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# 2025

## Sustainability Report

Beijing New Building Materials Public Limited Company (BNBM)

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# Introduction

This report describes the performance of Beijing New Building Materials Public Limited Company (hereinafter referred to as "BNBM", "the Company", or "we") in sustainability and social responsibility fulfillment in 2025, aiming to facilitate communication with stakeholders and respond to their concerns. The Board of Directors of BNBM is fully responsible for the Company's sustainable development, and the report has been reviewed and approved by the Board of Directors.

## Reporting period

Unless otherwise specified, the reporting period is from January 1, 2025, to December 31, 2025 (hereinafter referred to as "the year" or "the reporting period").

## Reporting scope

The entity of this report is Beijing New Building Materials Public Limited Company (BNBM). The report mainly covers sustainability performance related to the Company's core business, as well as related policies and management during the reporting period.

## Reporting cycle

The sustainability report of Beijing New Building Materials Public Limited Company is an annual report, released periodically every year.

## Preparation basis

This report is prepared in accordance with the *Shenzhen Stock Exchange Guidelines No. 17 for Self-discipline Regulation of Listed Companies - Sustainability Report (Trial)* (hereinafter referred to as the Guidelines), the *Shenzhen Stock Exchange Guidelines No. 3 for Self-discipline Regulation of Listed Companies - Sustainability Report Compilation (2026 Revision)*, and the *Study on ESG Special Report Compilation for Listed Companies Controlled by Central Enterprises* issued by SASAC. It also refers to the *Sustainability Reporting Standards (2022)* released by the Global Reporting Initiative (GRI), the *Guidance on Social Responsibility (ISO 26000:2010)* issued by the International Organization for Standardization, the *National Standard Guidance on Social Responsibility (GB/T36000)*, and the *United Nations' 2030 Sustainable Development Goals (SDGs)*. The evaluation results of material issues, analyzed according to the reporting principles in the aforementioned guidelines and standards, also serve as the basis for selecting information for disclosure. This report is published in both Chinese and English. In case of any inconsistency between the two versions, the Chinese version shall prevail.

## Information description

The historical information quoted in this report is final statistics. In case of any inconsistency between the financial information and the annual report, the annual report shall prevail. Unless otherwise specified, the financial figures in this report are determined in CNY.

## Terms and definitions

During the Reporting Period, the following terms shall have the definitions stated below, unless otherwise indicated:

"China"	The People's Republic of China
"ESG"	Environmental, Social and Governance (ESG)
"30.60"	General Secretary Xi Jinping proposed that "China will scale up its Intended Nationally Determined Contributions by adopting more vigorous policies and measures. We aim to have CO <sub>2</sub> emissions peak before 2030 and achieve carbon neutrality before 2060" at the General Debate of the 75th Session of the United Nations General Assembly, i.e., "Carbon Peaking and Carbon Neutrality"
"CNBM"	China National Building Material Group Co., Ltd.
"CNBM Company"	China National Building Material Company Limited
"Dragon Brand Company"	Beijing New Building Materials Public Limited Company Dragon Brand Company
"Taishan Gypsum"	Taishan Gypsum Co., Ltd.
"Dream Brand New Materials"	Dream Brand New Materials Co., Ltd.
"BNBM Waterproof"	BNBM Waterproof Co., Ltd.
"BNBM Coating"	BNBM Coating Co., Ltd.
"BNBM Carpoly"	BNBM Carpoly Coatings Group Co., Ltd.
"International Company"	BNBM International Company

## Report access

The download links for the electronic version are listed below:

Shenzhen Stock Exchange: <https://www.szse.cn>

Cninfo: [www.cninfo.com.cn](http://www.cninfo.com.cn)

The official website of BNBM: <https://www.bnbm.com.cn>

## Other ESG Information

In addition to this report, the Company has publicly released a series of ESG policy statements, including the Environmental Policy Statement, Occupational Health and Safety Policy Statement, Anti-Corruption Policy Statement, Code of Business Ethics and Conduct, Human Rights Policy Statement, Supplier Code of Conduct, Sustainable Supply Chain Management Policy Statement, Information Security and Privacy Protection Policy Statement, and Tax Policy Statement, which are detailed on the Company's official website.

# Message from Chairman

## Forging Nation Strength, Engineering a Green Intelligent Future.

In 2025, BNBM navigated significant cyclical headwinds and structural market shifts. By executing our "One Body, Two Wings and Global Layout" strategy, we delivered resilient, high-quality growth, demonstrating our ability to thrive even in challenging environments. Our progress is underpinned by three core pillars: Robust governance, green transformation, and a people-centric organizational culture.



**This year, we consolidated our foundational governance framework and achieved landmark strategic milestones to lay out an inspiring blueprint for future growth.** We embedded our core values into a unified corporate governance system, upholding the deep integration of Party building leadership and corporate governance. Through the implementing our Nine-Grid Management Approach, we streamlined our organizational structure and enhanced decision-making mechanisms to elevate governance efficiency. Deepening our strategic roadmap of the "Four Transformations," the Company is spearheading a comprehensive pivot from commercial to residential, urban to rural, base materials to surface finishes, and products to integrated services. This pivot has accelerated our evolution from a green building material manufacturer into a provider of systemic solution-based services. Our core business segments—gypsum board, waterproofing, and coatings—delivered strong synergies, further consolidating our "One Body, Two Wings and Global Layout" development pattern. Our operating performance remained firmly at the forefront of the industry. In 2025, the Company was included in the list of the "Central Enterprises Brand Guidance Action", the restructuring case of BNBM and Carpoly was inducted into the case library of Tsinghua University School of Economics and Management, and the brand influence continued to rise steadily. From laying a solid foundation to building surging momentum, we have answered the call of our times, writing a vibrant, dynamic BNBM chapter amid the tide of industry development.

**This year, we leveraged sustainability as our primary engine for growth and long-term value creation. Sustainability is no longer an option but integrated into our entire value chain under the "Green Building Future" philosophy.** In 2025, our comprehensive energy consumption per CNY 10,000 output value decreased by 0.74% year-on-year. Non-fossil energy consumption reached 134,400 tons of standard coal equivalent, while installed photovoltaic power generation capacity grew by 80.9% and on-grid photovoltaic power supply increased by 99.6% year-on-year, respectively. The Company continuously improves its green manufacturing system and drives the development of new productive force through scientific and technological innovation. We established the Central Research Institute, built a three-tier scientific and technological innovation system, tackled 'bottleneck' technologies, and successfully built China's first intelligent gypsum board production line with independent intellectual property rights. We maintained an R&D intensity of 4.13%, holding 7,674 authorized patents and participating in 318 international, national, and industrial standards. We have struck a resounding BNBM chord of "intelligent manufacturing for the future, green power for China" in the wave of global industrial development.

**This year, we rallied our people through a human-centric culture, upheld safety as our absolute bottom line, and put our employees at the heart of our development, building a new ecosystem of diversity and inclusion.**

Adhering to the principle of "people first, life first", the Company has comprehensively advanced the development of Level 1 Work Safety standardization. We rolled out the Anzhitong intelligent safety system across 108 enterprises, achieved zero work-related fatalities, and continuously fortified our defense lines for safety and environmental protection. We streamlined our organization into a flat, agile structure to drive internal vitality. Our global expansion continues to outperform: our new bases in BNBM Tanzania, BNBM Central Asia, and BNBM Thailand all achieved profitability within their first year of operation. We actively participate in cross-cultural integration pilot programs, with BNBM Tanzania and BNBM Central Asia selected as pilot entities by SASAC, setting benchmarks for Chinese brands expanding globally. We remain committed to our social responsibilities, focusing on rural revitalization and educational assistance, and philanthropy, continuously giving back to the communities where we operate. Our goal is inclusive growth—creating shared value of BNBM that benefits society at large.

**We have navigated the most difficult challenges and are now beat the drum to set sail for a new voyage.**

Looking back at 2025, the stability of our governance underpinned our growth momentum, green initiatives deepened our transformation, and our human-centric culture lit up our path forward. In 2026—the inaugural year of our 15th Five-Year Plan—we will anchor our focus on the key tasks for the start of the plan period. With innovation as our enabler, green development as our foundation, synergy as our path, and Party building as our guarantee, we will strive to build a world-class demonstration enterprise with outstanding products, a preeminent brand, leading innovation, and modern governance, contributing stronger BNBM to the high-quality development of the global building materials industry!

## Statement of the Board of Directors

The Board of Directors of BNBM actively embraces the concept of sustainable development and continuously improves the ESG management system to drive the Company's sustainable growth. As the highest decision-making authority for sustainable development, the Board of Directors is fully responsible for the Company's sustainable development strategy and coordinates the ESG management efforts on this basis.

The Strategy and ESG Committee of the Company is responsible for the overall coordination, supervision and management of the Company's ESG strategies, policies and objectives, as well as the identification of related risks and opportunities. The Committee also regularly reports to the Board of Directors on major ESG matters and ensures that the Board of Directors is well-informed of the work progress on important ESG matters. The Board of Directors regularly listens to and reviews reports from the Strategy and ESG Committee on ESG work progress and provides guidance on the ESG policies. Relevant management of the Company is responsible for the implementation of the ESG strategies and objectives, and regularly reports to the Strategy and ESG Committee on major ESG matters. The Company organizes relevant institutions to provide special training for the Board of Directors from time to time, to help the Board of Directors to understand the latest ESG trends and outstanding ESG practices. Placing great emphasis on the communication with stakeholders on ESG matters, BNBM identifies, evaluates and manages important ESG matters in a proactive manner. For specific governance structures and assessment results, please refer to the Sustainability Governance chapter of this report.

ESG risk management is now an integral part of the Company's daily risk management system. Under the guidance of the Strategy and ESG Committee, all functional departments, related companies and their branches and subsidiaries identify and prevent significant ESG risks in their daily operations and production. The Strategy and ESG Committee reviews the identification of and response to the relevant risks and makes regular reports on risk management to the Board of Directors.

This report discloses the aforementioned sustainability-related matters in detail and was reviewed and approved by the Board of Directors on March 24, 2026.



# About us

## Company Overview

Beijing New Building Materials Public Limited Company (BNBM) is the new green building materials platform of China National Building Material Group (CNBM), which is one of the Fortune Global 500 enterprises. The Company was established in 1979 under the care of Comrade Deng Xiaoping and listed in Shenzhen Stock Exchange (000786.SZ) in 1997. The Company currently has total assets exceeding CNY 35 billion, annual sales revenue exceeding CNY 25.2 billion, and over 16,000 employees; with gypsum board, waterproof materials, and coatings as the three core businesses, the Company has 122 industrial bases at home and abroad. The gypsum board production capacity exceeds 3.5 billion square meters, making it the world's largest gypsum board and light steel keel industrial group. The waterproofing business ranks among the top three in the industry. In the coating business, BNBM Carpoly ranks third in national architectural coatings; the century-old China Time-honored Brand "Beacon" serves major national equipment, and the Gold Medal Time-honored Brand "Great Bridge" paint is a leading brand in China's industrial protective coatings; the Company has won the Outstanding Contribution Award to the Global Gypsum Industry twice and the Global Gypsum Company of the Year four times, and was awarded the "First Prize of National Enterprise Management Modernization Innovation Achievement" "Manufacturing Single Champion Demonstration Enterprise" "China Green-Benefit Enterprise Best Model Award", "National May 1 Labor Award" and other honors, as a national innovative enterprise; awarded the China Industrial Award in 2016; awarded the China Quality Award again in 2022.

Adhering to the principles of "mission-led and innovation-driven" values, BNBM fully exploits the dual role of technological innovation and brand building, and occupies the commanding heights of technology, brand, standards, quality, channels and resources. It possesses a National Enterprise Technology Center, Academician Expert Workstations, and Post-doctoral Research Workstations. As of the end of 2025, it has cumulative 7,674 authorized patents, ranking first in the industry; The Company has successfully built world-renowned independent brands in the gypsum board industry—Dragon Brand and Taishan. It also owns several well-known brands such as Yuwang, Shuyang, Dream, Beacon, Carpoly, and Great Bridge. Products are widely used in national major projects, landmark buildings, and modern home living, such as the Great Hall of the People and venues for the Olympic Games and World Expo.

Committed to "Green Technology, Quality Life", BNBM promotes the building, city and residential environment to be greening. BNBM also advocates circular economy, energy saving and prefabricated buildings, and creates a green building industry chain throughout the life cycle from raw materials, production, products, construction, application and recycling. Implementing the "One Body, Two Wings and Global Layout" development strategy, the Company strengthens and expands the gypsum board and "gypsum board +" sectors, accelerates the growth of the waterproofing and coating sectors, focusing on four major regions including Africa, Southeast Asia, Central Asia, and Europe & the Mediterranean. It exerts effort along two lines—regional and business—to deepen regionalized operations from points to surfaces. The Company is accelerating its transition toward a comprehensive manufacturer and service provider of consumer building materials, promoting the four transitions of "commercial to residential, urban to rural, base materials to surface materials, and products to services". We aim to create high-quality living environments to serve the needs of the people for a better life and accelerate the creation of a world-class flagship enterprise with excellent products, outstanding brands, leading innovation, and modern governance. BNBM will firmly implement new development concepts, vigorously promote green, high-end, digital, and international development, create a world-class flagship enterprise, and serve the needs for a better life.

## Corporate Culture



# Sustainability Governance

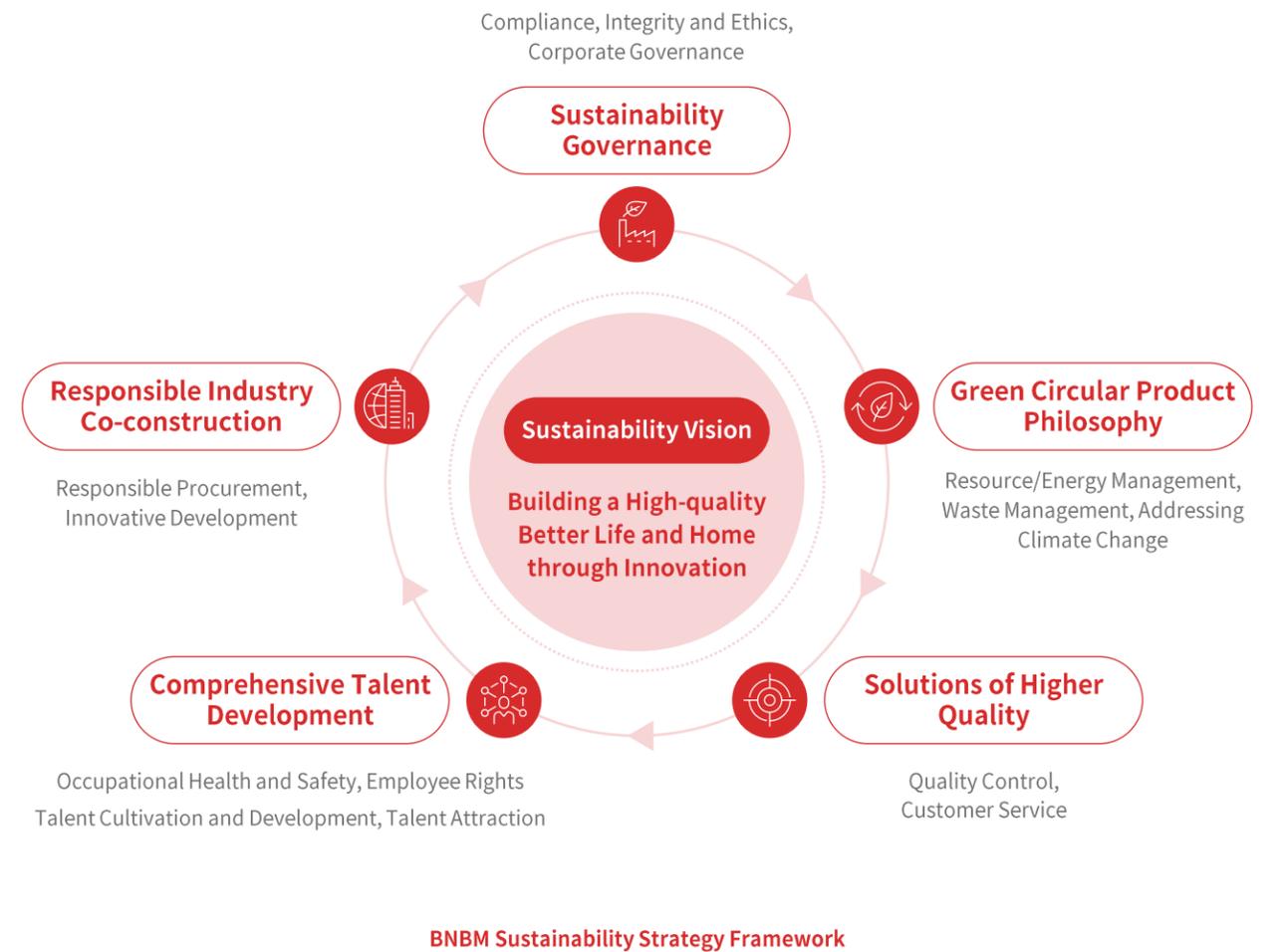
## Sustainability Governance Structure

BNBM deeply understands and actively fulfills its social responsibility to achieve harmonious progress and common development with all segments of society. To further deepen the implementation of the sustainability strategy, the Company's Strategy and ESG Committee and ESG Working Group have continued to enhance their functions. They strictly abide by the *Working Rules for the Strategy and ESG Committee of the Board of Directors*, standardize the decision-making and discussion processes for ESG matters, and have incorporated key ESG indicators into the performance appraisal and remuneration systems for senior management to strengthen the implementation of responsibilities. The Company has organized directors to attend ESG related training, covering corporate governance, ESG development trends, and analysis of ESG disclosure, with a total of 36 participants during the Reporting Period, providing more specific guidance for the Company's sustainable development management.

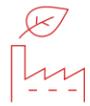
<p><b>The Board of Directors</b></p>	<p>The Board of Directors, as the highest decision-making authority for ESG work, is responsible for the Company's ESG strategy and reporting. It regularly listens to and reviews reports from the Strategy and ESG Committee on ESG work progress, and provides guidance on ESG policies.</p>
<p><b>Strategy and ESG Committee</b></p>	<p>The Strategy and ESG Committee, under the Board of Directors, is mainly responsible for conducting research on the Company's long-term development strategy and ESG-related matters and making recommendations. The main responsibilities include:</p> <ul style="list-style-type: none"> <li>• Conduct research on the Company's overall ESG management objectives, management strategy and management policies, and make recommendations.</li> <li>• Conduct research on the Company's ESG (including climate change) related risks and opportunities and make recommendations.</li> <li>• Conduct research on the Company's significant ESG matters that are subject to the approval of the Board of Directors and make recommendations.</li> <li>• Conduct research on other significant matters affecting the sustainable development of the Company and make recommendations.</li> </ul>
<p><b>ESG Working Group</b></p>	<p>The ESG Working Group is responsible for the preliminary preparation of the Strategy and ESG Committee's decisions on ESG matters, including collecting topics, reports, and other relevant materials on major ESG matters submitted by relevant departments or controlled (invested) enterprises, reviewing the materials, and submitting formal proposals to the Strategy and ESG Committee.</p>

## Sustainability Strategy

BNBM fully integrates ESG concepts into business development and daily operations, continuously improving its sustainability governance capabilities. The Company formulated and released a sustainability strategy framework and five strategic pillars in 2023. Guided by these, it has systematically promoted the implementation of related work and achieved a series of positive progress. During this process, the Company established and improved indicators tracking and monitoring mechanisms, periodically evaluating and dynamically optimizing the core goals of the five strategic pillars to ensure synergy with the Company's overall strategy and provide systemic support for sustainability.



## Five strategic pillars



### Sustainable Corporate Governance

Accelerate the integration of the concept of sustainable development into the Company's management system, take root in the operational concepts of efficient governance, integrity and self-discipline, and honesty. Also continuously convey the Company's sustainable development policy to all employees, enhance the awareness of sustainable development among all employees, and promote the steady growth of the Company.



### Green Circular Product Philosophy

With innovation as the core, the Company promotes the "double-cycle" circular economy model of product circulation and production circulation, and continuously enhances the capacity of industrial by-product consumption through technology improvement and management optimization; we will increase the usage of clean energy and promote energy saving and emission reductions in production with technology upgrading as a key enabler, accomplishing the gradient utilization of resources.



### Solutions of Higher Quality

Taking the opportunity of low-carbon and more diversified product demand, the Company insists on perfecting the quality system construction, comprehensively laying out the efficient service network, and creating first-class quality products and services; the Company continues to promote industrial innovation and research and development, accelerate the key research and development strength and core scientific research application transformation efficiency, to provide customers with healthier and safer, more low-carbon and environmentally friendly building solutions.



### Comprehensive Talent Development

The Company establishes a sound mechanism to protect the rights and interests of employees and health and safety, continuously improves the ability to cultivate talents, and wholeheartedly builds a working environment that meets the development needs of employees, attracting, retaining and cultivating talents at all levels, and promoting the common progress of employees and the Company, for the sustainable development of the industry to transport the backbone.



### Responsible Industry Co-construction

The Company builds long-term and stable cooperative relationships with suppliers, distributors and other partner based on the principles of honest cooperation and mutual benefit and promotes the concept of sustainable development through business exchanges, technical exchanges and friendly cooperation. The Company also maintains win-win harmony with the communities in which it operates to promote the harmonious development of the value chain.

## Stakeholder Communication

BNBM attaches importance to communication with stakeholders, maintaining regular communication with investors through various channels such as performance briefings, analyst meetings, on-site receptions, the Shenzhen Stock Exchange's interaction platform, new media, telephone, and email to continuously improve company transparency and market recognition and clarify key future work directions.

Stakeholders	Communication channels
 Shareholders	<ul style="list-style-type: none"> <li>Shareholders' General Meeting</li> <li>Press Releases/Announcements</li> <li>Annual/Interim Results Briefings</li> <li>Analyst Meetings</li> <li>Roadshows</li> <li>Meetings and Interviews</li> <li>Company promotion day</li> </ul>
 Potential investors and financial institutions	<ul style="list-style-type: none"> <li>Investor Conferences</li> <li>Press Releases/Announcements</li> <li>Annual/Interim Results Briefings</li> <li>Roadshows</li> <li>Company promotion day</li> </ul>
 Government and regulatory authorities	<ul style="list-style-type: none"> <li>Telephone/Email</li> <li>Meetings and Interviews</li> <li>Local Government and Enterprise Project Cooperation</li> <li>Regular Reporting on Enterprise Conditions</li> </ul>

Stakeholders	Communication channels
 Employees	<ul style="list-style-type: none"> <li>Enterprise Platforms</li> <li>Suggestion boxes and labor union</li> <li>Team Building Activities</li> <li>Employee Satisfaction Surveys</li> <li>General Staff Meetings/Symposiums</li> <li>Employee Performance Appraisal Interviews</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Telephone/Email</li> <li>Meetings and Interviews</li> <li>Customer Service Hotline</li> <li>Customer Satisfaction Survey</li> <li>Social Media</li> </ul>
 Partners	<ul style="list-style-type: none"> <li>Work Inspection and Supervision</li> <li>Supplier/Contractor Conferences</li> <li>Telephone/Email</li> <li>Meetings and Interviews</li> <li>Supplier Assessments</li> </ul>
 Communities and the public	<ul style="list-style-type: none"> <li>Public Welfare Activities</li> <li>Community Exchanges and Visits</li> </ul>
 Industry Associations	<ul style="list-style-type: none"> <li>Industry Exchange Conferences</li> <li>Industry Promotion Activities</li> </ul>

## Materiality Assessment

BNBM integrates the assessment of material issues into the Company's overall risk management process, conducting materiality assessments annually. In 2025, in accordance with the requirements of the Shenzhen Stock Exchange's *Guidelines* and with reference to mainstream domestic and international sustainability standards, the Company systematically conducted an issue assessment based on the "double materiality" framework for the first time.

Based on the 21 core issues set by the *Guidelines* and combined with the industry characteristics of the Company as a green building materials industry platform, the Company added specific issues to form an assessment list totaling 23 issues.

The Company followed the four core steps for "double materiality" assessment stipulated in the *Guidelines*, identifying the short/medium/long-term financial impacts of the issues on the Company, as well as the actual and potential impacts of the Company's performance on each issue on the economy, society, and environment, in which the specific analysis process is as follows:

01

### Understanding the Context of Company Activities and Business Relationships

- Understand company activities and business relationships: Analyze the Company's business plans, strategies, and financial statements; examine the Company's activities, products, and services; analyze the Company's upstream and downstream value chains, and the nature of business relationships
- Understand the external objective environment: Analyze laws and regulatory policies relevant to the Company, as well as related media reports, peer analysis, industry-specific standards, research reports, and publications
- Identify main affected stakeholders: Analyze stakeholders affected by the Company's activities and business relationships, and identify different groups of affected stakeholders

02

### Establishing an Issue List

- Taking the 21 basic issues set by the Shenzhen Stock Exchange's *Guidelines* as the framework, combined with industry characteristics, regulatory orientation, and peer benchmarking, "Corporate Governance" and "Compliance Operation" were further identified as two important issues, forming a preliminary list of 23 issues

03

### Assessment and Confirmation of Issue Materiality

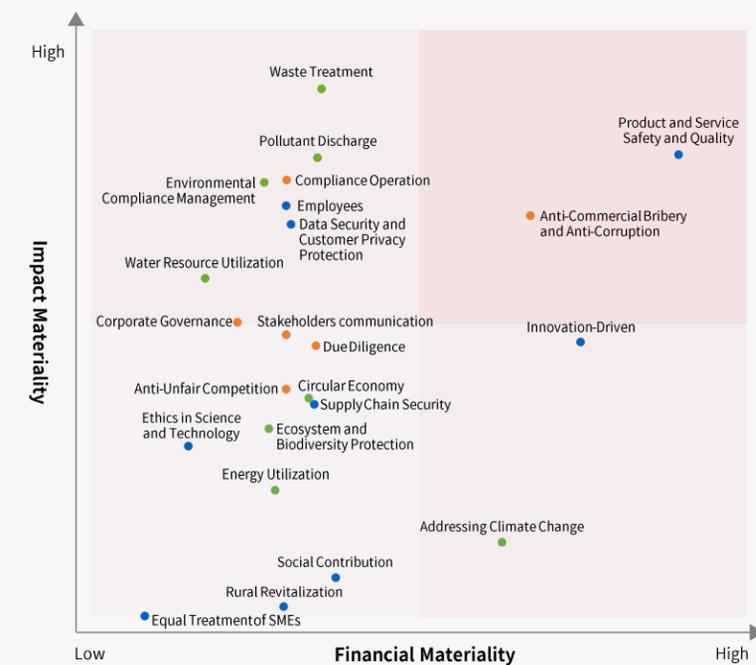
- Impact materiality assessment: Widely collect opinions from internal and external stakeholders through questionnaires and conduct a comprehensive evaluation from two dimensions: "severity of impact" (scale, scope, irremediable nature) and "likelihood of impact". Integrate multi-stakeholder evaluation results and refer to internal and external expert opinions to form the final impact materiality assessment results
- Financial materiality assessment: Organize senior executives, heads of business and functional departments, and relevant experts to analyze the potential impact of each issue on the Company's financial position, operating results, and cash flow in the short, medium, and long term from the two dimensions of "likelihood of financial impact" and "degree of financial impact"

04

### Disclosure of Material Issue Information

- The Company integrates the assessment results of impact materiality and financial materiality, clarifies the distribution of each issue under the dual dimensions through matrix analysis, and sets materiality thresholds based on company strategy and risk management requirements to finally determine the list of high-priority issues with "double materiality"
- Reviewed and confirmed by the Company's highest ESG governance body as the substantive basis for content disclosure in this report

BNBM Materiality Assessment Matrix



# Honors and Awards



Awarded AA Rating in Huazheng ESG Ratings



Awarded AA Rating by Wind, ranking second in the industry for ESG composite score

2025 房建配套供应链上市公司投资价值典范企业

证券代码	证券简称	企业名称
002372.SZ	伟星新材	浙江伟星新型建材股份有限公司
600894.SH	广日股份	广州广日股份有限公司
002508.SZ	老板电器	杭州老板电器股份有限公司
603833.SH	欧派家居	欧派家居集团股份有限公司
000786.SZ	北新建材	北新集团建材股份有限公司

Awarded "2025 Model Enterprise for Investment Value of Listed Companies in the Housing Construction Supporting Supply Chain"



