold its surplus emission rights through emission rights trading to obtain economic gains while fuelling high-quality green development. During the Reporting Period, Zongyang Conch successfully sold sulphur dioxide and nitrogen oxides emission rights to Anhui Huaxin Jintong Environmental Protection Technology Co., Ltd. through emission rights trading, with a total transaction amount of nearly RMB3.29 million, which is a new high in the volume of emission rights trading in Anhui Province. During the Reporting Period, a total of 141 tonnes of sulphur dioxide emission rights and 786 tonnes of nitrogen oxides emission rights were sold by the Group, resulting in a gain of RMB8.05 million.

In 2024, the Company's total NOx emissions were 42,567 tonnes, representing a decrease of

62.35% compared with 2020

The 2025 NOx emission reduction target has been achieved ahead of schedule; the average concentrations of particulate matter, SO_2 and NOx were

3.32 mg/Nm^3 | **14.58** mg/Nm^3 | **117.10** mg/Nm^3

The average concentrations of particulate matter and SO_2 have achieved the annual emission management targets.



Wet desulphurisation technology reform



SCR denitrification technology reform



Dust control — closed crushing plant and corridor

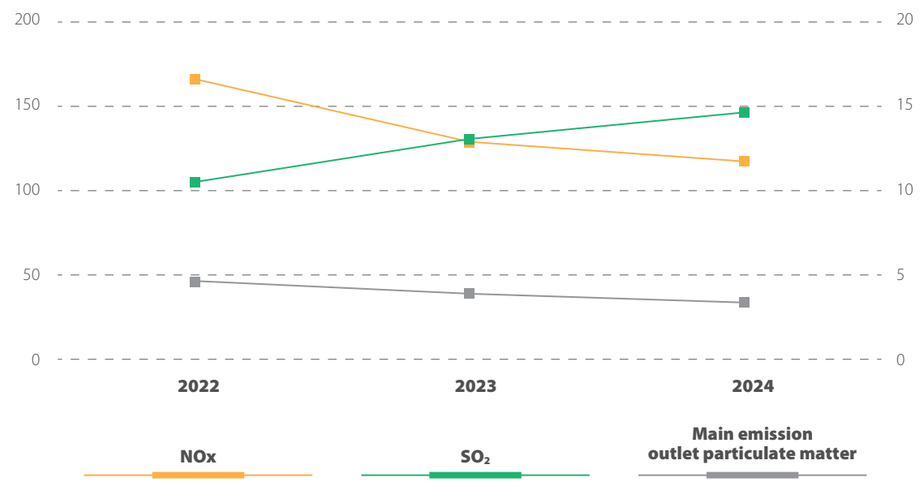


Conversion of electric dust collection to bag collection

Total Exhaust Emission and Concentration of Conch Cement

Category of pollutant	Total emissions (tonne) 2024	Mean concentration (mg/Nm³) 2024	Ultra-low emission standard[16]	Emission Standards for Air Pollutants in Cement Industry GB 4915-2013
SO_2[17]	6,288	14.58	35	200
NOx	42,567	117.10	50	400
Particulate matters of major outlets	2,010	3.32	10	30

Trend chart of average pollutant emission concentration at major emission outlets in recent three years (mg/Nm³)



16 *Opinions on Prompting the Implementation of Ultra-low emission in the Cement Industry*

17 The concentration of sulphur dioxide emissions of all companies under Conch Cement is far below the national and local emission standards, but due to the Company increased the utilisation of alternative fuel, some alternative fuels contain impurities such as sulfur, which will produce sulphur dioxide when burned, resulting in a slight increase in the average concentration of sulphur dioxide emissions in 2024, we are combining with the acquisition of the Company's sulphur dioxide control, and are progressively pushing forward the wet desulphurisation and other treatment technology reforms, in order to further reduce the concentration of sulphur dioxide emissions.

Wastewater Management

The Group is highly concerned about wastewater discharges, takes the initiative to carry out wastewater management and set up goals, and strictly complies with the relevant laws and regulations of the locations where it operates. Meanwhile, it adheres to the concepts of rational water use and water conservation, and continues to strengthen the resource management of wastewater.

Wastewater Management Goals

wastewater treatment meets standards

100%,

further strengthen the disposal of wastewater from waste heat power generation and increase the reuse rate of wastewater.

Domestic wastewater, as the main source of wastewater, is a key focus of our management efforts. Each of our subsidiaries, except those included in the city sewerage network, is equipped with underground domestic wastewater treatment devices to ensure that sewage is discharged in compliance with the standards. During the Reporting Period, we engaged a third-party testing unit to conduct manual monitoring of wastewater on a quarterly basis, and the monitoring compliance rate was 100%.

In terms of wastewater resource management, we have implemented comprehensive rainwater and wastewater segregation for our subsidiaries' plants, wharves, mines, and other facilities. Additionally, we have conducted in-depth treatment and reuse of wastewater generated from the operation of our plants and the construction of our projects, so as to reduce the discharge of pollutants and at the same time enhance the utilisation rate of water resources.

Yueqing Conch Launched an Innovative Model of Sewage Treatment Facilities to Achieve Zero Discharge of Domestic Sewage

Yueqing Conch collects the domestic sewage of the employees in the plant area, and the domestic sewage is reused in the production cooling system make-up water and greening and other auxiliary production water after treatment in the domestic sewage treatment facilities such as grating wells and regulating pools, so as to realise the zero-discharge of domestic sewage, the reuse rate of water resources reached 98.4%, which was selected in the Typical Cases of Industrial Wastewater Recycling in 2024 of the Ministry of Industry and Information Technology.



Yueqing Conch Sewage Treatment Facilities

Waste Heat Power Generation Wastewater Recycling, Achieving Zero Wastewater Discharge Technology

We have successfully developed and implemented zero wastewater discharge technology to address the nature of wastewater from waste heat power generation in the cement industry. Through advanced technologies such as high-pressure reverse osmosis concentration and electrodialysis concentration, we effectively address the challenges of high salt, hardness, alkalinity and turbidity of wastewater. During the Reporting Period, we continued to optimise the deep treatment system, which significantly improved the operational efficiency and achieved 100% reuse of waste heat power generation and desulphurisation wastewater. As at the end of the Reporting Period, the Group had implemented a total of 19 waste heat power generation water treatment projects, resulting in a substantial reduction in total wastewater discharge.



Waste Heat Power Generation Water Treatment Project

Wastewater discharge

Wastewater discharge after meeting standard treatment
2024
522,563 tonnes

Waste Management

Conch Cement strictly complies with the laws and regulations related to solid waste to ensure the compliant disposal of hazardous waste. At the same time, we rely on our own technological strengths to reduce ecological pollution and achieve a 100% recycling rate of waste in accordance with the principle of 'harmlessness, minimisation and resourcing'. We have established waste management targets and continuous monitor annual progress.

Waste Management Goal

Hazardous waste is disposed of in a compliant manner by 100%, and general solid waste is recycled by 100%.

We rigorously manage hazardous waste and strengthen the management and control of storage, entry and exit, and transport throughout the whole process. Each subsidiary has established temporary storage facilities for hazardous waste, which are regularly disposed of by qualified professional organisations in accordance with the management regulations. During the Reporting Period, we achieved hazardous waste is disposed of in a compliant manner by 100%.

In terms of general solid waste disposal, Conch Cement has continuously promoted the cement kiln co-disposal waste system, relying on solid waste elimination and resource recycling technologies to solve the problem of reuse and elimination of its own waste and that of the society, and to promote the transformation and upgrading of the cement industry from the traditional high energy consumption and high emission to the green and environmentally friendly industry.

During the Reporting Period, the Company generated a total of 7,849 tonnes of hazardous waste, with the amount of hazardous waste generated per unit of business revenue being 8.62 tonnes/RMB100 million, and the total amount of internally generated general solid waste amounted to 590,108 tonnes, which has been 100% recycled, with the amount of general solid waste generated per unit of business revenue being 648.26 tonnes/RMB100 million.

Domestic Sludge Disposal

We reduce and recycle sludge through mechanical dewatering and energy drying.

Urban Domestic Waste Disposal

We build cement kiln co-disposal systems for urban domestic waste, relying on solid waste elimination and resource recycling technology to mitigate the negative environmental impacts of waste incineration and landfilling.

Industrial Solid Waste Disposal

We continue to increase the use of general industrial solid waste, and use industrial waste residues such as coal gangue, volcanic ash and desulphurisation gypsum as alternative raw materials for cement production, and promote the reuse of waste.

Use Cement Kiln Co-Disposal Technology to Help Suppliers Eliminate Solid Waste Resources

Conch Cement actively collaborates with major suppliers to promote the effective use of solid waste resources. During the Reporting Period, we established direct solid waste resource supply partnerships with enterprises such as Tongling Nonferrous Metals and Wuhu Huadian, helping to absorb 57.68 million tonnes of industrial solid waste, not only has brought significant economic benefits to the Company and made a positive contribution to disposal of waste from nonferrous metals, electricity and other industries.

During the Reporting Period, we disposed of

267.41 10,000 tonnes
general solid waste

121.85 10,000 tonnes
hazardous waste



Collaborative Treatment of Conch Cement

Cement Kiln Co-treatment in 2024

Domestic waste	Sludge	Hazardous waste	Other general solid waste
448,920 tonnes	667,367 tonnes	1,218,470 tonnes	1,557,792 tonnes

Total

3,892,549 tonnes

7.3.3 Resource Utilization

Conch Cement is committed to optimising the allocation of resources. Through technological innovation and management upgrades, we have achieved the dual goals of cost reduction, efficiency and environmental protection. In the future, we will continue to explore the green circular production model and promote the industry to reach a new level of resource utilisation efficiency.

Water Resource Management

Water resources are the fundamental natural resources and strategic economic resources for enterprise development. We consistently comply with relevant national laws and regulations, and strictly implement the internal water withdrawal management system. In accordance with the law, we carry out water resources verification for upcoming projects, obtain water withdrawal permits and strictly withdrawal water in accordance with the licences to ensure the standardised use of water resources. During the Reporting Period, each subsidiary of Conch Cement mainly used river water and rainwater recycled in the plant as the source of water supply.

We are committed to promoting a dual reduction in the total volume and intensity of water consumption, and have set a clear water conservation efficiency target. All subsidiaries have strictly implemented water consumption control targets for the three-tier administrative regions and improved water conservation systems.

Water Conservation Efficiency Target

Reduce the intensity of water use (clinker process) (t-water consumption/t-clinker) from 2020 to 2025 by

↓ 10 %

The Group has achieved the water conservation efficiency target ahead of schedule and will continue to adopt water recycling and water conservation initiatives to enhance the efficiency of water resources utilisation in the future.

Adhering to the principle of "Water Saving Priority, Multiple Uses of Water", we have implemented various measures to reduce water consumption and enhance the utilisation rate of wastewater resources by strengthening water saving at source, enhancing the internal water recycling system and conveying the concept of water-saving enterprise. During the Reporting Period, 2 of the Company's subsidiaries Suzhou Conch and Yingde Conch were awarded provincial and municipal water-saving enterprises. Meanwhile, we actively share our water conservation experience in the industry and take the initiative to play the role of a benchmark to promote water conservation actions in the industry.

Enhancing Fine-tuned Water Conservation Management

We urge each company to establish and improve water consumption and water conservation management systems and regulations, carry out water balance tests, water consumption performance evaluation and water efficiency benchmarking actions for industrial enterprises, and incorporate water consumption management and water conservation into the Company's production management.

Establishment of Internal Water Recycling System

We promote rainwater management, build a rainwater utilisation system to replace dust reduction and recycled water, map out the wastewater situation, customise recycling solutions and strive for zero wastewater discharge.

Communicate the Concept of Water Conservation Enterprise

We promote water conservation and energy saving technologies through energy saving and emission reduction activities, and create a positive atmosphere for the Company to save resources and oppose waste.

Water Resource Use of Conch Cement

Water Resource Use in 2024

Total water consumption	Water consumption intensity per unit clinker (clinker process)	Water consumption intensity per unit operation revenue
98,113,782.87 tonnes	0.303 t-water consumption/t-clinker	107,781.81 t-water consumption/ RMB100 million

Packing Materials Management

Conch Cement actively promotes the use of green packaging materials, adhering to the principles of recyclability, degradability, and lightweight design to ensure the environmental friendliness of packaging materials and promote the achievement of sustainable development goals. During the Reporting Period, we introduced industry-leading bag production facilities to continuously improve the quality of packaging, avoid cement loss due to packaging breakage, and significantly increase the service life of bags. In addition, we continue to optimise the design of cement packaging, and while meeting basic functional requirements, we try our best to use raw materials with low impact on human health and the ecological environment, and low consumption of resources and energy, and actively promote recyclable bags, with a view to reducing the negative impact on the environment and waste of resources.

Usage of Packing Materials of Conch Cement

Usage of Packing Materials in 2024

Total amount of cement package bags consumed

100,500
tonnes

Cement package bags consumed per unit operation revenue

110.40
tonnes/RMB100 million

Conch palletised bagged cement launched into the market

At the beginning of 2024, Conch Cement successfully launched its first robotic bagging and plastisol palletised bagged cement project at Taicang Conch, Jiangsu Province, which is a 'new product' created by Conch in order to better meet the market needs, reduce the cost of the end customers, and explore the new mode of bagged cement sales. The project is jointly developed and designed by Taicang Conch and Conch Zhongnan Intelligent Robot Company, which is a kind of shipping method using intelligent robots to put a certain amount of bagged cement on the pallet and wrapped up with plastic film, turning the small package into a big one. In the pallet bagged cement sales mode, transport, storage, loading and unloading are based on the pallet as the basic unit, with the forklift for loading and unloading handling, can significantly improve the loading and unloading efficiency. With a load capacity of 30 tonnes of bagged flatbed truck, for example, under the condition of two porters, the loading and unloading time is about 2 hours, while the pallet loading and unloading can save at least half of the time. Pallet loading and unloading of higher safety control, and can effectively reduce the manual loading and unloading process may occur in the more broken packages, packages chaotic code and other issues. In addition, the overall pallet packaging film can also reduce the transport and loading and unloading process of dust, reduce the impact on the surrounding environment. Through the pallet bagged cement packing film, the online shop loading and unloading, open storage can also reduce the impact of rainy weather. Since Taicang Conch has officially put into use the palletised bagged cement, it has gained positive attention and strong support from the market customers, and now the Company has promoted it in more than 30 units in its subordinate regions of Hunan, Guangdong, Guangxi and Jiangxi.



Palletised bagged cement

7.3.4 Environmentally-friendly Development

While realising green operations, Conch Cement pursues a development model that is friendlier to the environment. Through the development of the assembly construction industry, we provide consumers with construction products that have less impact on the environment and offer green development opportunities for the downstream industry chain. During the Reporting Period, we successfully applied assembly solutions in the construction of the dormitory and office building of the Fengyang photovoltaic project. Additionally, we developed factory-prefabricated walkway panels to expand our assembly product offerings. Meanwhile, we actively expand the oversea market of assembly products and have made progress in stages.

7.3.5 Green Mines

Conch Cement has actively responded to the national call for the construction of green mines, upholding the commitments on biodiversity protection and non-deforestation. Guided by the *Convention on Biological Diversity*, the *Kunming-Montreal Global Biodiversity Framework*, and other documents, we complied 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, integrating biodiversity protection into daily production and operation management. During the Reporting Period, we have officially published the *Biodiversity Statement*, which clearly defines the policy guidelines for biodiversity-related risk assessment and control, tracking damage and restoration, publicity, communication and co-operation, as well as monitoring and auditing. We continued to carry out a number of eco-protective initiatives, and by the end of the Reporting Period, we had been awarded a total of 44 national-level green mines and 41 provincial-level green mines.

Prior to mining

We carry out strict biodiversity assessments to ensure that mining activities minimise ecological disturbance. At the same time, we actively apply for forest land certificates. During the Reporting Period, we obtained a total of 5,064 mu of forest land certificates, laying a solid foundation for legal and compliant mining.

During the mine development cycle

During the mining process, we carried out a number of emission reduction and environmental protection initiatives to ensure that the mining process had minimal impact on the environment.

- **Eliminate the external discharge of wastewater**

We are equipped with sewage treatment facilities in industrial and living areas of each mine, and have built sedimentation tanks and drainage ditches, etc. We follow the "Geological Environment Restoration and Land Reclamation Programme", and strictly prohibit the direct discharge of wastewater.



Domestic Sewage Treatment Station



Construction of sedimentation tanks

During the mine development cycle

- **Reduce unorganised emissions**

Each of the Company's mines is fully enclosed in conveying corridors and raw material stockpiles, equipped with bag-type dust collectors, and crushing and unloading ports are fitted with dry-mist dust suppression devices in order to reduce unorganised emissions. As at the end of the Reporting Period, a total of 705 tail gas purification devices had been installed in the mines of each base company.



Closed conveying corridor



Dry-mist dust suppression at unloading port

- **Dust control**

During the Reporting Period, each of the Company's mines was equipped with large-capacity sprinklers or dust suppression trucks (9 units were newly added), automatic sprinkler facilities were constructed on the main mine transportation roads, and water-stabilised layer mine transportation roads were promoted to harden a number of mine transportation roads to strengthen the dust control.



Construction of water-stabilised roads



New sprinkler trucks

During the mine development cycle

In terms of biodiversity protection, we have taken measures such as mulching slopes, planting seedlings and building drainage ditches to comprehensively restore the mine ecosystem. By establishing a fully enclosed crushing plant and belt corridor, we further reduce the impact of dust and noise on animal habitats.

In addition, we actively promoted the use of electric mining trucks to reduce carbon emissions from the mining process. During the Reporting Period, we put 33 new electric mining trucks into use. As at the end of the Reporting Period, a total of 119 electric mining trucks were in operation in 26 subsidiaries.



Closed crushing plant, corridor



Zongyang Conch TR100E electric mining truck



Ecological greening of slopes

Mine re-greening



Liangping Conch Cement Mine

After mining, we formulate restoration and management solutions based on the actual situation and strictly adhere to environmental restoration and management standards. During the Reporting Period, we finalised and established mine greening projects for 25 subsidiaries. By the end of the Reporting Period, we had accumulated a total of approximately 9.23 million square metres of restoration and treatment of greening area, planted 3.04 million seedlings of various types, sowed 60,000 kilograms of grass seeds and invested more than RMB250 million. Notably, Liangping Conch Cement Mine has become a typical 'Garden-style' green mine in Chongqing, and a 'Benchmark' with demonstration and leading role in green mine construction and ecological environment restoration.

Green Factory has Become a Paradise for Migratory Birds, and Biodiversity Protection Shows Its Success

As a national industrial tourism demonstration site, Chizhou Conch, located on the shore of Shengjin Lake, has integrated the high-quality development of the enterprise and the high-level protection of the ecology, creating a green factory where ecological civilisation and industrial civilisation are intertwined. In early winter, Shengjin Lake becomes a haven for migratory birds, including white cranes, yellow-billed egrets, and other Class 1 nationally protected animals. The area also attracts wildlife such as muntjacs and squirrels, exemplifying a harmonious symbiosis between industry and nature.



Chizhou Conch becomes a paradise for migratory birds



Egret returning to nest in Chongqing Conch

In recent years, Chongqing Conch has consistently advanced greening initiatives within the factory area, and achieved remarkable improvements in the factory environment, and it has successfully created a "Garden Factory", which has become a "Sheltered Home" for the birds. From early spring to late autumn every year, egrets, red-billed blue magpies and other rare wild birds build nests, frolic and reproduce in the greenery, forming a beautiful painting of harmonious coexistence between human and nature with the conch factory with red roof white walls.

We also prioritize the development of smart mines and continue to drive the digital transformation of mining, in order to achieve the goal of unmanned operation of the entire process of cement mines. As of the end of the Reporting Period, Conch Cement had built a total of 50 smart mines, and had fully completed the construction of digital mine systems in 45 companies in 15 provinces across the country, with an online rate of 100%, and all systems had achieved stable operation. Through practical implementation, we have proved that the construction of smart mines can improve production efficiency by 10%, and also significantly reduce the consumption of diesel, tyres and other resources. Digital technology plays a key role in ore quality control, efficient resource utilisation and green low-carbon development.

As a critical component of the intelligent mine construction, Conch Cement's unmanned mining truck system for open-pit mines integrates cutting-edge technologies, builds a low-latency communication network, and realises unmanned operation in the whole process of 'loading, transporting and unloading', which lays a solid foundation for building a new mode of production in safe, green and reliable intelligent mines. The system was selected as one of the top ten typical demonstration application scenarios for intelligent networked vehicles in Anhui Province in 2024. As of the end of the Reporting Period, the system had been stably operated in Wuhu Conch, Tongling Conch and Baimashan Cement Plant mines, and promoted in 6 subsidiaries. In conjunction with the actual use scenarios, we are still upgrading the unmanned system for mining trucks in mines to meet the applicability to special environments.

Conch Cement unmanned technology leads the smart upgrading of coal mines

In 2024, Haibo Technology, a subsidiary of the Company, cooperated with Beishan Mining and Jinneng Mining to realise the first application of 'Conch Smart Mining' unmanned solution in the field of surface coal mining. The project team of Haibo Technology has studied and iterated the technology to overcome a series of problems, such as low visibility in the coal stripping scenario in the project site due to high winds and dust, extreme changes in high and low temperatures, rapid updating of the retaining wall in the earth moving area, narrow shoveling and loading plates, and mixing of manned equipment, etc.. These efforts ensured the solution's adaptability to adverse working conditions such as dust, snow, rain, fog, severe vibration, and extreme low temperatures. Within two months, the system achieved normalized driverless operations in both mining areas. The two mining areas of the normalisation of driverless mine car grouping operation. The two mines of Beishan Mining and Jinneng Mining have successfully passed the intelligent acceptance, which is also a vivid manifestation of Conch's promotion of the transformation and upgrading of the industry's digital intelligence and the realisation of external cross-industry empowerment.



Xinfa Beishan unmanned mining truck

08

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

Conch Cement uphold the initial heart and mission of 'Striving together with our employees for the well-being of the society'. Focusing on employee development, with talent as a strength and quality as a solid foundation, Conch Cement is committed to providing high-quality products and exceptional services to the industry. We actively collaborate with various stakeholders to create shared prosperity, and continuously promote the synergistic development of the industrial chain and the community welfare, and endeavour to outline a beautiful blueprint that places equal emphasis on both responsibility and development.

8.1 Employee Development

Conch Cement regards talent as the core internal force that drives the Company to move forward and achieve excellence. We are committed to building a solid backbone for our employees, providing them with all-round support and solid protection, so as to achieve a favourable situation in which they and the Company share a common destiny and thrive together towards shared goals. We firmly implement the talent-driven corporate strategy, and continue to optimise and improve the staff training and promotion system to create a broad talent development platform.

8.1.1 Talent Strategy

Conch Cement takes the '14th Five-Year Plan' human resources strategy as its core guideline, recruiting and nurturing talented people. We are committed to attracting, nurturing and developing a team of high-quality professionals with diverse backgrounds, complex skills and international perspectives.

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 of Conch 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	**TTT (Training the Trainer to Train) Programme**	**Executive training courses**
	Youth Backbone Project: Cultivate and select the future management talents		

Conch University

Microlecture | Specialised Training | Conch Lecture | Technical Exchange

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 establish a clear and standardized recruitment management system to ensure transparency and compliance in all aspects of recruitment.

Compliance Employment

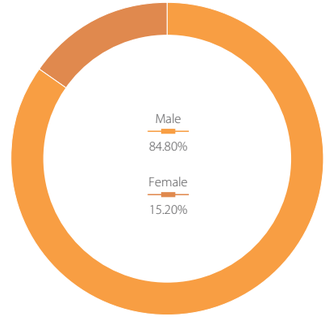
Conch Cement strictly enforces national and local laws and regulations on the age requirement for recruitment, and clearly specifies the provisions and clauses related to the age requirement for recruitment and the standard working hour system in the employment contracts and internal related systems, resolutely prohibits the employment of child labour, and opposes all forms of forced labour. The Group implements strict age and identity information screening and verification mechanisms in all processes and stages of recruitment, and logically verifies the basic information of the recruits through the digital human resources platform, and will not employ any person who does not meet the age requirements and other entry conditions. During the Reporting Period, no incidents of child labour or forced labour occurred in Conch Cement.

The Group implemented an online attendance confirmation system and monitored the monthly working hours, daily overtime work and work scheduling of employees on a regular basis in conjunction with the digital human resources platform. We continued to supervise the reasonable control of labour relations of our subsidiaries to ensure that the daily and monthly working hours of each employee were reasonably controlled.

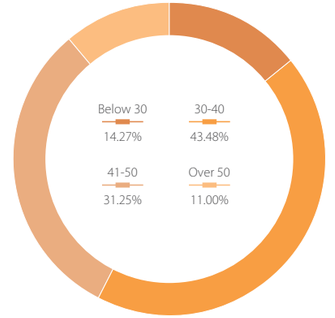
Talent Recruitment

Every year, the Group recruits a large number of outstanding fresh graduates with good performance, and industry talents with excellent professional skills and management ability through campus recruitment and social recruitment, providing strong backbone for the talent team construction and driving high-quality development. In 2024, the Group further consolidated the channel of talent introduction, and travelled to renowned universities such as Anhui University, Hefei University of Technology, Wuhan University of Technology and China University of Geosciences to attract a total of 395 'Haiying Talents' and 'Haixing Talents'.

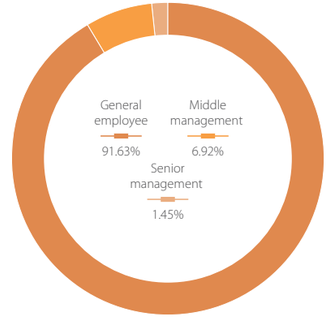
As at the end of the Reporting Period, the Group had a total of 49,397 employees, all of whom were full-time employees and no part-time employees; 7.73% were foreign employees and 6.87% were ethnic minority employees. Among all management personnel, 5.54% were women and 3.85% were members of ethnic minorities.



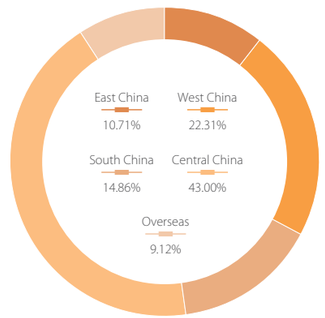
Employees by Gender



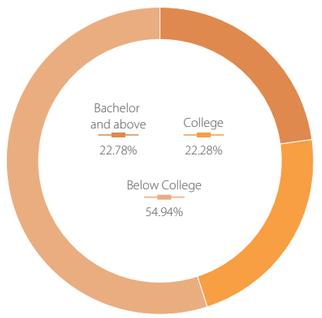
Employees by Age



Employees by Rank

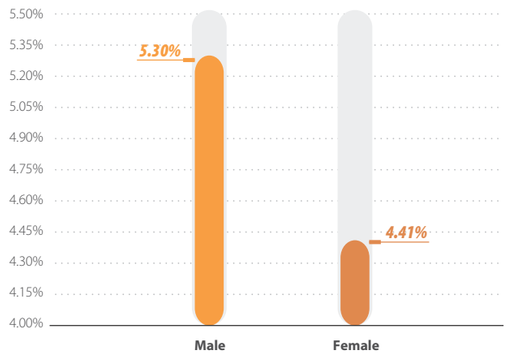


Employees by Region

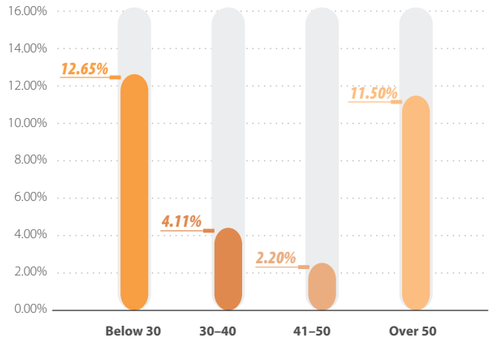


Employees by Education

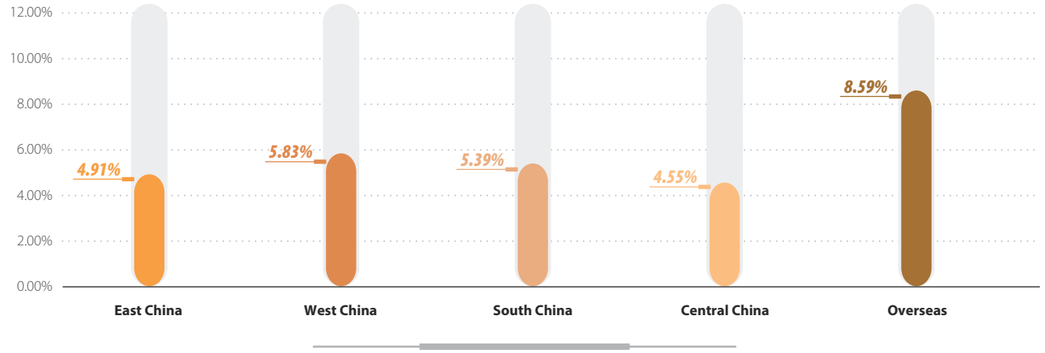
While responding to market challenges and seeking steady development, Conch Cement is committed to fulfilling its corporate responsibilities. We establish a legal labour relationship with each employee in the form of an employment contract, make every effort to protect the rights and interests of employees while actively working to reduce employee turnover. During the Reporting Period, the Group recorded a turnover of 2,591 employees, with the turnover rate of 5.25%.