Awarded "Tianma Award for Investor Relations Management of Listed Companies"



Selected for the S&P Global Sustainability Yearbook 2025 (China Edition) Sustainability Yearbook 2026 (Global Edition)

公司简称	考评结果	考评年度
北新建材	A	2024
北新建材	A	2023
北新建材	A	2022
北新建材	A	2021
北新建材	A	2020

Awarded the highest Rating A (Excellent) in Information Disclosure Evaluation for five consecutive years



Awarded the first "Manufacturing Individual Champion"



Awarded Co-construction Unit of the "Good House Standardization Collaborative Innovation Platform"



Awarded the 7th National Civilized Unit



Obtained the first batch of "China Green Building Material Product Certification" for galvanized light steel keel products in the green building materials industry



Ranked 16th on the TOP 30 List of the Asian Coating Industry



Awarded "Green Transformation Pioneer Enterprise" for the 2024 Compliance Year of the National Carbon Market (Awarded in 2026)

# Key Performance in 2025

Sustainability Strategy Pillar	Core Initiatives	Key Performances and Highlights of Sustainable Development in 2025	Supporting UNSDGs
 <p>Sustainability Governance</p>	<p>Continuously improving the modern enterprise system with Chinese characteristics and promoting high-quality development; emphasizing gender diversity among board members; constantly strengthen the Party conduct and integrity building, and enhance the sense of integrity and self-discipline of employees and partners; firmly promote the application of the "1+N" internal control system, cultivate a sound compliance culture and ensure the Company's continuous development.</p>	<ul style="list-style-type: none"> <li>Female directors account for 1/3</li> <li>Publicly released the <i>Code of Business Ethics and Conduct</i> and the Anti-Corruption Policy Statement for all employees and partners</li> <li>Anti-corruption training reached 64,374 person-times, with 100% coverage of directors and 100% coverage of employees</li> <li>Organized compliance training for all levels of enterprises at home and abroad, with a cumulative 15,300 person-times participating in related training</li> </ul>	 
 <p>Green Circular Product Philosophy</p>	<p>Implement the development concept of "Greenway Builds a Better Future", steadily promote the Company's Carbon Peaking Action Plan, vigorously promote the usage of clean energy, and optimize energy use efficiency; continuously enhance the consumption capacity of industrial by-product gypsum of other industries, strengthen energy saving and emission reduction of products throughout their life cycle, promote the circular economy, and improve the performance of products in terms of environmental protection; continuously strengthen environmental protection in production and operation, accelerate the realization of "near-zero emission" at each production base, and promote green production.</p>	<ul style="list-style-type: none"> <li>Carbon dioxide emissions per CNY 10,000 of output value decreased by 3.65% year-on-year</li> <li>Comprehensive energy consumption per CNY 10,000 of output value decreased by 0.74% year-on-year</li> <li>The annual use of clean energy (biomass fuel, photovoltaic power generation, wind power, steam, etc.) accounted for 14.61%.</li> <li>Consumed approximately 14.4695 million tons of industrial by-product gypsum throughout the year</li> <li>500 products of the Company acquired China Green Building Materials Product Certification</li> <li>Emission intensity of sulfur dioxide and industrial particulate matter decreased by 2.98% and 16.11% year-on-year respectively, over-fulfilling set targets</li> <li>A cumulative 33 enterprises were awarded the national-level "Green Factory"</li> </ul>	      
 <p>Solutions of Higher Quality</p>	<p>With technology-led development, standardized operation, brand building, excellence in quality and superior services as the core, speed up the transformation into a comprehensive manufacturer of consumer building materials and service provider, pursue high-quality products and services; strengthen top-level design, establish BNBM Science and Technology Committee, and build an open innovation system based on internal and external collaboration; accelerate key scientific research breakthroughs and the transformation and application of achievements, deepen digital development and application, and promote technological progress in the industry.</p>	<ul style="list-style-type: none"> <li>1 QC group won a prize for National First-Class Achievement</li> <li>High sound insulation fireproof gypsum board partitions and inorganic antibacterial interior wall eco-friendly coatings were successfully selected for the first batch of high-quality products in the "Good House" construction applicable building materials list</li> <li>The satisfaction of the Company's distributors at all levels reached 9.24, maintaining above 9 for 6 consecutive years</li> <li>Annual R&amp;D investment reached CNY 1.044 billion, with R&amp;D investment intensity at 4.13%</li> <li>Cumulative authorized patents reached 7,674, with 11 new international authorized patents</li> </ul>	  
 <p>Comprehensive Talent Development</p>	<p>Adhering to the safety culture of "Stressing safety for every staff and every affair", continuously improve the health and safety management system, orderly promote the construction of safety standard, strengthen safety risk rectification efficiency, effectively ensure the health and safety of employees; build a sound system to safeguard the rights and interests of employees, provide employees with a well-established career development path and a diversified training system, create a diversified training system and career development paths to strengthen our talent pool; implement the equity incentive policy and grow together with employees.</p>	<ul style="list-style-type: none"> <li>Total investment in works safety throughout the year amounted to CNY 130.19 million</li> <li>98 enterprises within all levels of the Group obtained ISO 45001 Occupational Health and Safety Management System certification</li> <li>Deployed intelligent safety systems across 108 production bases, including 31 newly added this year, systematically driving the intelligent safety transformation of enterprises</li> <li>Released the <i>2024 Restricted Stock Incentive Plan of Beijing New Building Materials Public Limited Company (Draft Revision)</i></li> <li>Employee satisfaction has increased for 9 consecutive years</li> </ul>	   
 <p>Responsible Industry Co-construction</p>	<p>Integrate the concept of sustainable development into the management of cooperation with suppliers and distributors, and jointly create a friendly business environment; fully leverage international and domestic market resources, build a complete business network, steadily develop overseas business, maintain friendly cooperative relationships with the places of operation, and support the development of the local economy; actively promote rural revitalization, green building materials in rural area, public welfare initiatives such as charity and the promotion of traditional culture and the harmonious development of the society.</p>	<ul style="list-style-type: none"> <li>Over 60% of long-term cooperative suppliers underwent screening and assessment for environmental and social risks</li> <li>Total donations and expenditures for rural revitalization and public welfare activities amounted to CNY 5.7908 million</li> </ul>	   



# 01 Sustainable Corporate Governance

BNBM continues to promote the modernization of corporate governance, attaches great importance to business ethics, and strictly abides by laws and regulations on anti-bribery, anti-money laundering, and anti-unfair competition. The Company has strengthened ideological defense, fostered a culture of integrity and implemented a number of risk prevention and control measures, laying a solid foundation for the Company's compliance governance and integrity operation. The Company is committed to building a sound cooperation mechanism with suppliers, partners, customers and other stakeholders to create an ethical and transparent business environment.

# Deepening Corporate Governance

BNBM faithfully implements the national strategic policy of "accelerating the high-end, intelligent, green, and integrated development of the building materials industry". The Company continuously strengthens the corporate governance structure, improves the compliance management system, and maintains the high-quality operation level of the Company, striving to achieve remarkable results in promoting high-quality development.

BNBM strictly complies with national laws, regulations, and normative documents, such as the *Company Law of the People's Republic of China* and the *Code of Corporate Governance of Listed Companies*. The Company formulated and released the *Board Member Diversity Policy Statement* to continuously enhance governance efficiency, standardize governance mechanisms, and consolidate a standardized operation mechanism with clear rights and responsibilities, as well as scientific and efficient operation. This maintains a solid foundation for the Company's sustainable and high-quality development and promotes the successful achievement of strategic goals.



BNBM has formulated and strictly implemented systems such as the *Articles of Association*<sup>1</sup> and *Rules of Procedure for Shareholders' General Meetings*, which fully cover governance processes including the exercise of shareholders' rights, meeting participation, and proposal voting. Relevant systems have been reviewed and approved by the Board or shareholders' general meetings and publicly disclosed to effectively protect the rights of shareholders to participate in corporate governance according to law. The Company further regulates the rights and obligations between the Company and shareholders through systems such as the *Investor Relations Management System and Measures for the Management of Related Party Transactions*. These systems prevent the abuse of shareholder rights and the impairment of minority investors' interests caused by the management's abuse of its dominant position. The Company actively broadens channels for institutional investors to participate in governance, guides minority investors to attend shareholders' meetings, provides convenience for their participation in major decision-making and enhances investors' voice and sense of fulfillment.

The Company has established a remuneration clawback mechanism. For management members who cause asset losses to the Company due to violations of national laws and regulations or failure to perform duties correctly, their current performance-based annual salary will be deducted accordingly. Depending on the severity, part or all of the distributed performance-based annual salary and medium/long-term incentive benefits may be clawed back.

# Upholding Party Leadership

BNBM deeply implements the leadership of the Party, focuses on the theme of high-quality development for a long time, unites and leads all Party members, leading officials and workers to overcome difficulties, forge ahead and work hard, and promotes the enterprise to move forward steadily on the road of high-quality development with the high standard of Party building work.

## High-quality Development Led by Party

BNBM regards high-quality development as its top priority, practices "integrated accounting" approach for Party building and business operations, continues to deepen the "Seven Focus Areas" program, creates "1+2+N" Party building brand system, and vigorously carries out "Party building +" initiatives, effectively transforming the advantages of party building into business development advantages, and constantly improve the core competitiveness of enterprises, with high-quality party building to lead high-quality development. The Company is committed to promoting the implementation of the strategy of "One Body, Two Wings and Global Layout", with the unremitting pursuit of making good products and satisfying the people's desire for a better life. In 2025, BNBM was awarded the Second Prize of the 31st National Enterprise Management Modernization Innovation Achievements and the 7th National Civilized Unit.

The Company persists in leading high-quality development with high-quality Party building, continues to deepen the "Seven Focus Areas" Program, and strengthens the organizational system. It conducted high-quality implementation of basic training mechanisms for primary-level Party organizations. The Company focused on achieving results in Party building within mixed-ownership enterprises. Its practices regarding the "First Topic" and mixed-ownership Party building have been shared multiple times within and outside CNBM. BNBM implements the "integrated accounting" approach for Party building and business operations, enriching its "1+x+N" Party Building Brand Matrix and vigorously promoting "Party Building +" initiatives. By aligning Party building priorities with the core challenges of production, operation, and reform, the Company encourages Party members to spearhead projects under the "Technology Open Competition Mechanism" and tackle critical bottlenecks, fully leveraging their exemplary and vanguard roles in major tasks and key links.

## Brand Shaping Led by Party

Upholding Party leadership, BNBM deeply studies and implements the spirits of General Secretary Xi Jinping's important speeches and instructions on expanding the state-owned economy since the 18th CPC National Congress. BNBM consciously integrates enterprise development into the national strategic landscape and actively practice the mission of "green technology, quality life" to pool strength and provides support for Chinese-style modernization. The Company has made continuous efforts in three directions, which are brand building, brand communication, and brand globalization, achieving positive results

1. *Articles of Association of BNBM*: <https://www.szse.cn/disclosure/listed/bulletinDetail/index.html?8862d4c0-f49a-4984-b8d0-fa71cb34372f>

### Strengthening Brand Building

Refining the multi-dimensional linkage brand management structure of "master brand builds momentum, sub-brands lead the charge". Through the linkage of "visuals, marketing, activities, and new media", BNBM optimized the brand positioning and synergy of each business unit under "One Body, Two Wings", thereby creating a high-end and international brand image and enhancing brand premium capabilities. Developed the "BNBM Yuyan" civil construction business platform, achieving full coverage through a three-level architecture of flagship stores, boutique stores, and factory stores. Bringing high-quality products with deep cultural heritage into thousands of households. BNBM made a high-profile debut at the Ministry of Housing and Urban-Rural Development's "Good House Technology Exhibition" to promote wall reforms and increasing partition product sales by CNY 104 million. In 2025, the Company focused on the 4 aspects of service, integration, innovation, and close-to-people, and innovatively promoted the Company's brand to become a social brand transition to consumption type. Total followers across all platforms (including 7 segments and 7 brands) exceeded 510,000; launched 9 new columns such as "Good House Fine Construction", "Good House Good Materials", "Technological Innovation", and "Model Worker Style", with total views exceeding 2.855 million; completed the registration of the "BNBM Yuyan" official Xiaohongshu (rednote) account, making brand communication more diverse and efficient.

### Innovating Brand Communication

Leveraging digital marketing and authoritative media platforms like CCTV to expand brand voice, and empowering brand communication with themed activities to tell the "Story of BNBM". In 2025, BNBM brand cases were included in the teaching cases of the Dalian Executive Education Academy. The restructuring case of BNBM and Carpoly was included in the Tsinghua SEM case library. The BNBM story was featured on CCTV's *Cornerstones of a Great Power*, and Dragon Brand was selected for the "Central Enterprises Brand Guidance Action". Simultaneously, BNBM continued to host the "World in Harmony, Building Dreams Together" concert, with nearly 40,000 viewers for the live stream and nearly 200,000 likes, showcasing the brand warmth and cultural heritage of an industrial enterprise; collaborated with Xinzhuang Village, Changping District to create a sunset concert, integrating chic domestic products with bustling markets, vividly practicing the integrated development of villages and enterprises; cooperated with multiple units in Beijing and Shanghai to launch the "Swift Carries New Vigor, Marks Made in Shanghai" brand pop-up event. This promoted traditional culture while highlighting confidence in domestic products, with a live stream reaching over 43,000 viewers and over 102,000 exposures, receiving praise from central media and continuously enhancing brand influence and competitiveness.

### Promoting Brand Globalization

Aligning with the construction of overseas bases, we output unified BNBM brand standards and images, using high brand value to support the accelerated growth of the "Second Curve". In 2025, we successfully achieved breakthroughs in cross-cultural integration projects. BNBM Tanzania and BNBM Central Asia were selected as SASAC cross-cultural integration pilots and participated in the 2025 (8th) China Enterprise International Image Communication Campaign, establishing a good international image.



## Win-win Cooperation Led by Party

BNBM earnestly implemented the general requirements for party building in the new era and further promoted the integrated development of party building and operation. The Company leverages the role of Party building in coordinating resources and integrating forces by organizing the "Party Building Linkage, Empowering the Three Chains" action. Namely, it utilizes various forms such as joint theoretical study, Party member alliances, shared venues, resource sharing, joint activities, collaborative consultation, joint talent cultivation, and mass organization linkage, BNBM conducted joint activities with government units, industry associations, state-owned central enterprises, sister units, local colleges, and upstream and downstream supply chains. This helps bridge industrial chains, stabilize supply chains, and link innovation chains, promoting the integrated allocation and optimization of Party building resources and development elements to achieve value synergy and co-creation, empowering high-quality development.



BNBM party building activities

## Cultural Construction Led by Party

To deepen the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and fully implement the spirit of the 20th CPC National Congress, the Company organizes all party members to actively carry out various party building activities, continues to increase the vitality of grassroots Party organizations, and effectively promoted the deep integration of party building and production and operation. BNBM vigorously inherits the unique red cultural genes of state-owned enterprises, builds a modern enterprise culture system, internalizes the Party's propositions into the spiritual pursuits of enterprise workers and externalizes them into conscious actions, and gathers wisdom and strength for the Company to overcome difficulties and transform and develop.

# Deepening Integrity Building

BNBM continues to strengthen the building of integrity culture in the new era, persistently implements the spirit of the Central Eight-Point Regulation and its implementation rules, thoroughly implements the responsibility system for Party conduct and integrity building, and promotes the "Three Non-corruptions" principles (Dare not corrupt, cannot corrupt, and will not corrupt) in an integrated manner. BNBM deeply roots the culture of integrity, constantly enhancing employees' awareness of self-discipline and their ability to resist corruption and prevent degeneration.

## Governance

The Company integrates Party conduct and integrity building into production and operation work, establishing an integrity governance structure with clear rights and responsibilities. The Party Committee effectively fulfills its primary responsibility, with the Secretary of the Party Committee assuming the role of the person primarily responsible. Members of the leadership team strictly implement "double responsibilities<sup>2</sup>", and the Discipline Inspection Committee performs its specialized functions of assistance and supervision, forming an integrity governance mechanism with clear main responsibilities, defined division of labor, and a closed-loop supervision system.

## Strategy

BNBM strictly complies with laws, regulations, Party rules, and discipline regarding anti-corruption and integrity. We have formulated and improved a series of internal policies and systems, such as the *Measures for the Discipline Inspection Committee of BNBM on Replying to Opinions on Party Conduct and Integrity* and the *Measures for the Discipline Inspection Committee of BNBM on the Management of Problem Clues*, to continuously advance anti-corruption and integrity.

2. "Double responsibilities" refer to a position having dual responsibilities for both integrity building and business management.



# Party Conduct and Integrity Building

## 25 systems related to Party conduct and integrity building

The Company has formulated and continuously refined 25 systems related to Party conduct and integrity building, continuously improving mechanisms for sharing supervision information, promoting work, and utilizing results to facilitate the coordination and integration of the "Big Supervision" system.

In 2025, the Company carried out a series of systematic tasks centered on Party conduct and integrity building:

- 01

- **Deepened the construction of the responsibility system**

All 41 subordinate Party organizations signed the *Letter of Responsibility for Party Conduct and Integrity Building*. The evaluation results of the responsibility system were directly linked to the performance of Party organization secretaries and the "two members"<sup>3</sup> of the discipline inspection team, effectively strengthening the momentum for implementation and supervision
- 02

- **Strengthened the integrity and self-discipline of leading officials**

Organized 91 leading officials to sign the *Letter of Integrity and Self-discipline Commitment*, prompting them to publicly commit to strictly observing Party discipline and enterprise rules, fulfilling integrity responsibilities, implementing the Central Eight-Point Regulation, and standardizing their professional conduct. They strictly implement systems such as reporting of major matters, recusal post recusal, and the "Three Important Matters and One Major Decision" system to resolutely prevent behaviors like interest transfer and "relying on the enterprise to eat the enterprise"
- 03

- **Strengthened supervision, discipline enforcement, and accountability**

Through daily supervision, special inspections, and Party building assessments, BNBM conducted regular supervision of the fulfillment of integrity commitments. For discovered violations, we strictly pursue responsibility based on Party discipline, national laws, and company systems to effectively maintain the rigidity and binding forces of discipline and rules

The Company implements the *Code of Business Ethics and Conduct* and the *Anti-Corruption Policy Statement* for all employees, covering multiple aspects such as bribery and corruption, discrimination, information confidentiality, conflicts of interest, anti-monopoly/anti-competitive behavior, money laundering and/or insider trading, whistleblowing, environment, health, and safety. The Company's Anti-Corruption Policy also applies to stakeholders who have business dealings with the Group. It is also known that bribery is conducted through illegal and improper payment methods such as kickbacks, bribery is disguised as donations and sponsorship, and bribery is carried out through political donations.

The Company includes the *Code of Business Ethics and Conduct* in the scope of employee performance assessment, and links employees' compliance with the Code to their remuneration. We take a "zero-tolerance" attitude toward violations of business ethics. Any employee who directly or indirectly violates the requirements of the code will be given Party or administrative discipline, or organizational or administrative handling according to the severity of the case, and their remuneration will be deducted according to the *Implementation Rules for Compensation Deduction of Principals of Group Member Enterprises Receiving Party or Administrative Discipline*, ensuring the code is strictly enforced.

3. "Two members" of the discipline inspection team refer to the Discipline Inspection Committee Members and the Discipline Inspectors, who are the frontline supervision force in grassroots branches and enterprises.

## Deepening awareness promotion

BNBM continues to deepen anti-corruption and integrity publicity and solidly advances the construction of integrity culture. In 2025, we carried out the Integrity Culture Month with the theme of "Strengthening Party Conduct, Transforming Work Style, and Fostering New Trends to Fortify the Dam of the Central Eight-Point Regulation Spirit". Using the "1+3+N" model, we achieved full coverage of Party members, leading officials, and personnel in key positions across all levels of enterprises in terms of participation range, core content, and implementation effects. We improved the "146" integrity culture system to cultivate clean soil and comprehensively enhance all employees' awareness of resisting corruption and preventing degeneration.

### Building a "Firewall" for Clean BNBM

Strengthening ideological guidance. Through theoretical study, organizing warning education conferences across all levels, notifying typical cases, visiting warning education bases, and conducting themed Party Day activities, BNBM guides Party members and leading officials to hold discipline in awe, maintain vigilance, and adhere to the bottom line, solidifying the ideological foundation of integrity;

### Setting a "Wind Vane" for Clean BNBM

Strengthening learning through training. By carrying out special Party classes, "Deeply Implementing the Spirit of the Central Eight-Point Regulation" knowledge quizzes, explaining discipline through cases, integrity reading clubs, "Clean Breeze" lecture halls, and "Tiyrg Integrity" script murder activities, we actively create a good atmosphere for integrity culture;

### Driving "New Achievements" for Clean BNBM Construction

Centering on "lean production without waste", "cultivating the market for more income", "fine management to increase value", and "precise internal control to prevent risks", we continue to strengthen integrity and self-discipline to drive high-quality development;

### Activating the "Integrity Momentum"

We enrich activity formats by promoting outstanding integrity-themed works, issuing family integrity initiatives, and collaborating with strategic partners to create a "Clean and Transparent" cooperative atmosphere, thereby advancing the Company's integrity culture.

The Company carries out activities to build Party style, integrity and anti-corruption for the Board of Directors and all employees and continuously strengthens the awareness of the Board of Directors and employees at all levels on anti-corruption and compliance with the *Code of Business Ethics and Conduct*. This year, business ethics training, including anti-corruption, covered all employees, interns, suppliers, and contractors.

- **For new employees:** Instilling integrity awareness through the "Inaugural Session" for New Talents, setting their moral compass from day one.
- **For enterprise principals:** Urging them to implement "double responsibilities", pressing the responsibility for Party management, and laying a good foundation for Party conduct and integrity building.
- **For officials and employees in key positions:** Organizing Party organizations at all levels to sign the *Letter of Integrity and Self-discipline Commitment* with managed officials and key personnel according to management authority. We conducted warning education conferences covering middle management and key personnel across all levels of enterprises and timely carried out integrity warning education for employees in key positions such as procurement and sales to remind them to strictly adhere to the disciplinary bottom line.
- **For all employees:** Persisting in the work mechanism of education and reminders before holidays, supervision and inspection during holidays, and urging rectification after holidays to continuously strengthen integrity education, case warnings, and discipline enforcement during festivals. Issued 3 integrity reminder letters for holidays via the official WeChat account; regularly pushed over 70 sets of study materials to the enterprise WeChat work groups to continuously fortify the ideological defence line of Party members and leading officials.



Party discipline study and education Special Party course



2025 Integrity Culture Month Mobilization and Deployment Meeting



## Supplier Anti-corruption

Adhering to the principle of "cooperation with integrity, equality and mutual benefit and common development", the Company works with suppliers to create an ethical and transparent business environment. To prevent corrupt practices, the Company regularly reviews the procurement process of suppliers and conducts anti-corruption checks on suppliers through public information channels to ensure that the supplier's behavior complies with the requirements of the *Supplier Code of Conduct*. If a supplier is found to have engaged in corruption or other violations, BNBM will blacklist the supplier in accordance with relevant policies and terminate the cooperation immediately.

To deepen integrity awareness, in 2025

100%

the Company signed *Letter of Responsibility for Integrity* and *Letter of Integrity Commitment* or issued co-construction proposals with partners such as suppliers, distributors, and subcontractors. This fosters a win-win partnership that is "close" but not overstepping, and "clean" but not distant, achieving 100% coverage of anti-corruption management across all suppliers.

## Unimpeded reporting channels

The Company has established accessible business ethics reporting channels and provided training on their use. It encourages employees, customers, suppliers, and other partners to report any actual or suspected violations of business ethics (such as corruption, fraud, unfair competition, or conflicts of interest) to the Company's discipline inspection department through letters, phone calls, online emails, or on-site reporting. After receiving the report, the Company will set up an investigation team to investigate the problem leads and issue an investigation report based on the investigation results to ensure that the reported problem is effectively dealt with.

The Company allows anonymous reporting via letters, emails, phone calls, and visits, making every effort to protect the safety of whistle-blowers and the content of their reports. We strictly implement the *Rules for Discipline Inspection and Supervision Organs to Handle Reports and Accusations*. All relevant staff must sign confidentiality agreements to ensure whistle-blowers' information is not leaked. Retaliation or framing of whistle-blowers and witnesses in any form is strictly prohibited to ensure whistle-blowers' privacy and safeguard their legal rights.

The Company's Discipline Inspection Committee categorizes and disposes of reports into three types: direct delivery, transfer, and referral, strictly implementing procedures for reception registration, approval, and distribution. Specific reports are screened and handled according to regulations; in case of emergencies, reports are handled immediately and reported level by level. Trace management is implemented throughout the process, and supervision of the handling situation is strengthened.

## Impact, Risk and Opportunity Management

Adhering to building a clean and honest operating environment, BNBM has established a top-down three-level supervision system, which includes special supervision, functional supervision and frontline supervision by the Disciplinary Committee. The system continuously enhances the Company's capabilities in risk identification, monitoring and prevention.

### Specialized Supervision by the Discipline Inspection Committee

Based on relevant rules and regulations, seriously investigate and handle violations of discipline, laws, and regulations; strengthen supervision of key positions such as procurement bidding and asset management, as well as key areas like important junctures, key projects, and the implementation of major decision-making deployments; implement "supervision of supervision" over functional departments to ensure integrity education is targeted, management is regular, and supervision is effective.

### Functional Supervision

Each functional department performs functional supervision, diligently implements supervision work, establishes functional supervision ledgers, and continuously improves the closed-loop system for comprehensive supervision. This ensures the supervision system is connected vertically to re-strengthen supervision duties, re-integrate supervision forces, and re-enhance supervision effects.

### Frontline Supervision

As the frontline supervision force in grassroots branches and enterprises, discipline inspection members and officers carry out extensive integrity publicity and education, broaden information collection channels, regularly conduct heart-to-heart talks, and report discovered problems to company management departments in a timely manner.

BNBM continues to deepen integrity risk prevention and control. Every year, we revise and improve the *Integrity risk prevention and control Manual* based on the Company's reality, clarifying key areas and prevention measures. Each business segment company is organized to refine implementation and carry out prevention:

The Company's Party Committee strictly implements inspection regulations, persisting in a cycle for each term (three years). Closely following the "Four Implementations" requirements, it orderly conducts routine inspections of subordinate Party organizations, covering anti-corruption and anti-bribery matters. In 2025, the Company's Party Committee completed inspection tasks for 2 Party organizations. As of now, full coverage of inspection supervision for all subordinate Party-committee-level enterprises has been achieved within the current term. The Company organizes each business segment and subsidiary to conduct annual integrity risk screenings every year. Through a quarterly integrity risk monitoring mechanism, we implement dynamic tracking and assessment of key positions, important processes, and high-risk areas. At the same time, the Company carries out business ethics audits of its subsidiaries in accordance with the *BNBM Implementation Rules for Economic Responsibility Audits* on the 'implementation of responsibilities for Party conduct and integrity building and compliance with the provisions on clean practices in economic activities', as well as economic responsibility audits of its 48 subsidiaries and ensures that the relevant audits cover all operating sites at least once every three years.

## Metrics and Targets

Guided by integrity risk prevention and control targets and using specific metrics as a key supervision enabler, the Company systematically promotes the institutionalization and normalization of integrity risk management. The key integrity risk management performance in 2025 is as follows:



No negative incidents related to corruption, bribery, conflicts of interest, money laundering, or insider trading occurred in the Company this year.

## Implementing Compliance Operation

BNBM regards legal and compliant operation as a key cornerstone for sustainable development. It strictly abides by the laws and regulations of China and overseas operating locations, strengthen compliance risk prevention and control, and cultivates a good compliance culture. It embed compliance requirements into all fields and links of operation and management to provide a solid guarantee for high-quality development, continuously enhancing employees' awareness of law-abiding operation and improving the Company's systematic compliance management level.

In 2025  
**945** compliance commitment letters were signed by enterprises at all levels and all management and key

## Fulfilling Compliance Duties

BNBM continues to improve its compliance management mechanism, establishing a systematic and multi-level compliance management system. We continuously enhance our ability to govern according to law and effectively prevent operating risks, laying a solid foundation for high-quality sustainability.