Turnover Rate by Gender



Turnover Rate by Age



Turnover Rate by Region

8.1.3 Employee Rights

Conch Cement adheres to the concept of "People-oriented", cherishes and respects the fruits of employees' labor and identity, and is committed to providing human rights protection for every employee. The Group continues to promote the construction of a human rights protection system and improve the mechanism for identifying and reviewing human rights issues to ensure that internal policies and labor management practices are in line with the core conventions of the *International Labor Organization (ILO)* and the *International Labor Standards (ILS)*, as well as providing additional protection beyond national and international standards.

The Group supports employees' freedom of association, encourages and implements collective negotiation and social dialogue mechanisms, and is dedicated to jointly resolving employees' demands through communication and consultation with employee representatives to promote harmonious labor relations. During the Reporting Period, the trade union of Conch Cement carried out inspections of the collective negotiation and collective agreements signing work of its subsidiaries in order to further enhance the standardization of the process of negotiation meetings and signing collective contracts. In 2024, the rate of signing collective agreements in Conch Cement and its regional subsidiaries reached 100%, covering all employees.

While protecting the basic labor rights and interests of our employees, we also actively promote a culture of diversity and equality. We strictly observe and implement the requirements of anti-discrimination management in our internal systems, adhere to the principle of equality and diversity in employment, understand and respect the diversity of candidates and employees, and prohibit any discriminatory behaviors based on differences such as gender, age, education, geography, nationality, race and religious beliefs. The Group conducts regular internal anti-discrimination inspections in accordance with national and local regulations, covering various aspects of recruitment, employment and daily management of employees, to create a fair and just workplace environment. We also incorporate the concept of diversified development into our daily education and promotional activities for employees, including providing training sessions on internal diversity-related regulations and policies, and provide them with a channel for feedback through trade unions and other organizations on discrimination, harassment and other violations of the *International Labor Standards (ILS)*. In respect of the gender pay gap, the Group regularly conducts comparative analyses of employee pay data to identify the gender pay gap in a timely manner and puts into practice the pay management model of equal pay for work of equal value with practical actions. There was no gender pay gap at Conch Cement during the Reporting Period.

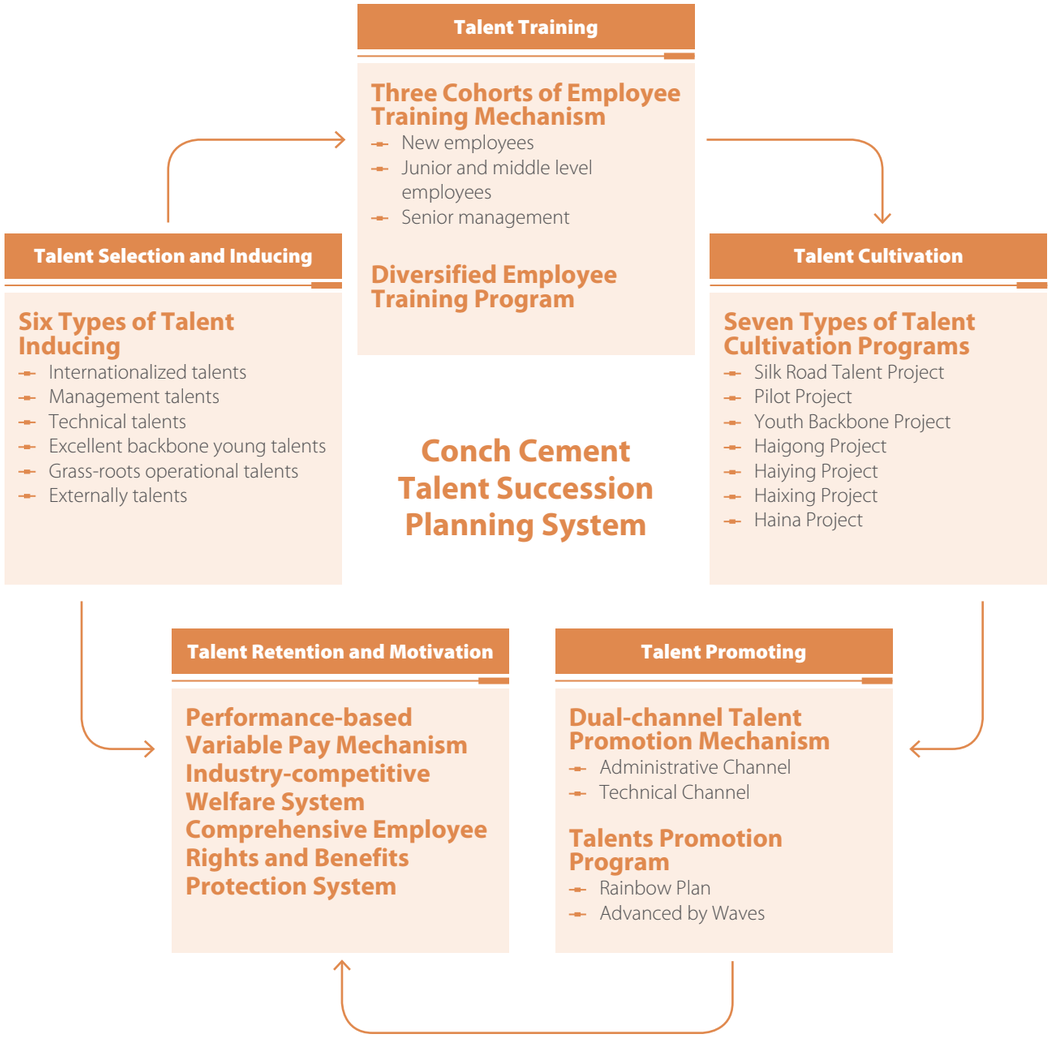
In addition, the Group also focuses on comprehensive identification and effective management of human rights risks. We have preliminarily established a human rights due diligence and risk assessment mechanism, regularly reviews domestic and international human rights-related conventions and regulations and conducted research and communication with employees to prevent, identify and respond to significant human rights risks in a timely manner. Conch Cement will promptly verify and investigate the identified human rights risks and reports received on human rights issues in accordance with the relevant internal systems and procedures, and, if necessary, the Group will provide employees with appropriate legal support and assistance in order to promptly remedy and mitigate the impacts of human rights issues.

8.1.4 Talents Development

Anhui Conch Cement maintains a strong focus on the growth of our employees by thoroughly analyzing job diversity and individual characteristics. It is committed to building a comprehensive talent advancement program system and customizing talent cultivation plans that meet different levels of needs. The Company continuously promotes the enhancement of employees' professional experience and competence, creating a broad platform for career development.

Talents Cultivation

Conch Cement relies on its "Six Categories and Nine Grades, Five Cultivation and One Introduction Talent Planning Project" for talent development and recruitment. Based on the different levels and specific stages of employees' career development, we have established a differentiated and precise employee training system and development programs. This comprehensive talent succession planning system encompasses every segment from talent selection to advancement and retention, continuously enhancing employees' professional skills and management capabilities, ensuring that every employee has equal and ample opportunities for growth.



Conch Cement implements a categorized, multi-level and multi-channel employee training mechanism for all employees (including interns and contractors).

New employees (including Haiying talents, Haixing talents, etc.)	We offer centralized training to assist employees in understanding corporate culture, adapting to management roles, and gaining vital professional knowledge and skills. Furthermore, we have established a mentorship training mode to facilitate skill transfer and support career development.
Junior and middle level employees	We formulate a training plan each year, requiring junior and middle level employees to receive regular training in comprehensive ability, professional skills and system norms, and through external experts, internal seminars and interactions, and other activities to strengthen the professional and technical level of the employees.
Senior management	We require our executives to participate in management training programs each year to further enhance their overall competencies and ability to fulfill their responsibilities, thereby achieving leadership development.



Pre-employment Training for Haiying Talents



Foreign employees training in China



Senior and middle management training

In recent years, Conch Cement and its regional subsidiaries have made significant efforts to promote employee professional skills training. Various courses, guidance, and training activities have been implemented, ranging from basic operational standards to cutting-edge technology applications. These initiatives have effectively enhanced employees' professional competence and practical abilities, resulting in remarkable achievements in talent development. During the Reporting Period, relying on the provincial high-skilled talent training platform, Chizhou Conch carried out the training of senior cement production workers and skill level assessment work, and a total of 676 people successfully obtained the advanced certification in cement production.

In order to continuously integrate employee training resources and cultivate compound skills, Conch Cement has set up Ningguo Training Center, inviting industry experts and scholars as well as experienced technical backbones within the Company to form a teacher team, and customized theoretical learning courses for employees with the help of big data analysis and artificial intelligence technology, so as to achieve the maximum training effect. During the Reporting Period, the Ningguo Training Center successively conducted 26 training courses of various types, such as skill enhancement classes for underperforming units, Haixing Talent Class, and Ningguo Cement Plant Special Operation Skills Training and Certification Class, with a total of 581 participants.

While continuously enhancing our internal talent development mechanisms, we also actively encourage employees to engage in external professional certification and educational advancement. We strictly implement the requirements of the Guiding Opinions on Encouraging Employees' Learning and Education, fully support employees' participation in continuing education, and encourage all employees to obtain industry-recognized professional qualifications and titles during their careers. For employees who have obtained master's degrees or above recognized by the Ministry of Education, professional and technical qualifications, corresponding allowances are provided to motivate employees to continue to grow. The Group regularly organizes the evaluation of various titles. During the Reporting Period, Conch Cement guided the employees of its regional subsidiaries and overseas projects to declare 169 junior and intermediate professional titles, and 10 senior and principal senior professional titles.

Continuing education

- Employees who participate in in-service continuing education and obtain state-recognized master's or doctoral degrees related to their posts will be granted high-education subsidies of RMB1,000 and RMB2,000 per month respectively

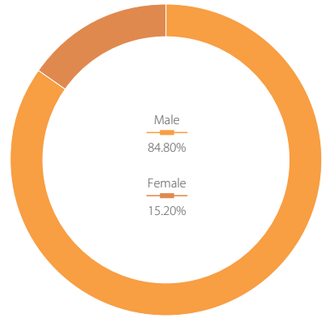
Vocational qualification certification

- Employees who have obtained the professional qualifications of access technology, such as registered architect and registered safety engineer, which is needed or in short supply due to the development of the Company's production and operation, are given examination fee subsidy, monthly technical allowance or one-time technical reward

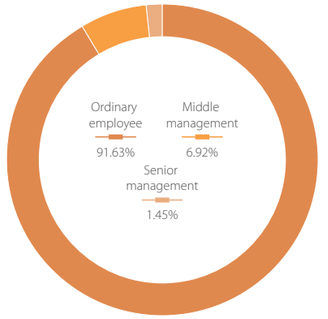
Senior and above professional and technical qualifications

- Employees who have obtained the qualifications of senior and above professional technical positions and are employed by the Company to hold related duties will be given examination fee subsidies

At the end of the Reporting Period, the total investment in employee training by the Group amounted to RMB18.4139 million. The proportion of employees regularly undergoing performance and career development assessments reached 92%, with a total training participation rate of 100%. The total training hours for employees amounted to 4,531,186 hours, averaging 92 hours per person, with a total of 883,218 training instances. The data related to employee training classified by category is as follows:



Percentage of Employees Trained by Gender



Percentage of Employees Trained by Rank

Average Training Hours per Employee by Gender (Hour)

Average Training Hours per Employee by Rank (Hour)

Conch Cement adheres to the principles of open collaboration and mutually beneficial partnerships, actively seeking innovative models for talent development. By integrating high-quality resources from various stakeholders, we have established a diverse and advanced talent learning system and development platform. This initiative aims to create a series of targeted, forward-looking, and practical high-quality learning programs and growth opportunities for our group and the industry. In 2024, we continued to enhance our university-industry collaboration with institutions such as Tongji University and Wuhan University of Technology, strengthening the construction of joint talent training bases. Moreover, we will enter into joint doctoral training agreements with Henan University of Science and Technology and Anhui University of Technology, aiming to foster technological innovation in the cement industry, tackle technical challenges, and cultivate industry talent.

Talents Promotion

Conch Cement has established a dual-channel promotion model that integrates administrative and technical paths. This model empowers employees with the autonomy to choose their career growth pathways, breaking down the limitations and singular barriers of traditional promotion structures. It facilitates a harmonious resonance and deep integration between individual employee value and corporate development.

Promotion Path Dual Channels of Conch Cement

Based on dual-channel talent promotion, our group implements several talent promotion evaluation programs, including the "Rainbow Plan" and "Advanced by Waves". These initiatives assist employees in achieving precise positioning and orderly promotion along various career development paths. In 2024, the "Rainbow Plan" and "Advanced by Waves" programs facilitated career advancement for 7 employees at Conch Cement.

"Advanced by Waves" Talent Assessment Program

In August 2024, Conch Cement organized "Advanced by Waves" for the third and fourth phase of Haiying talents who have joined for three years. Through the management ability assessment, external lecturer's lesson, offline interview and assessment and talent talk, we took stock of the third and fourth phase of Haiying talent development and after this assessment, a total of 2 third-phase Haiying and 3 fourth-phase Haiying were promoted, and 2 Haiying talents were exchanged to subsidiaries.





Salary Incentive

Conch Cement continuously optimizes its compensation system framework and diversified salary incentive strategies. Grounded in data and propelled by innovation, we are steering its compensation management towards a direction that is scientific efficiency, smooth operation and equitably distributive, ensuring the effective protection of employee rights and interests. During the Reporting Period, the Group revised and issued the *Guiding Opinions on the Management of Employment* and *Gross Payroll in 2024 and the Conch Cement Special Award Program*, optimizing the salary distribution process from "salary calculation — process approval — result verification". This further establishes and improves the salary incentive mechanism, fully stimulating the enthusiasm of employees.

The Group has implemented a performance-based variable pay mechanism for all employees to ensure the fairness and impartiality of the remuneration system while incentivizing employees. The salary structure of the Group's employees mainly consists of three parts: monthly basic salary, monthly post bonus and year-end performance bonus, of which the monthly post bonus is closely linked to the completion of the Company's monthly production and operation efficiency, individual management indicators and other variable performance; the year-end performance bonus is adjusted according to the completion of the Company's annual production and operation targets, in accordance with the principle of "if the effectiveness is increased, the incentive will be increased; if the effectiveness is decreased, the incentive will be decreased", and is adjusted on a floating basis, scientifically mobilizing staff work enthusiasm and promoting the improvement of employee performance.

Leadership Team

- Implementation of the tenure system and contractual management includes signing an annual business performance responsibility letter, conducting annual liquidation at the end of each year based on business performance, and disbursing year-end performance bonuses according to the liquidation results

Middle Management of Regional Subsidiaries

- Regional Subsidiaries organize annual settlements of mid-level performance accountability systems based on operational results and performance metrics. Referring to the "Guiding Opinions on Annual Performance Bonuses for Mid-Level and Below Employees", we distribute year-end performance bonuses based on settlement outcomes

Regional Subsidiary Supervisors and below

- Regional Subsidiaries distribute year-end performance bonuses by referring to the "Guiding Opinions on Annual Performance Bonuses for Mid-Level and Below Employees". This process takes into account employees' daily performance and operational management indicators

Performance-based Incentive Pay Structure

8.1.5 Care for Employees

Anhui Conch Cement embraces the philosophy of "prioritizing life before production". We are dedicated to fostering comfortable and satisfactory working conditions for our employees through various quality-of-life enhancement initiatives, ongoing standardization of logistics, a strong employee communication system, and a competitive compensation and benefits package. We are committed to providing employees with comfortable and satisfactory working conditions, continuously enhancing their sense of belonging and happiness.

Employee Communication

Conch Cement is committed to providing effective channels for employees to voice their concerns. We ensure timely responses to employee feedback and suggestions through our Office Automation System (OA), company mailbox, and suggestion box. Each regional subsidiary is required to hold an Employees' Representative Conference at least once per quarter, in addition to regular logistics meetings and various communication initiatives, such as the "Ten Practical Things". These efforts are designed to actively collect employee opinions and suggestions, reflecting our dedication to democratic management and establishing a robust, efficient communication channel with our workforce. Each year, Conch Cement's regional subsidiaries accomplish over 3,000 acts of goodwill and problem-solving for their employees.

During the Reporting Period, Conch Cement held 4 Employees' Representative Conference, gathering feedback from employees on working conditions, compensation and benefits, and health and safety measures. We have promptly addressed and monitored the implementation of the feedback received.



Conch Cement 2024 Employees' Representative Conference

In order to promote the communication and improve the quality of life of the employees, each regional subsidiary of Conch Cement has been keeping abreast of the concerns of the employees in terms of logistics food and dormitory management through questionnaires and logistics life groups every month, and at least one meeting of the logistics life committee has been held every month to coordinate, respond to and solve the problems that concern employees in a timely manner. The Trade Union also regularly conducts online satisfaction surveys, encouraging employees to rate their experience and provide feedback on the dining experience in the canteen, and at the same time inspects the subsidiaries' canteen, dormitories, cultural and sports facilities and other logistics sites to ensure that the employees' life and logistics support are put in place. We also conduct annual employee democratic evaluations, incorporating employee engagement into the assessment criteria. This initiative aims to gain a deep understanding of employee satisfaction with the work environment, management practices, and corporate culture, thereby identifying issues promptly and implementing improvements. Additionally, we conduct an annual employee democratic appraisal, incorporating employee engagement as a key evaluation metric. This initiative aims to gain in-depth insights into employee satisfaction regarding the work environment, management practices, and corporate culture, thereby identifying areas for continuous improvement and driving targeted enhancements.

Employee Welfare

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 *Social Insurance Law of the People's Republic of China*, and the *Regulation on Paid Annual Leave for Employees*, etc., and pays full contributions to the pension, unemployment, work injury, medical care, maternity insurance, supplemental medical insurance, and housing provident fund for all the employees according to the law, and those who have reached the national legal retirement age will be entitled to corresponding pensions and retirement pensions according to the law after retirement. The Group also provides all employees with non-compensation benefits including, but not limited to, supplementary medical insurance, catering subsidies and holiday benefits, and employees may voluntarily apply for the payment of enterprise annuities after they have passed the probationary period, so as to ensure that employees enjoy market competitive benefits.

The Group is committed to providing employees with an all-round life protection system covering "dining, accommodation and transportation". During the Reporting Period, the Conch Talent Apartment in Wuhu, Anhui Province was successfully completed and put into use, providing employees with a comfortable and convenient living environment with the aid of cutting-edge technologies such as artificial intelligence, low carbon and energy saving.



Wuhu Conch Talent Apartment

Care for Employees

Conch Cement dedicates itself to ensuring employees' physical and mental well-being while improving their work and quality of life. We place great importance on the practical implementation of employee care and support. To enhance the lives of our employees, the Trade Union regularly organizes various activities, including sports competitions, outdoor team-building events, social gatherings, festive parties, and movie screenings, which helps to create a sense of cohesion and belonging within our workforce.



Employee Basketball Match



Cultural Night

Conch Cement takes care of female employees and protection of their special rights and interests as a key task of employee care, and regularly carries out female employees' care and concern activities such as promotion of female employees ' legal literacy, activities on International Women's Day (the 8th of March), lectures on female employees' physical and mental health, and symposiums on female employees, provides female employees with mental health counseling, and listens to and solves the needs and practical difficulties of female employees. During the Reporting Period, the Group formulated the *Implementing Rules for the Work of the Female Employee Committee of Trade Union* to promote the standardization and normalization of the work of the Female Employee Committee and to effectively safeguard the legitimate rights and interests of female employees.



International Women's Day activities



Career Woman Classroom

Conch Cement also priorities the needs of employees in difficulty and improving the "one-to-one" pairing mechanism and organizing visits and condolences for employees in difficulty and family members of overseas employees at different levels during traditional festivals such as Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival. During the Reporting Period, the Trade Union of Conch Cement visited more than 1,800 people and invested RMB8.1 million in condolences.

Conch Cement actively responds to the construction and reform of industrial workforce and comprehensively implements and builds the brand of "Colorful Trade Union" to systematize the work and expand the influence of trade union construction in society and cohesion among the employees. In recent years, Conch Cement's branded trade union construction and employee care work has been widely recognized by the society. During the Reporting Period, the Trade Union of Conch Cement and 3 grassroot trade unions, namely, Huaining Conch, Yiyang Conch and Xingan Conch, were awarded the title of "National Model Home for Workers", while 2 grassroots trade unions, namely, Wuhu Conch and Maanshan Conch, were awarded the title of "National Model Small Home of Workers".

8.1.6 Production Safety

Conch Cement takes safety as the foremost principle of operation and management and builds up a safety bottom line at all times. The Group fully implements and realizes the safety management policy of "People-oriented, Safe development; Safety first, Prevention first; Comprehensive management, Comprehensive coverage", and continuously improves its safety management and response capability to safety incidents through sound safety management system, strict safety responsibility mechanism, strong safety prevention and control and safety risk management initiatives.

8.1.6.1 Governance

During the Reporting Period, the Group revised and issued the *Rules for Regional (Provincial) Safety and Environmental Protection Professional Management Activities of Conch Cement* to standardize the regional safety and environmental protection management activities, optimize the staffing of the regional safety and environmental protection team, and form a vertical management structure of "EHS Management Committee-Region-Subsidiary-Department- Workshop-Team".

The EHS Management Committee of Conch Cement is responsible for formulating health and safety management strategies, reviewing health and safety management objectives and practices, continuously supervising and following up on the Group's health and safety performance and achievement of objectives, and reporting regularly to the ESG Management Committee under the Board of Directors. The Chief Executive Officer (CEO) of Conch Cement, as the highest leader of the EHS Management Committee, is responsible for health and safety strategies and coordinates the Group's safety management matters; The Group also incorporates safety and environmental accident indicators into the remuneration performance appraisal of the CEO to ensure the effectiveness of management. Each organization under the region, subsidiary and affiliated factory is responsible for implementing the health and safety strategy, conveying the safety management requirements broken down by superiors, and ensuring the effective achievement of health and safety objectives.

Safety Management Structure of Conch Cement

Conch Cement keeps to standardizing its safety management system. As of the end of the Reporting Period, a total of 130 subsidiaries of the Group passed the ISO 45001 occupational health and safety management system certification, which accounts for 86% of our subsidiaries.

8.1.6.2 Strategy

Conch Cement strictly adheres to the *Safety Production Law of the People's Republic of China*, the *Administrative Measures on the Emergency Plans for Production Safety Accidents*, the *Occupational Disease Prevention and Control Law of the People's Republic of China*, and other relevant laws and regulations. We continuously enhance the system of safety production, updating and optimizing our internal management mechanism and processes promptly to ensure legal and compliant safety management. During the Reporting Period, the Group developed and published the *Policy Statement of Occupational Health and Safety*, which serves as a key framework for enhancing occupational health and safety management. This document clearly outlines the principles, objectives, and supervision system for occupational health and safety management, effectively promoting the implementation of safety management requirements and achieving our goals. Moreover, we revised the *Conch Cement Responsibility System for Work Safety*, the *Accountability System for Work Safety (2nd revised draft)*, and the *Guidance on Accountability for Workplace Safety in Workshop and Team*, which helps to establish a comprehensive safety production accountability system that strengthens the assessment and accountability of management personnel at all levels.

Through regular quarterly evaluations of safety objectives and the implementation of safety rewards and penalties, the Group implements a layered, centralized safety performance assessment system involving relevant personnel, including the CEO, integrating safety performance into the their overall performance assessments and compensation. This establishes a linkage system between safety production performance and performance evaluation, job promotion, and rewards and punishments while strictly enforcing the "one-vote veto" system for safety production. During the Reporting Period, our secondary departments, workshops, and teams signed the "Responsibility Letter for Occupational Health Objectives in Work Safety for 2024", ensuring the effective implementation and fulfillment of safety responsibilities.

Conch Cement considers the safety management of suppliers and contractors as a key component of the Group's overall safety management efforts. We strictly adhere to internal safety management regulations for relevant parties and have established a bid safety pre-review team to evaluate the safety qualifications of these parties rigorously. This ensures the effective implementation of safety education and personnel health checks upon entry. Additionally, we standardize the signing of the "Production Safety Management Agreement" to clarify the safety responsibilities of both parties. Furthermore, we include the "*Safety and Health Requirements for Relevant Parties*" in the annex of the bidding contract as a necessary condition for their access.

The Group has established a comprehensive safety training, inspection, and assessment system for suppliers and contractors. We conduct regular safety performance evaluations for them, covering multiple dimensions such as visual management in operational areas, the setup of safety protection and isolation facilities, the use of personal protective equipment, verification of work permits, and compliance with the "three violations" of operational personnel. Relevant suppliers and contractors that are placed on the "blacklist" will be prohibited from participating in new business collaborations within the specified timeframe.

8.1.6.3 Management of Production Safety Risks and Opportunities

Control of Safety Hazards

Conch Cement firmly establishes the concept that "hazards are equivalent to accidents", actively implements safety inspections and rectification of safety hazards, effectively enforcing a dual prevention mechanism. Through a five-level hazard investigation system comprising "group, unit, department, workshop, and post", we aim to reduce safety risks at the source and ensure production safety. During the Reporting Period, we conducted a total of 21 safety inspections utilizing various methods, including comprehensive checks, special inspections, weekend and holiday inspections, seasonal inspections, and a combination of online and offline approaches. This resulted in the identification and rectification of over 18,400 hazards. Additionally, our Group regularly conducts emergency drills based on the procedures and requirements outlined in the Contingency Plans for Safety Accidents to effectively respond to various incidents, including natural disasters and safety production accidents.




Regular On-site Safety Inspections




Large-scale Safety Drills

The Group continues to improve production technology innovation and industrial escalation. Through renovating and upgrading operational equipment, we implement measures such as elimination, enclosure, isolation, sprinkling, spraying, and the provision of personal protective equipment. These initiatives aim to minimize employee exposure to occupational hazards, including dust, noise, and thermal radiation.

In terms of identifying occupational health hazard factors, The Group carries out special occupational health inspections regularly for new hires, current employees, and those leaving the company each year. We establish occupational health records to promptly identify potential and existing occupational disease risks and implement corresponding measures. Additionally, we have established a long-term assessment and control system for occupational health hazards and risks. For subsidiaries that are already in operation, we also conduct an evaluation of occupational disease hazards every three years and perform at least one assessment of occupational disease hazard factors annually. During the Reporting Period, Conch Cement achieved a 100% coverage rate for occupational health examinations.

Safety Education and Training

Conch Cement fully leverages safety incident case studies' educational and cautionary aspects. During the Reporting Period, we conducted safety incident case warning education and comprehensive safety management reflection activities for all employees. By thoroughly analyzing the causes of accidents and encouraging discussions on insights, emotions, and experiences, we aim to enhance safety awareness and risk identification capabilities among frontline employees.

Additionally, The Group regularly holds training sessions on the use of AEDs, CPR, and various first-aid techniques to strengthen employees' essential safety knowledge and skills in first-aid applications. We also carry out targeted safety training improvement activities for at-risk units in partnership with the "EHS Training Program". Moreover, through key safety education events like Safety Production Month, Disaster Prevention and Mitigation Day, and Publicity Week for the Law on the Prevention and Control of Occupational Diseases, we leverage both online and offline platforms to share safety knowledge widely, which leads to significantly enhances employees' safety awareness and their ability to respond effectively to safety incidents.

The Group's practices and achievements in occupational health and safety management have received widespread recognition. As of the end of the Reporting Period, 81 subsidiaries within the Group had been awarded the "Healthy Enterprise" title at the county level or above, 32 subsidiaries had received the provincial level "healthy enterprise" title, and 7 subsidiaries had been recognized as outstanding cases in the construction of healthy enterprises.

Reinforcement of Safety through Science and Technology

Conch Cement is keeping up with current trends by closely aligning with the national technological strategy. We are committed to the principle of "Reinforcement of Safety through Science and Technology with Safe Development", integrating digital and intelligent methods into our safety management practices and working towards the establishment of a new ecosystem for safety management. The Group is proactively engaging with the emerging wave of artificial intelligence by exploring the digitalization and intelligent capabilities within the cement industry. Through the development of geological models, intelligent strip planning, and the advanced use of cutting-edge computer technologies, we have successfully normalized unmanned driving in mining operations, automated precise ore blending, and optimized intelligent vehicle scheduling. This approach significantly reduces human intervention in the mining process, thereby addressing safety risks at their source and enhancing personnel safety, reinforcing our defenses with the power of technology. Additionally, we are actively promoting the implementation of our self-developed robotic dispatch information system, which employs robots for loading tasks, thus minimizing manual operations.