## Improving compliance management mechanism

The C strictly implements the primary responsibility for the construction of the rule of law and gives full play to the General Counsel's role in legal review during operation and management. We established a Compliance Management Committee with the Company's principal as the head of the leading group and the General Counsel as the Chief Compliance Officer and head of the working group. The Committee undertakes the organization, overall planning, and coordination of compliance management, continuously advancing major compliance matters and supervising and evaluating compliance management work. The "Three Lines of Defense" for compliance management work in synergy: business departments serve as the first line of defense, the legal and compliance department serves as the second line of defense, and supervision departments such as audit and discipline inspection as the third line of defense. Heads of various departments concurrently serve as compliance officers to coordinate compliance management in their respective fields and timely communicate legal and regulatory requirements.

In 2025  
**60** times Compliance management committees at all levels held meetings  
**186** items Reviewed agenda items, effectively improving the overall compliance management level of the Company

## Deepening compliance risk prevention and control

The Company continues to strengthen compliance management and legal supervision, conducting all-around compliance risk screenings. We organized enterprises at all levels to sort out compliance management in key areas, formulated compliance risk lists, and conducted quarterly screenings for compliance risks and illegal incidents. This year, in cooperation with external professional institutions, we conducted compliance evaluations and risk reviews for enterprises under Taishan Gypsum, BNBM Waterproof, and BNBM Coating. This is significant for strengthening business synergy and implementing development strategies based on law and compliance.

In 2025  
**56,400** The cumulative number of contracts reviewed for compliance by enterprises at all levels reached

## Cultivating a good compliance culture

BNBM attaches importance to cultivating a compliance culture and actively promotes compliance awareness. It urges subordinate subsidiaries to improve compliance management through compliance reminder letters and organize domestic and overseas compliance and risk management training via online and offline methods. Topics include compliance management, rule of law construction, and risk prevention and control, targeting employees, senior management, and board members.

In 2025	Conducted compliance training and publicity activities
23 times	
15,300 person-times	With a cumulative participation

## Implementing Risk Prevention and Control

BNBM fully implements national policies. To achieve healthy and stable operation, the Company follows the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Basic Standard for Enterprise Internal Control, and the Application Guidelines for Enterprise Internal Control, as well as requirements from the China Securities Regulatory Commission and Shenzhen Stock Exchange. We integrate risk management into top-level design based on the principles of "full trust, full authorization, full transparency, and full supervision". We have formulated internal systems such as the Comprehensive Risk Management System of BNBM and the Internal Control Audit System, establishing a "1+N" Internal Control System led by internal control construction and supervision systems and supported by specific operational specifications to continuously improve risk prevention and control levels.

The Company has established a completely comprehensive risk management system, with the Board of Directors as the highest decision-making body for risk management. The Audit Committee assumes overall supervision responsibility. The Company has established a Comprehensive Risk Management Leading Group, chaired by the Chairman and with the participation of the executive management team. A three-tier risk prevention and control system consisting of business units, relevant functional departments, and the audit department was built. The audit department reports directly to the Audit Committee and accepts its supervision and guidance. The overall structure follows the principle of "flattening, de-layering, and chain reduction", implementing a "three-tier management structure" of headquarters, related companies, and production bases.



### BNBM Three-level risk prevention and control System



Business units are responsible for implementing risk management solutions in daily operations and regularly reporting on the results of risk response measures.

- Specifically refers to the Company's business units bearing full responsibility for their own risk management work. Implement the Company's risk management policies, organize various risk assessments and management tasks within the unit, and timely report risk matters and information to the primary risk management department.

Relevant functional departments conduct risk assessments for various business management and critical business processes, and formulate risk management solutions.

- Specifically refers to the Company's functional departments, which accept the guidance and supervision of the primary risk management department in comprehensive risk management work, perform risk management functions for their respective professional lines, and timely report risk matters and information to the primary risk management department.

The Audit Department of the Company's headquarters organizes annual risk identification, risk level assessments, development of risk response measures and contingency plans, and supervises the risk management activities of each unit.

- Specifically refers to the primary risk management department, which performs corresponding risk supervision functions, specifically including the following duties:

01

Formulate, modify, improve, and implement the Company's comprehensive risk management system; research and design the Company's risk management system, risk prevention and control specifications, and management strategies.

02

Organize each unit to sort out risk matrices, consolidate them into the Company's risk matrix, and propose scope suggestions of major and important risks for approval by the Company leadership.

03

For approved major and important risks, decompose and assign primary responsibility units, and supervise them in formulating solutions.

04

Supervise each unit in daily monitoring and management of risks within their scope of duties.

05

Supervise and evaluate the implementation of risk management in each unit.

06

Conduct routine internal control reviews and evaluate the effectiveness of risk control at each link of the internal control system.

For all departments and units within the risk prevention and control system, performance assessment indicators related to the implementation of risk management processes and the effectiveness of specific risk control are included in their performance appraisal within the scope of their risk management responsibilities, and are linked to the compensation incentives of the corresponding department/unit.

Risk Management Process

01

Risk Identification

- At the beginning of each year, risk identification and assessment are systematically carried out by the Company. The risk management department analyzes competitive local situations, strategic marketing, raw material supply, and audit findings reported by related companies to identify potential risk sources in finance, market, operation, and compliance at the company level.

02

Risk Analysis

- By quantifying the likelihood of occurrence, impact level and undetectability of risks, the Company determines the annual major risks, and prepares a comprehensive risk management report to be submitted to the management for review and approval.

03

Risk prevention and control

- Assign primary and participating departments for each identified risk, and analyze risk causes, probability, and expected impact item by item;
- Hold monthly Party Committee meetings, office meetings, and business analysis meetings to hear progress reports, analyze operating risks, discuss major decisions, and make strategic deployments and clear risk response measures based on business progress and market conditions;
- After management review and approval, each responsible unit formulates targeted risk response measures and contingency plans based on assessment results, establishes a major risk prevention and control responsibility ledger, and dynamically tracks risk changes during daily operations;
- Implement a quarterly monitoring mechanism, combined with risk exposure analysis and trend changes, to formulate and implement corresponding prevention measures and form quarterly monitoring reports. Meanwhile, based on the risk indicator library established from previous years' business risk characteristics, the Company timely alerts relevant units to risks triggering warning thresholds to ensure risks are controllable and drive steady development.

In 2025, the Company experienced no major risk accidents, and operating risks were reasonably controlled.

In 2025, the Company continued to conduct comprehensive circuit reviews of the soundness and effectiveness of the internal control systems of subsidiaries through a combination of routine and special audits. Special verifications and evaluations were implemented for raised funds and key investments. Rectification of discovered problems was supervised to promote system implementation and ensure the effective operation of internal control mechanisms.

Eliminating Unfair Competition

The Company is committed to preventing unfair competition risks by timely promoting and implementing policies, laws and regulations related to anti-monopoly and anti-unfair competition among employees, to continuously enhance employees' awareness of anti-unfair competition; for potential risks that may involve monopoly or unfair competition, legal risk assessments and compliance risk prevention and controls are timely conducted through compliance screenings, consultations, and contract reviews; regarding unfair competition behaviors such as counterfeiting or imitating the Company's brands by third parties, the Company timely safeguards its legal rights through reporting and litigation.

The Company conducts compliance risk screenings every quarter. In 2025, there were no acts of unfair competition infringing on third parties. Regarding third-party counterfeiting or imitation of the Company's brands, the Company timely safeguards its legal rights through various means such as reporting and litigation.





## 02 Green Circular Product Philosophy

As a leading domestic green building material producer, BNBM persists in taking the mission of "green technology, quality life" as the source of momentum. Upholding the development philosophy of "Green Building Future", we actively implement low-carbon operation strategies, vigorously develop a circular economy, strive to create green products, and steadily improve the core competitiveness of the enterprise in green development. We are committed to minimizing the impact of production and operation activities on the ecological environment, continuously improving resource efficiency, and fully promoting the achievement of the "Carbon Peaking and Carbon Neutrality" Goals. We provide innovative solutions for environmental challenges faced by society and co-create a new life model of harmony between humanity and nature with our partners.

# Addressing Climate Change

In 2025, global climate governance entered a critical stage of accelerating the implementation of the *Paris Agreement* goals. In November, the 30th Session of the Conference of the Parties to the UNFCCC (COP30) was successfully held in Belém, Brazil, reaching multiple consensuses on issues such as the Global Goal on Adaptation (GGA), updates to the new Nationally Determined Contributions (NDCs), and the synergy between climate and biodiversity. Meanwhile, domestic policies further strengthened the orientation toward energy saving and carbon reduction, driving key industries to comprehensively improve equipment energy efficiency and providing a clear direction for industrial energy conservation and green upgrading. BNBM is well aware of the impact of climate change on its operations and society as a whole. It consistently monitors the risks and opportunities brought by climate change and is committed to providing society with more climate-resilient building solutions. This effort aligns with the Company's mission of "Green Technology, Quality Life", ensuring the practical implementation of its corporate responsibilities.

## Governance

To better address the challenges posed by climate change, the Company has integrated climate change considerations into its sustainable development governance framework (see the "Sustainability Governance Structure" chapter of this report). The Board of Directors of BNBM serves as the highest decision-making body for "Carbon Peaking and Carbon Neutrality" and climate change-related initiatives. The Board's Strategy and ESG Committee oversees the Company's overall climate change efforts, including the management and review of strategies, policies, goals, and progress related to "Carbon Peaking and Carbon Neutrality" and climate change. The Board reviews updates from the Strategy and ESG Committee on "Carbon Peaking and Carbon Neutrality" progress and other ESG priorities, including climate change, at least once a year, providing guidance and recommendations. The Company has established an ESG Working Group responsible for implementing the "Carbon Peaking and Carbon Neutrality" strategy, identifying climate change risks and opportunities, and guiding departments to take specific actions toward climate-related goals.

The Company links management performance with climate-related performance such as energy management and carbon emissions to drive the effective implementation of "Carbon Peaking and Carbon Neutrality" and climate strategies. To strengthen responsibility transmission, the Company established an energy saving and environmental protection assessment system, clarifying that the general manager of each production base is the person primarily responsible. Key energy saving, carbon reduction, and environmental protection indicators are directly incorporated into senior management's business performance appraisals to ensure cascade responsibilities down to every level. Meanwhile, the Company conducts special training on "Carbon Peaking and Carbon Neutrality" and climate risks and opportunities for the Board of Directors, management, and core management personnel annually. This continuously improves their professional perception and performance capabilities in the field of climate change, comprehensively strengthening the Company's governance efficiency in sustainable development.

## Strategy

In 2025, BNBM introduced scenario analysis methods into climate-related risk and opportunity management for the first time, further enhancing the systematic and forward-looking nature of identifying and assessing climate-related risks and opportunities. On this basis, the Company continues to drive the integration of climate factors into strategic planning, investment decision-making, and daily operation management, constantly enhancing strategic adaptability and climate resilience under different climate scenarios.

### Formulating a Climate Risk and Opportunity List

Taking comprehensive account of its business model and value chain characteristics, industry development practices, and feedback from stakeholder communication, BNBM systematically sorts out and identifies climate-related risks and opportunities. We clarify their main distribution within the Company's operations and value chain, form a corresponding risk and opportunity list, and continuously carry out follow-up monitoring and management. The Company identified 13 categories of climate-related risks and opportunities suitable for its business, including 5 categories of acute and chronic physical risks, 4 categories of transition risks, and 4 categories of climate-related opportunities.

Risk Type	Risk Identification List	Risk Type	Risk Identification List	Opportunity Identification List
Acute Physical Risk	Extreme Precipitation	Transition Risks	Policy and Legal Risk	Products and Services
	Typhoon		Technical Risk	Resilience
	Extreme High Temperature		Market Risk	Resource Efficiency
Chronic Physical Risk	Drought		Reputational Risk	Energy Sources
	Rise in Average Temperature			



## Impact on Business Model and Value Chain

The Company's transition risks primarily stem from its operations and downstream market preferences, while physical risks include extreme weather events and chronic risks affecting upstream supply chain stability and operations. Given the Company's comprehensive low-carbon development strategy across all operational areas and its proactive measures to address physical risks, the overall level of climate-related risks is relatively low. The table below outlines the Company's major climate risks and corresponding mitigation measures.

Risk Category	Specific Risk	Upstream Impact	Own Operation Impact	Downstream Impact	Response Measures
Acute Physical Risk	Extreme Precipitation	Hindered extraction of raw materials (such as gypsum mines); logistics transportation delays; fluctuations in raw material moisture content affect quality stability	Risk of flooding in plants and warehouses; production equipment damaged by moisture; raw material inventory deterioration	Delays at construction sites; deterioration of construction conditions for coatings and waterproof layers; products deformed or invalidated by moisture	Strengthen supply chain resilience assessment; establish emergency logistics contingency plans; upgrade warehouse flood control facilities
	Typhoon	Raw material supply chain disruptions; logistics paralysis; short-term increases in raw material prices	Damage to production facilities; structural safety risks for plant roofs and walls; increased risk of production suspension	Suspension of engineering projects; increased safety risks for outdoor construction; accelerated erosion of waterproof and coating layers by storms and heavy rain	Promote structural reinforcement and wind-proofing of plants; formulate disaster emergency plans; strengthen supply chain diversification and regional decentralized layout
	Extreme High Temperature	Increased risk of volatilization and spoilage of raw materials (e.g., chemical raw materials) during transport; decreased logistics efficiency	Safety hazards of high-temperature operations in production workshops; increased failure rate due to equipment overheating; increased energy consumption	Health risks for construction personnel; coatings drying too fast, affecting film-forming quality; high-temperature softening or accelerated aging of waterproof materials	Optimize production scheduling and equipment cooling systems; improve workshop ventilation and cooling facilities; drive energy conservation, consumption reduction, and equipment upgrades
Chronic Physical Risk	Drought	Restricted water uses for gypsum mining; restricted production of chemical raw materials; decreased stability of raw material supply	Risk of production water shortages; pressure on water use for landscaping and cleaning in plant areas; restricted operations in certain regions	Construction substrates drying too fast, affecting coating adhesion; increased difficulty in substrate treatment for waterproof construction; slowing construction progress in some regions	Implement water recycling and water-saving process transformation; promote supply chain water risk assessment and collaborative management; strengthen R&D for product construction adaptability and supporting technical services
	Rise in Average Temperature	Changes in natural crystallization conditions of raw materials (e.g., gypsum); decreased stability of some raw materials; potential increase in long-term supply costs	Increased load on production cooling systems; increased costs for plant insulation and air conditioning; deterioration of employee working environments	Structural growth in demand for insulation and waterproofing in buildings; higher requirements for weather resistance of coatings; product formulas needing to adapt to higher temperature environments	Promote energy-saving technological transformation and clean energy use; develop high-temperature resistance and highly adaptable product formulas; strengthen employee health protection and work environment improvement

Risk Category	Specific Risk	Upstream Impact	Own Operation Impact	Downstream Impact	Response Measures	
Transition Risks	Policy and Legal Risk	With the advancement of the "30-60" Carbon Goals, domestic low-carbon transformation policies are tightening, high-emission activities are under pressure, and compliance costs may increase	Suppliers need to simultaneously improve environmental compliance, raw material procurement standards may rise, and overall costs of supply chain compliance may be passed up	Need to continuously track local policies and adjust production emission standards, which may increase investment in environmental facilities and operating costs	Increased customer demand for environmental certification; failure to meet policy requirements in time may affect market access and order acquisition	Closely track low-carbon policy developments in operating countries and industries, accelerate enterprise transformation based on company development, and resolutely implement the green low-carbon development route and carbon peaking action plan
	Technical Risk	As business expands overseas, global climate change regulations are gradually improving, and overseas compliance costs may increase	Need to establish a raw material supply chain meeting multi-country standard; imported materials may face new trade barriers such as carbon tariffs	Overseas production bases must adapt to local regulations, increasing compliance investment in environmental management and carbon disclosure	Exported products must meet low-carbon standards in destination markets, or face potential market access restrictions	
Transition Risks	Technical Risk	Tightening carbon reduction policies require continuous low-carbon process innovation and technological transformation, which may accelerate technology replacement and increase capital and operating expenditures	Increased demand for low-carbon raw materials and energy-saving equipment drives the transition of upstream supply systems toward green technologies	Requires investment in R&D and transformation funds to drive production line upgrades, potentially increasing cost pressures in the short term	If technology upgrades lag and product carbon footprints are high, products may fail to meet downstream customers' low-carbon requirements	Strengthen R&D capabilities, build and efficiently apply the "Carbon Peaking and Carbon Neutrality" R&D platform, and encourage factories to adopt new energy-saving and carbon-reduction technologies and methods to improve efficiency in process research and application
	Market Risk	Downstream customers' focus on product low-carbon attributes is rising; untimely transformation or lack of results may affect new market development and revenue	Changes in customer demand are passed upstream, driving the supply chain toward synergistic transition to green raw materials and low-carbon processes	Need to accelerate green product R&D and industrialization, otherwise face risks of idle capacity and slow market response	If low-carbon performance fails to meet customer expectations, orders may be lost, affecting market share and revenue structure	Vigorously carry out green product technology R&D and production line construction, accelerate the commercialization of green products, and expand the Company's green product market share
	Reputational Risk	Stakeholders focus on green and low-carbon performance; failure to meet expectations may affect company reputation and market performance	The environmental performance of the supply chain relates to the Company's reputation; ESG audits and management of suppliers need to be strengthened	Incidents such as environmental violations or lagging carbon reduction progress may affect corporate ratings, financing costs, and government relations	Customers prefer suppliers with good ESG performance; damage to reputation may lead to customer loss	Gradually build a green building materials brand, enhance brand promotion, and elevate the Company's influence and sustainability image in the value chain

BNBM understands the necessity of low-carbon development, proactively grasps market opportunities for green development, and extensively positions green products. The table below lists the Company's main climate-related opportunities and response measures.

Opportunities	Specific Opportunities	Upstream Impact	Own Operation Impact	Downstream Impact	Response Measures
Products and Services	Guided by the national "Carbon Peaking and Carbon Neutrality" strategy, green and low-carbon development in the building industry has become the main direction, thus developing green products and low-carbon solutions may bring more market and revenue to us	Drive upstream raw material suppliers to transform toward environmental protection and low carbon, promoting the construction of a green supply chain system	The Company continues to promote the greening of buildings, cities, and living environments, developing low-carbon green building solutions, creating a full life-cycle green building industrial chain, and enhancing product environmental attributes	Meet market demand for green building materials, expand into emerging markets like green buildings and low-carbon retrofitting, and enhance brand influence and market share	Continue to promote the greening of buildings, cities, and living environments, view the development of green low-carbon building solutions as a major market opportunity, and continuously promote the application of circular economy concepts to create a full life-cycle green building industrial chain and comprehensively enhance product environmental attributes
Resilience	Climate change leads to frequent extreme weather like typhoons and heavy rain, increasing building quality requirements. Developing high-quality, diversified building products can enhance building resilience and bring more market opportunities	Promote upstream suppliers to develop high-performance, weather-resistant raw materials, such as corrosion-resistant coating substrates and high-durability waterproof materials	Center on the three core businesses of gypsum board, waterproofing, and coatings to improve corrosion resistance, durability, and water resistance, expanding product applicability and enhancing building resilience	Meet needs for building safety and durability under extreme climate conditions, expanding niche markets for disaster-resistant and climate-adaptive buildings	Adhere to the "One Body, Two Wings and Global Layout" strategy, develop high-quality products around core business areas, improve corrosion resistance, durability, and water resistance, expand product applicability, and enhance building resilience
Resource Efficiency	The Company continues to carry out energy-saving and environmental technological transformation to reduce energy and water consumption and lower procurement and use costs	Promote upstream suppliers to provide energy-saving and eco-friendly production equipment and technology, enhancing overall energy efficiency in the supply chain	Production bases continue to carry out energy-saving and eco-friendly technology replacement to improve production efficiency and reduce resource consumption	Enhance product price competitiveness by reducing costs while meeting downstream customers' preferences for energy-saving and green building materials	Each production base of the Company continues to carry out energy-saving and eco-friendly technology upgrades to improve production efficiency and reduce resource consumption
Energy Sources	With the improvement of the national carbon emission trading market, reducing carbon emissions through clean energy transition may bring additional income	Promote the development of upstream clean energy (e.g., biomass, natural gas) supply systems and promote the optimization of the energy structure	Carry out the upgrades of coal with clean energy such as biomass and natural gas to reduce operational and product carbon emissions	Improve product low-carbon attributes to meet customer demand for low-carbon building materials and enhance market competitiveness	The Company has carried out upgrades of coal with clean energy such as biomass and natural gas to reduce operational and product carbon emissions

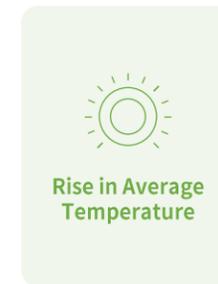
## Climate Scenario Analysis and Financial Impact Assessment

### Current Financial Impact

Regarding physical risks, combined with the rising frequency of extreme weather events in recent years, BNBM has continuously assessed the potential impact of physical risks on production and operations. In 2025, acute physical risks mainly came from extreme precipitation, while chronic physical risks mainly came from rising average temperatures, with impacts concentrated on the prevention and maintenance of infrastructure and equipment operation. During the reporting period, these impacts were managed through preventive O&M and facility maintenance investment, causing no substantial interruption to current operations nor material impact on the carrying value of assets and liabilities in the financial statements for the reporting period or the next reporting year.



In the summer of 2025, multiple production bases in South and East China encountered consecutive extreme precipitation, leading to interruptions in production and operations and property losses of nearly CNY 7 million. In July, due to regional flood control requirements, relevant production bases suspended production for 4 days; in August, rainwater overflowed from the gutters of the finished product warehouse in a gypsum board workshop, damaging part of the inventory.



In recent years, affected by rising temperatures, production bases in South and Southwest China have faced power shortages and government requirements for power restriction and peak-shifting production, significantly impacting the normal production rhythm. Meanwhile, high temperatures decreased employee efficiency and slowed production rhythms. To safeguard occupational health and meet compliance requirements, the Company continued to invest in the renovation of high-temperature positions and labour protection. In 2025, to address various operational pressures from rising average temperatures, the Company has accumulated a total investment of nearly CNY 10 million.

Regarding transition risks, affected by tightening policies and regulations, BNBM further integrated energy efficiency into equipment selection and operation management in 2025, vigorously developing clean energy, reducing energy consumption, and practicing low-carbon production. Related investments were mainly used for equipment evaluation, updates, and replacements, which are necessary expenditures supporting the Company's energy saving, emission reduction, and green transformation, with no material adverse impact on current operations and financial status.

Regarding climate-related opportunities, the Company actively researched and applied clean energy replacement solutions to reduce operating costs and conducted deep R&D and extensive positioning of green products.

### This year

CNY **16.257** billion  
Revenue generated from green products

**64.31%**  
Of total revenue

CNY **801** million  
Spent on developing green products

4. Green products refer to products that meet environmental protection requirements, are harmless or minimally harmful to the ecosystem and human health, and have low resource and energy consumption throughout their life cycle, including production, use, disposal, or reuse.



## Expected Financial Impact

01

### Physical Risks

In 2025, BNBM integrated climate scenario analysis into its climate risk identification and assessment process. Referring to the Shared Socioeconomic Pathways (SSP) of the Intergovernmental Panel on Climate Change (IPCC), it selected SSP1-2.6 and SSP5-8.5<sup>5</sup> scenarios to assess potential physical risks. Using a catastrophe risk assessment model from an external professional third-party platform, based on high-precision data and resolution for the coordinates of all operating entities, the Company compared risk exposure levels for 5 types of climate physical risks under RCP 2.6/SSP1 and RCP 8.5/SSP5 scenarios. It analyzed potential financial impacts on operation models and value chains across three-time dimensions: short-term (0–4 years, until 2029), medium-term (5–10 years, until 2035), and long-term (11–35 years, until 2060). These time dimensions align with the Company's carbon emission targets at different stages and link to operational optimization measures, technical path choices, and corresponding capital investment plans required at each stage, supporting risk management and resource allocation decisions.

Based on physical risk scenario analysis of its operating entities, the Company defined assets or business activities with "significant" results as those susceptible to climate-related physical risks. At the overall company level, physical risk scenario analysis results are shown in the table below:

Physical Risk	Climate Scenario					
	RCP 2.6 / SSP 1			RCP 8.5 / SSP 5		
	Short-term	Medium-term	Long term	Short-term	Medium-term	Long term
Extreme Precipitation	Negligible	Negligible	Slight	Negligible	Negligible	Moderate
Typhoon	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible
Extreme High Temperature	Negligible	Negligible	Negligible	Slight	Slight	Slight
Drought	Negligible	Negligible	Negligible	Negligible	Negligible	Moderate
Rise in Average Temperature	Slight	Moderate	Moderate	Slight	Moderate	Significant

Based on physical risk scenario analysis, most physical risks have controllable impacts on business in the short and medium term, but some areas require focus in the long term. In the RCP 2.6/SSP1 scenario, the overall impact of physical risks is relatively mild, but physical risks corresponding to rising average temperatures rise to a moderate level in the long term; the Company expects to increase investment in protection and maintenance of relevant facilities and operations accordingly.

In the RCP 8.5/SSP5 scenario, as climate change intensifies, physical risks from extreme precipitation, drought, and rising average temperatures show moderate or significant impacts in the long term. Expected financial impacts primarily involve the need for more funds in the medium and long term for infrastructure reinforcement, waterproofing and cooling renovations, critical equipment protection, and emergency management capability enhancement. These investments are expected to be mainly O&M expenditures aimed at reducing the potential impact of extreme weather events on asset safety and business continuity, thereby avoiding higher repair costs and business losses.

5. SSP1-2.6 is a sustainable development/strong emission reduction pathway describing a world achieving green transformation through international cooperation, with vigorous promotion of clean energy and ecological protection, aiming to limit warming to within 2°C by the end of the century; SSP5-8.5 is a fossil-fuel-dependent/high-emission pathway assuming global pursuit of high economic growth based on fossil fuels without effective climate policies, representing a high-emission scenario with the highest global average temperature rise by the end of the century.

02

### Transition Risks and Opportunities

To assess the expected financial impact of transition risks and opportunities on business and value chains, BNBM adopted climate change scenarios published by the International Energy Agency (IEA): the Net Zero Emissions (NZE) scenario and the Stated Policies Scenario (STEPS)<sup>6</sup>. Across short-term (0–4 years), medium-term (5–10 years), and long-term (11–25 years) dimensions, based on IEA parameters and trend analysis, the Company comprehensively assessed transition risks and opportunities surrounding 8 key parameters: population CAGR, GDP, fossil energy demand, crude oil price, thermal coal price, natural gas price, carbon price, and clean energy generation. This analyzed potential financial impacts on operation models and value chains to provide a basis for risk management and resource allocation.

Transition Risks and Opportunities	Climate Scenario					
	IEA NZE 2050			IEA STEPS		
	Short-term	Medium-term	Long term	Short-term	Medium-term	Long term
Policy and Legal Risk	Slight	Moderate	Moderate	Slight	Slight	Moderate
Technical Risk	Slight	Slight	Moderate	Slight	Slight	Moderate
Market Risk	Slight	Moderate	Significant	Slight	Moderate	Moderate
Reputational Risk	Moderate	Moderate	Significant	Slight	Moderate	Moderate
Products and Services	Slight	Moderate	Moderate	Slight	Slight	Moderate
Resilience	Slight	Moderate	Moderate	Slight	Moderate	Moderate
Resource Efficiency	Moderate	Moderate	Significant	Slight	Moderate	Moderate
Energy Sources	Slight	Moderate	Moderate	Slight	Slight	Moderate

In the IEA STEPS scenario, various transition risks and opportunities show moderate impacts in the medium and long term. Expected financial impacts mainly involve continuous O&M investment for policy compliance, energy efficiency improvement, process optimization, and energy structure adjustment, expected to have a gradually increasing but manageable impact on annual costs. In contrast, in the IEA NZE 2050 scenario, the long-term impact of market risks, reputational risks, and resource efficiency opportunities increase significantly. The Company expects to increase the intensity of capital and developmental investment in low-carbon process applications, critical equipment upgrades, low-carbon product and service development, and related business adjustments in the medium and long term. These investments will significantly impact capital expenditure scale, asset allocation structure, and unit operating costs, while improving the revenue proportion of low-carbon businesses, reducing high-emission-related costs, and improving long-term revenue structure and profitability.

6. The Net Zero Emissions scenario is an ideal pathway set by the IEA to achieve the Paris Agreement temperature control targets, requiring the global energy sector to achieve net-zero CO<sub>2</sub> emissions by 2050 and fully promoting energy structure transformation and deep emission reduction. The Stated Policies Scenario extrapolates from current policies implemented or clearly announced by countries, reflecting energy development trends and carbon emission trajectories under current policy frameworks, and is often used as a baseline reference.