In the future, the Group will persist in enhancing the application of intelligent and information-based safety management outcomes. Using operational site detection equipment, safety monitoring data will be accurately and in real-time presented on the intelligent information platform, allowing for timely identification and rectification of safety hazards, thereby reducing safety risks.

During the Reporting Period, the Group introduced unmanned mining cars in a total of 8 mining areas, with 13 subsidiaries implementing the full-process robotic bagged cement automatic loading system. These advancements have further enabled cost control, enhanced economic efficiency, and significantly reduced safety risks in mining operations.

Wuhu Conch Enhances Unmanned Driving Initiative at the Ruomao Mountain Mine

The rising efficiency of unmanned mining trucks has led to a decline in the demand for traditional mining trucks, dropping from 20 units to 12 units. Additionally, the operating time for each truck has increased from 14.5 hours to 22.5 hours, providing an effective operating time that is 10 hours longer than that of manually operated trucks, which has significantly lowered labor costs. With the implementation of the unmanned transport system, the daily ore transportation capacity per truck has surged by approximately 78%, while the workforce needed for transportation has decreased by around 40 personnel. This has resulted in annual labor cost savings of about RMB6 million, accompanied by a safety incident rate of zero, highlighting substantial economic and safety advantages.



8.1.6.4 Safety Management Indicators and Objectives

To clarify the main areas of safety management and effectively drive improvements in safety management performance, Conch Cement has established safety management targets for 2024. These targets are based on the achievement of past safety management goals and the completion of relevant indicators, and they include considerations for stakeholders (suppliers and contractors).

Conch Cement's Safety Management Targets for 2024

Zero Target

- Zero new case of occupational pneumoconiosis disease
- Zero fire-related accidents causing injuries or direct economic losses of RMB1 million or more

Non-Zero Target

- Injury rate of 1,000 employees is less than 1‰
- No more than 2 work-related fatalities of suppliers and contractors

During the Reporting Period, Conch Cement achieved all safety management targets. The key performance indicators related to safety management and production are presented in the table below:

Indicator	Unit	2024 Performance
New case of occupational pneumoconiosis disease	/	0
The case of fire-related incidents results in personal injuries or economic losses of RMB1 million or more	/	0
Injury rate per thousand employees	‰	0.958
Number of work-related fatalities of suppliers and contractors	/	2
Investment in employees' occupational health and safety	RMB100 million	2.14
Investment in production safety	RMB100 million	8.70
Coverage rate of occupational health examinations for employees	%	100

Conch Cement's Safety Management Performance for 2024

8.2 Excellent Quality

Conch Cement views product quality as the foundation of its existence and growth. We have established a rigorous quality management system, and strive to produce high-quality cement products, and also implement tiered evaluations and risk prevention for our suppliers to build a robust and reliable supply chain. At the same time, we uphold a customer-centric principle, ensuring professional customer service. Furthermore, we actively participate in industry and external exchanges and collaborations, continuously enhancing our technological innovation capabilities and earning widespread acclaim from all sectors of society.

8.2.1 Sustainable Supply Chains

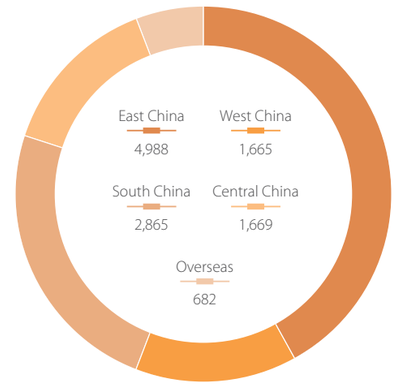
Anhui Conch Cement enhances supply chain sustainability through practical actions. We align our efforts with the Company's annual business development objectives, fully leveraging our functions to continuously optimize procurement processes. We strengthen supplier management, assess and mitigate supply chain risks, and empower suppliers to achieve mutual growth and win-win cooperation. We are committed to reinforcing the construction of a green and resilient supply chain, establishing an economic, safe, efficient, and stable supply structure.

Procurement Management

To enhance the efficiency of procurement management efficiency and ensure procurement quality, Conch Cement has established a clear procurement management system and continuously advance the development of a procurement management platform. We have formulated the *Measures for the Administration of Bidding for Material Procurement* and the *Interim Measures for the Management of Automobile Transportation Bidding*. During the Reporting Period, we also revised and improved the *Detailed Rules for the Implementation of Bidding for Material Procurement* guidance manual to standardize the bidding and procurement processes, strengthen standardized management during the bidding and contract execution of various raw materials, and reduce procurement risks. Additionally, by revising the *Guidance on Regional Material Procurement Center Construction*, we have planned an optimization framework for further enhancing the functions of our material procurement centers.

We adhere to localized procurement to achieve optimal resource allocation and maximize economic benefits. In procuring raw materials and auxiliary materials, we take into account various factors such as resource distribution, logistics conditions, and the convenience of regional industrial waste disposal, achieving 100% localized procurement of raw materials. Furthermore, we have established a material procurement model with unique Conch characteristics, creating a three-level procurement management structure consisting of the supply department, Regional Material Procurement Center, and subsidiary supply departments. This structure implements a management strategy that combines centralization with delegation, facilitating efficient and unified procurement management. The Company continues to promote the development of direct procurement for raw materials, with the proportion of direct procurement rising to 85% in 2024, effectively enhancing supply chain resilience.

Conch Cement is actively pursuing intelligent procurement strategies, enhancing the use of the "Conch Sunshine Intelligent Purchase Platform". This platform enables comprehensive online management throughout the full life cycle, from onboarding suppliers to evaluating them, thereby promoting transparency and openness in the procurement process. During the Reporting Period, we introduced a direct e-commerce procurement module to the platform to further streamline the procurement workflow.



Number of Suppliers by Regions

Supplier Management

Conch Cement rigorously complies with applicable laws and regulations in our supplier management practices, such as the *Measures for Supplier Management* and the *Measures for the Administration of Bidding for Material Procurement*. We have refined the *Measures for Supplier Management*, enhancing our suppliers' classification and dynamic management systems. During the Reporting Period, we publicly issued the *Conch Cement Supplier Code of Conduct*, which outlines explicit requirements and guidance for suppliers across several areas, including business ethics, avoidance of improper advantages, fair competition, regulatory compliance, quality and service, labor protection, safety, sustainable development, and data and privacy protection. This initiative fosters the ongoing enhancement of our suppliers' overall standards.

Conch Cement has established a full-process management system for suppliers, which includes three key components: supplier admission screening, regular supplier assessments, and supplier blacklist management.

Supplier Access

In the supplier access stage, we set precise requirements for suppliers regarding production quality, capacity, and delivery timelines. Our cooperation agreements with suppliers include provisions on safety management, employee rights and interests, business ethics, and anti-corruption. Additionally, we require all suppliers to obtain third-party certifications in quality management, environmental management, and safety management to ensure compliance with the Company's sustainable development requirements. Suppliers that excel in environmental protection, safety, human rights, and business ethics are given priority consideration. The Company has also established strict standards and requirements for suppliers concerning the safety management of relevant personnel. In procurement related to waste disposal, material transportation, and similar activities, we mandate that supplier personnel obtain necessary insurance and complete safety training. By the end of the Reporting Period, a total of 1,673 suppliers had received ISO 9001, ISO 14001, and ISO 45001 certifications, accounting for 14.9% of our registered suppliers.

Before the signing of business contracts, we sign the integrity agreements with suppliers to ensure both parties adhere to the supervision of integrity performance and execute contracts strictly compliance with legal and regulatory requirements. Additionally, we publicly announce complaint hotlines for suppliers and regional representatives during the bidding process to fully safeguard a clean operating environment for both parties. During the Reporting Period, the signing rate of the integrity agreements of the Group's suppliers reached 100%, and no supplier integrity issues occurred.

We further require suppliers to establish and adhere to comprehensive codes of conduct or policies within the *Conch Cement Supplier Code of Conduct* prohibiting all unethical or illegal business behaviors, including any form of bribery and corruption. Additionally, suppliers are expected to implement effective processes and procedures to address and mitigate the negative impacts of such behaviors.

Supplier Regular Assessment

During the regular assessment section, the Company conducts annual evaluations of suppliers, assessing them comprehensively based on dimensions such as business ethics, safety, sustainability, and labor protection. Based on the evaluation results, suppliers are classified 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.

Tier A 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.

Tier B 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.

Tier C 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

During the supplier blacklist management section, we have established the *Guidelines for Supplier Blacklist Management*. This guideline implements segmented management, classification, and tiered approval for non-compliant suppliers while ensuring open public disclosure and appeals channels. Additionally, we strengthen the application of the blacklist in daily procurement activities to enhance the long-term supplier evaluation system.

ESG Risk Assessment and Response of Supply Chain

To ensure stability and quality development in our supply chain, our company gathers information on national policies, industry information, market situation, and weather data in the cement sector on a biweekly basis. We compiled this data in the *Supply Information Briefing*. This briefing helps with supply market coordination and planning procurement strategies, allowing us to regularly spot potential environmental and social risks in the supply chain and strengthen our emergency response. During this Reporting Period, we identified five supply chain risks based on our operations.

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

Quality risk

- Risks in product quality of suppliers, such as the risk that the delivered materials fail to satisfy the quality specifications

Environmental risk

- Risks of negative impact on the environment during the operation of suppliers, risks of illegal emission, etc.

Safety risk

- Safety risks in the production process, such as the risk of work injuries and work-related fatalities

Employment risk

- Risks in labor rights and interests of suppliers, such as illegal recruitment of child labor and forced labor

In response to the aforementioned risks, we further strengthened our ESG risks management system associated with suppliers during the Reporting Period. Through the *Conch Cement Supplier Code of Conduct* we clarified the key ESG management topics that suppliers must adhere to and required them to establish corresponding management systems, review processes, and procedures to collaboratively mitigate ESG risks within the supply chain.

In terms of environmental requirements for suppliers and the control of hazardous waste emissions, Conch Cement has included the environmental impacts caused by the production and operation processes of suppliers and contractors as an assessment criterion in the relevant content of suppliers' annual performance appraisal, and advocates that measures should be taken to reduce or eliminate pollutant emissions at source, identify, label and manage chemicals and other materials that may pose a risk to humans or the environment, and ensure that they are safely handled, moved, stored, used, recycled or reused and disposed of, so as to jointly help reduce the harmful emission footprint of the value chain.

Supplier Empowerment

While strengthening the supply chain system, Conch Cement establishes smooth communication and cooperation mechanisms for all suppliers, assisting them in achieving technological breakthroughs, enhancing their competitiveness, and realizing mutual benefits and win-win outcomes.

Tongling Conch Collaborates with Tongling Chemical Group to Jointly Promote the Harmless Treatment of Phosphogypsum

To expand the utilization pathways of Phosphogypsum, promote its harmless treatment, and reduce disposal costs, Tongling Conch Cement has partnered with Tongling Chemical Group to implement a phased purification experiment of Phosphogypsum. Utilizing experimental data for continuous product optimization, this initiative significantly enhances the utilization efficiency of Phosphogypsum. Moreover, it provides Tonghua Group with the momentum for transformation and upgrading, facilitating the efficient productization of solid waste resources and paving the way for a new chapter in resource recycling.



Employees of Tongling Conch and Tongling Chemical Group at the Project Site

8.2.2 Quality First

Conch Cement considers product quality the foundation of business growth, and we are committed to continually enhancing our quality management system. We adopt a customer-focused strategy to foster product research and innovation. Furthermore, we utilize digital systems to improve the efficiency of our quality management practices.

Quality Management System

Conch Cement continuously enhances its quality management system by strictly adhering to various quality management policies and regulations. We have established a three-level quality management system and implemented a distinctive quality management model known as "One Concentration, Six Unifications[18]". This centralized management approach unifies requirements to ensure exceptional product quality.

In our quality management efforts, 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 edited internal quality standards such as "Conch" Silicate Cement and Clinker and *"Conch" General Silicate Cement*", which further clarify the quality control benchmarks for our products. As of the end of the Reporting Period, 144 subsidiaries of Anhui Conch Cement have obtained ISO 9001 quality management system certification, an increase of 19 subsidiaries from the previous year.

To ensure the effectiveness of our quality management implementation, we have established a three-level quality management system comprising the Quality Department, the Regional Quality Specialist Team, and the Quality Control Department of Subsidiaries. This system encompasses the entire quality control process, from raw material inspection to product identification and research and development.

[18] "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".

Quality Department:

Responsible for overseeing product quality and ensuring project quality assurance, promoting effective resource utilization, implementing product inspection and certification, driving R&D innovation, maintaining brand image, and coordinating daily operational management.

Regional Quality Specialist Team:

Responsible for preparing and reviewing the annual comprehensive production and operation plan, providing professional technical support and coordination services, organizing specialized exchanges and training, arranging focused inspections and mutual checks, and managing major quality incidents and customer complaints.

Quality Control Department of Subsidiaries:

Responsible for the acceptance of raw materials quality, supervising quality process control, implementing quality inspection standards, maintaining the quality management system, optimizing after-sales service, standardizing trademarks and packaging design, and promoting professional training, team building, and performance evaluation.

Conch Cement's Three-level Quality Management System

While continuously strengthening the construction of our quality management system, we have also implemented multiple quality supervision projects. During the Reporting Period, our subsidiaries conducted various specialized inspections for quality management, covering compliance checks of raw material acceptance, special inspections of export products, and spot checks on the effectiveness of the intelligent quality control system. Throughout Quality Month, a total of 406 professional inspections were conducted, identifying and resolving 1,836 actual issues, which significantly enhanced our quality management level.

In response to product returns, exchanges, and complaints, the Company has formulated 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* among other regulatory documents. These clearly outline the processes for product returns and exchanges, as well as the mechanisms for handling complaint incidents, providing comprehensive assurance for product quality. During the Reporting Period, Conch Cement did not experience any product quality incidents, nor were there any products recalled due to safety and health issues.

Digitizing Quality Management

To enhance quality management efficiency, Conch Cement is actively advancing the development and upgrade of a digitizing quality management system. We have established a comprehensive digital quality management system that includes a quality control system, quality management system, quality prediction system, and quality traceability system, all providing firm, intelligent support for quality control. The digitizing quality management system has now achieved full coverage, and the quality control system is operational across more than 70 production lines.

Conch Cement has achieved significant success through independent research and promotion in developing an intelligent management system. Haibo Intelligent has successfully implemented unmanned group operations with wide-bodied vehicles in the unmanned driving sector, representing a noteworthy milestone in our intelligent transformation. Shanghai Zhizhi has established a comprehensive intelligent quality management system and full life cycle management for equipment, alongside a research and development framework for both software and hardware. In intelligent equipment management, we have created an intelligent operation and maintenance system centered around the equipment management system and main engine diagnostic system, enabling full life cycle management and predictive maintenance for equipment. This transition shifts traditional manual inspections to specialized point inspections, while also actively promoting the development of intelligent equipment, including but not limited to a 3D inventory system, dry fog dust-reducing system, and intelligent lubrication. Moreover, the automatic loading system created by Conch Zhongnan has been successfully implemented across 144 lanes, greatly enhancing logistics efficiency and automating the process. The expert optimization operation system developed by the Information Engineering Company has been deployed in 16 kilning and grinding systems, delivering intelligent decision support for production optimization, thereby reducing costs and increasing efficiency. Using the Baimashan Cement Plant as a pilot project, we are establishing a fully autonomous smart factory through comprehensive quality control and intelligent management solutions, leading to smart and efficient operations throughout the entire production process.

The digital economy sector is actively focusing on cost reduction and efficiency enhancement, as well as green and environmental protection goals, by developing ultra-low emission integrated platforms and online carbon emission monitoring systems. Concurrently, we are embracing AI technology, aiming to create the first large-scale artificial intelligence models and applications in the building materials industry.

Quality Culture Construction

Conch Cement focuses on elevating the Company's quality management standards by enhancing employees' awareness of quality responsibility. During the Reporting Period, the Company promoted quality culture through specialized training, organized skill competitions, and launched "Quality Month" activities, thereby raising employees' quality consciousness and advancing the construction of the Conch Cement branding.

2024 "Quality Month" Activity

In 2024, the Company dedicated its efforts to the theme "Strengthening Quality Support, Building a Quality Power Nation", embodying the vision of "Innovation Driving Quality, Brand Creating Value". A diverse array of engaging events for "Quality Month" was meticulously organized and executed to reinforce this significant theme.

In "Quality Month", we implemented quality commitment signing and quality oath activities. We successfully organized 10 quality speeches and held 62 quality knowledge competitions, in addition to conducting 268 quality training sessions that involved a total of 4,769 participants, thereby promoting a strong quality culture. Furthermore, the group hosted 157 technical competitions with 1,805 participants actively engaged.



Quality Knowledge Competition at Digang Conch



Quality Month Handwritten Report Competition at Tongling Conch

During the Reporting Period, we achieved numerous honors through our exceptional product quality and continuous quality control management. In the 19th National Comparison of Chemical Analysis of Cement, 4 companies, Tongling, Liangping, Chongqing and Xiangshan Conch, won the Grand Prize; and 35 companies, including Baima, Shuicheng, Xingye and Yiyang Conch, won the Overall Excellence Prize.

Award	Date	Awarding Institution
First Prize for Quality Management Activities in the Building Materials Industry in 2024	December 2024	China Building Materials Federation
Group Third Prize in the Final of "National Building Materials Industry Employees Promoting High Quality Development (Quality Management Direction) Competition"	September 2024	The National Committee of the China Machinery, Metallurgical and Building Materials and the China Machinery, Metallurgy and Building Materials Workers Technical Association
Grand Prize in the 19th National Comparison of Chemical Analysis of Cement	September 2024	China Testing & Certification International Group Co., Ltd., National Quality Supervision and Testing Center for Cement, China Cement Association Standards and Quality Professional Committee
Overall Excellence Prize in the 19th National Comparison of Chemical Analysis of Cement	September 2024	China Testing & Certification International Group Co., Ltd., National Quality Supervision and Testing Center for Cement, China Cement Association Standards and Quality Professional Committee

Protection of innovations

Conch Cement always regards innovation as a growth engine for long-term development. During the Reporting Period, we further revised our innovation management system and innovation management process, and continued to strengthen the cultivation and introduction of innovative talents, so as to continuously enhance our innovation research and development system. Focusing on solving bottlenecks in production technology and optimising operation and management, we have set up and implemented more than 1,000 innovation projects such as micro-innovation and rationalisation suggestions throughout the year in order to further enhance the quality of the Company's production and operation. In addition, we have organised a number of scientific and technological innovation activities, such as the All Staff Micro-Innovation Award and the Scientific and Technological Innovation Award Selection, in order to stimulate the enthusiasm of all staff for innovation. During the Reporting Period, the Company's investment in R&D (excluding investment in fixed assets) amounted to RMB1,257 million.

In terms of protection of innovation achievements, Conch Cement places a high priority on the application and protection of intellectual property rights, providing reliable support for innovative technological achievements through concrete actions. We strictly adhere to 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 relevant laws and regulations, we continuously improve the *Interim Measures for the Management of Intellectual Property Rights of Conch Cement* to clarify the scope of intellectual property duties and management, as well as the mechanism of rewards and punishments, in order to effectively promote the management of intellectual property rights.

Moreover, the Company takes a proactive stance against infringement and counterfeiting to maintain the integrity and reputation of the Conch brand. During the Reporting Period, we discovered four production sites in Shanghai and Jiangsu responsible for manufacturing counterfeit Conch Cement products, totaling 81 tonnes. We have collaborated with local market regulatory authorities to seize and confiscate these counterfeit items. This effort not only protects consumer rights but also preserves the brand image of Conch Cement, thereby enhancing the Company's competitiveness in the marketplace.

With continuous investment in innovation and R&D and strict protection of innovation results, Conch Cement has achieved remarkable results in innovation and R&D. During the Reporting Period, we applied for a total of 476 patents, including 151 invention patents, and have obtained 355 patent authorisations, with 40 authorised invention patents. By the end of the Reporting Period, Conch Cement has owned 1,305 valid patents. Meanwhile, we have won 1 National Science and Technology Progress Award, 3 Provincial Science and Technology Progress Awards, and 3 Industry-level Science and Technology Awards, further consolidating our leading position in the industry.

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



National Science and Technology Progress Award



Shanghai Municipal Science and Technology Award



Anhui Province Science and Technology Award



Henan Province Science and Technology Progress Award



Building Materials Science and Technology Award

8.2.3 Customer-oriented

Conch Cement always prioritizes customer needs, dedicating itself to providing high-quality products and standardized services and focus on protecting customer rights. We continually refine the process of handling and responding to customer complaints, ensuring that communication channels remain open and accessible. Our commitment is to provide customers with excellent product-use experience sincerely.

Responsible Marketing

Conch Cement adheres to the sales principles of "openness, fairness, and impartiality". Upholding the operational mission of delivering "highest quality and sincere service" by rigorously controlling product quality and enhancing our service system, creating value for our customers through advanced industry practice and robust supply capabilities. Furthermore, we have cultivated a sales culture focused on "integrity, fairness, service, and value", fostering an honest sales environment. Our marketing policies are designed to be equitable, ensuring that all customers are treated fairly, and that no misleading information is shared or unfair marketing practices are employed.

In terms of the code of conduct for sales personnel, the Company signs the *Integrity Agreements* with customers and sales personnel every year; and has constantly improved the sales management 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 punishment measures for violations of sales personnel and standardizing the behavior constraints of sales personnel. To strengthen marketing risk prevention and control, we regularly conduct online and on-site training for sales personnel, covering topics such as ethical conduct and compliance management. Our company has also established communication channels, including a dedicated sales supervision hotline, to provide customers with a seamless feedback system. Upon receiving a sales report, a designated team conducts real-time verification and documentation of the reported information, promptly informing the whistleblower of the outcome to ensure all violations and potential issues are identified and addressed promptly.

Smooth and fast Communication:
The Company establish multiple channels for reporting violations such as"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 to making the communication channel fast and smooth.

Proactively seeking the opinion:
Proactively understand, reveal and deal with violations of discipline, and establish a three-level telephone consultation mechanism comprising the "headquarters, regional departments and subsidiaries" to proactively understand customer demands and collecting customer feedback.

Serious handling:
Any actions that violate national laws and regulations or company policies will be subject to strict accountability. Disciplinary actions will be imposed based on the severity of the violations.

Handling Mechanism of Conch Cement for Sales Violations

During the Reporting Period, Conch Cement actively deployed overseas marketing activities and brand promotion strategies, demonstrating its commitment to responsible marketing practices through tangible actions. We conducted over 160 terminal discussions in regions such as Indonesia, Uzbekistan, and Myanmar. We also organized various activities, including "Plants Open Days" and large-scale promotional events, to connect closely with terminal customers and enhance our brand image and customer recognition.

Tashkent Conch awarded 'Best Cement Brand of the 2024' of Association of Enterprises of Building Materials Industry of Uzbekistan

In 2024, Tashkent Conch focused on the four dimensions of customer service and endeavoured to improve customer satisfaction and brand reputation. The Company invested RMB710,000 in advertisement, made more than 8,000 pieces of brochures, cultural shirts, loading and unloading uniforms and other promotional materials, put 20 bus advertisements, 2 outdoor billboards, 130 outlets, sent 179 tonnes of samples, carried out 7 customer presentations, 1 building materials exhibition and sale, with the participation of more than 600 people, and co-sponsored the 'Uzbekistan International Cement Technology Conference (2024 CEMENTTECH UZ)', which significantly increased the influence of the brand of Conch Cement. (2024 CEMENTTECH UZ), the brand influence of Conch Cement was significantly enhanced. During the Reporting Period, Tashkent Conch awarded 'Best Cement Brand of the 2024' of Association of Enterprises of Building Materials Industry of Uzbekistan.



Uzbekistan Tashkent Conch's Customer Representative Conference



Acceptance of award

Customer Service

We continually strengthen our management initiatives in customer service and communication, enhancing customer satisfaction and protecting customer privacy. We aim to deliver exceptional customer experience by profoundly understanding client needs.

In response to customer complaints, our company has enacted 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*. This proactive strategy has resulted in the creation of a comprehensive complaint management system. Additionally, we have launched the "I Want to Complain" WeChat mini-program and the "400 National Service Hotline" to continuously improve our customer communication system. Upon receiving a complaint, we assign a specialist to document the details and communicate them to the relevant departments and subsidiaries for resolution. The specialist also conducts follow-ups to assess customer satisfaction regarding the resolution. For complaints related to product quality, we require subsidiaries to promptly notify the Quality Dispute Handling Team, ensuring that a specialist is dispatched to the site within the designated timeframe to verify and effectively address the complaint.

To enhance customer satisfaction, we regularly conduct satisfaction surveys to gather customer feedback and suggestions. Our company conducts an online customer satisfaction survey through the e-commerce platform of cloud sales system every 6 months, while each subsidiary carries out its own satisfaction survey on a quarterly basis. We organize specialized meetings to define the roles and responsibilities of each entity in enhancing customer satisfaction based on the survey results. During the Reporting Period, we strengthened customer interaction and communication through regular visits, driver group conference, and the selection of annual service benchmark factories, which helped elevate service standards and quality. We engaged with a total of 1,155 customers and gathered 106 valuable suggestions for quality improvement. By the end of the Reporting Period, the overall customer satisfaction rate for Conch Cement reached 99%.

Spotlight on Conch Cement's Customer Service

Subsidiaries in the Yunnan region have launched the "Driver's Home" initiative, providing drivers with meals, fruit, mineral water, and delivering holiday welfare items, offering customers a one-stop caring service.



Driver's Home in Yunnan Region

Yingjiang Conch in Yunnan leveraged its production technology strengths to provide comprehensive inspection and maintenance services for mixing station customers, earning high praise and affirmation from them.



Yingjiang Conch supports customers with equipment maintenance.

In terms of protection of customer privacy, we keep the customer information collected and obtained during business cooperation, including sensitive data and personal privacy, strictly confidential by applying information encryption technology and data access authority mechanisms. We also implement a classified and tiered management system for customer information, regularly deleting the information to prevent any leaks. At the same time, the sales contracts signed by Conch Cement and customers all stipulated the relevant confidentiality clauses, and we require all sales personnel to sign the *Confidentiality Agreements* to clarify their due obligations and responsibilities, effectively protecting customers' privacy and trade secrets. During the Reporting Period, Conch Cement did not experience any incidents of customer privacy or information breaches.

Customer Recognition

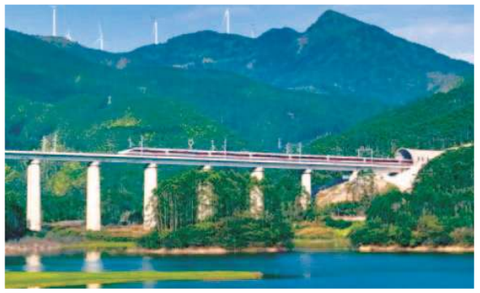
Conch Cement has earned widespread recognition from customers for its excellent quality and premium services. During the Reporting Period, Conch Cement was awarded "Excellent Supplier" and "Excellent Partner" titles in 46 domestic projects, including the Guiyang-Nanning Railway, Zhenguang Expressway, and Shanghai-Nanjing High-speed Railway.

Promote Development by Guaranteeing Supply to Projects

Conch Cement has established a specialized supply assurance team for key engineering projects, including high-speed railways and cross-sea passages. They implement a standardized service guarantee system that manages cement production, quality, dispatch, and service, ensuring a reliable supply of high-quality materials. These efforts enhance regional transportation networks, boost economic competitiveness, and foster the region's high-quality economic and social development.



Chengdawan & Xi'an-Chongqing High-speed Railway guarantee supplied by Dazhou Conch



Nanning-Yulin High-speed Railway (NYHSR) guarantee supplied by Xingye Conch



Xuancheng-Jixi High-speed Railway guarantee supplied by Ningguo Cement Plant



Chizhou-Huangshan High-speed Railway (CHHSR) guarantee supplied by Tongling Conch



Shenzhen-Zhongshan Bridge (SZC) Railway guarantee supplied by Yingde Conch



Huangmao Sea Cross-Sea Channel guarantee supplied by Yingde Conch

8.2.4 Industry Exchange

Conch Cement upholds the principle of open cooperation and mutual benefit, actively establishing close partnerships with peer companies and academic institutions. The Company diligently advances research projects, engages in industry activities, and fosters in-depth exchanges with peers to promote sustainable development within the industry jointly.