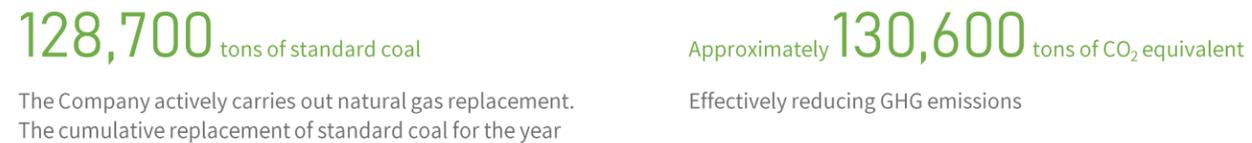
## Strategies and Measures

To effectively avoid market and reputational risks and continuously improve resource efficiency, BNBM systematically promotes clean energy application and production energy efficiency optimization.

### Promoting the usage of clean energy

BNBM vigorously promotes the research and application of clean energy upgrades. To implement the carbon peaking action plan, we continuously increase investment in clean energy upgrade projects, promoting BIPV and green energy application while simultaneously conducting energy-saving and carbon-reduction technical renovations.

As of the end of the reporting period



In addition, we continue to research biomass fuel application and rooftop heat collection technologies to promote the transition to low-carbon production.

### Reducing production energy consumption

The Company continuously improves energy and resource efficiency through process improvement and equipment upgrades. We persist in optimizing production technology as a key enabler to reduce energy consumption from the source and support carbon reduction goals. We systematically conduct energy audits to accurately identify key nodes and improvement opportunities for enhancing energy performance; we actively invest in relevant technological innovation and R&D to drive the continuous reduction of energy consumption levels. Furthermore, the Company focuses on cultivating energy-saving awareness among all staff, providing special energy efficiency training to enhance employees' awareness.

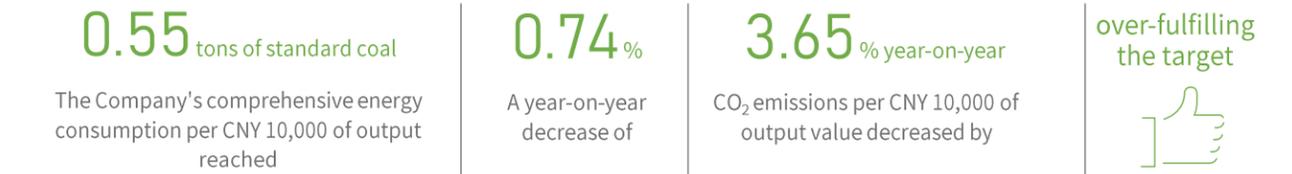
In 2025



### Practicing low-carbon production

BNBM actively responds to the national carbon reduction call of "Energy Saving and Carbon Reduction, Action by Central Enterprises", persisting in green manufacturing to drive the implementation of its "Carbon Peaking and Carbon Neutrality" strategy.

As of the end of the reporting period



The Company focuses on reducing life-cycle carbon emissions of products, actively analyzing product carbon footprints to tap into carbon reduction potential. We continuously assist subsidiaries in understanding their carbon emission structures and formulating targeted reduction measures to ensure all enterprises successfully achieve emission reduction targets. In 2025, Dragon Brand coating and waterproof material series products (including elastomer-modified asphalt waterproofing membranes, high-solid-content waterproof coatings, and polymer waterproof membranes) successfully obtained product carbon footprint certification.



In 2025, subsidiaries of Dragon Brand Company in Tianjin, Chongqing, and Hubei involved in local government carbon trading strictly complied with local carbon market policies, maintaining a cumulative compliance rate of **100**%. By building a diverse carbon reduction system of "technical renovation + photovoltaic green power + biomass replacement + equipment process upgrades", energy consumption and carbon emissions continued to decrease, successfully transitioning from "purchasing to cover quota shortfalls" to "generating income from quota surpluses".

In 2025, four units under Taishan Gypsum carried out carbon market compliance, with a **100**% compliance rate:

#### BNBM Yichang

purchased 6,918 tons of quotas for CNY 253,890

#### BNBM Jingmen

purchased 2,078 tons of quotas for CNY 81,042

#### BNBM Wuxue

purchased 5,522 tons of quotas for CNY 177,587.52

#### BNBM Xiangyang

sold 9,320 tons of quotas for CNY 363,480

## Impact, Risk and Opportunity Management

BNBM continuously monitors the impact of climate change on its operations and integrates climate-related risks into its overall risk management system. For details on the Company's risk management system, please refer to the "Implementing Risk Prevention and Control" chapter of this report.

01

- **Formulating a Risk and Opportunity List:** In the climate-related risk management process, the Company first systematically identifies climate-related risks and opportunities surrounding its business, operations, and value chain structure. The identification process combines national climate strategic orientation, industry trends, and the global climate change context. Referring to historical operations and feedback from internal and external stakeholders, climate-related risks and opportunities are comprehensively sorted to form a list, providing a basis for subsequent assessment, analysis, and management.

02

- **Prioritization of Risks and Opportunities:** To effectively allocate resources and focus on managing climate-related risks and opportunities with significant impacts on the Company, we established corresponding analysis and assessment methods. During assessment, the Company comprehensively considers the likelihood of risks and opportunities and their potential impact on operational and financial performance. Combined with industry analysis and external expert opinions, the impact materiality of risks and opportunities is evaluated via questionnaires.

03

- **Assessing Climate Resilience through Scenario Analysis:** After considering identified climate-related risks and opportunities, the climate resilience of the Company's strategy and business model is evaluated. During climate resilience assessment, major uncertainties focused on by the Company mainly stem from differences in the future macro environment, policy orientation, energy structure, and technical development paths reflected in different climate scenarios. These uncertainties have been covered and reflected through scenario analysis. The Company dynamically adjusts its short-, medium-, and long-term strategies and business models based on climate change trends. For example, high-efficiency and low-energy equipment are prioritized during selection and updates, and the energy structure is gradually optimized to enhance the Company's overall climate resilience in a continuous and progressive manner.

04

- **Identifying Financial Impacts of Material Risks and Opportunities:** The Company conducts financial impact analysis on material risks and opportunities based on the prioritization results and the impact degree under different scenarios. We focus on the impacts of climate change across different timescales on capital expenditure, O&M costs, asset safety, and business continuity to support decisions in resource allocation, investment arrangements, and risk management.

05

- **Formulating and Implementing Response Strategies and Measures:** The Company ensures risks remain within controllable ranges by periodically assessing and reviewing climate-related risk levels, driving management measures through daily operations. Measures include setting targets, adjusting strategic plans, continuously monitoring carbon levels, tracking and researching policy changes, optimizing and investing in energy-saving equipment, regular employee training, and implementing strategies such as risk transfer or risk acceptance to mitigate potential impacts and grasp development opportunities from climate change.

## Metrics and Targets

Based on the analysis of climate-related risks and opportunities, BNBM has prioritized the establishment of energy conservation and emission reduction targets. These targets are regularly evaluated to effectively address climate transition risks and seize market opportunities in low-carbon development. To support the national "30.60" carbon goals and promote low-carbon development in the value chain, the Company formulated and released the *BNBM Carbon Peaking Action Plan* in 2023. It clarified four core principles: "Based on Reality, Carbon Reduction at Source", "Development First, Equal Emphasis on Reduction", "Innovation Driven, Technology Leading", and "Active Promotion, Steady and Orderly". We emphasize source reduction, strict process control, and optimized end-of-pipe treatment. Based on total volume control, focusing on business structure optimization, with raw material/fuel replacement and resource utilization as keys, and low-carbon technological innovation as momentum, we accelerate green building material production and application to solidly perform carbon peaking and carbon neutrality.

### Key Indicators

BNBM Scope 1 GHG emissions mainly stem from the use of fuels such as coal and natural gas. Scope 2 GHG emissions mainly stem from purchased electricity, heating, and steam, primarily used for production equipment, cooling systems, and heating. Scope 1 accounts for 78.6% of total GHG emissions of Scope 1 and Scope 2, while Scope 2 accounts for 21.4%. Detailed energy use and GHG emissions data are available in the ESG Key Performance Table of this report.

#### Initial Greenhouse Gas Scope 3 Carbon Inventory

In 2025, BNBM adopted the financial control approach and the GHG Protocol Corporate Value Chain (Scope 3) Standard to inventory its Scope 3 emissions. This year, we completed calculations for seven categories: purchased goods and services, fuel and energy-related activities, business travel, employee commuting, upstream transportation and distribution, and end-of-life treatment of sold products.

Among the seven categories: Scope 3 emissions from purchased goods and services, fuel and energy-related activities, and end-of-life treatment of sold products accounted for **93%** of the total.

Category	Unit	2025
Purchased goods and services	tons of CO <sub>2</sub> e	3,330,971.05
Fuel and energy-related activities	tons of CO <sub>2</sub> e	570,940.47
Upstream transportation and distribution	tons of CO <sub>2</sub> e	38,518.05
Business travel	tons of CO <sub>2</sub> e	724.64
Employee commuting	tons of CO <sub>2</sub> e	5,549.95
Downstream transportation and distribution	tons of CO <sub>2</sub> e	291,909.92
End-of-life treatment of sold products	tons of CO <sub>2</sub> e	608,927.31
<b>Total</b>	<b>tons of CO<sub>2</sub>e</b>	<b>4,847,541.39</b>

## Overall Target

### By 2025

Comprehensive energy consumption per CNY 10,000 of operating revenue decrease compared to 2020

16%

CO<sub>2</sub> emissions per CNY 10,000 of operating revenue decrease compared to 2020

24%

### By 2030

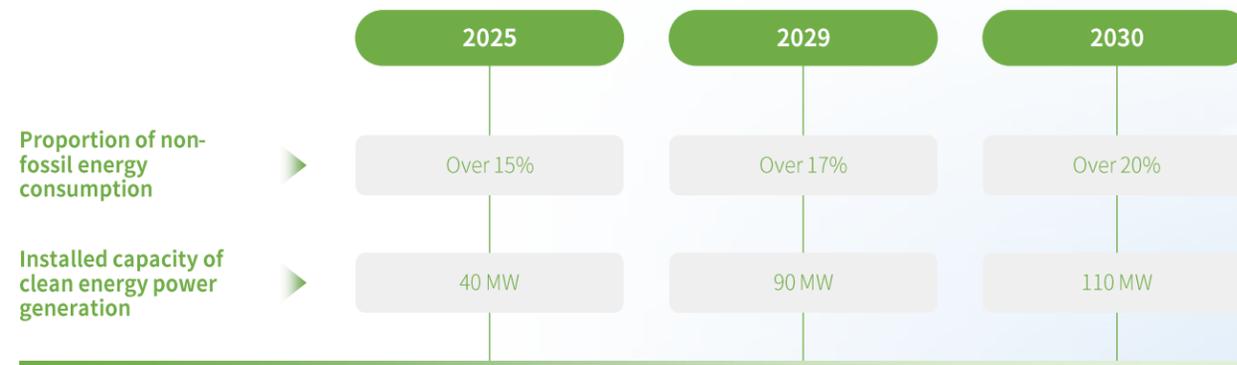
Comprehensive energy consumption per CNY 10,000 of operating revenue decrease compared to 2020

33%

CO<sub>2</sub> emissions per CNY 10,000 of operating revenue decrease compared to 2020

38%

## Featured Targets



## Target Achievement Status

We take the green and low-carbon transformation of energy, efficient use of resources and energy, and vigorous promotion of a circular economy as the three pillars for achieving carbon peaking. Through ten tasks, including comprehensively optimizing the production and business layout, promoting green and low-carbon circular transformation, and strengthening green and low-carbon supply management, we steadily advance the achievement of the Company's "Carbon Peaking and Carbon Neutrality" goals. This year, we achieved the targets and over-fulfilled target tasks. In the future, we will continue to maintain carbon reduction results and further tap into the potential for energy saving and emission reduction.

Carbon Emission Related Targets	Achievements in 2025
Overall Target	<p>Taking 2020 as the base year, by 2025, comprehensive energy consumption per CNY 10,000 of operating revenue decreases by 16%</p> <p>This year, comprehensive energy consumption per CNY 10,000 of operating revenue decreased by 45.51% compared to 2020</p>
	<p>Taking 2020 as the base year, by 2025, CO<sub>2</sub> emissions per CNY 10,000 of operating revenue decrease by 24%</p> <p>This year, CO<sub>2</sub> emissions<sup>7</sup> per CNY 10,000 of operating revenue decreased by 52.29% compared to 2020</p>
Featured Targets	<p>By 2025, non-fossil energy consumption accounts for over 15%</p> <p>This year, non-fossil energy consumption accounted for approximately 10.17% (Biomass and PV), which has not yet reached the established target. We will further advance the energy transition process in the future to increase the proportion of non-fossil fuel energy consumption.</p>
	<p>By 2025, the installed capacity of new energy power generation reaches 40 MW</p> <p>This year, the installed capacity of new energy power generation reached 90.56 MW</p>

7. To maintain data consistency and comparability, the scope of CO<sub>2</sub> emissions in this context is consistent with previous years, including only Scope 1 and Scope 2.

# Promoting Circular Economy

BNBM is committed to advancing the "greening of buildings, cities, and living environments", accelerating the construction of a circular economy system, vigorously promoting building energy efficiency and prefabricated buildings, and striving to create a full lifecycle product management process of "design-recycling-reprocessing", enhancing the green and environmental attributes of its products.

We are committed to integrating the concepts of green, low-carbon, and environmental protection into every stage of the product's entire life cycle:

<b>Greener raw material use</b>	Use industrial by-product gypsum as the main raw material for product production to achieve the circular utilization of industrial solid waste.
<b>More energy-efficient production processes</b>	Recirculate resources such as waste heat and condensed water and continuously optimize production processes to reduce energy consumption during production.
<b>Sustainable product design</b>	Improve product design and production processes to achieve the lightweighting of gypsum board products and extend product life cycles.
<b>More efficient product application</b>	Promote prefabricated buildings by completing pre-assembly in factories through dry construction methods, reducing the workload during gypsum board assembly and achieving resource and energy savings at the usage end.
<b>Recyclable product recovery</b>	Accelerate research on the recycling and trade-in of waste gypsum boards to reduce waste generation and mitigate environmental impact at the end of the product life cycle.

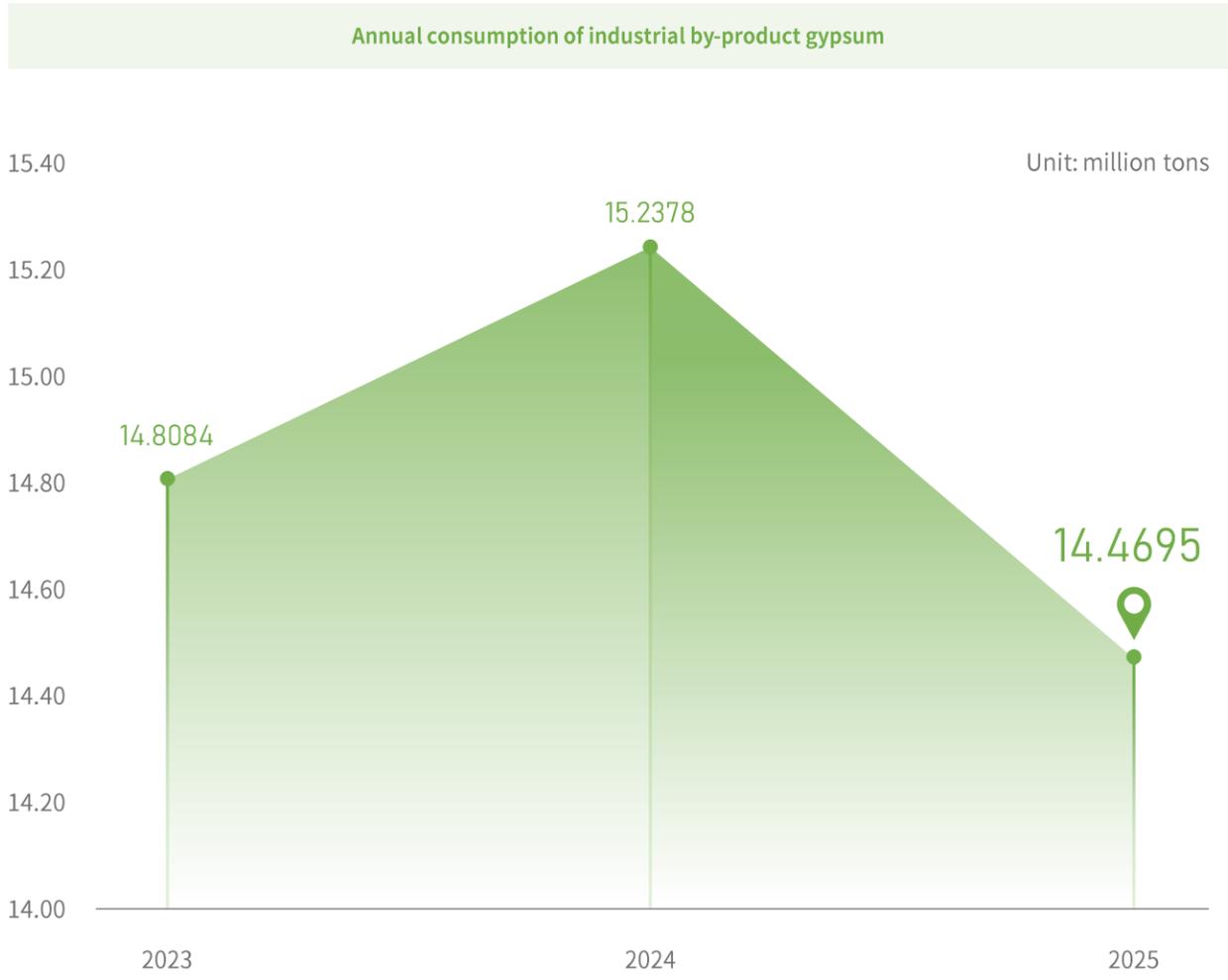
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    graph TD
      A[Raw materials for product production] --> B[Utilization of edge waste and cascading utilization of resources]
      B --> C[Recycling and utilization of waste at the end of the life cycle]
      C --> D[Waste product recovery]
      D --> A
      C --> B
      D --> B
      E[During the product production process] --- B
  
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We persist in utilizing desulfurization gypsum solid waste resources. In 2025, the Company consumed approximately

**14.4695** million tons of industrial by-product gypsum throughout the year.

Simultaneously, we carried out the cascading utilization of resources in production links and gradually promoted the reuse of production edge waste. We also actively explore waste gypsum board recovery technologies and operational mechanisms to support the development of the national circular economy system.



**Multiple products of the Company have obtained green product certifications**

As of the end of the reporting period, the Company's **500** products have obtained

**China Green Building Materials Product Certification**

Recycling and Utilization of Waste Resources

The Company insists on building factories near raw material sources, selecting green and eco-friendly raw materials, and reducing resource use in production to promote the full absorption of industrial solid waste residue during production, maximizing circular resource utilization. This year, the Company continued its efforts across all stages of product production, recycling, and utilization, vigorously advancing green manufacturing throughout the full life cycle.

Case Study: Resourceful Utilization of Desulfurization Gypsum

BNBM vigorously develops green and low-carbon industries and supply chains, continuously advancing projects for the resource utilization of desulfurization gypsum solid waste. Nationwide, BNBM accounts for 11.62% of the total desulfurization gypsum consumption, making a significant contribution to the industry's circular economic development:

- BNBM Taishan Gypsum Lunan can consume approximately 250,000 tons of industrial by-product gypsum annually, saving over 40 mu of land otherwise occupied by industrial waste stacks, effectively reducing secondary environmental pollution and enhancing both ecological and economic benefits;
- BNBM Suzhou currently has 2 large-scale modern paper-faced gypsum board production lines with an annual capacity of 70 million square meters. The raw materials used are desulfurization gypsum, an industrial by-product of coal-fired power plants, achieving high-efficiency and high-value-added utilization of solid waste;
- BNBM Dragon Brand (Chongqing) mainly uses desulfurization gypsum produced during power plant operations as raw material, consuming over 200,000 tons of desulfurization gypsum annually;
- BNBM Shaanxi adheres to the concept of green innovation, using desulfurization gypsum from thermal power plants as the main raw material to produce paper-faced gypsum board, achieving comprehensive resource utilization and consuming 200,000 tons of desulfurization gypsum for the year.

Cascading Utilization of Resources and Utilization of Edge Waste

The Company's factories continue to deepen the utilization of resources such as waste heat from power plants. This year, the Company used a total of waste heat steam from power plants to replace approximately 58,800 tons of standard coal. Simultaneously, the Company strengthened research and practice on the reuse of edge waste to maximize raw material production efficiency and reduce resource consumption.

Intensive Use of Water Resources and Closed-Loop Management

BNBM treats water resources as a core element of full life-cycle management, systematically building a system for the intensive use of water resources and closed-loop management covering all production stages. The Company conducts regular water use assessments to systematically identify key links and improvement opportunities for water efficiency. We implement water recycling and promote the reclamation, reuse, and cascading utilization of wastewater through process optimization and facility upgrades, continuously reducing water consumption per unit of product. We focus on cultivating water-saving awareness among all staff, providing special training on water efficiency management schemes, integrating the concept of intensive water use into daily operations, and continuously improving water recycling efficiency to support sustainability goals.

Recycling and Utilization of Waste at the End of the Product Life Cycle

By establishing a standardized recycling network, improving recycling processes, and developing high-value utilization technologies, BNBM comprehensively promotes the resourceful utilization of building material products at the waste stage. We are committed to achieving closed-loop management from raw material acquisition and product manufacturing to terminal recycling, transitioning toward a circular economy model.

Establishing zero-waste factories

In 2025, the Company has cumulatively established a total of **8** zero-waste factories.



# Protecting Ecological Environment

BNBM strictly complies with the relevant laws and regulations of China and its various operating locations. By implementing internal management systems such as the *BNBM Ecological and Environmental Management System*, it standardizes the management methods and processes for wastewater, waste gas, and waste during the operations of its subsidiaries.

This year

100%

The Company further reduced pollutant emissions and the environmental impact of production through continued promotion of near-zero emission techniques, clean energy replacement, intelligent exhaust gas management, and other measures. The compliance rate for pollutant emissions was 100%.

## Wastewater Management

The Company strictly complies with local wastewater discharge standards. Production bases install wastewater treatment facilities to preliminarily treat production wastewater and cooling water, which is then reused or discharged to municipal treatment plants after meeting standards. In 2025, we strengthened wastewater emergency management by constructing emergency containment tanks at our production bases. Through the timely collection of initial runoffs and the continuous optimization of rainwater and sewage separation, we monitored and treated wastewater to ensure centralized discharge.

### Case Study: BNBM Taishan Gypsum Dawenkou Town Water Environment Comprehensive Treatment Project

BNBM Taishan Gypsum invested CNY 150 million to construct the sewage treatment plant and artificial wetland project in Dawenkou Town, Tai'an City. Launched in September 2018 and operational in April 2020, it has a daily processing capacity of 25,000 cubic meters. The project uses combined processes, serving domestic sewage from the town and wastewater from the industrial park. The effluent quality exceeds the Class 1A standard of the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant*. From 2023 to 2025, average parameters such as COD and ammonia nitrogen were significantly better than the limits. After deep purification through the constructed wetland, the water quality meets the Class IV requirements of the *Environmental Quality Standards for Surface Water* and is discharged into the Xiaocao River. The operation of this project has effectively improved regional water ecology and the living environment, supporting green investment attraction and sustainable development.



Taishan Gypsum Wentai Environmental Protection Tailwater Constructed Wetland

## Exhaust Gas Management

The Company maintains high standards for exhaust gas treatment, setting "near-zero emission" thresholds stricter than national and industry standards: <math><20 \text{ mg/m}^3</math> for  $\text{SO}_2$ , <math><30 \text{ mg/m}^3</math> for  $\text{NO}_x$ , and <math><5 \text{ mg/m}^3</math> for particulate matter. These standards are gradually applied to gypsum board production lines. Subsidiaries of BNBM further refine waste gas management measures in all links using intelligent means based on their production process characteristics, ensuring compliant waste gas emission. Gypsum board enterprises are implementing near-zero emission standards, while waterproof material companies are utilizing RTO (Regenerative Thermal Oxidizer) systems to mitigate the pollution of the atmospheric environment caused by organic waste gases.

### Case Study: BNBM Dragon Brand (Chongqing) Industrial Kiln Flue Gas Deep Treatment Technical Renovation

In 2025, BNBM Dragon Brand (Chongqing) carried out a deep treatment technical renovation project for industrial kiln flue gas. After renovation, annual sulfur dioxide emissions decreased by 36.50 tons, a drop of 69.2%. This not only promoted regional air quality improvement but also achieved a win-win for economic, environmental, and social benefits.



Overview of Dragon Brand New Materials (Chongqing) Co., Ltd.

## Waste management

BNBM strictly complies with national laws, regulations, and industry standards, closely monitoring policy dynamics. The Company systematically strengthens hazardous waste management based on the *Directory of National Hazardous Wastes* and continuously improves internal systems such as the *BNBM Ecological and Environmental Management System* to strictly treat general industrial waste and hazardous waste, ensuring high-efficiency and compliant disposal. For general industrial solid waste, production bases set up dedicated warehouses for classified storage and regular disposal. For hazardous waste, a "Same-day waste clearance" principle is implemented; generating departments transfer waste to dedicated storage rooms on the same day for classified storage. Through a "digital ledger + manual record" dual-track management, full-process online traceability of entry and exit is achieved. Simultaneously, the Company entrusts qualified third-party institutions for regular standardized disposal, ensuring the entire hazardous waste treatment process is legal, safe, and traceable.

## Biodiversity Protection

BNBM fully recognizes the significance of biodiversity in maintaining ecosystem stability and supporting long-term sustainable development, integrating ecological protection concepts into the entire process of enterprise development and project management. The Company has released environmental protection and biodiversity protection statements, clearly incorporating biodiversity protection into its environmental management focus and setting specific requirements for protecting sensitive ecological areas. The Company also extends these principles to supply chain management, explicitly requiring suppliers and partners to avoid production or business activities near national and globally important ecological areas and other sensitive ecological regions, strengthening ecological risk prevention and control at the value chain level.

During the initiation and site selection stages of new or expansion projects, the Company strengthens the prior identification of ecological risks and strictly conducts biodiversity due diligence. By combining ecological mapping analysis with on-site inspections, the Company proactively avoids ecological protection redlines, nature reserves, and key biodiversity areas, minimizing potential interference from project construction on habitat integrity and ecosystem structures. During production and operations, the Company continues to drive resource efficiency and production process optimization to reduce the intensity of natural resource occupation and ecological disturbance.

# Strengthening Environmental Management

BNBM strictly complies with the requirements of the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Promoting Clean Production*, the *Energy Conservation Law of the People's Republic of China*, and other laws and regulations related to energy saving and environmental protection. It has formulated and released the *Environmental Policy Statement*, continuously optimizing its environmental management system, implementing diversified environmental protection measures, increasing environmental regulation, and comprehensively promoting the progress of environmental governance.

The Company earnestly fulfills its primary responsibility for environmental management, continuously improving internal systems such as the *BNBM Ecological Environmental Responsibility System* and the *BNBM Ecological Environmental Management System*. It links management compensation to environmental management performance indicators, where serious environmental violations may impact their compensation and performance; continuously improving the *Environmental Management System* of subsidiaries to ensure the comprehensive and effective operation of the environmental management system.



## 2025

Based on the year 2020, the sulfur dioxide (SO<sub>2</sub>) emission intensity shall decrease by 30%



## 2025 Work Progress

Sulfur dioxide emission intensity  
**0.26** kg per CNY 10,000 of industrial output value  
 a decrease of **53.73%** compared to 2020

Based on the year 2020, the nitrogen oxides (NO<sub>x</sub>) emission intensity shall decrease by 30%

Nitrogen oxide emission intensity  
**0.55** kg per CNY 10,000 of industrial output value  
 a decrease of **45.11%** compared to 2020

Based on the year 2020, the Industrial particulate matter emission intensity shall decrease by 30%

Industrial particulate matter emission intensity  
**0.06** kg per CNY 10,000 of industrial output value  
 a decrease of **67.31%** compared to 2020



## 2026 Annual Target

The emission intensity of sulfur dioxide, nitrogen oxides, and industrial particulate matter will be reduced by 1% compared to 2025.

## In 2025

**33** enterprises

were honored national-level "Green Factory"

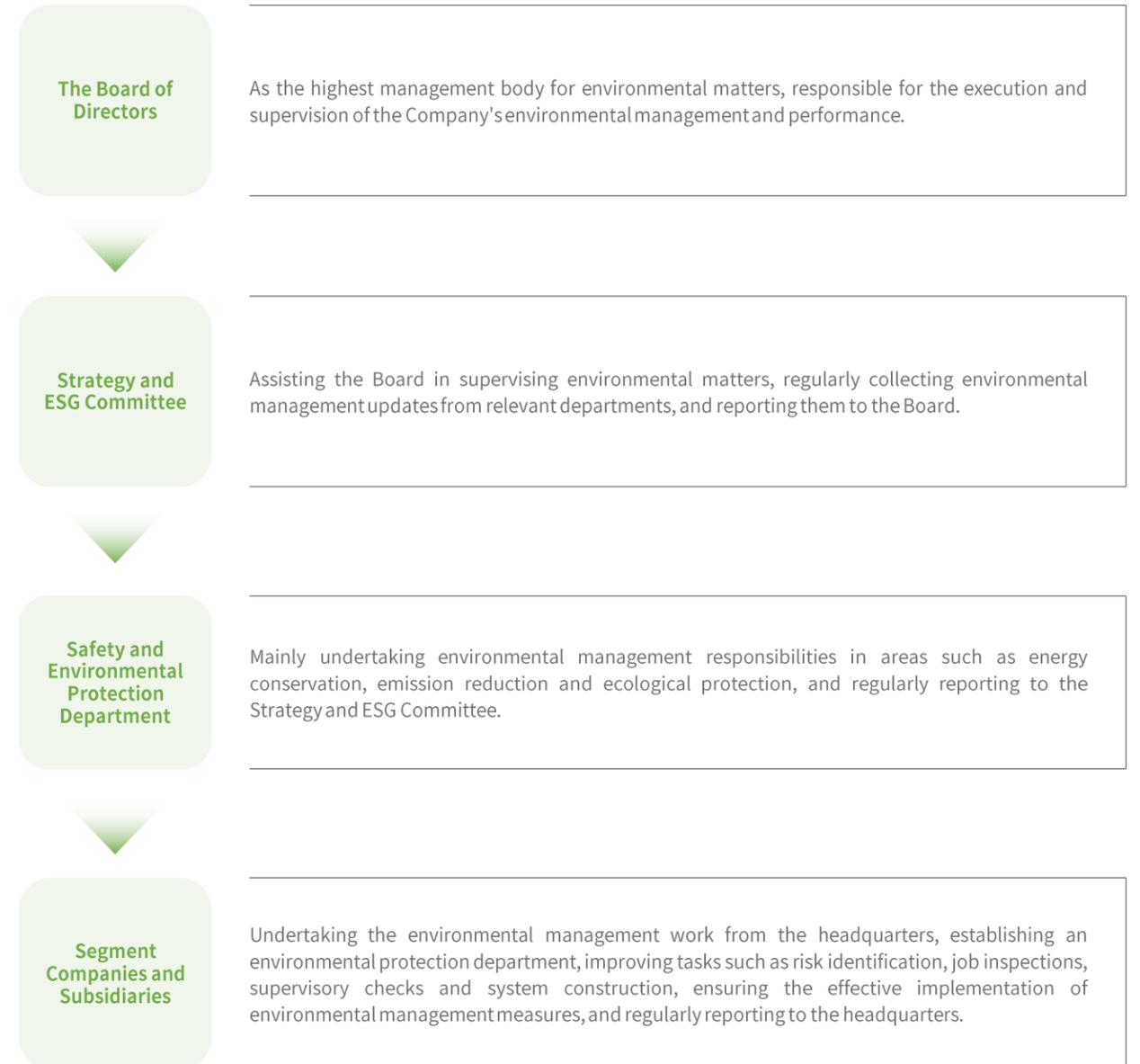
**45** enterprises

were awarded the title of provincial or municipal level "Green Factory"

# Improving the Environmental Management System

To solidly promote environmental management, the Company established an environmental management structure including the Board of Directors, the Strategy and ESG Committee, and the Safety and Environmental Protection Department, forming a top-down management mechanism. A vertical management chain of "Headquarters - Segment Company - Subsidiary" was built to continuously drive the implementation of environmental protection and ecological construction management at all levels.

## BNBM environmental management system



BNBM has established and continuously refined its environmental monitoring and risk prevention and control system. The Company fully promotes the PDCA (Plan-Do-Check-Act) cycle management mechanism, guiding subsidiaries to systematically carry out environmental risk management and performance improvement.

Environmental Monitoring and risk prevention and control System



Each subsidiary formulates a detailed environmental self-monitoring plan at the beginning of each year and entrusts qualified third-party monitoring units to strictly conduct commissioned monitoring work every quarter. The Company regularly organizes internal environmental audits covering all operating locations every year. Through a collaborative inspection mechanism combining "inspection, guidance, training, and service", we conduct comprehensive verifications focused on document and permit management, discharge permit execution, environmental facility status, self-monitoring implementation, unorganized emission control, and solid and hazardous waste management. For units with discovered problems, the Company issues written hazard rectification notices and continuously tracks and supervises the implementation of rectifications. As of the end of the reporting period, subsidiaries identified a total of 4,922 environmental hazards, and all discovered problems have been rectified.



The Company accepts central and local environmental inspections, including regular inspections and random spot checks, achieving full coverage of key areas for external environmental inspections every year, accounting for nearly 100% of production and operation enterprises.

In 2025, the Company continued to strengthen environmental management system construction, actively promoting environmental certifications and clean production audits for subsidiaries. All production and operation enterprises conducted environmental management according to Environmental Management System (ISO 14001) and Energy Management System (ISO 50001) certifications and formulated internal standards to accept the management results of each production base. Currently, 99 production and operation enterprises group-wide have 100% obtained ISO 14001 certification, and 49 have obtained ISO 50001 certification, accounting for 49.5%. A total of 40 production and operation enterprises group-wide declared and passed clean production audits, accounting for 40.4%.

Additionally, guided by the headquarters' principles, subsidiaries have established systems such as the *Measures for the Environmental Emergency Response Management* and the *Environmental Risk Hazard Investigation and Control System*. These systems are continuously improved based on the characteristics of each production base. Subsidiaries also regularly update their lists of significant environmental factors, conduct risk investigations and assessments, and organize comprehensive and specialized emergency drills. In 2025, no major sudden environmental incidents occurred at BNBM.

Practicing Green Office

BNBM implemented the *Office Resource Management Measures* to encourage green office practices, including:



Comprehensive Implementation of Paperless Office

All office approval processes are completed through the online OA platform, fully implementing paperless office operations; a centralized management model for office supplies has been adopted, establishing a shared office supplies inventory. This allows various departments to share daily supplies such as paper, ink cartridges, and drinking water, minimizing paper usage and improving the efficiency of public resource allocation.



Optimization of Water and Energy Conservation Measures

Each production base has established rainwater collection pools, using the collected rainwater for landscape irrigation and green plant watering; by dynamically adjusting the operating times and controlling the temperatures of refrigeration units, electricity consumption is reduced; lighting and hot water supply are meticulously managed with scheduled on/off times to lower energy consumption.



Creating a Green Office Environment

The Company actively promotes energy-saving and environmental protection concepts through various forms of daily awareness campaigns. These include posting promotional posters in public areas, regularly sending energy-saving and environmental protection email reminders to employees, and hosting themed lectures. These efforts aim to enhance employees' environmental awareness and jointly create a green office environment.

Enhancing Employee Environmental Awareness

To implement environmental measures and strengthen employee awareness, BNBM conducted environmental training for 46,226 participants on topics such as solid waste classification, air pollution prevention, and emergency response plans.

Case Study: Practicing Green Concepts and Creating an Eco-friendly Atmosphere

- Taishan Gypsum (Liaocheng) Co., Ltd systematically organizes themed training and publicity activities centered on green development concepts during key environmental dates such as Arbor Day, National Energy Saving Publicity Week, National Low Carbon Day, and World Water Day. Through a series of measures, the factory has created an environmental culture atmosphere of universal attention and wide participation, effectively enhancing employees' environmental awareness and practical capabilities. The employees not only deeply understand the strategic significance of green development but also proactively practice behaviours such as energy conservation, consumption reduction, and ecological protection in their daily work. This provides solid grassroots support, and action guarantees for the factory to continuously drive low-carbon transformation and implement green development goals.





# 03 Solutions of Higher Quality

Against the backdrop of China's continuous promotion of high-quality development, BNBM bases itself on the direction of transformation and upgrading in the building materials industry, continuously serving the development needs of customers and society with higher quality solutions. The Company revolves around improving product and service quality, strengthening technological innovation support, and deepening green low-carbon practices. We continuously refine a solution system covering the entire business chain, creating value for high-quality industry development and sustainable socio-economic growth by providing quality services, driving technological innovation, and offering green solutions.

# Creating Quality Services

BNBM persists in taking quality as the core and customers as the center, treating the creation of high-quality products and excellent services as the important foundation for supporting the Company's steady operations and value creation. The Company continues to deepen quality management and service capability construction, revolving around enhancing product reliability, service professionalism, and customer experience to continuously solidify the internal momentum for high-quality development. While meeting customer needs for safety, health, and high quality, the Company empowers downstream application scenarios through quality products and services, promoting the coordinated development of the industrial chain and the simultaneous improvement of business quality and social value.

## Governance System



In terms of product quality

A Vice General Manager is responsible for coordinating quality management work, driving the implementation of quality requirements in all business links. The Company clarified that the Operating Management Department undertakes quality management functions within its comprehensive management scope, with dedicated personnel responsible for system publicity, process supervision, problem coordination, and closed-loop tracking. This forms a quality management governance system coordinated by management, led by functional departments, and implemented by dedicated posts.



In terms of customer service

To comprehensively improve customer service quality and experience, the Company established a Customer Service Leading Group with the Chairman as the head and relevant senior executives as deputy heads, coordinating and leading all employees in customer service strategic planning and experience enhancement. Simultaneously, the Company established a Customer Service Working Group, with each business segment responsible for daily customer service synergy and management, focusing on implementing measures for precise response to customer needs, efficient handling of complaints, and continuous optimization of service processes. BNBM continuously improves its customer service management system, clarifying the responsibilities of institutions and personnel at all levels, and incorporating customer satisfaction and service quality metrics into the performance appraisal and accountability mechanisms of relevant departments and employees to ensure effective implementation of service responsibilities.

To protect customer privacy, the Company clarifies the responsibilities of management bodies and personnel through information security management systems and incorporates information security compliance requirements into employee performance management and accountability mechanisms to strengthen the implementation of information security responsibilities. The Board of Directors and the Strategy and ESG Committee exercise overall supervision of information security within the ESG scope. A Cybersecurity and Informatization Leading Group was established with the Chairman as the head, leading senior management and all employees in information security protection. Simultaneously, the Company established a Cybersecurity and Informatization Working Group to conduct daily network security management, focusing on implementing information security protection measures.



## Improvement Strategy



In terms of product quality

The Company strictly complies with the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, the *Metrology Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Regulations of the People's Republic of China on the Administration of Production License for Industrial Products*, and the *Measures for the Metrological Supervision and Administration of Quantitatively Packed Commodities*. We continuously stabilize the high-quality management system and pursue excellence in product and service quality, establishing a new competitive advantage in cooperation centered on technology leadership, standardized operation, brand building, quality excellence, and quality service.

During the reporting period, the Company revised the *Product Quality Management System*, systematically clarifying management requirements for product quality in raw material control, production process control, and finished product management. It strictly regulates the use of raw materials, explicitly requiring and achieving the non-addition and non-inclusion of harmful substances in all products according to industry specifications, ensuring products are safe and reliable during use. Supervision and inspections of quality management are conducted periodically for business related companies. Simultaneously, the *Measures for the Administration of Identification and Labeling of Semi-finished and Finished Products* were formulated and implemented to standardize product identification and labeling management, further solidifying the foundation of product quality management.

### Case Study: Promoting Group-wide Quality Management via "Quality Month" As a Key Enabler

- In September 2025, taking the 48th national "Quality Month" as an opportunity, the Company systematically carried out special product quality management activities across all levels of enterprises centered on the "Quality First" concept. Through launching publicity, quality commitments, special sampling, standard training, and skill competitions, we continuously strengthened quality awareness and management capabilities among all staff. The activities covered main products such as gypsum board, waterproof materials, and coatings. Through product quality sampling and process supervision, we strictly controlled product ex-factory quality, pushing quality management requirements to the production frontline and all business links, further solidifying the foundation for product quality control.



Screening of production line process hazards

BNBM upholds the "Customer Command Height" strategy, adhering to the marketing philosophy of "Customer First, Win-win Cooperation" and the service philosophy of "The needs of the customer as our own". We prioritize understanding and meeting customer needs, continuously innovate product and service models, and build stable, long-lasting, harmonious, and win-win relationships to improve customer satisfaction and loyalty and achieve common development.

Centered on customers, the Company integrates resources across the upstream and downstream of the industrial chain, building a new integrated industrial platform of "technical solutions + product integration + service consulting". This platform provides comprehensive solutions across the entire industrial chain, lifecycle, and system integration, fully advancing the transformation into the "Marketing 2.0" model. This year, the Company accelerated its transition toward a comprehensive manufacturer and service provider of consumer building materials, promoting the "four transitions" of "commercial to residential, urban to rural, base materials to surface materials, and products to services". In the residential service field, the Company relies on its excellent green eco-friendly building material system to provide customized interior overall solutions for end consumers. The Company actively responds to national construction calls, deeply promoting the "Good Materials Match Good Houses" special project. Centered on scenarios, quality products such as high sound insulation fireproof gypsum board partitions and inorganic antibacterial interior wall eco-friendly coatings were successfully selected for the first batch of high-quality products in the "Good House" construction applicable building materials list, deeply transforming into overall solutions serving households. By building exclusive civil construction and residential service brand standards and strengthening technical delivery guidance and after-sales guarantees, the Company is committed to solving pain points in household living environments, delivering high-quality, healthy, and low-carbon building materials directly to thousands of households, and serving the needs of the people for a better life with heart.

The Company formulated internal management systems such as the Distributor Management System and the Sales Service Management Measures, continuously standardizing customer service management processes and building an efficient national service network. We provide customers with personalized and differentiated products and services, offering "one-stop" customer service covering the entire pre-sales, mid-sales, and after-sales process. To address diverse customer product needs, the Company has also established a demand management process for collecting and filtering requirements. Through third-party research, participation in industry exhibitions, and other methods, the Company understands and analyses customer and market needs, expectations, and preferences to identify target markets and customer groups.



In terms of customer service

Case Study: Deepening Regional Service Synergy and Enhancing Comprehensive Service Capabilities

- In April 2025, centering on improving regional customer service capabilities, the Integrated Business Department led the "Central Enterprise Quality Mile" promotion and exchange activities in several key cities in Xinjiang. Targeting local residential associations, designers, construction teams, and core distributors, it systematically displayed the synergistic advantages of full product systems, new construction methods, and comprehensive service solutions. Through special exchanges, technical sharing, and cooperation docking, the Company further strengthened communication and service response for regional customers, promoting the coordinated linkage of multi-segment businesses in the Xinjiang market and continuously improving the professionalism and localization support of customer service.



"Magnificent Xinjiang Central Enterprise Quality Mile" Promotion and Exchange Activities

Case Study: Deepening All-level Marketing Synergy and Enhancing Comprehensive Service Capabilities

- To further enhance the comprehensive service level for key accounts, BNBM actively practices the all-level marketing synergy strategy. In 2025, the Company accurately aligned the demands of top industry customers, committing to providing them with full-product scenario-based solutions. Taking the docking with the well-known residential service platform "Beike" as an example, the Company relied on efficient internal synergy to successfully drive its three main brands—"Dragon Brand", "Taishan", and "Carpoly"—to fully win the bid for Beike's centralized procurement strategic cooperation. This group-wide synergy not only provided customers with one-stop integrated green building material services but also significantly enhanced home decoration delivery efficiency and end-consumer experience, demonstrating the Company's core strength in transforming into a comprehensive service provider.



Beike centralized procurement strategic cooperation visit

Implement customer privacy protection and information security measures in its own operations:

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on Guarding State Secrets* and the *Interim Provisions on the Protection of Business Secrets of Central Enterprises*. Based on rules and regulations such as the Company's *Information Security Management System*, it orderly carries out various measures to ensure information security.

<p><b>Application Security</b></p>	<p>In 2025, the Company deployed a Zero Trust Network Access (ZTNA) system to eliminate the public internet exposure of internal applications. This initiative centralizes identity authentication and access management (IAM), effectively minimizing the corporate attack surface.</p>	<p><b>Security Monitoring</b></p>	<p>An integrated security monitoring platform has been established to provide real-time visibility, enabling the proactive detection and remediation of anomalous access behaviors.</p>
<p><b>Perimeter Security</b></p>	<p>Firewalls are deployed across all data center perimeters to secure Internet access for business systems and office endpoints.</p>	<p><b>Registration &amp; Certification</b></p>	<p>Since 2021, the Company has classified and registered its official websites and internal systems under the Multi-Level Protection Scheme (MLPS). We achieved MLPS Level 2 certification, with mandatory re-assessments conducted biennially to ensure ongoing compliance;</p>
<p><b>Internal O&amp;M Control</b></p>	<p>All server operations and maintenance are done through bastion hosts, effectively preventing unauthorized access. The entire O&amp;M process is recorded via audit videos for the traceability of every operation.</p>	<p><b>Emergency Management</b></p>	<p>Spearheaded by the Digitalization Center, the Company has developed multi-scenario contingency plans covering system failures, cyberattacks, malware outbreaks, and data center emergencies. Mission-critical infrastructure—including servers, security appliances, and backup systems—is supported by OEM hardware maintenance and professional technical O&amp;M services. This ensures that software versions and threat signatures remain current, enabling rapid response and service restoration in the event of a failure.</p>
<p><b>Data Security</b></p>	<p>A three-level disaster recovery strategy has been implemented for our core business system, incorporating on-server, on-site, and off-site data redundancies.</p>		
<p><b>Server Security</b></p>	<p>A robust Host-based Security System (HBSS) has been deployed, integrating automated antivirus protection, Trojan/hacker intrusion prevention, and vulnerability management.</p>		

**Further strengthen data security management for third parties:**

During the reporting period, the Company continued to enhance digital empowerment and cybersecurity management. By establishing the "Shutong (Digital Vision) BNBM" data management framework, the Company implemented data-at-rest encryption and tiered authorization for mission-critical sensitive data, while enforcing stringent access controls. The Company established a security isolation mechanism for marketing data and implemented segment-based permission isolation in the internal data middle-end. The Company mandated 100% signing of Data Security and Confidentiality Addendums for all third-party vendors with access to customer data. Utilizing Zero Trust Network Access (ZTNA), robust permission management, and audit logging, the Company maintains continuous monitoring of marketing system access, prioritizing the detection of threat vectors such as anomalous IP logins.

**Strengthen information security capability building and training:**

The Company continues to conduct training via publicity posters, emails, "Cybersecurity Mini-Classes", and special lectures. During the reporting period, the implementation of information security training was as follows:



**Risk prevention and control**

The Company emphasizes the continuous improvement of quality awareness and quality responsibility across all business segments. In the design and development stage, the Company incorporates risk assessment standards fully into the product and service development process, identifying and avoiding potential quality hazards from the source to ensure high reliability and compliance from inception. To prevent quality risks during delivery, after products pass inspection and enter the warehouse, the Company re-verifies the appearance quality and packaging integrity before delivery. Shipment is only permitted after confirming compliance, forming a quality risk prevention and control step prior to product delivery. To strengthen refined quality management, the Company has established a quality compensation rate indicator, extending cost control requirements from internal production to quality cost management, reinforcing management requirements centered on quality to enhance consumer satisfaction and build a high-quality product image.



In terms of product quality

The Company also strengthened quality risk prevention and control for production units at all levels. The production data are collected and summarized at our headquarters monthly, conducting benchmarking and evaluations of product pass rates, unit consumption, and energy consumption to monitor production quality timely.

**This year**



In terms of customer service

To continuously understand potential customer needs and satisfaction with product services, the Company formulated and strictly implemented the *Measures for Handling Customer Complaints* and established diversified communication channels, including web, email, telephone, letters, and face-to-face feedback. For product quality complaints, sales personnel will conduct on-site verification immediately upon receipt, actively communicate with customers, and jointly discuss and implement solutions. For service complaints, the person in charge will timely communicate and coordinate with relevant responsible departments to rectify and optimize service deficiencies. The Company also strictly stipulates response and processing time limits for each stage of a complaint, explicitly requiring a reply within 48 hours of receiving a customer complaint to ensure issues are concerned and addressed promptly. Additionally, the Company conducts customer satisfaction surveys in accordance with the *Measures for the Administration of Customer Satisfaction Surveys*, taking the satisfaction of distributors at all levels as a core performance metric. In 2025, the Company organized distributor satisfaction surveys across all levels of business segments, across 8 units including Dragon Brand Gypsum, Taishan Gypsum, Dream Brand Gypsum, and BNBM Waterproof. Total respondents exceeded 910,000, with satisfaction performance remaining stable and above the set target level.

To protect customer privacy rights, the Company implements a closed-loop management mechanism for data security issues discovered during business operations, organizing company-wide screenings for typical risks to eliminate potential hazards. The Company established a normalized information security inspection mechanism, organizing annual penetration tests and quarterly vulnerability scans for key business systems. Through external professional assessment, it strengthens security verification and improves the comprehensiveness and objectivity of risk identification. The Company also built accessible proactive identification channels and established an information security issue reporting and response mechanism. If the employees discover any information security risk or abnormality, they can report to dedicated information security personnel in the Digitalization Center via email, telephone, or instant messaging tools. Dedicated personnel will timely report the issue according to the process, coordinate with system vendors and O&M staff for verification and handling, promote issue rectification and risk prevention and control, and conduct accountability handling according to regulations to ensure the information security incidents are addressed effectively and promptly.

**Performance Metrics**

During the reporting period, the Company continued to promote ISO 9001 quality management system certification, with 97 enterprises obtaining the certification.

**This year, the Company has set and achieved multiple quality management goals:**



This year, the weighted average score for distributor satisfaction reached 9.24, marking the sixth consecutive year of maintaining a score above 9.0 and successfully fulfilling the annual performance target of "no less than 9.0".

This year, the Company received 21 complaints regarding products and services and achieved a 100% resolution rate. No major customer privacy leaks or information security incidents occurred, and no product recalls occurred, gaining widespread recognition from customers.

# Promoting Technological Innovation

Centering on the "One Body, Two Wings and Global Layout" strategy, BNBM continues to focus on its three core businesses of gypsum board, waterproofing, and coatings. It builds an internally and externally collaborative, open, and shared technological innovation system, empowering product upgrades and sustainability through technological innovation. The Company persists in tackling key core technologies and major scientific projects, fully exerting its role as the main subject of innovation and the "problem setter", continuously improving the output and transformation capability of scientific achievements.

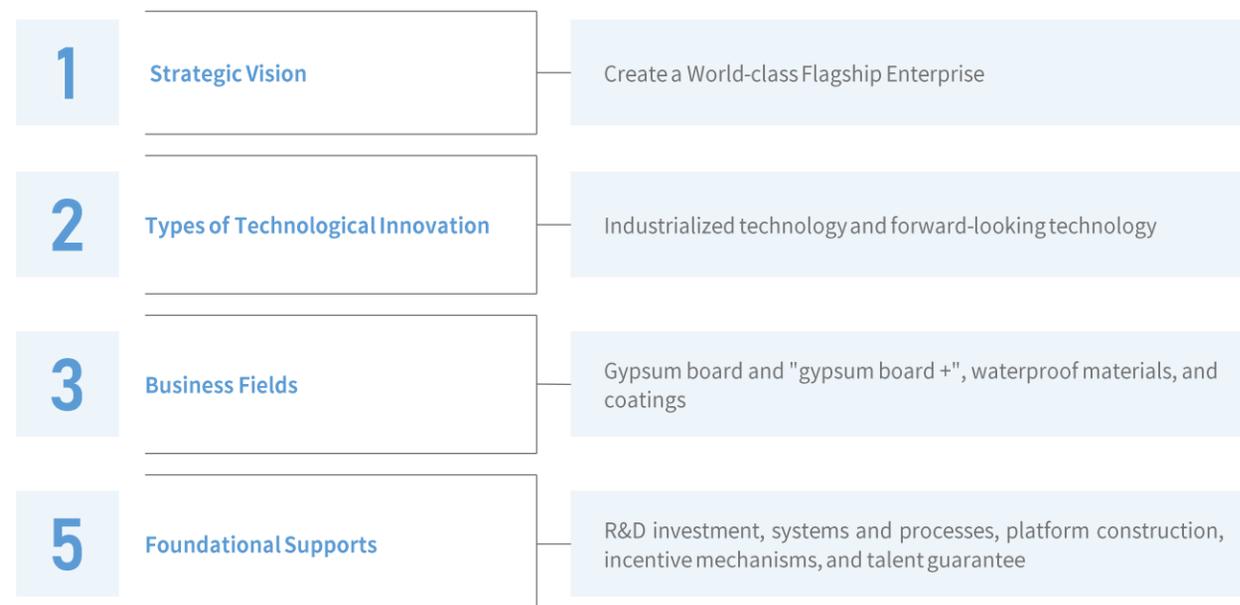
## Governance System

The Company established a Science and Technology Committee led directly by the Chairman to coordinate decision-making and management related to technological innovation. Focusing on the "1235" technological innovation strategy, the Committee conducts overall planning for innovation system construction, R&D focus areas, and resource allocation. Through the continuous improvement of the Articles of Association and supporting management systems, it ensures that technological innovation work proceeds orderly within the institutional framework.

## Strategic Roadmap

BNBM continues to strengthen the overall planning and project-based management of R&D work by improving its technological innovation institutional system. The Company revised and improved core systems such as the *Charter of the Science and Technology Committee* and the *Measures for the Management of Major Scientific and Technological Program Projects*, standardizing division of duties, project initiation, implementation management, and fund use requirements to drive full-process management of major projects. On this basis, the Company sorted key R&D directions around the "One Body, Two Wings" strategy, clarified technical breakthrough pathways, and orderly advanced R&D work, continuously enhancing the support capability of technological innovation for business development. In 2025, the Company initiated 11 major scientific and technological program projects for the year.

### BNBM "1235" Science and Technology Innovation Strategy



BNBM continues to build a collaborative, open, and shared technological innovation system, promoting the systematic integration and efficient allocation of innovation resources and strengthening the role of technological innovation in supporting business development.

Centering on customer needs, production/operation improvements, and application technology trends, the Company coordinates innovation in key links such as product R&D, production technology, and application technology to ensure R&D directions remain highly aligned with market and industrial demands.

**Internal Innovation Strategy**

The Company actively deepens synergy and cooperation with universities, scientific research institutes, and industry organizations to promote deep integration of industry, academia, and research, accelerating the conversion of scientific achievements into engineering applications and industrialization.

**External Innovation Cooperation**

### Optimize R&D Incentive Systems

The Company continues to improve its incentive and achievement management systems for technological innovation, formulating and implementing measures such as the *BNBM Measures for the Administration of Declaration and Evaluation of Scientific and Technological Achievements* and the *BNBM Patent Reward Measures*. During the reporting period, the Company issued the *BNBM Measures for Rewards of All-employee Technological Innovation (Trial)* to build a value-creation-oriented incentive system, expanding reward coverage, strengthening the linkage between incentives and profit growth, and increasing supporting support for external technology awards. Simultaneously, the Innovation Research Institute formulated the *Measures for Performance Appraisal of R&D Personnel* to further refine classified assessment and performance evaluation mechanisms for researchers, linking scientific achievements and technical contributions with performance evaluation to drive synergy between incentive mechanisms and innovation goals. Spanning the entire innovation lifecycle, the Company stimulates researcher vitality through "Technology Open Competition Mechanism" incentives, patent and achievement rewards, and technological innovation honors complemented by external award matching. These initiatives strengthen the endogenous drive for critical technology breakthroughs and the commercialization of scientific achievements.