In terms of formulation of industry standards, Conch Cement participated in the formulation of seven national, industry, and group standards during the Reporting Period, including the *Determination Method of Total Chromium in Cement Raw Materials*, the *Autoclave Method for Soundness of Portland Cement*, the *Method for Chemical Analysis of Gypsum* and the *Portland Cement used for Ocean Project*; through these concrete actions, we are dedicated to advancing the standardization process within the industry.

The Company actively participates in various research collaboration projects with universities, focusing on technologies and processes that improve industry standards regarding school-enterprise collaboration. During the Reporting Period, we work closely with Wuhan University of Technology to enhance efficient carbon-sequestering fiberboard preparation techniques, contributing to a sustainable future in scientific materials. Our partnership with Xi'an University of Architecture and Technology focuses on innovative low-carbon materials, driving the transformation of the building materials industry towards lower carbon emissions. In collaboration with Sichuan University, we are engaged in the integrated technology for desulfurization, decarbonization and mineralization of solid waste gypsum, achieving significant advancements in resource recycling. Additionally, our efforts with Hefei University of Technology have led to the meticulous design of novel hydrophobic electrolytic cell based on bismuth-oxidizing catalysts, which supports the development of efficient energy storage solutions. Furthermore, our collaboration with the University of Science and Technology of China targets novel Aerogel nano insulation materials, creating a technological barrier for energy conservation and emissions reduction. Through these close school-enterprise partnerships, we cultivate specialized talent and explore cutting-edge green technologies in the industry.

In addition, the Company actively participates in various industry activities, engaging in in-depth exchanges with peers and partners on topics such as digital and intelligent transformation, the dual carbon strategy, and new productive forces, striving to contribute to the industry's sustainable development.

Conch Cement Participated in the Establishment Ceremony of ESG Development Alliance of the G60 Technology Innovation Corridor in the Yangtze River Delta

On November 9, 2024, the 7th China International Import Expo 2024 G60 Technology Innovation Corridor in the Yangtze River Delta High Quality Development Factor Matching Conference was held at Shanghai National Exhibition and Convention Center, and Conch Cement as a founding representative of the ESG Development Alliance, was invited to attend the establishment ceremony of ESG Development Alliance of the G60 Technology Innovation Corridor in the Yangtze River Delta. This participation not only aids in implementing and innovating the Company's ESG projects but also fosters the advancement of ESG practices in the building materials industry.



The Establishment Ceremony of ESG Development Alliance of the G60 Technology Innovation Corridor in the Yangtze River Delta

8.3 Joint Creation and Common Prosperity

Conch Cement understands that the symbiotic relationship with the society is the foundation for sustainable long-term development. We uphold open and inclusive principles and are engaged in developing the local community. Before launching community engagement activities, we perform an initial scoping of affected communities, relevant regional stakeholders, and vulnerable populations within our area of operations to better understand their needs. To align with local stakeholders and ensure that the rights and interests of local stakeholders are fully respected, we have established effective communication mechanisms to maintain close communication with local communities.

8.3.1 Community Welfare

Conch Cement consistently focuses on the public's needs and expectations, while constantly fulfilling its corporate social responsibility. The Company has always engaged in social welfare through various activities including caring for vulnerable groups, protecting the ecological environment, visiting families in difficulty, etc. In the Reporting Period, RMB8.1075 million was distributed in donations and materials.

Conch Care Station Spreading Love on National Highway 318

In September 2024, Jianan Conch established the Conch Care Station as part of its involvement in the Rural Revitalization Material Transfer Station project in Zhuba Village, Baima Town. This facility provides complimentary services such as rest areas, drinking water, oxygen supply, medical first aid supplies, and phone charging to visitors. This initiative also reflects Conch's commitment to social responsibility and support for the community.



National Highway 318 Convenience Service Point



Clearing Snow on National Highway 318

Since its entrance into Tibet in 2018, Conch Cement has comprehensively implemented the party's strategy for governing Tibet in the new era, rooted in Tibet, served Tibet, inherited and promoted the "Spirit of old Tibet", and successively built clinker production lines, cement mill production lines, photovoltaic power generation, and other projects, contributing to the local economic development of the power of Conch. While fully fulfilling the economic and political responsibilities of state-owned enterprises, Conch Cement actively practices its social responsibilities by engaging in rural revitalisation, volunteer services, emergency rescue and other work, so as to make the flower of national unity blossom and flourish, which is unanimously recognised by all walks of life and highly evaluated by the local government.



Visiting and greeting during festivals



Planting 'National Unity Forest' with local government

8.3.2 Rural Revitalization

Conch Cement adheres to its founding principles and actively responds to the national strategy for rural revitalization, deeply implementing the directives from the Anhui Provincial Party Committee and Provincial Government. As a designated support responsibility unit, we have refined our assistance measures and strengthened management to ensure the effective advancement of our support initiatives. During the Reporting Period, we concentrated our advantageous resources, investing a total of RMB119,400 in support efforts. Our targeted strategies have significantly improved local infrastructure and effectively enhanced the quality of life for residents, thereby promoting the economic and social development of the supported areas.

Building a Livable Environment Together

During the Reporting Period, Anhui Conch Cement installed solar streetlights along the newly constructed concrete road in Jianglaojia Village, Jiangji Town, Lixin County; assisted in the repair of concrete ditches in Pingding Village, Yanqiao Town, Wuwei City; and carried out cement hardening treatments on Fuwo Road and Yongxing Road in Wangren Town.



Cement hardening treatment for Fuwo Road in Wangren Town



Repairing concrete ditch in Pingding Village, Yanqiao Town

Building a Beautiful Home Together

On September 13, 2024, the Youth League Committee of Conch Cement organized a group of young members to visit Pingding Village in Yanqiao Town, Wuwei City, to carry out the rural revitalization theme activity " Building Dreams with Villages, and Youth Together". We contributed to rural revitalization through donations of materials, mural painting, visits to the 7th Division of the New Fourth Army Memorial Hall, and team-building activities. We showcased the vibrant spirit of Conch's young employees.



The Group Photo of Rural Revitalization Activities



Pingding Village Kindergarten Volunteer Activities

8.3.3 Performing Responsibilities Overseas

While advancing its overseas business development, Conch Cement always considers and fulfills its social responsibilities. The Company closely monitors and responds to the actual needs of local communities, providing substantial assistance in areas such as education and disaster relief, demonstrating the responsibility and commitment of Chinese enterprises through tangible actions.

Crossing Borders, Delivering Love without Boundaries

Indonesia South Conch sent Indonesian students study aboard in China to help local students realize their dreams of studying.

Conch Cement in Myanmar sent aid materials to local residents affected by Typhoon Capricorn to help them overcome difficulties.



Indonesian students studied aboard in China



Conch Myanmar provided local disaster relief

09

Looking Forward 2025

As the years change, new chapters emerge. The year of 2025 is the final year of the 14th Five-Year Plan, the layout year for the 15th Five-Year Plan, and also an important year for comprehensively deepening reforms. Under the trend and background of profound adjustment of the global economic situation and climate change, Conch Cement will accurately grasp the pulse of the times, focus on the primary industry, expand the industrial chain, vigorously develop new quality productive forces, deepen the intellectualization and digitalization of the industrial innovation, and create a new mode of sustainable development with the features of Conch.

In 2025, the Group will lead the development with innovation and low-carbon, unswervingly implement the low-carbon development strategy, and accelerate the achievement of carbon neutrality. We will continue to focus on pollution reduction and carbon reduction, strengthen the research and development and application of energy-saving and emission reduction technologies, empower environmental and carbon reduction management with intelligent means, deepen the whole chain of low-carbon operation of "carbon emission reduction at source, carbon emission decrease in the process, carbon sequestration at terminal", and commit ourselves to creating an industry example of green transformation.

In 2025, the Group will continue to adhere to the business tenet of "the highest quality and the sincerest service", strengthen the quality control of the whole product cycle, optimize the customer experience, and provide customers with assured and satisfactory products and services. We will continue to improve our supplier management process, strengthen ESG risk assessment and response in the supply chain, and work together to build a sustainable and responsible supply chain system.

In 2025, the Group will further optimize its governance structure and strengthen the penetration of the concept of sustainable development in its operations and decision-making, so as to ensure compliant operations, continuously strengthen the foundation of the Company's sound development, enhance its ability to identify and respond to various types of risks, and promote the Company's high quality development. We will continue to pay attention to the concerns and demands of our stakeholders and open up and maintain a good interactive relationship.

In 2025, the Group will continue to focus on the strategy of "Strengthening Enterprises with Talents" , strengthen talent attraction and talent cultivation, and help employees realize their self-worth, so as to build an industry-leading talent gathering place. We will actively respond to the reform of the construction of the industrial workforce, improve the remuneration and welfare protection system, promote the care for employees to go deeper and deeper, continue to enhance the happiness and satisfaction of employees, and guard the cornerstone of growth with all our heart.

In 2025, the Group will uphold the social responsibility concept of ' Originated from the society, give back to the society', continue to pay attention to the needs of social welfare, further expand the breadth and depth of public welfare undertakings, and interpret the responsibility with practical actions. We will promote rural support, contribute to the construction of sustainable and beautiful villages, and assist in the full implementation of the strategy of rural revitalization.



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 (SF_6).
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, 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.
Domestic waste treatment technology with the use of cement kilns	A technology for treatment of urban domestic waste by using the high temperature of the cement kilns, and is an ideal alternative to traditional landfill treatment method that takes up large area of lands and results in environment pollution. This technology is the first of its kind in the world, which, without classification of wastes, enables degradation of dioxins without producing any undesirable odours and allows solidification of heavy metals and purification of sewage at the same time.
RDF	RDF is the short name for Refuse Derived Fuel, it has the characteristics of high calorific value, stable combustion, convenient for transport and storage, low secondary pollution and low emission of dioxin-like chemicals and is widely used in the fields such as dry process, cement manufacturing, heating engineering and power generation project.
Cement kiln co-incineration of fly ash technology (CADS)	A technology for co-disposal of fly ash generated in the waste incineration process by utilizing the high-temperature environment of cement kilns after pre-treatment. The technology realizes the harmlessness, reduction and resource utilization of fly ash through the steps of washing, drying and high-temperature calcination.
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
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**
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**
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**
Wastes	100% compliance disposal of hazardous wastes and 100% recycling of general solid waste	/	100%	100%	100%	**100%**

All Performance Indicators	Unit	Indicator data in 2023	Indicator data in 2024
Clinker production capacity	100 million tonnes	2.72	**2.74**
Cement production capacity	100 million tonnes	3.95	**4.03**
Aggregates production capacity	100 million tonnes	1.49	**1.63**
Commercial concrete production capacity	10,000 cubic meters	3,980	**5,190**
Revenue from principal operations	RMB100 million	1,409.99	**910.30**
Payment of taxes	RMB100 million	71.69	**73.58**
Investment in environmental, technological improvement	RMB100 million	15.50	**8.46**
Investment in energy conservation and emission reduction	RMB100 million	26.00	**26.66**
Total Sulfur dioxide emissions	Tonne	6,101	**6,288**
Average emission concentration of Sulfur dioxide	mg/Nm^3	12.95	**14.58**
Total Nitrogen oxides emissions	Tonne	52,817	**42,567**
Average emission concentration of Nitrogen oxides	mg/Nm^3	132.59	**117.10**
Total particular matter emissions	Tonne	2,441	**2,010**
Average emission concentration of particular matter	mg/Nm^3	3.88	**3.32**

All Performance Indicators	Unit	Indicator data in 2023	Indicator data in 2024
Greenhouse gas direct emission (Scope I)	tCO_2	175,889,434	**174,027,718**
Greenhouse gas indirect emission (Scope II)	tCO_2	7,889,128	**8,132,792**
Total greenhouse gas emission (Scope I + Scope II)	tCO_2	183,778,562	**182,160,510**
Greenhouse gas emission per unit clinker (clinker process)	tCO_2/t-clinker	0.8270	**0.8112**
Greenhouse gas emission per unit operation revenue	tCO_2/RMB100 million	130,339	**200,110**
Direct energy consumption	10,000 tonnes of standard coal	2,344.60	**2,257.09**
	10,000 MWh	19,077.30	**18,365.28**
Indirect energy consumption	10,000 tonnes of standard coal	166.47	**202.88**
	10,000 MWh	1,354.52	**1,650.79**
Total renewable energy consumption	10,000 tonnes of standard coal	/	**0.34**
	10,000 MWh	/	**2.74**
Total non-renewable energy consumption	10,000 tonnes of standard coal	/	**2,459.63**
	10,000 MWh	/	**20,013.33**
Total energy consumption	10,000 tonnes of standard coal	2,511.07	**2,459.97**
	10,000 MWh	20,431.81	**20,016.07**
Energy consumption per unit clinker (clinker process)	kg of standard coal/t-clinker	102.63	**99.84**
	MWh/t-clinker	0.8351	**0.8124**
Energy consumption per unit operation revenue	10,000 tonnes of standard coal/ RMB100 million	1.78	**2.70**
	10,000 MWh/RMB100 million	14.49	**21.99**
Wind power generation	10,000 kWh	113	**105.76**
Optical storage power generation	100 million kWh	4.29	**5.15**
Total amount of hazardous wastes	Tonne	5,283	**7,849**
Hazardous wastes per unit operation revenue	t-hazardous waste/ RMB100 million	3.75	**8.62**
Total amount of general solid waste	Tonne	474,191	**590,108**
General solid waste per unit operation revenue	t-general solid waste/ RMB100 million	336.00	**648.26**
Discharge of wastewater after treatment that meeting the wastewater discharge standard	Tonne	513,367	**522,563**

All Performance Indicators		Unit	Indicator data in 2023	Indicator data in 2024
Total water consumption		Tonne	97,598,412	**98,113,782.87**
Water consumption intensity per unit clinker		t-water consumption/t-clinker	0.308	**0.303**
Water consumption intensity per unit operation revenue		t-water consumption/ RMB100 million	69,218.73	**107,781.81**
Quantity of cement package bags consumed		Tonne	100,533	**100,500**
Cement package bags consumed per unit operation revenue		Tonne/RMB100 million	71.28	**110.40**
Total treatment with cement kiln		Tonne	3,205,250	**3,892,549**
Total number of employees		Person	50,769	**49,397**
By gender	Male	Person	42,879	**41,887**
	Female	Person	7,890	**7,510**
By rank	Senior management	Person	740	**716**
	Middle management	Person	3,219	**3,417**
	Ordinary employee	Person	46,810	**45,264**
By age	Under 30	Person	8,806	**7,049**
	30–40	Person	23,934	**21,478**
	41–50	Person	13,415	**15,437**
	Above 50	Person	4,614	**5,433**
By region	East China	Person	5,318	**5,292**
	West China	Person	11,635	**11,020**
	South China	Person	7,675	**7,341**
	Central China	Person	21,669	**21,238**
	Overseas	Person	4,472	**4,506**
By service years	Under 5 years	Person	6,553	**7,014**
	5–10	Person	9,214	**8,590**
	11–20	Person	22,607	**23,068**
	Above 20 years	Person	12,395	**10,725**
By educational level	Bachelor degree or above	Person	10,527	**11,254**
	College degree	Person	10,700	**11,006**
	Below college degree	Person	29,542	**27,137**