### New Progress in Digital Transformation

BNBM takes digital transformation as a primary enabler for upgrading its technological innovation system and changing management models. Guided by the "1254"<sup>8</sup> Digital Transformation Blueprint, it systematically promotes the deep integration of digital technology with core businesses in areas such as group governance, business synergy, and intelligent manufacturing, continuously enhancing the support of technology for operations and industrial upgrading. During the reporting period, the Company advanced digital transformation through the following pathways:

- Solidifying organizational and institutional guarantees for digital transformation based on unified governance:** The Company established a Digitalization Center to build a group-wide digital coordination system covering headquarters, business domains, segments and member enterprises. By improving systems and incentives, promoting the construction of professional ITBP teams, and conducting 12 sessions of group-wide AI special training, it continuously enhanced digital governance and execution efficiency at the organizational level. During the reporting period, 1 subsidiary was certified as a 4-star enterprise in digital transformation maturity, while three others attained 3-star certification, and the Company participated in drafting 2 national/industry standards such as *Industrial Internet Platform-Digitalization Management of Safety Production (Building Materials Industry)*.
- Taking business integration as the core, driving digital reconstruction of key operational and management processes:** In core areas such as finance, procurement, R&D, and operation management, the Company steadily advanced the construction and integration of group-level information systems, promoting the online and standardized operation of main business processes, continuously improving the integration of business and finance and master data governance, and strengthening group-wide synergistic control.
- Focusing on intelligent manufacturing, promoting deep application of digital technology in production and operations:** Based on the characteristics of gypsum board, waterproofing, and coatings, the Company progressively advanced intelligent factory construction, released intelligent factory standards, and cultivated demonstration projects. Through applications like MES, DCS, and the Industrial Internet, it enhanced visibility, leanness, and stability in production, forming reproducible and promotable intelligent manufacturing practices. During the reporting period, the Company completed 7 advanced intelligent factories, promoted the application of 5G+MES smart factories and Beacon MES systems, completed the intelligent transformation of 7 digital factories, and equipped 90% of key equipment with automatic inspection and alarm functions.

8. "1254" refers to the company's digital transformation framework, comprising 1 vision, 2 directions, 5 initiatives, and 4 safeguards.

Case Study: Leading Industry Standards for Intelligent Gypsum Board Manufacturing

- BNBM released the Gypsum Board Intelligent Factory 2.0 Standard System, forming a complete normative framework covering planning, construction, operation, and evaluation. It clarifies core requirements such as intelligent equipment interconnection, data flow, system integration, and operation evaluation, guiding factories from point automation to systemic intelligence and from local renovation to full-process digital upgrading. This standard is the first systematic standard document for intelligent gypsum board factories in China, filling an industry gap and providing unified guidance for internal upgrades and industry-wide application.

Case Study: Creating a National-level Excellence Model for Intelligent Manufacturing

- BNBM Carpoly Coating (Anhui) Co., Ltd.'s "Digital-Intelligence Integrated Eco-friendly Coating Intelligent Factory" was rated as a national excellence-level intelligent factory. By building an intelligent manufacturing system covering design, production, management, and operation, the project achieved production automation, management digitalization, and business synergy. While improving production efficiency, quality stability, and resource utilization, it significantly enhanced order response and customer service, forming a reproducible and promotable industry model.



BNBM Carpoly Digital-Intelligence Integrated Eco-friendly Coating Intelligent Factory

Risk prevention and control

BNBM regards intellectual property (IP) protection as an important part of technological innovation risk management, viewing it as a key enabler for preventing technical infringement risks, ensuring the safety of innovation achievements, and maintaining fair competition. While promoting technological innovation, the Company simultaneously strengthens IP compliance management to reduce legal and operating risks during R&D investment and technical application.

The Company strictly complies with laws and regulations such as the *Patent Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*. Combined with business development, it continues to improve the IP management system centered on patents and trademarks. In 2025, on the basis of the original framework, the Company dynamically optimized certain systems that no longer met the requirements of information-based management.

Key IP Protection Measures:

Front-end Infringement risk prevention and control



During project initiation, R&D, and early stages of technical output, patent literature searches and technical comparisons are systematically conducted to identify potential infringement risks in advance and reduce compliance uncertainty during R&D and commercial application. During the reporting period, the Company conducted special patent analysis in key business areas such as waterproofing, systematically sorting out core technology layouts and competitors' patent status to support R&D decisions and technical roadmap choices.

Clarifying IP Ownership



In activities such as technical cooperation, commissioned R&D, and technology transfer, IP ownership, usage scope, and responsibility boundaries are clearly defined through contract terms to prevent legal disputes caused by unclear ownership and protect the legal rights of the Company's innovations.

Implementing Patent Monitoring and Warning



Continuously tracking industry patent layouts and key technology trends, conducting patent monitoring and warning analysis for core products and technologies to timely identify potential infringement risks and competitive changes, providing risk alerts for technological innovation and business development.

## Achievements and Targets

Focusing on the support of technological innovation for high-quality development, BNBM has gradually established a metric and target system emphasizing both achievement output and capability building. From R&D investment, achievement conversion, to digitalization and intelligent construction, the Company quantitatively evaluates and tracks innovation results, driving a shift from process-oriented to result-oriented management and enhancing the empowerment of innovation for business development.

### BNBM Core R&D Performance in 2025

CNY **1.044** billion  
Annual R&D investment

**4.13**%  
R&D intensity

**45**  
Technology awards for projects in technical development, craft methods, and engineering technology

**8**  
Major scientific research projects of the country, the industry, and the Group

**4**  
Projects/subtopics of the 14th Five-Year Plan

**2**  
Projects of the second batch of major scientific and technological research in the building materials industry

**656**  
Patents applications during the year

**10,661**  
Cumulative applications

**219**  
Authorized invention patents during the year

**7,674**  
Cumulative authorizations

**2**  
"Technology Open Competition Mechanism" projects for critical core technologies commissioned by CNBM Group

**1** of which  
Successfully passed Group-level acceptance in June 2025

**5,322**  
Total valid patents

**18**  
International patent applications during the year

**181**  
Cumulative international applications

**51**  
Cumulative authorizations

**1**  
Newly added national-level Manufacturing Individual Champion enterprise

**1**  
Newly added national "Little Giant" enterprise with specialized and sophisticated technologies

**3**  
Newly added provincial/ministerial engineering/technology centers were added

Over **50**%

As of the end of 2025, the percentage of enterprises group-wide that have obtained High-Tech Enterprise certification

# Green Solutions

As an industry-leading green building material enterprise, BNBM bases itself on the requirements of national high-quality development and "Carbon Peaking and Carbon Neutrality" goals, continuously integrating green concepts into product R&D, technical applications, and systematic solutions. Revolving around full life-cycle building needs, the Company accelerates collaborative innovation in green low-carbon technology and product systems. We partner with value chain participants to provide users with safer, more comfortable, and greener building solutions, supporting the construction of "Good Houses" and the improvement of project quality, contributing to the green transformation of society.

In product R&D, BNBM regards clean technology as a key path for supporting product upgrades, process optimization, and green solution capabilities. Focusing on energy saving, low emission, and low environmental load, the Company promotes the application and iteration of clean technology in new material R&D, production process improvement, and systematic solutions, making it a key technical support for the Company's green transformation and high-quality development.

In terms of clean technology investment, BNBM continues to include green low-carbon R&D, process transformation, and digital empowerment into annual investment and R&D arrangements, focusing on supporting energy-saving materials, low-VOC products, resource efficiency improvement, and green manufacturing technologies.

Facing the 15th Five-Year Plan period, the Company will further combine the national "Carbon Peaking and Carbon Neutrality" strategy and the green transformation trends of the building materials industry to systematically sort out the strategic positioning of clean technology in product systems, manufacturing systems, and solutions, promoting the shift of clean technology from "important support" to "core technical capability".

**Clean Technology Investment Plan**

In 2026, the Company plans to invest approximately CNY 200 million in the construction of a production line with an annual output of 80 million square meters of gypsum plasterboard utilizing solid waste resources, aiming to better support the green and clean development of its products.



## Case Study: BNBM Coating Empowers Landmark Assembly Hall Buildings with Green Technology

- BNBM relies on green low-carbon coating technology to provide high-quality coating solutions for national-level assembly halls and cultural venues. While meeting the needs of high-frequency use and complex operating environments in large public spaces, the solutions balance environmental performance, durability, and architectural aesthetics. Related products have been applied in various large conference venues and cultural landmarks. By reducing environmental impact and improving architectural quality and safety, the Company continues to drive the demonstration application of green building materials in high-standard public buildings, supporting their development toward green, low-carbon, and high-quality directions.



Dragon Brand Coating provides supporting products for the National Centre for the Performing Arts

## Case Study: Providing Green Building Material Systemic Solutions Based on "Good House" Standards

- Following the construction requirements for safe, comfortable, green, and smart housing in the *Code for Residential Projects*, and guided by "Good House" construction, BNBM systematically integrated green performance such as sound insulation, moisture resistance, mold resistance, zero formaldehyde, and low emissions to form green building material solutions covering gypsum board, waterproofing, coatings, and powder coating systems. Through technological innovation and collaborative product application, the Company provides integrated support for residential spaces in acoustic quality, health/safety, construction efficiency, and environmental friendliness, helping build a quieter, healthier, and more comfortable green living environment.



BNBM Waterproof China Chic New Exposed Coating



## 04 Comprehensive Talent Development

BNBM adheres to a people-oriented development philosophy, coordinating employee safety, rights protection, and capability development as core components of its high-quality development. The Company continues to solidify the foundation of safety production, strengthening risk prevention and control and safety awareness to effectively safeguard the lives and health of employees and stakeholders. Simultaneously, it further improves employee rights protection and communication mechanisms to create a fair, inclusive, and mutually trustful workplace. On this basis, centering on strategic development needs, the Company systematically promotes talent attraction and cultivation. By improving training systems, smoothing growth channels, and strengthening employee care, it continuously enhances organizational vitality and achieves common growth and long-term development with employees.

# Improving Intrinsic Safety

BNBM consistently upholds the safety philosophy of "prioritizing employee health and safety, creating an excellent working and community environment, achieving zero accidents, and building an intrinsically safe enterprise", fostering a safety culture of "Total Safety Awareness and Individual Accountability" across all organizational levels. The Company implements the safety policy of "all risks are controllable, all accidents are preventable". Centered on the four core functions of "guidance, service, supervision, and management", we continuously improve the safety governance mechanism, driving enterprises at all levels to systematically enhance safety management capabilities and provide solid safety guarantees for steady operation and high-quality development.

Following laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Occupational Disease Prevention and Control Law of the People's Republic of China*, the Company continues to improve systems such as the *Safety Production Management System*, *Occupational Health Management System*, and *Safety Production Responsibility System*, forming a full-process management framework covering responsibility implementation, risk prevention and control, process management, and supervision improvement. The Company clarifies health and safety requirements and strengthens system implementation through the *Occupational Health and Safety Policy Statement* and the *Working Guidelines for "Comprehensive Safety" of Overseas Institutions*. Simultaneously, based on the characteristics of the overseas business layout, the Company continues to refine occupational health and safety policies and overseas safety guidelines, strengthening coordinated prevention and management of overseas safety risks to safeguard the health and safety of overseas employees. For merged and restructured enterprises, the Company uses the *Work Manual for Safety and Environmental Protection Management Integration of Restructuring Projects* to drive the effective connection and capability improvement of safety systems in newly integrated enterprises, solidifying the Group's overall safety management foundation.

The Company actively promotes ISO 45001 certification among member enterprises. This year, all normal production enterprises group-wide conducted management according to ISO 45001, with 98 production member enterprises having passed ISO 45001.

## Safety Production Management System

BNBM has established a collaborative, top-down health and safety management structure, clearly defining the safety management responsibilities of the Board of Directors, the Production Safety Management Committee, and the Safety and Environmental Protection Department and member enterprises, ensuring the orderly implementation of the Company's safety management efforts.

<b>Board of Directors</b>	As the highest management body for safety matters, responsible for the supervision of the Company's safety production management.
<b>Safety Production Management Committee</b>	The Safety Production Management Committee is the leadership and decision-making body for safety management. The Chairman of the Board is the overall responsible person for the committee, organizing and deploying production safety management tasks and overseeing the execution and performance of the Company's safety management.
<b>Safety and Environmental Protection Department</b>	Headquarters established this department to handle the daily affairs of the Safety Production Management Committee, perform regulatory duties over the safety work of member enterprises, and implement the Company's safety management.
<b>Related companies and Subsidiaries</b>	Undertake headquarters' safety management, monitor, identify, and manage health and safety risks, ensure effective execution of safety measures, and report to headquarters regularly.

To solidify safety responsibility, headquarters and subsidiaries continue to sign Safety Production Responsibility Letters, clarifying division of duties for headquarters and production bases. Safety goals and key metrics are incorporated into the performance appraisal system to drive the implementation of primary safety and environmental responsibilities. The general manager of a production and operation unit is responsible for establishing, improving, and implementing the unit's full-staff work safety responsibility system, strengthening the development of work safety standardization, and assuming comprehensive responsibility for the unit's work safety. On this basis, the Company further links management compensation directly to safety management performance. A compensation constraint mechanism is implemented for serious safety violations to strengthen the internal drive for health and safety management and promote the effective achievement of safety targets.

## Core Production Safety Goals

This year, the Company set the following health and safety targets and metrics, all of which were achieved (all health and safety targets and metrics of the Company include outsourced employees):



In 2026, the Company will continue to implement the above-mentioned goals and strive to keep the serious injury rate per thousand employees below  $0.5\%$ .

## Continuously Promoting Safety Standardization

The Company actively implemented the *BNBM Action Plan for Improving Safety Production Standardization*, vigorously promoting safety standardization construction among member enterprises. The Company continues to carry out classified management of member enterprises, using a combination of enterprise self-evaluation, segment recommendation, and on-site review by coordinated experts to improve the comprehensive safety governance level of member enterprises. This year, 88 enterprises across all levels achieved safety production standardization, including 1 at the first level, 66 at the second level, and 21 at the third level; additionally, 99 enterprises established a dual prevention and control mechanism for hazards. Additionally, the *Gypsum Board Production Safety Specification*, the first dedicated safety standard for the gypsum board industry in China led by the Company as the main drafter, was released this year, driving the standardized development of safety in the industry.

## Intelligent Safety System

The Company actively responds to the national "Technology-driven Safety" strategy, vigorously advancing the construction of intelligent safety systems. This system integrates four modules: safety operations, video AI, facial recognition, and personnel positioning. Through algorithms, it enables automatic identification of hazardous phenomena and violations, full coverage of key areas with video surveillance, layer-by-layer design of safety management processes, and digitalization of safety records, comprehensively supporting the Company in achieving production safety. To date, the Company has completed the deployment of intelligent safety systems in 108 production bases, including 31 added this year, orderly driving the intelligent safety transformation of enterprises.

## Ensuring the Safety of Contractor Employees

The Company consistently adheres to the principle of fairness, applying the same occupational safety management standards to contractor employees as to full-time employees to ensure consistency in safety management. We uphold the principle of localized management, signing safety management agreements with relevant parties and labor outsourcing companies to clarify safety responsibilities and requiring them to implement the same safety management systems as internal employees, achieving comprehensive standardization and enhancement of safety management for outsourced employees.

The Company rigorously reviews the health and safety qualifications of contractors, thoroughly assesses their health and safety capabilities, and signs safety agreements to define safety management responsibilities. Additionally, the Company conducts regular safety reviews of contractors and outsourced employees, ensuring the health and safety of outsourced employees. At the same time, the Company strengthens safety awareness training for outsourced employees, providing safety education and risk briefings before they begin work, enhancing work approval and on-site supervision, and intensifying safety inspections and rectification efforts to ensure outsourced personnel fully understand health and safety risks and master effective response measures, thereby preventing accidents involving contractors and outsourced employees.

## Safety Production Risk Prevention and Control

BNBM established a top-down safety risk prevention and control mechanism. Headquarters are responsible for identifying top-level risks and monitoring them. Based on this, related companies and production bases systematically carry out identification, prevention, and control of health and safety risks according to their own operations, ensuring requirements are effectively implemented in frontline units.

The Company continues to advance the health and safety risk prevention and control mechanism in accordance with systems such as the *Safety Management Measures for Production and Operation Sites, Equipment, and Facilities with Major Hazards of BNBM* and the *Measures for Identification and Evaluation of Environmental and Hazardous Factors of BNBM*. Headquarters provides continuous guidance to enterprises at all levels on risk classification control and hazard screening, promoting closed-loop management of identification, assessment, control, and rectification.

Health and safety audits and major risk identification in production systems are implemented in our headquarters regularly. The *Comparison Table of Major Hazards and Control Measures for Production Systems* and the *Identification and Evaluation Description for Major Hazards and Important Environmental Factors for Production Systems* are improved continuously, providing methodological support and management basis for subsidiaries to identify key risks and implement targeted control measures.

Regarding safety risks in shared venues, the Company continues to focus on "factory-in-factory", "park-in-park", and "office building leasing" scenarios. Through hazard screening and rectification guidance for lessees, it strengthens unified coordination and management to effectively prevent safety risks.

### Production Safety Audits

BNBM continues to follow the *Measures for the Management of Safety Production and Ecological Environmental Protection Inspections of BNBM*, clarifying division of duties and focus areas for headquarters and business segments during inspections, and conducting annual inspections as planned. Simultaneously, the Company tilts supervision resources toward key areas such as overseas enterprises, construction projects, hazardous chemicals, and lessee management. It also organizes cross-inspections between business segments to promote experience sharing and mutual learning, continuously improving inspection levels and risk prevention and control capabilities.

Audit functions at each level:

<b>Headquarters</b>	Conducts regular inspections of related companies, subsidiaries, and project units via on-site inspections, remote video inspections, and cross-segment inspections according to the plan, along with daily random spot checks to supervise the implementation of safety responsibilities.
<b>Business Segments</b>	Conduct a safety management system verification for all production bases under their jurisdiction once a year, at least one safety inspection per month, and other routine or special supervision inspections.

This year, the Company identified a total of

**24,477** potential safety and environmental issues through its inspections

Achieving a **100%** rectification rate for all identified hazards

## Safety Production Awareness Publicity

BNBM continues to carry out various types of safety awareness activities through "Safety Production Month", emergency drills, and safety education training to enhance employees' safety awareness and advocate a safety culture.

This year

**3** Safety Committee meetings

**5** group-wide safety and environmental protection work meetings

### "Production Safety Month" Activities

Through the "Safety Production Month" series of activities, the Company integrates safety requirements into daily management and employee conduct, continuously improving safety awareness and emergency response capabilities and deepening the level of safety governance.

<b>Hazard Screening and Rectification</b>	Following the requirements of the "tackling the root cause" action for safety production, hazard screening was extended from management-led to group-wide participation. Principals of enterprises at all levels led on-site screenings, implementing closed-loop rectification and verification for discovered issues. During "Safety Production Month", a cumulative 1,857 hazard screenings were conducted, with a 100% rectification completion rate;
<b>Safety Publicity and Consultation</b>	Using "Safety Publicity and Consultation Day" as a carrier, safety education activities moved out of enterprises into communities and families. Emergency knowledge and law popularization sessions were held with neighbouring units to extend safety concepts to society. During "Safety Production Month", a cumulative 41 safety consultation activities were held with 869 participants;
<b>Accident Emergency Drills</b>	Centered on main risk points, units organized emergency drills for fire, mechanical injury, electric shock, and confined spaces. On-site operations and scenario simulations were introduced to improve employees' practical handling of emergencies;
<b>Safety Warning Training</b>	Combined with recent safety accident cases, special training and "looking back" studies were conducted for high-risk operations such as hazardous work and equipment operation. Warnings and rectifications were prompted by cases to strengthen risk identification and standardized operation;
<b>Safety Culture Construction</b>	Through themed short video collections, safety knowledge contests, and safety speech competitions, grassroots employees were guided to actively participate in safety governance, propelling a cultural paradigm shift from "Passive Compliance" to "Proactive Ownership".



In 2025, enterprises across all levels of the Company carried out colorful and diverse "Safety Production Month" activities centered on the theme of "Total Safety Awareness, Individual Emergency Competency—Identifying safety hazards around everyone"



In 2025, enterprises across all levels conducted a cumulative 935 emergency drills with 20,613 participants, effectively improving employees' safety awareness and emergency capabilities

## Safety Education and Training

The Company continuously conducts safety training centered on key risks, publicizing knowledge on identified safety issues to improve awareness. This year, the Company carried out the following safety training activities:

Centered on safety management and technical operations, enterprises across all levels continued to enhance safety capabilities and awareness. **5,334** training sessions **184,296** participants

The Company continues to focus on the certification of main principals and the professional capability of key management positions. **96** principals obtained CNBM safety and environmental training certificates **22** employees participated in state-owned enterprise safety production online training

Three internal and external lecturers are arranged to provide special safety and environmental training for the chemical and hazardous chemical sectors across all levels. **115** participants

Through online platforms, the Company organized safety qualification certification and re-training for 46 main principals and safety managers. **142** principals Group-wide obtained qualifications **597** safety managers obtained qualifications

Conducted safety education and training for new employees covering basic safety knowledge, fire safety, electrical safety, machinery safety, and emergency response knowledge, followed by a three-level safety education assessment.

### Case Study: Strengthening Safety Capability Building for Chemicals and Hazardous Chemicals

- In March 2025, BNBM organized special safety and environmental training for chemicals and hazardous chemicals across all levels. Focusing on high-risk fields, the training used regulation interpretation, typical accident case analysis, and explanations of actual company scenarios to systematically strengthen personnel's mastery of safety responsibility implementation, determination of major accident hazards, environmental compliance, and emergency response. External authoritative experts and internal safety management heads are invited as lecturers in the training. Closely combined with the characteristics of gypsum board, waterproofing, and coatings, the training focused on risk identification and full-process control, effectively enhancing the compliance awareness and professional capability of relevant personnel and providing strong support for the Company's intrinsic safety level.



Chemical and Hazardous Chemical Safety and Environmental Training across All Levels

# Safeguarding Employee Rights

BNBM upholds a "people-oriented" development philosophy, committing to creating a diverse, equal, inclusive, and harmonious working environment. Guided by the Policy Statement on Human Right, the Company focuses on and identifies potential human rights risks. By establishing accessible grievance and feedback channels, we drive rectification and continuous improvement to ensure measures are implemented effectively. We constantly refine human rights practices to create a workplace that respects human rights, solidifying a firm talent foundation for high-quality and sustainable development.

The Company strictly complies with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. Combined with its business layout and operations, it built a standardized management system covering recruitment, labor management, career development, and rights protection to ensure employees are treated fairly, justly, and compliantly in employment, compensation, promotion, and career growth. The Company explicitly prohibits any form of forced or compulsory labor and child labor, resolutely opposes discrimination, and respects and supports employees' legal rights to freedom of association and collective bargaining, fostering an environment of justice, respect, and inclusion.

## Implementing Rights Protection

### Recruitment and Termination

BNBM consistently adheres to the principles of fair employment and compliant labor. We strictly comply with national laws, regulations, and policies related to labor employment, continuously optimizing and implementing internal systems such as the *Headquarters Recruitment Management System*, *Employee Handbook*, and the *Measures for the Administration of New Talents (Trial)*. This systematically standardizes key links such as recruitment, hiring, and dismissal, building a fair, transparent, and controllable labor management system. The Company uses scientific and systematic methods and tools for talent selection during recruitment, standardizing full-process management to ensure labor practices are compliant and documented according to law.

In recruitment management, the Company persists in the principles of fairness, openness, competition, and integrity. All applicants are treated equally, and recruitment conditions are set strictly based on job requirements, without differentiation based on gender, age, ethnicity, religion, or other factors irrelevant to the job. The Company explicitly standardizes management requirements for job postings, resume screening, and interview evaluations to prevent any behavior affecting fair employment and effectively safeguard workers' equal employment rights. No incidents related to employment discrimination occurred during the reporting period. For labor disputes, the Company coordinates and handles them according to the procedures of consultation (reconciliation), mediation, arbitration, and litigation. For cases where the Company proposes termination upon contract expiration or proposes negotiated termination, a 30-day notice period is strictly provided in accordance with the *Labor Contract Law of the People's Republic of China*, and economic compensation is paid to the worker.

Regarding the prohibition of child labor and the avoidance of forced labor, the Company strictly complies with the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, and the *Provisions on the Prohibition of Using Child Labor*, explicitly prohibiting any form of child labor and forced labor. The Company strictly conducts age and identity verification during employee onboarding, retaining materials such as ID cards and household registers. Age information is simultaneously entered and verified in the human resource management system. Regular information screenings are conducted, and records are kept ensuring employment information is authentic, complete, and traceable. Meanwhile, the Company signs labor contracts with employees according to the principles of equality and voluntariness. During this reporting period, no incidents of child labor or forced labor occurred.



## Compensation and Performance

The Company formulated measures such as the *Measures for the Administration of Headquarter Job Levels and Compensation*, the *Measures for the Administration of Headquarter Performance*, and the *Measures for the Administration of Headquarter Employee Performance Benefits and Business Expenses (Trial)*. It established a compensation management mechanism linked to the job level system and integrated compensation distribution with performance appraisal, providing clear and standardized grounds for employee compensation and performance management.

The Company implements a group-wide annual quantitative performance appraisal mechanism, signing *Annual Organizational Performance Target Responsibility Letters* with managers of all enterprises and *Personal Performance Responsibility Letters* with all headquarter employees to clarify annual goals and work orientations. Employee compensation consists of position salary and annual performance bonuses, implementing broadband compensation management. Evaluation forms such as target setting and appraisal, multi-dimensional employee performance assessment, team/department performance evaluation, and direct dialogue are carried out periodically or irregularly throughout the year. Reasonable performance results are given to all employees and directly reflected in compensation adjustments.

The variable portion of senior management compensation linked to performance accounts for approximately 60%, 40%–50% for middle management, and 25%–40% for employees. Employee performance bonuses are determined based on factors such as company performance, organizational performance, and individual performance results, floating within corresponding ranges.



With the core principles of safeguarding legal labor remuneration and decent living needs, the Company built a compliant, fair, and orderly compensation management system. Within the compensation framework based on position value and performance contribution, it provides complete welfare arrangements and systematically standardizes processes for compensation calculation, distribution, and adjustment. This prevents labor risks such as wage arrears and deductions from an institutional level. By conducting regular market salary surveys and optimizing the compensation framework, the Company ensures compensation levels match its strategic positioning and maintain market competitiveness. Under the guarantee of the aforementioned mechanisms, the average compensation of employees remained stable. Compensation standards for all staff were higher than the statutory minimum wage requirements in various locations, and salaries were paid in full and on time. Through annual salary adjustments, performance incentives, and supporting measures such as social insurance, housing funds, and diverse benefits, the Company continuously improves the competitiveness of employee income and the level of living security, effectively protecting employees' legal rights to receive reasonable remuneration and support a basic life.

In 2025, BNBM continued to promote the construction of medium/long-term incentive mechanisms, integrating employee incentives with the Company's operating performance and long-term development goals. This year, the Company implemented equity incentives for directors, senior management, and core backbones at all levels, further exerting the long-term role of equity incentives in uniting core teams and stabilizing key talent. Meanwhile, by linking operating results with employee incentives, the Company promoted an incentive mechanism of shared interests and risks between the Company and employees, enhancing organizational vitality and development resilience.

### Fair and Transparent Promotions

This year, the Company further refined the management measures for the internal job level system, clarifying and detailing the conditions for promotion, demotion, and exit for personnel at each level to continuously improve the standardization and transparency of job level management. The Company has established five promotion channels: Management, Function, Technology, Marketing, and Production. It supports mutual transformation between channels, opens internal transfer paths, and publicly releases job vacancies across all levels, adopting a competitive recruitment system where eligible employees can participate in accordance with prescribed procedures. This ensures that all types of employees have clear career promotion paths matching their abilities and development directions.

## Promoting Diversity and Equality

BNBM attaches great importance to the positive role of diversity and inclusion in talent development and organizational governance. Adhering to a diversified talent recruitment strategy, the Company actively carries out localized and diversified recruitment activities based on its global layout and overseas business development. It respects local cultures and regulations, formulates recruitment strategies tailored to local conditions, and broadens local channels to achieve synergy between talent introduction and regional economic development. Principles such as fair employment, anti-discrimination, and equal development opportunities have been incorporated into the human resource management system and employee code of conduct. By regularly monitoring the gender pay gap, the Company ensures the fairness of the compensation system, achieves equal pay for equal work between men and women, and implements these principles integrally across recruitment, promotion, compensation, and daily management. Through new employee training, management training, and regular publicity, the Company continuously strengthens the recognition and execution of diversity, equity, and inclusion (DEI) concepts, driving the implementation of relevant requirements across all levels to steadily foster a healthy and inclusive workplace environment.

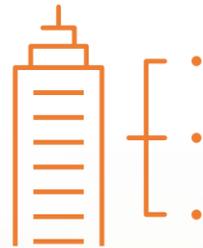
As at the end of the reporting period

19.27% Female employees

918 people Ethnic minority employees

a year-on-year increase of

48 people



The Company is committed to safeguarding the rights and well-being of female employees. The Company regularly organizes group building activities for female employees, holds seminars, invites female employees to share their opinions and suggestions, and builds an open and inclusive communication environment. To care for the physical and mental health of female employees in an all-around way, the Company purchased additional insurance types including Special Disease Insurance and Maternity Insurance. It also established independent and private nursing rooms in work areas, equipped with refrigerators, sterilizers, comfortable seating, and power outlets to provide a safe and convenient care space for mothers.

Centering on care for female employees and the construction of a diverse and equal culture, the Headquarters Labor Union and subsidiaries coordinated various cultural experiences and themed care activities during important dates such as International Women's Day and Mother's Day. Through intangible cultural heritage experiences, artistic creation, and emotional expression, employees were guided to release pressure and enhance happiness while inheriting excellent Chinese culture and strengthening emotional connections, fostering a workplace atmosphere that respects women, cares for families, and embraces diversity.

### Case Study: "Walking Hand in Hand" — BNBM Headquarters Labor Union Organizes "Female Power Practicing Original Aspirations, Green Craftsmanship Showing Responsibility" Activity

- In 2025, the Company's Headquarters Labor Union held a Women's Day activity. Using intangible cultural heritage rope art as a bond, the event promoted cultural exchange and emotional connection between central enterprises. During the event, Guan Dehui, Secretary of the Party Committee, Chairman, and General Manager of BNBM, took group photos with female employees and extended holiday greetings and best wishes. The Deputy Secretary of the Party Committee, Director, and Chairman of the Labor Union attended the event, encouraging female employees to ground themselves in their positions, shoulder missions, and demonstrate female responsibility in the Company's green transformation and high-quality development.



BNBM Headquarters Labor Union Women's Day Activity

### Case Study: "Blooming for Passion" — BNBM Carpoly Creates a Female-Friendly Workplace Environment

- The BNBM Carpoly Labor Union, in collaboration with the labor unions of its subsidiaries, organized a series of activities to celebrate International Women's Day under the theme "Blooming for Passion · Moving Towards Beauty". The activities included a commendation meeting for March 8th Red Flag Bearers and a female representatives' symposium, a "Spring Outing" group activity, movie ticket distribution, and a "Blooming Moment" photography display. These efforts support the development of female employees through honorary incentives and physical/mental care, creating a workplace atmosphere of respect, equality, and inclusion.



BNBM Carpoly "Blooming for Passion" Women's Day Activity

## Smoothing Communication Channels

BNBM is committed to creating an efficient, smooth, and open communication platform for employees. By improving the institutional system, smoothing communication channels, and establishing advanced role models, the Company effectively safeguards employees' legal rights and enhances their sense of belonging and cohesion. The Company's *Employee Handbook* clearly defines the core principles of every employee's right to know, participate, express, and supervise. The Company actively promotes a culture of sincere and transparent communication, encouraging candid and friendly exchanges among employees and between different levels of the organization, fostering a harmonious and collaborative work environment. Effective communication facilitates information flow and work progress.

The Company established a diversified employee communication and feedback mechanism. Employees can provide feedback and suggestions via Enterprise WeChat, telephone, and email. Simultaneously, the General Manager's Mailbox and the letters and visits department fully exert their coordinating and stabilizing roles. The Company attaches great importance to harmonious labor relations. When disputes occur, priority is given to resolving issues through friendly consultation. Focusing on employee concerns, the Company receives visits from active and retired employees with earnestness and warmth, patiently providing guidance and interpreting policies to ensure issues are timely conveyed to relevant departments. Through online channels such as WeChat groups and telephone, the Company answered questions for employees over 400 times throughout the year, effectively resolving conflicts and enhancing employees' sense of gain and belonging.

The Company persists in and improves the democratic management system with the Employee Representative Congress as the basic form. It has established and refined the performance mechanism for employee directors and representatives, achieving a 100% membership rate among employees at all levels. The Company holds the Employee Representative Congress periodically every year to review the *BNBM Work Report*, report on production and operation to employee representatives, and widely collect opinions and suggestions on the working environment, health and safety, and compensation to effectively safeguard employees' legal rights.

The Company attaches great importance to the selection of model workers and the promotion of advanced role models. 3 employees were successfully awarded the title of CNBM Model Worker. The Company carefully organized a CNBM Model Worker lecture tour, arranging for one model worker to speak on-site, which received widespread praise. Simultaneously, the Company actively built an exchange platform for model workers, organizing a symposium for model workers, craftsmen, and outstanding young representatives. Using an "offline + online" combined format, the event attracted over 400 participants, creating a positive corporate culture of respecting labor and striving for excellence.

To accurately grasp employee needs, the Company conducted the *BNBM Spiritual Civilization Activity Demand Questionnaire*, collecting 142 valid responses from headquarters labor union members, providing data support for optimizing employee services. Meanwhile, the Company continues to conduct satisfaction surveys covering all employees, collecting feedback through questionnaires and interviews. As of the end of 2025, the Company has conducted satisfaction surveys and evaluations for 8 consecutive years, systematically collecting opinions and suggestions on compensation and benefits, career development, working environment, and communication mechanisms. Based on these, it continues to optimize relevant systems and measures to enhance employee care and management efficiency. During the reporting period, the satisfaction of all employees increased by 0.62% compared to 2024, showing a steady year-on-year upward trend.



## Supporting Employee Development

The Company considers promoting the comprehensive development of employees as its responsibility, with talent appreciation as its core philosophy, creating a diversified training system and career development paths. In 2025, BNBM actively fulfilled its social responsibility by responding to the national call to stabilize and expand employment. It focused on the employment of key groups such as college graduates, achieving synergy between business expansion and talent strategy.

During the reporting period

188 graduates were recruited

28 graduates joined BNBM through the "New Material Students" program.

## Strengthening Talent Attraction

To build a closed-loop cultivation mechanism covering talent selection, deployment, cultivation, and retention, the Company utilizes scientific and systematic talent selection tools and standardized interview processes during the recruitment stage to accurately identify and introduce talent. It formulated the Measures for the *Administration of New Talents* to develop differentiated training plans based on individual professional backgrounds and development potential. A "Trinity" mentorship system consisting of professional mentors, career development counselors, and business module teaching assistants was established to provide multi-dimensional support. The cultivation of New Material Students adheres to a "frontline growth" orientation. Through a systematic job rotation mechanism, we enhance their understanding of comprehensive business and problem-solving abilities. Supporting this is a dynamic evaluation and adjustment mechanism to continuously optimize cultivation paths and promote the stable growth and effective retention of young talent.

During the reporting period, aligned with the needs of global layout and overseas business development, BNBM continued to optimize localized talent attraction and labor management arrangements. While fully respecting the cultural backgrounds, workplace customs, and labor laws and regulations of operating locations, and considering local talent market supply and demand, the Company formulated tailored recruitment strategies. It actively broadened local employment channels to synchronize talent introduction with regional development, promoting employment and economic growth in operating locations. Specific measures include:

### Building Localized Employment Bridging Platforms

In June 2025, BNBM participated in the 4th Sino-Tanzania Talent Exchange Conference organized by the Chinese Embassy in Tanzania, providing diverse employment opportunities for local youth to support local employment and social sustainability.

### Deepening School-Enterprise Exchange and Young Talent Cultivation

In 2025, the Company held the "Good Use of Culture Journey" event, inviting students from the Dar es Salaam Institute of Technology to visit BNBM Tanzania for tours and seminars, providing internships and employment opportunities for local students while showcasing the achievements of "Belt and Road" projects.

### Expanding the Driving Effect of Localized Employment

Through the coordination of localized recruitment and business operations, the Company provided 1,000 direct and indirect job opportunities for local communities in Tanzania, effectively improving local employment and promoting the economic and social development of operating locations.

## Strengthening Talent Cultivation

In 2025, BNBM further optimized its employee training management system centered on "strategy orientation, full coverage, hierarchical classification, and continuous development". The Company established a three-tier training management structure coordinated by the Human Resources Department, implemented collaboratively by business units, and supported by professional institutions and internal lecturers. By forming a combined online and offline training model, it promoted the systematic, standardized, and regular operation of training work. This management structure clarifies responsibilities at each level, strengthens the integration of training resources and effect evaluation, and promotes a deep connection between training management and company strategic goals, business development needs, and employee growth paths.

The training course system continues to improve, gradually forming a three-dimensional matrix centered on "Three Levels and Six Categories". In the level dimension, it covers three major stages: orientation training for new employees, capability enhancement training for core employees, and leadership development training for management. In the content dimension, six major course modules are systematically set up: Culture and Values, Job Skills, Management Enhancement, Innovation and Digitalization, Health, Safety and Environment (HSE), and Professionalism and Compliance. These meet the diverse learning needs of employees across different job sequences and development stages.

### BNBM Training Course System

#### Specialized Training



Focusing on the professional knowledge and skills required for job performance to continuously improve job competency. During the reporting period, BNBM organized 12 sessions of digitalization special training with over 5,000 participants, strongly supporting the implementation of the Company's digital strategy. Through continuous skill reshaping and job empowerment, the Company effectively responded to structural impacts brought by industrial transformation and climate change. Dragon Brand Company implemented "learning through testing" special training for sales personnel, with over 2,500 participants, effectively enhancing the professional capability and practical level of frontline business personnel.

#### General Training



Focusing on improving general knowledge and skills among employees to strengthen professionalism and comprehensive capabilities. During the reporting period, the Company organized a series of training sessions on topics such as structural thinking tools and applications, and work efficiency enhancement and efficient execution, with over 800 participants, supporting the improvement of employees' comprehensive capabilities and work efficiency.

#### Professional Training



Medium/long-term non-degree training for specific groups. This year, the Company continued to organize orientation training for New Material Students to help them adapt to the company environment, familiarize themselves with work processes, and integrate into the corporate culture as quickly as possible.

#### Cultural Training



Systematically promoting multi-level and immersive corporate culture training, integrating corporate culture into the entire process of employee cultivation. Focusing on the cultivation of new employees and New Material Students, the Company helps employees understand its mission, vision, and values through the "first lesson" on onboarding, lectures by company leaders, cultural and business tours, as well as quality expansion and experience sharing. Simultaneously, combined with annual cultural activities, excellence selections, and themed practical activities, employees are guided to practice corporate culture through actual participation.

#### School-Enterprise Exchange



Centering on employee capability enhancement and talent echelon construction, the Company continues to promote cooperation and exchange with universities and has established contacts with multiple institutions. In 2025, it collaborated with the University of International Business and Economics to conduct 2 sessions of the Master of Equivalency program, encouraged employees to participate in part-time doctoral programs at partner universities, and supported multi-level professional capability enhancement for employees.

### Case Study: Conducting Leadership Training for Young and Middle-aged Cadres to Support Talent Echelon Construction

- In 2025, the Company organized the 5th training class for young and middle-aged cadres. Centering on national macro development trends and company strategic priorities, the course content was systematically designed. Experts from universities and industry mentors were introduced to provide precise lectures based on the trainees' capability levels. During the training, through diverse activities such as action learning reports, the "Enterprise Super" sports meet, and "Harmony" concerts, the concept of synergistic integration was integrated throughout, promoting cross-segment exchange and collaboration. It also drove the transformation of action learning results into actual work, organizing trainees to centrally display practice results and development ideas, promoting the enhancement of leadership levels.



The 5th Training Class for Young and Middle-aged Officials

As of 2025

195 cadres

were trained through the young and middle-aged cadre training classes

46 cadres

achieved job promotions, accounting for approximately 24%, effectively exerting the supporting role of young and middle-aged official cultivation in talent echelon construction



## Focusing on Employee Care

BNBM consistently places employee well-being at the core of its sustainable development strategy, effectively enhancing employees' sense of belonging, happiness, and career quality through a sound care system and diverse measures. Practicing the mission of "green technology, quality life", the Company insists on building the featured brand of "One Activity per Month", constructing a diverse service system covering festival care, cultural inheritance, public welfare practice, and cross-border exchange. Throughout the year, the Company successfully organized a series of activities such as New Year greetings, Lantern Festival riddle meetings, "Luminous Home" series wall painting public welfare, and Mother's Day heart-warming activities, effectively consolidating employee consensus, enhancing team synergy, and enriching employees' spiritual and cultural life.



The Company actively responds to the national Healthy China strategy, proactively implementing health calls such as "Weight Management Year". It continuously optimizes the working and living environment for employees, investing over CNY 200,000 in special funds to build cultural and sports venues including gyms and outdoor multi-functional ball courts. During the reporting period, the Company organized 400 sessions of themed fitness classes such as the BNBM "Trend Dance" Club, Yoga Club, and Swimming Club, attracting 12,000 employee participations and effectively promoting physical and mental health. Simultaneously, targeting employees in key frontline production positions, all-level labor unions coordinated the "Summer Cooling" special condolence activity, covering 5,000 employees throughout the year to effectively safeguard labor safety and health rights during high-temperature seasons. In terms of mental health care, the Company organized mental health counseling activities with 200 employee participations, further focusing on and supporting employees' physical and mental health.



The Company respects employees' rights to rest and leave, constructing a scientific and reasonable work-hour management system. It has established a monitoring mechanism for work hours and overtime to avoid excessively long overtime and provides employees with time off in lieu or overtime pay, aiming for a virtuous cycle of "efficient work and healthy life".

The Company is committed to providing employees with diverse and high-quality security measures. It provides all employees with pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance, and housing funds. Beyond this, by establishing an enterprise annuity plan, it continuously improves the level of welfare security for employees after retirement, mobilizes labor enthusiasm, and builds a long-term talent incentive mechanism. The Company also organizes annual employee welfare physical examinations to help employees fully understand their physical condition and strengthen disease prevention and health management. In terms of daily life security, the Company provides employees with welfare measures including free shuttle buses, free meals, holiday gifts, and extreme weather leave, enhancing their sense of belonging.

On the basis of implementing statutory leave rights, the Company expands welfare leave based on actual needs. It has established leave systems such as paid annual leave, sick leave, marriage leave, maternity leave, personal leave, and childcare leave. The Company strictly follows the *Labor Law of the People's Republic of China*, the *Special Rules on the Labor Protection of Female Employees*, and supporting policies in employee locations. It legally implements paid maternity-related leave arrangements. Female employees are entitled to no less than 98 days of paid maternity leave by law, and male employees are entitled to no less than 15 days of paid paternity leave. Specific days are implemented according to local regulations in employee locations, and the relevant leave policies apply to all employees. The Company also provides breastfeeding employees with a total of 1 hour of paid breastfeeding per day and supports flexible scheduling based on actual needs until the infant is 1 year old. Simultaneously, a childcare support policy is provided to all regular employees, who can apply for paid childcare leave before their child reaches the age of 3, helping employees better balance work and family responsibilities.

The Company continues to deepen special assistance for employees in difficulty and those with serious illnesses, establishing a dynamic care ledger and providing diverse security through material support, precise policy matching, and regular emotional return visits.

### During the reporting period

300 employees

Cumulatively extended condolences to employees in difficult circumstances and those with major illnesses

9,700 person-times

Conducted care initiatives around key life events such as employee illness, childbirth, and marriage

### Coordinate with assistance resources

Assisted 12 employees

with serious or major illnesses in successfully applying for support from the CNBM Shanjian Public Welfare Fund

CNY 260,000

Cumulatively secured assistance funds



# 05 Responsible Industry Co-construction

BNBM always takes building a responsible supply chain as a development goal. By continuously improving the supply chain management system and integrating ESG concepts into the full life-cycle management of suppliers, we are committed to building stable, efficient, mutually beneficial, and win-win sustainable development partnerships, creating an environment-friendly, high-quality, and responsible sustainable supply chain. Meanwhile, we pay close attention to the impact of our operations on surrounding areas, committing to enhancing communication and interaction with neighboring communities through diverse ways. We actively participate in public welfare and community construction such as education, culture, and sports, actively giving back to society and demonstrating corporate responsibility.

# Promoting Win-Win Cooperation

BNBM adheres to the principles of "honest cooperation, equality and mutual benefit, and common development", continuously strengthening its responsible corporate image and promoting the establishment of mutually trustful, mutually beneficial, long-term, and stable cooperative relationships with business partners. The Company focuses on supply chain risk management, strengthening capability building for risk management and identification. Through full life-cycle management covering supplier entry, cooperation, auditing, and exit, it enhances cooperation efficiency and stability. Simultaneously, the Company continues to strengthen the capability building and awareness publicity of partners in sustainable development, promoting win-win cooperation and driving the sustainable and healthy development of the supply chain.

## Building a Sustainable Supply Chain

The Company continues to improve its sustainable supply chain management system, fully exerting supply chain synergy to create high-quality products and services with suppliers. This year, the Company strictly followed core systems covering all suppliers, such as the *Procurement Management System*, *Supplier Management Measures*, and the *Measures for the Administration of Supplier Blacklists*, building a full life-cycle supplier management mechanism covering entry, cooperation, evaluation, and exit. The Company integrated ESG concepts into the supplier management process, requiring all suppliers to strictly abide by commitments in employee rights, environmental protection, and risk management. It established a dynamic supplier evaluation mechanism, with the Strategy and ESG Committee incorporating sustainable supply chain construction into unified supervision and management within the ESG scope to achieve win-win cooperation and sustainable development.

## Supplier lifecycle management

### Entry Stage

- According to the *Supplier Management Measures*, the Company evaluates suppliers' management in compliance qualifications, environmental management, occupational health and safety, and product quality through document review, on-site audits, remote videos, and product trials. Combined with country, industry, and procurement commodity characteristics, it focuses on verifying whether suppliers have legally obtained quality, safety, environmental, and other production/operation qualifications required by the state and the Company, and whether they have established and effectively operated corresponding quality, environmental, and safety management systems to ensure suppliers comply with the Company's supplier management system and the *Supplier Code of Conduct*.

In the environmental aspect, the Company focuses on verifying whether they have legally obtained environmental impact assessment procedures and discharge permits, passed quality, environmental, and safety management system certifications, and evaluates whether their production processes meet low-carbon development requirements, checking for high energy consumption or backward production equipment to prevent environmental compliance and operational risks from the source;

In the social aspect, the Company pays attention to the protection of supplier employee rights, strictly reviewing whether their labour management systems are sound, whether there is child labour or forced labour, whether social insurance is legally paid for employees, and whether special operation personnel are certified. It also comprehensively evaluates their practices in diversified employment and the protection of vulnerable groups' rights;

In the governance aspect, the Company focuses on verifying whether suppliers have records of violations in the past three years, whether they have signed integrity contracts and confidentiality agreements, and pays attention to their commercial reputation to ensure no dishonest behaviour exists. This strengthens supply chain integrity and compliance management, maintaining long-term stability and sustainability of cooperative relationships.

- Strictly supervise and audit the procurement process to prevent suppliers from engaging in bribery, fraud, unfair competition, or other violations. For cases violating the Supplier Code of Conduct, a "one-vote veto" mechanism is implemented, and their eligibility for entry and cooperation is cancelled. For those violating supplier entry rules and causing losses to state-owned assets or serious adverse consequences, accountability will be pursued according to regulations, discipline, and law.

### Cooperation Stage

Contracts containing ESG-related clauses are signed with all cooperative suppliers, including the *Safety and Environmental Protection Agreement* and the *Agreement on Prevention of Bribery and Blacklist Management*. Core clauses explicitly cover environmental compliance, energy saving and low carbon, employee rights protection, anti-corruption, prohibition of child labor and forced labor, and information confidentiality;

Suppliers sign the *Integrity Commitment Letter and the Cooperation Agreement on Confidentiality and Prevention of Corrupt Practices*, achieving 100% coverage of integrity notification letters to suppliers, clarifying integrity standards and behavioral norms for both parties. The Company also established and smoothed corruption reporting mechanisms, and suppliers with corruption issues are included in blacklist management and subjected to corresponding punitive measures according to law and regulations. Simultaneously, integrity education is carried out for suppliers to strengthen awareness of honesty and compliance. Supplier contract fulfilment is periodically reviewed to ensure all suppliers comply with relevant regulations and maintain business secrets and compliance order. During the reporting period, no corruption-related violations occurred in the Company.

### Audit Stage

BNBM implements a normalized performance evaluation and risk prevention and control mechanism for all suppliers. Performance evaluations are conducted for all suppliers at least once a year to comprehensively evaluate their fulfilment performance and ESG-related performance. Simultaneously, for suppliers in high-risk industries such as chemicals and manufacturing, special risk screenings are conducted quarterly.

Based on the results of performance evaluations and screenings, the Company dynamically revises the directory of qualified suppliers to achieve continuous classified management of suppliers. For suppliers identified with high sustainability risks, such as high energy consumption, potential occupational health and safety issues, or integrity compliance risks, the Company will urge them to formulate rectification and enhancement plans and continuously track the implementation of rectifications and improvement results.

### Exit Stage

For suppliers that still fail to meet the Company's minimum requirements after rectification, such as failing environmental rectifications or having labor rights violations, the Company will terminate cooperation with them. For suppliers that commit illegal acts or violations, the Company will, in accordance with the *Measures for the Administration of Supplier Blacklists*, prohibit them from participating in procurement activities of the Company and its subordinate enterprises at all levels for a certain period or permanently, depending on the nature of the violation and the impact on the Company. For suppliers with particularly egregious behaviour, the Company will cancel their cooperation eligibility and include them on the supplier "Blacklist".

## Classified Management of Suppliers

In accordance with the *Supplier Management Measures* and the *Measures for the Administration of Supplier Blacklists*, the Company implements continuous control over environmental, social, and business ethics risks of suppliers during the cooperation period. Through differentiated and dynamic management measures, it precisely allocates supply chain resources and improves supply chain stability and resilience.

The Company focuses on identifying business-related risks such as quality, delivery, price, and service, as well as ESG risks like environmental protection, safety production, and integrity compliance. This is mainly carried out through continuous review of supplier qualification documents and annual comprehensive performance scoring. On the basis of the dynamic supplier classification management mechanism, for Grade D high-risk suppliers identified with major violations or serious breaches of contract, the Company will legally cancel their cooperation eligibility and include them in supplier blacklist management according to regulations, effectively controlling supply chain risks through strict exit and punitive mechanisms.

### Supplier Importance Classification Management Mechanism

#### Divided by level

<p><b>Level 1 Centralized Suppliers:</b> Managed centrally by CNBM, primarily responsible for centralized procurement of general materials for the Group</p>	<p><b>Level 2 Centralized Suppliers:</b> Managed by the Company's supply chain center</p>	<p><b>Other Suppliers:</b> Primarily serve requirements for general materials and sporadic services outside the scope of Level 1 and Level 2 centralized procurement</p>
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#### Divided by annual comprehensive evaluation results

<p><b>Grade A (≥85 points, Excellent):</b> Identified as strategic suppliers with long-term cooperative relationships and prioritized procurement shares</p>	<p><b>Grade B (75–85 points, Good):</b> Listed as conventional cooperative suppliers, supervised to continuously optimize operating capabilities, with limited procurement implemented</p>
<p><b>Grade C (60–75 points, qualified):</b> Act as emergency procurement suppliers, with rectification requirements and clear completion deadlines proposed</p>	<p><b>Grade D (&lt;60 points, Unqualified):</b> Supplier qualification cancelled, and exit procedures initiated.</p>

#### Implementation of Classified Dynamic Management Mechanism

The Company conducts an annual review of supplier classification results, dynamically adjusting categories based on fulfillment performance and achievement of ESG indicators, continuously implementing the management principle of "supporting the excellent and eliminating the inferior".

## Collaborative Development with Suppliers

BNBM actively implements green procurement strategies, taking low-carbon environmental protection, use of clean energy, and low environmental damage as important bases for procurement decisions. In the process of supplier selection and cooperation, the Company conducts supplier due diligence to systematically verify and evaluate suppliers' environmental compliance, resource and energy use structure, pollutant emission control measures, and the implementation of relevant management systems. Combined with the verification results, it comprehensively judges their environmental risk level. Under equal conditions, the Company will prioritize environment-friendly suppliers and urge suppliers to incorporate green development concepts into production processes, advocating the use of green packaging to reduce waste generation and jointly protecting the ecological environment.

To strengthen supply chain ESG management requirements, on the basis of supplier due diligence and cooperation management, the Company signs safety and environmental agreements with suppliers, requiring both parties to jointly comply with national laws, regulations, and internal ESG management provisions. It clarifies that suppliers have the obligation to carry out production and operation activities according to requirements for energy saving, water saving, environmental protection, circulation, low carbon, and regeneration. Through various measures, resource and energy consumption are strictly controlled and pollutant emissions reduced, effectively lowering potential negative impacts of production and operation on the ecological environment and human health to jointly create a green and sustainable supply chain ecosystem.

This year, we committed to enhancing supply chain competitiveness by actively carrying out strategic cooperation with suppliers and organizing various ESG exchange activities. Through supplier conferences, technical exchange meetings, and industry seminars, we synchronize information with suppliers on industrial policy orientation, market supply and demand, production and inventory status, and product quality feedback. We conduct exchanges with suppliers on production equipment iteration, core technological innovation, and production process improvement, conveying the Company's ESG philosophy to suppliers and encouraging them to prioritize environment-friendly raw and auxiliary materials, promoting information sharing and synergy to jointly drive the sustainability of the industry. In addition, we actively push suppliers to strengthen foundational management, guiding them to establish normalized safety production control mechanisms and carry out regular hazard screenings, job safety skill training, and emergency drills. We strengthen integrity and self-discipline education for suppliers and conduct knowledge learning and exchange activities on laws, regulations, and social environment to comprehensively improve supplier capability and management level, continuously empowering suppliers.

In 2025

1,802 suppliers

The Company conducted training and capability enhancement activities with suppliers to promote collaborative development.

### Case Study: BNBM Carpoly Deepens Technical Synergy to Jointly Promote Product Quality Improvement

- BNBM Carpoly organized a technical exchange meeting for suppliers around key products such as elastic emulsions. The Company's technical department and supplier engineers conducted a special discussion on performance testing of anti-alkali primer emulsions. Both parties systematically sorted testing methods, benchmarked against industry standards and model solutions, clarified product performance optimization directions, and planned to continuously improve discovered problems through joint on-site experiments. By deepening technical synergy with suppliers, BNBM Carpoly drives the mutual improvement of product quality and technical capability, solidifying the foundation for collaborative supply chain innovation and supporting sustainable corporate development.



Technical department and supplier engineers conduct a special discussion

## Deepening International Business Layout

BNBM continues to deepen its international business layout and optimize the operation model of collaborative international development. Guided by the international market, it fully utilizes the advantages of connected international and domestic markets and scientifically coordinates the optimization of resource allocation. Taking gypsum board products as the core carrier and technology as the core support, the Company promotes overseas industrial investment through the output of capital, technology, and management; taking the construction of overseas marketing networks, operation mechanisms, and organizational structures as the main line, it enhances international market expansion capabilities and improves international market share and brand globalization capabilities; persisting in the combination of independent innovation with introduction and absorption-re-innovation, the Company continues to tackle core technologies in the gypsum board field, enriching technical reserves and enhancing technical strength; we solidly advance the international strategic layout, cultivate international talent, accumulate international management experience, and improve the Company's internationalization level, making international business a new economic growth point for the Company's future.

Meanwhile, to deepen domestic and international cultural exchange and mutual learning and build a solid bond for the steady development of overseas business, we continued to strengthen overseas brand building and innovated brand promotion models this year. Simultaneously, we strengthened publicity reports, going deep into overseas production bases and reaching frontline overseas employees to tap into and tell BNBM overseas stories, disseminate BNBM corporate culture, and foster a positive overseas public opinion environment. We strive to shape a warm and responsible international image, pushing the Company's brand toward an international social brand.