All Performance Indicators		Unit	Indicator data in 2023	Indicator data in 2024
Proportion of female members of management		%	5.46	**5.54**
Proportion of minority members of management		%	4.04	**3.85**
Employee turnover rate		%	5.99	**5.25**
By gender	Male	%	5.93	**5.30**
	Female	%	6.30	**4.41**
By age	Under 30	%	11.99	**12.65**
	30–40	%	5.27	**4.11**
	41–50	%	3.24	**2.20**
	Above 50	%	4.72	**11.50**
By region	East China	%	5.83	**4.91**
	West China	%	3.07	**5.83**
	South China	%	5.82	**5.39**
	Central China	%	4.22	**4.55**
	Overseas	%	13.44	**8.59**
Number and rate of work-related fatalities		2022	Person	1
			‰	0.0224
		2023	Person	2
			‰	0.0432
		2024	**Person**	**5**
			‰	**0.0975**
Lost days due to work injury		Day	14,430	**33,704**
New case of occupational pneumoconiosis disease		/	/	**0**
Fire accident causing injuries or direct economic losses of RMB1 million or more		/	/	**0**
Injury rate per thousand employees		‰	/	**0.958**
Work-related fatalities of suppliers and contractors		/	/	**2**
Investment in employees' in production safety occupational health and safety		RMB100 million	1.81	**2.14**
Investment in safe production		RMB100 million	8.39	**8.70**
Coverage rate of occupational health examinations		%	100	**100**
Total number of trained employees		Person	50,769	**49,397**
Total training time		Hour	4,657,198	**4,531,186**
Percentage of trained employees		%	100	**100**

All Performance Indicators		Unit	Indicator data in 2023	Indicator data in 2024
By gender	Male	%	84.46	**84.80**
	Female	%	15.54	**15.20**
By rank	Senior management	%	1.46	**1.45**
	Middle management	%	6.34	**6.92**
	Ordinary employee	%	92.20	**91.63**
Average training hours of employees		Hour	91.73	**92.00**
By gender	Male	Hour	91.60	**92.00**
	Female	Hour	92.50	**92.00**
By rank	Senior management	Hour	51.20	**53.00**
	Middle management	Hour	67.40	**63.00**
	Ordinary employee	Hour	94.05	**97.00**
Number of suppliers		/	8,017	**11,869**
By region	East China	/	3,317	**4,988**
	West China	/	1,589	**1,665**
	Central China	/	1,385	**1,669**
	South China	/	1,063	**2,865**
	Overseas	/	663	**682**
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	7,817,400	**8,107,500**
Anti-corruption training for members of the Board, Management and Employees		Number of individuals	149,000	**116,000**
		Time	33	**36**

Appendix III: HKEX ESG Guide Index

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.	Green development, protecting lucid waters and lush mountains – Eco-environmental protection-Emissions management p. 69 Green development, protecting lucid waters and lush mountains – Low-carbon transformation-Governance p. 56
	KPI A1.1	The types of emissions and respective emissions data.	Green development, protecting lucid waters and lush mountains – Environmental protection-Emission management p. 69
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green development, protecting lucid waters and lush mountains – Response to climate change-Indicators and Objectives p. 54
	KPI A1.3	Total hazardous wastes produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green development, protecting lucid waters and lush mountains – Environmental protection-Emission management p. 69
	KPI A1.4	Total non-hazardous wastes produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green development, protecting lucid waters and lush mountains – Environmental protection-Emission management p. 69
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green development, protecting lucid waters and lush mountains – Environmental protection-Emission management p. 69
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction target(s) set and steps taken to achieve them.	Green development, protecting lucid waters and lush mountains – Environmental protection-Emission management p. 69
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green development, protecting lucid waters and lush mountains – Environmental protection-Resource utilization p. 76
	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).	Green development, protecting lucid waters and lush mountains – Response to climate change-Indicators and Objectives p. 54
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green development, protecting lucid waters and lush mountains – Environmental protection — Resource utilization p. 76
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green development, protecting lucid waters and lush mountains – Response to climate change-Indicators and Objectives p. 54 Green development, protecting lucid waters and lush mountains – Low-carbon transformation-Low-Carbon development strategy and implementation p. 56 Green development, protecting lucid waters and lush mountains – Environmental protection-Environmental management system p. 66
	KPI A2.4	Description of issue in sourcing water, water efficiency target(s) and steps taken to achieve them.	Green development, protecting lucid waters and lush mountains-Environmental protection-Environmental management system p. 66 Green development, protecting lucid waters and lush mountains-Environmental protection-Resource utilization p. 76
	KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green development, protecting lucid waters and lush mountains-Environmental protection-Resource utilization p. 76
A3: Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green development, protecting lucid waters and lush mountains-Environmental protection-Resource utilization p. 76 Green development, protecting lucid waters and lush mountains-Environmental protection-Resource utilization, green mines p. 79
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green development, protecting lucid waters and lush mountains-Environmental protection-Resource utilization p. 76 Green development, protecting lucid waters and lush mountains-Environmental protection-Green mines p. 79

ESG aspects, General Disclosure and KPI (KPI)			Chapter
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green development, protecting lucid waters and lush mountains-Low-carbon transformation-Governance p. 56
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green development, protecting lucid waters and lush mountains-Low-carbon transformation-Strategy p. 56
Society			
B1: Employment	General Disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Harmony and Integration for People's Well-being-Employee Development-Employee Employment, Employee Rights p. 87
	KPI B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	Harmony and Integration for People's Well-being-Employee Development-Employee Employment p. 87
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Harmony and Integration for People's Well-being-Employee Development-Employee Employment p. 87
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.	Harmony and Integration for People's Well-being-Employee Development-production safety p. 99
	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 p. 123
	KPI B2.2	Lost days due to work injury.	Appendix II- Summarization of Indicator Data p. 123
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Harmony and Integration for People's Well-being-Employee Development-production safety p. 99
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Harmony and Integration for People's Well-being-Employee Development-talent development p. 89
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Harmony and Integration for People's Well-being-Employee Development-talent development p. 89
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Harmony and Integration for People's Well-being-Employee Development-talent development p. 89

ESG aspects, General Disclosure and KPI (KPI)			Chapter
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.	Harmony and Integration for People's Well-being-Employee Development-Employee Employment p. 87
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Harmony and Integration for People's Well-being-Employee Development-Employee Employment p. 87
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Harmony and Integration for People's Well-being-Employee Development-Employee Employment p. 87
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Harmony and Integration for People's Well-being-remarkable quality-Sustainable supply chain p. 104
	KPI B5.1	Number of suppliers by geographical region.	Harmony and Integration for People's Well-being-remarkable quality-Sustainable supply chain p. 104
	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.	Harmony and Integration for People's Well-being-remarkable quality-Sustainable supply chain p. 104
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Harmony and Integration for People's Well-being-remarkable quality-Sustainable supply chain p. 104
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Harmony and Integration for People's Well-being-remarkable quality-Sustainable supply chain p. 104
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.	Harmony and Integration for People's Well-being-remarkable quality-Customer-oriented p. 112
	KPI B6.1	Percentage of total products sold or shipped subject to recall for safety and health reasons.	Harmony and Integration for People's Well-being-remarkable quality-Quality First p. 107
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Harmony and Integration for People's Well-being-remarkable quality-Quality First p. 107
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Harmony and Integration for People's Well-being-remarkable quality-Quality First p. 107
	KPI B6.4	Description of quality assurance process and product recall procedures.	Harmony and Integration for People's Well-being-remarkable quality-Quality First p. 107
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Harmony and Integration for People's Well-being-remarkable quality-Customer-oriented p. 112

ESG aspects, General Disclosure and KPI (KPI)			Chapter
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.	Lean Governance, the right path-Business Ethics-Policy and institutional guarantee p. 42
	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.	Lean Governance, the right path-Business Ethics-Business Ethics-Supervision and inspection mechanisms p. 43
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Lean Governance, the right path-Business Ethics-Reporting Channels p. 45
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Lean Governance, the right path-Business Ethics-Integrity-Based Culture p. 44
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.	Harmony and Integration for People's Well-being-Create common prosperity p. 117
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Harmony and Integration for People's Well-being-Create common prosperity p. 117
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Harmony and Integration for People's Well-being-Create common prosperity-Community Public Welfare p. 117

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	Green development, protecting lucid waters and lush mountains – Low-carbon transformation p. 56
	2	Pollutant discharge	Article 30	Green development, protecting lucid waters and lush mountains – Eco-environmental protection- Emissions management p. 69
	3	Waste disposal	Article 31	Green development, protecting lucid waters and lush mountains – Eco-environmental protection- Emissions management p. 69
	4	Ecosystem and biodiversity protection	Article 32	Green development, protecting lucid waters and lush mountains – Eco-environmental protection-Green Mines p. 79
	5	Environmental compliance management	Article 33	Green development, protecting lucid waters and lush mountains – Eco-environmental protection – Environmental Management System p. 66
	6	Energy usage	Article 35	Green development, protecting lucid waters and lush mountains- Addressing climate change — indicators and targets p. 54 Green development, protecting lucid waters and lush mountains – Low-carbon transformation – Low-carbon development strategy and implementation p. 56
	7	Usage of water resources	Article 36	Green development, protecting lucid waters and lush mountains – Eco-environmental protection- Use of resources p. 76
	8	Circular economy	Article 37	Green development, protecting lucid waters and lush mountains – Eco-environmental protection- Use of resources p. 76

Dimension	Number	Topic	Article	Chapter
Society	9	Rural revitalization	Article 39	Harmony and Integration for People's Well-being-Create common prosperity-Rural revitalization p. 118
	10	Contributions to the society	Article 40	Harmony and Integration for People's Well-being-Create common prosperity-Community Public Welfare p. 117
	11	Innovation-driven	Article 42	Harmony and Integration for People's Well-being-remarkable quality-Quality First, Industrial communication p. 107
	12	Ethics of science and technology	Article 43	Harmony and Integration for People's Well-being-remarkable quality-Quality First p. 107
	13	Supply chain security	Article 45	Harmony and Integration for People's Well-being-remarkable quality-Sustainable supply chain p. 104
	14	Equal treatment to small and medium-sized enterprises	Article 46	Harmony and Integration for People's Well-being-remarkable quality-Sustainable supply chain p. 104
	15	Safety and quality of products and services	Article 47	Harmony and Integration for People's Well-being-remarkable quality-Quality First p. 107
	16	Data security and customer privacy protection	Article 48	Harmony and Integration for People's Well-being-remarkable quality-Customer-oriented p. 112
	17	Employees	Article 50	Harmony and Integration for People's Well-being- Employee development p. 86
Sustainability-related governance	18	Due diligence	Article 52	Lean Governance, the right path- Risk management p. 46
	19	Communications with stakeholders	Article 53	ESG Management- Stakeholder communication p. 35
	20	Anti-commercial bribery and anti-corruption	Article 55	Lean Governance, the right path-Business Ethics p. 42
	21	Anti- unfair competition	Article 56	Lean Governance, the right path-Business Ethics p. 42

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

Contribution to SDGs	Action-Involving Chapters	
3 GOOD HEALTH AND WELL-BEING	Harmony and Integration for People's Well-being-Employee Development-Care for Employees, Production Safety	p. 99
4 QUALITY EDUCATION	Harmony and Integration for People's Well-being-Employee Development-talent development	p. 89
5 GENDER EQUALITY	Harmony and Integration for People's Well-being-Employee Development-Employee Rights	p. 87
7 AFFORDABLE AND CLEAN ENERGY	Green development, protecting lucid waters and lush mountains – Low-carbon transformation – Low-carbon development strategy and implementation	p. 56
8 DECENT WORK AND ECONOMIC GROWTH	Harmony and Integration for People's Well-being-Employee Development-Talent Strategy, Employee Employment, Employee Rights, Talent Development, Care for Employees	p. 87
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Harmony and Integration for People's Well-being-remarkable quality-Sustainable Supply Chain, Quality First, Customer-oriented	p. 112
13 CLIMATE ACTION	Green development, protecting lucid waters and lush mountains-Response to Climate Change, Low-Carbon Transformation, Environmental Protection	p. 50
15 LIFE ON LAND	Green development, protecting lucid waters and lush mountains – Eco-environmental protection- Green Mines	p. 79
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Lean Governance, the right path-Corporate Governance	p. 41
17 PARTNERSHIPS FOR THE GOALS	Harmony and Integration for People's Well-being-remarkable quality-Sustainable supply chain	p. 104

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	Harmony and Integration for People's Well-being-Employee Development-Employee Rights
Principle 2: Businesses should make sure that they are not complicit in human rights abuses	Harmony and Integration for People's Well-being-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	Harmony and Integration for People's Well-being-Employee Development-Employee Rights
Principle 4: Businesses should eliminate all forms of forced and compulsory labor	Harmony and Integration for People's Well-being-Employee Development-Employee Employment
Principle 5: Businesses should insist on the effective abolition of child labor	Harmony and Integration for People's Well-being-Employee Development-Employee Employment
Principle 6: Businesses should insist on the elimination of discrimination in respect of employment and occupation	Harmony and Integration for People's Well-being-Employee Development-Employee Rights

Environment	Corresponding Chapter
Principle 7: Businesses should support a precautionary approach to environmental challenges	Green development, protecting lucid waters and lush mountains – Eco-environmental protection – Environmental Management System
Principle 8:Businesses should undertake initiatives to promote greater environmental responsibility	Green development, protecting lucid waters and lush mountains – Eco-environmental protection – Environmental Management System
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Green development, protecting lucid waters and lush mountains – Low-Carbon Transformation – Low-Carbon Development Strategy and Implementation Green development, protecting lucid waters and lush mountains – Eco-environmental protection – Emission management, resource utilization, environmentally friendly development

Anti-corruption	Corresponding Chapter
Principle 10: Businesses should work against corruption in all forms, including extortion and bribery	Lean Governance, the right path-Business Ethics- Policy and institutional guarantee