While actively expanding overseas business, BNBM continues to practice corporate social responsibility, deeply rooting itself in localized development and establishing good cooperative relationships with stakeholders such as local governments, communities, and social organizations. We actively participate in public welfare activities for local community culture, education, and health. Through diverse measures such as two-way talent exchange, building professional training platforms, and conducting systematic skill training, we create employment opportunities for local youth, continuously improve the professional quality of the local workforce, effectively drive the regional employment level, and jointly promote local economic development and social progress. Through a mutually beneficial and win-win cooperation model, we achieve the common development of the enterprise and society.

BNBM Tanzania continues to deepen its localized development practice, supporting local employment, talent cultivation, and community development through various forms and actively fulfilling corporate social responsibility.

### In 2025

BNBM Tanzania provided as many as

**1,000** direct and indirect employment opportunities to the local community in Tanzania.

- In June 2025, BNBM Tanzania participated in the 4th China-Tanzania Talent Exchange Conference organized by the Chinese Embassy in Tanzania, providing employment opportunities to local youth, actively fulfilling social responsibility, committing to social sustainability, and helping the Tanzanian government solve youth employment issues.
- In 2025, BNBM Tanzania held the "Good Use of Culture Journey", inviting students from the Dar es Salaam Institute of Technology to visit and discuss at BNBM Tanzania, providing internships and employment opportunities, strengthening communication with Gen Z youth, and showcasing the achievements of "Belt and Road" projects.
- Since launching the Foreman's Association in 2022, the activity in BNBM Tanzania has developed into an important brand promotion and product application training platform covering all of Tanzania. While promoting product sales and enhancing BNBM brand influence, it has also trained a large number of industrial workers with professional skills for the local construction industry, generating significant social and commercial value. In 2025, 24 Foreman's Association meetings were held, with over 1,900 participants.
- BNBM Tanzania follows three principles for international work: "Contribute to the local economy, cooperate with local enterprises, and get along friendly with the local people". Since its establishment in 2018, it has donated building materials many times to the Coast Region Immigration Department, the Elderly Association, schools around the base, fire departments, police stations, and disaster-affected areas to support local education and improve office environments.

## Co-creating Social Value

BNBM always takes social responsibility as the bedrock for enterprise development, integrating social responsibility concepts into company strategy and daily operations. Relying on its own business and resource advantages, the Company actively participates in public welfare and carries out various volunteer activities, giving back to society with the results of enterprise development through practical actions. Through its own efforts and actions, the Company injects "BNBM Power" into promoting social progress, increasing people's well-being, and realizing "people's yearning for a better life".

In 2025

CNY **5.7908** million

The Company's total donations and investment for activities such as rural revitalization and public welfare

## Assisting Rural Revitalization

BNBM closely integrates business development with social responsibility, assisting rural revitalization with practical actions and injecting continuous momentum into rural development. The Company always keeps "the top priorities of the nation" in mind, actively integrating into local development and carrying out enterprise-assisted rural development. It established poverty alleviation and education support mechanisms such as "Sunshine Student Grants" and "Funds for Party Members and Masses in Difficulty" to support public welfare activities like rural bookrooms. Taking enterprise-locality co-construction as a base point, it strengthens the fulfillment of social responsibility, demonstrates central enterprise responsibility, and shapes a good corporate image. During the reporting period, the Company deepened consumption-based poverty alleviation, purchasing a total of approximately CNY 926,300 in featured rural revitalization products to effectively drive rural industry development and help farmers increase income through consumption assistance.

### Case Study: "Good Materials" Match "Good Houses", Serving Rural Revitalization through Industry

- With industry as the foundation and service as the bridge, BNBM keeps its promise that "good materials match the new countryside". It uses green, high-quality building materials to participate in infrastructure construction and assist urban renewal and further delivers products to millions of households through the "four transitions" service model. The BNBM "Yuyan Workshop" service model shows villagers the "good service" behind "good materials": it gathers all-brand home decoration products for gypsum board, waterproofing, and coatings to provide a one-stop solution for decoration problems from product selection and construction guidance to after-sales guarantee. Delivering benefit-to-the-people building materials and professional services to the "doorsteps" of villagers, it lets the vision of "good materials" building "good houses" enter more rural families.



Yuyan Workshop Display House

Case Study: BNBM and Changping Xinzhuang Sing "Unity" Music Festival

- On the evening of September 27, 2025, at the Xinzhuang Park · Field East Market Forest Theater, BNBM and Xinzhuang Village, Xingshou Town, Changping District, Beijing, jointly created the 2025 "Village-Enterprise Together with One Heart · Unity Building Dreams" music festival. This cultural feast continued BNBM's original rural revitalization aspiration for the "Harmony" concert from Diaowo Town in Zhuozhou to Xinzhuang Village. Through diverse programs, chic domestic products, and bustling markets, it presented a warm dialogue and vivid practice of integrated village-enterprise development in the new era. The event attracted over 300 participants, including Xinzhuang villagers, BNBM employees, and representatives from the Central Enterprise Service Department of Beijing Future Science City, receiving over 8,000 likes.
- Additionally, on August 28 of the same year, at the "Unity" music festival for the 46th anniversary of BNBM's founding, BNBM announced it would join hands with distributors nationwide to comprehensively layout its civil construction business. This is a key measure for BNBM's transition to consumer building materials and marks a solid step for BNBM to serve rural revitalization with industrial strength and move toward "common prosperity for villages and enterprises".



"Unity" Music Festival Changping Xinzhuang Station

Participating in Public Welfare Activities

The road of public welfare never stops. BNBM upholds its original aspiration, participating in public welfare with firmer conviction and more practical actions to fulfill social public welfare responsibilities, demonstrate enterprise responsibility, and carry out various public welfare activities to promote social harmony and progress.

Case Study: BNBM Carries out "Benevolent Building" Colorful Classroom Public Welfare Teaching Support Action

- From August 4 to 8, 2025, BNBM organized 5 young volunteers to Yangling Village, Jingyuan County, Ningxia, to carry out a week-long "Benevolent Building" Colorful Classroom public welfare education support activity. The event opened with an immersive "Retracing the Long March" interactive game, integrating red education with green environmental development concepts throughout the process, letting the children truly feel BNBM's central enterprise responsibility of "keeping the top priorities of the nation in mind and creating cornerstones of a great power". BNBM practices social responsibility with practical actions, injecting new vitality into rural education.



"Benevolent Building" Colorful Classroom Public Welfare Education Support Action



Case Study: Deepening School-Enterprise Synergy, Cultivating New Talents of the Era

- In June 2025, the event "Walking into BNBM, School and Enterprise Together in a 'Great Ideological and Political Lesson'" was held at BNBM headquarters. Nearly 100 teachers and students from the Changping District Education Commission, Changping District Teacher Training School, Experimental Primary School of Beijing Normal University Future Science City School, Changping District Yandan School, and the Second High School Attached to Beijing Normal University Future Science City School participated in the activity. Through immersive teaching links such as exhibition hall tours, on-site courses, and themed salons, teachers and students deepened their understanding of state-owned central enterprises through interaction. This activity is an important practice for BNBM to deeply cultivate the field of education public welfare. The Company uses green technology to provide schools with more practical opportunities and educational resources.



School and Enterprise Together in a "Great Ideological and Political Lesson"

Case Study: BNBM Coating Business Lights up the World for "Children of the Stars"

- In September 2025, the CNBM "'Benevolent Building' Colourful Classroom" Volunteer Service Team, the BNBM Youth League Committee "Youth BNBM" Volunteer Service General Team, and the "Painter" Studio under the Tsinghua University Bauhinia Education Foundation carried out the "Luminous Home · Lighting up the Future" wall painting public welfare activity at the Changyu Chuntong Rehabilitation Center in Changping District, Beijing. They used color and love to create an exclusive fairy tale world for special children. By combining eco-friendly coatings with professional design, volunteers created a warm and friendly rehabilitation environment for special children, conveying care and companionship while continuing to practice corporate social responsibility through practical actions.



"Luminous Home · Lighting up the Future" Wall Painting Public Welfare Activity

Case Study: BNBM Waterproof "Recharges" Dreams of Schooling in Rural Areas

- BNBM Waterproof (Sichuan) Co., Ltd. carried out a clothing donation and science popularization campaign themed "Waterproofing for Safety, Education for Dreams". They donated winter clothes to Xiejia Middle School and Xiejia Primary School in Pengshan District, Meishan City, and invited teacher and student representatives to visit the BNBM Waterproof Sichuan base for exchange and learning, promoting rural science education and safeguarding children's healthy growth. The activity was praised and reported by local mainstream media such as the Meishan Daily, fully demonstrating the central enterprise responsibility of BNBM Waterproof.



The 3rd Season of "BNBM Teaching Support Action · Dreaming Toward the New Vigor" Charity Education Event

Case Study: Practicing Social Responsibility and Empowering Rural Education Development

- BNBM Carpoly integrates public welfare responsibility into its enterprise development philosophy, continuously focusing on rural education and youth growth, and actively supporting educational equity and sustainable social development through practical actions. In 2025, the Company focused on student groups in difficulty in rural areas, carrying out teaching support action in regions such as Yunnan, Sichuan, and Hunan. It distributed education funds ranging from CNY 1,000 to 5,000, benefiting a total of 230 students, effectively alleviating their economic pressure during schooling and providing strong support for students from underprivileged families to complete their studies with peace of mind and expand their growth space.



BNBM Carpoly Rural Education Development Support Project



## Future Outlook

2025 is the concluding year of the 14th Five-Year Plan and the year for planning and bridging toward the 15th Five-Year Plan. Standing at a new historical starting point, BNBM will keep the "top priorities of the nation" in mind, focus on "cornerstones of a great power", and uphold the mission of "green technology, quality life". Centering on the core values of "innovation, performance, harmony, and responsibility", we will unswervingly follow the path of high-quality development and demonstrate greater responsibility in serving national strategies and advancing Chinese-style modernization.

In the new year, BNBM will persist in leading development through innovation. Based on the requirements of high-quality development for the 15th Five-Year Plan, we will continue to strengthen strategic guidance, comprehensively advance technological innovation, business expansion, functional empowerment, and international development. We will accelerate breakthroughs in key core technologies and the transformation of scientific achievements, cultivate and develop new productive forces, and drive the continuous emergence of new products, new businesses, and new models to inject strong momentum into the Company's sustainable development.

In the new year, BNBM will continue to deepen synergistic integration for development, systematically promoting internal synergy within the "One Body" and deep integration between "One Body" and "Two Wings". We will strengthen segment linkage and regional synergy, promote the deep integrated development of the industrial, innovation, and supply chains, and strive to enhance the overall efficiency, resilience, and security of the industrial system, unswervingly pushing synergistic integration toward greater depth and practical results.

In the new year, BNBM will comprehensively strengthen the leadership and building of the Party, continuously promoting the deep integration of Party building with corporate governance, reform/development, and production/operation, effectively transforming Party building advantages into development advantages. The Company will anchor the strategic direction of "One Body, Two Wings and Global Layout", unswervingly promote green manufacturing and green operations, and refine a green building industrial chain covering the full life cycle. We will create high-quality products and systematic solutions with higher standards to better meet the people's yearning for a better life, accelerate the pace of creating a world-class flagship enterprise, and make new and greater contributions to the nation's high-quality development.



# ESG Key Performance Table<sup>9</sup>

## Environmental Data

Indicators	Unit	2025	
Total Nitrogen Oxide (NO <sub>x</sub> ) Emissions	Tons	1,339.81	
Total Sulfur Dioxide (SO <sub>2</sub> ) Emissions	Tons	630.13	
Industrial Particulate Matter Emissions	Tons	155.42	
Total industrial wastewater discharge	Tons	2,998,047.84	
Total Domestic Wastewater Discharge	Tons	371,009.15	
Total Discharge of Wastewater Pollutants	Chemical Oxygen Demand (COD)	Tons	102.55
	Ammonia nitrogen	Tons	2.66
Total GHG emissions (Scope 1 & Scope 2) <sup>10</sup>	Tons of CO <sub>2</sub> Equivalent	3,220,975.18	
Indirect GHG emissions (Scope 1)	Tons of CO <sub>2</sub> Equivalent	2,533,008.24	
Indirect GHG emissions (Scope 2)	Tons of CO <sub>2</sub> Equivalent	687,966.94	
GHG emissions Intensity (Scope 1 & Scope 2)	Tons of CO <sub>2</sub> Equivalent / Million (CNY) of Operating Revenue	127.41	
GHG emissions per Million (CNY) of Output Value (Scope 1 & Scope 2)	10,000 Tons of CO <sub>2</sub> Equivalent / Million (CNY)	0.01	
Indirect GHG emissions (Scope 3)	Tons of CO <sub>2</sub> Equivalent	4,847,541.39	
Generation of Self-produced Hazardous Solid Waste	Tons	3,018.81	
Generation Intensity of Self-produced Hazardous Solid Waste	Tons / Million (CNY) of Operating Revenue	0.12	
Generation of Self-produced Non-hazardous Solid Waste	Tons	182,001.38	
Generation Intensity of Self-produced Non-hazardous Solid Waste	Tons / Million (CNY) of Operating Revenue	7.20	
Comprehensive Utilization of Non-hazardous Solid Waste	Tons	234,076.58	
of which : Comprehensive utilization of historical storage volume	Tons	78,408.53	
Comprehensive Utilization Rate of Non-hazardous Solid Waste	%	85.53	
Total Volume of External Solid Waste Absorption and Disposal	Tons	14,469,527.55	
Total Volume of Solid Waste Absorption and Disposal by Type	Industrial Waste	Tons	14,469,527.55
	Landfill	Tons	0
Total Volume of Solid Waste Absorption and Disposal by Disposal Method	Incineration	Tons	0

<sup>9</sup> The coverage of the following KPIs is the same as that of the consolidated statements. In case of any discrepancies between the total number and the sum of the data and ratios disclosed herein, it is due to rounding

<sup>10</sup> The calculation of GHG-related emissions has referred to the Notice on the Key Work Related to the Management of Enterprise Greenhouse Gas Emission Reporting in 2022, the General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (GB/T 32150-2015), as well as other national and international standards.

Indicators	Unit	2025	
Total Volume of Solid Waste Absorption and Disposal by Disposal Method	Other Disposal Methods (Recycling and utilization of solid gypsum)	Tons	14,469,527.55
Total direct energy consumption <sup>11</sup>		MWh	9,200,981.83
Natural Gas Consumption		MWh	1,039,128.24
Coal Consumption		MWh	6,314,062.20
Other Energy Consumption		MWh	1,847,791.40
Total indirect energy consumption <sup>12</sup>		MWh	1,555,970.16
Purchased Heat Consumption		MWh	478,973.16
Electricity Consumption		MWh	1,076,997.00
Purchased Electricity Consumption		MWh	1,014,999.00
Grid Electricity Purchase		MWh	993,187.50
Green Power Purchase Volume <sup>13</sup>		MWh	21,811.50
Self-generated Electricity Consumption		MWh	61,998.00
Photovoltaic Power Generation Consumption		MWh	61,998.00
Equivalent Greenhouse Gas Emission Reduction		Tons of CO <sub>2</sub> Equivalent	19,810.80
Total Comprehensive Energy Consumption		MWh	10,756,951.99
Comprehensive Energy Consumption Intensity	MWh / Million (CNY) Revenue		425.51
Comprehensive energy consumption per CNY 10,000 of output value	Tons of Standard Coal / 10,000 (CNY)		0.55
Expenditure on Energy	10,000 (CNY)		202,869.87
Total New Energy Installed Capacity	MW		90.56
Annual Purchased Green Certificate Electricity	kWh		21,811,500.00
Use of Alternative Fuels	Tons		272,156.06
Municipal Waste	Tons		5.00
Biomass	Tons		249,336.80
Industrial Waste	Tons		22,814.26

<sup>11</sup> Direct energy consumption covers non-renewable energy sources such as coal, natural gas, liquefied petroleum gas, petrol and diesel, as well as self-generated electricity using renewable energy sources. The result is calculated in accordance with the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

<sup>12</sup> Indirect energy consumption covers purchased electricity and purchased heat. The result is calculated in accordance with the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

<sup>13</sup> Purchased green electricity refers to the electricity purchased through contracts with renewable energy power producers.

Indicators	Unit	2025	
Consumption of Non-renewable Materials	Tons	1,916,595.30	
Consumption of Toxic and Hazardous Materials	Tons	207,986.12	
Total Water Withdrawal	Tons	11,306,712.82	
Tap Water	Tons	5,968,292.03	
Groundwater	Tons	2,152,039.89	
Surface Water	Tons	3,077,861.20	
Other	Tons	108,519.70	
Water Use in Water-Stressed Regions	Tons	180,185.20	
Total Water Discharge	Tons	3,369,056.99	
Total water consumption	Tons	7,937,655.83	
Water Recycling Rate	%	94	
Water Consumption per Million (CNY) of Output Value	10,000 Tons / Million (CNY)	0.05	
Total Environmental Investment Amount <sup>14</sup>	10,000 (CNY)	30,409.65	
	Operating Revenue from Products with Inherent Green Attributes	10,000 (CNY)	1,625,690.97
Green Products <sup>15</sup>	Of which: Operating Revenue from Products with Various Green Certifications, including but not limited to "China Low Carbon Product Certification", "Green Building Material Product Certification", etc.	10,000 (CNY)	285,222.39
	R&D cost of green products	10,000 (CNY)	80,136.17
Number of Energy-saving Technical Renovation Projects	Units	80	
Electricity Saved by Energy-saving Technical Renovation Projects	kWh	36,615,824.00	
Standard Coal Saved by Energy-saving Technical Renovation Projects	10,000 tons	7.52	
CO <sub>2</sub> Emissions Reduced by Energy-saving Technical Renovation Projects	10,000 tons	20.15	
Number of Self-owned National-level Green Factories	Units	33	
Number of Self-owned Provincial-level Green Factories	Units	43	
Number of Self-owned Green Factories at Other Levels	Units	2	

<sup>14</sup> Environmental protection expenditure includes the expenditures for environmental protection and ecological restoration.

<sup>15</sup> The green products including gypsum board, waterproof material and waterproof coating.

Indicators	Unit	2025	
Land Area of All Production and Operation Units of the Company	m <sup>2</sup>	12,945,806.88	
Of which: Area where Biodiversity Risk Assessment has been Conducted	m <sup>2</sup>	1,856,684.18	
Number of Sites of All Production and Operation Units of the Company	Units	111	
Of which: Number of Sites where Biodiversity Risk Assessment has been Conducted	Units	79	
Number of Corporate Entities with ISO 14001 Certification	Entities	99	
Number of Corporate Entities with ISO 50001 Certification	Entities	47	
	Number of Existing Enterprises with Climate Risk Response/Adaptation Plans (e.g., Extreme Weather Emergency Plans)	Entities	39
	Number of Enterprises under Construction with Climate Risk Response/Adaptation Plans (e.g., Extreme Weather Emergency Plans)	Entities	5
Climate Change Risks and Opportunities	Annual Financial Impact Caused by Risks	10,000 (CNY)	58.05
	Annual Expenditure Resulting from Risk Response Measures	10,000 (CNY)	3,568.44
	Annual Cost Required to Grasp Climate Change Opportunities	10,000 (CNY)	80,139.68
	Annual Income Generated from Climate Change Opportunities	10,000 (CNY)	1,734,970.41


**Social Data**

Indicators	Unit	2025
Total Number of Employees	People	16,133
Total Number of Employees by Gender	Male Employees	13,024
	Of which: Number of Male Employees in STEM	1,395
	Female Employees	3,109
Total Number of Employees by Ethnicity	Of which: Number of Female Employees in STEM	141
	Han employees	15,215
	Minority Group Employees	918
Total Number of Employees by Job Level	Senior employees	169
	Of which: Number of Female Employees	10
	Of which: Number of Female Employees in Business Positions	0
	Of which: Number of Male Employees	159
	Of which: Number of Male Employees in Business Positions	16
	Of which: Number of Minority Group Members	10
	Middle-level employees	818
	Of which: Number of Female Employees	98
	Of which: Number of Female Employees in Business Positions	14
	Of which: Number of Male Employees	720
Total Number of Employees by Employment Type	Of which: Number of Male Employees in Business Positions	131
	Of which: Number of Minority Group Members	23
	General employees	15,146
	Long term	15,878
Total Number of Employees by Age	Short-term	255
	Under 30 years old	2,480
	30 to 50 Years Old	11,922
Total Number of Employees by Region	Over 50 years old	1,731
	Mainland China	15,773
	Hong Kong, Macao, and Taiwan Regions	11

Indicators	Unit	2025	
Total Number of Employees by Region	Overseas	People	349
Disabled employees	People	71	
Overall Employee Turnover Rate <sup>16</sup>	%	9.46	
Turnover rate (voluntary resignation)	%	6.84	
Employee Turnover Rate by Gender	Male Employees	%	9.25
	Female Employees	%	10.32
Employee Turnover Rate by Age	Under 30 years old	%	19.52
	30 to 50 Years Old	%	7.69
	Over 50 years old	%	7.22
Employee Turnover Rate by Region	Mainland China	%	8.56
	Hong Kong, Macao, and Taiwan Regions	%	0
	Overseas	%	50.43
Employee Turnover Rate by Job Level	Senior employees	%	0.59
	Middle-level employees	%	3.42
	General employees	%	9.88
Voluntary Employee Turnover Rate by Job Level	Senior employees	%	1.18
	Middle-level employees	%	2.81
	General employees	%	7.12
Voluntary Employee Turnover Rate by Gender	Male Employees	%	6.70
	Female Employees	%	7.40
Voluntary Employee Turnover Rate by Age	Under 30 years old	%	17.30
	30 to 50 Years Old	%	5.05
	Over 50 years old	%	4.16
Voluntary Employee Turnover Rate by Region	Mainland China	%	5.88
	Hong Kong, Macao, and Taiwan Regions	%	0
	Overseas	%	50.43
Social insurance coverage of dispatched workers	%	100	
Per Capita Paid Annual Leave Days		9.77	

<sup>16</sup> Employee turnover rate = Employee turnover rate for FY2023 = number of employees turned over / number of employees on board at the end of the period

Indicators	Unit	2025
Number of Newly Recruited Employees (Employment Absorption)	People	1,645
Male Employees	People	1,368
Female Employees	People	277
Under 30 Years Old	People	754
30 to 50 Years Old	People	869
Over 50 Years Old	People	22
Total Number of Newly Recruited Employees		
Senior Employees	People	0
Middle-level Employees	People	19
General Employees	People	1,626
Han Ethnicity	People	1,306
Minority Group	People	339
Number of Employee Internal Transfers or Internal Applications	People	546
Proportion of Internal Transfers or Internal Applications	%	24.92
Cases of Complaints Received Regarding Infringement of Legal Rights of Employees	Cases	0
Cases of Complaints Received Regarding Discrimination against Applicants and Employees	Cases	0
Person-times of Condolences for Special Employees and Assistance for Employees in Difficulty	Person-times	166
Person-times of Assisting Children of Employees in Difficulty with Schooling or Rewarding Children of Employees for Enrollment	Person-times	156
Person-times of Assisting Employees with Serious Illnesses	Person-times	10
Total Expenditure on Condolences for Special Employees and Assistance for Employees in Difficulty	10,000 (CNY)	43.85
Total Expenditure on Assisting Children of Employees in Difficulty with Schooling or Rewarding Children of Employees for Enrollment	10,000 (CNY)	18.65
Total Expenditure on Assisting Employees with Serious Illnesses	10,000 (CNY)	16.93
Sessions of Various Employee Activities Held or Organized	Sessions	438
Sessions of Various Activities Organized by Relevant Industry Associations (Provincial Level or Above) Participated In	Sessions	122
Person-times of Employees Participating in Various Activities	Person-times	33,729
Total Number of People Participating in Satisfaction Surveys	People	9,794
Proportion of Total Number of Employees	%	60.71
Employee satisfaction <sup>17</sup>	%	86.37
Satisfaction Rate by Gender		
Male Employees	%	86.37
Female Employees	%	86.38
Satisfaction Rate by Age Group		
Under 30 years old	%	86.36

<sup>17</sup> Employee satisfaction surveys cover all levels of employees.

Indicators	Unit	2025
Satisfaction Rate by Age Group		
30 to 50 Years Old	%	86.38
Over 50 years old	%	86.28
Satisfaction Rate by Race		
Han employees	%	86.37
Minority Group Employees	%	86.39
Satisfaction Rate by Employee Category		
Senior employees	%	88.89
Middle-level employees	%	97.03
General employees	%	85.40
Total Number of Employees for whom the Company Pays Enterprise Annuity	People	2,589
Total Number of Employees for whom the Company Pays for Insurance other than the Five Insurances (e.g., Supplementary Medical Insurance)	People	5,342
Number of Cases Involving Alleged Child Labor and Forced Labor	Cases	0
Number of Employees Joining the Labor Union	People	16,133
Proportion of Employees Joining the Labor Union	%	100
Number of Employees Signing Collective Contracts	People	16,133
Proportion of Employees Signing Collective Contracts	%	100
Number of Employee Representatives among Employees	People	806
Proportion of Employee Representatives among Employees	%	5
Number of Work-related Fatalities	People	0
Mortality Rate per 1,000 Employees	‰	0
Lost Time Injury Frequency Rate (LTIFR) per Million Hours (Employees)	-	0
Number of Working Days Lost due to Work-related Injuries (Employees)	Days	0
Lost Time Injury Frequency Rate (LTIFR) per Million Hours (Contractors)	-	0
Safety Production Liability Accident		0
Work safety accidents		1
Person-times Participating in Occupational Health and Safety Training	Person-times	177,118
Number of Safety Inspections Conducted	Times	4,446
Number of Hazards Identified	Units	24,477
Hazard identification and rectification rate	%	100

Indicators	Unit	2025	
Person-times participating in emergency drills, fire drills, and other exercises	Person-times	20,613	
Amount of safety and health-related expenditures	10,000 (CNY)	13,019.08	
Number of enterprises within all levels of the Group that obtained Level 1 safety production standardization	Entities	1	
Number of enterprises within all levels of the Group that obtained Level 2 safety production standardization	Entities	66	
Number of enterprises within all levels of the Group that obtained Level 3 safety production standardization	Entities	21	
Number of enterprises within all levels of the Group with ISO 45001 Occupational Health and Safety Management System certification	Entities	98	
Total participants in training	People	140,224	
Employee training coverage rate	%	86.67	
Employee training rate by gender (various types of training)	Male Employees	%	84.99
	Female Employees	%	93.70
	Under 30 years old	%	82.78
Employee training rate by age group (various types of training)	30 to 50 Years Old	%	87.61
	Over 50 years old	%	85.73
	Employee training rate by race (various types of training)	Han employees	%
Minority Group Employees		%	100.00
Senior employees		%	100.00
Employee training rate by job level (various types of training)	Middle-level employees	%	100.00
	General employees	%	85.80
	Senior employees	%	97.04
Employee training rate by level (Safety and Environmental Protection training)	Middle-level employees	%	84.60
	General employees	%	82.92
	Senior employees	%	64.50
Employee training rate by level (Skill and Business training)	Middle-level employees	%	81.42
	General employees	%	68.45
	Senior employees	%	100.00
Employee training rate by level (Management training, including compliance training)	Middle-level employees	%	97.56
	General employees	%	37.97
	Senior employees	%	100.00
Total training hours calculated by person-times (all employees)	Hours	776,938	
Total training hours for Safety and Environmental Protection training	Hours	273,261	

Indicators	Unit	2025	
Total training hours for Skill and Business training	Hours	401,989	
Total training hours for Management training	Hours	101,688	
Per capita training hours by gender (various types of training)	Male Employees	Hours	55.98
	Female Employees	Hours	54.01
Per capita training hours by age group (various types of training)	Under 30 years old	Hours	57.72
	30 to 50 Years Old	Hours	55.32
	Over 50 years old	Hours	54.33
Per capita training hours by race (various types of training)	Han employees	Hours	57.04
	Minority Group Employees	Hours	34.55
Per capita training hours by job level (various types of training)	Senior employees	Hours	140.20
	Middle-level employees	Hours	64.54
	General employees	Hours	53.90
Per capita training hours (various types of training)	Hours	55.57	
Total cost of employee training for the Company	CNY	5,902,291.94	
Number of suppliers that have established long-term cooperation with the Company	Total	Entities	4,201
	Mainland China	Entities	4,151
	Hong Kong, Macao, and Taiwan Regions	Entities	2
Procurement amount generated from suppliers that have established long-term cooperation with the Company	Overseas	Entities	48
	Total	Entities	2,550
Among suppliers with long-term cooperation, the number of suppliers screened and controlled for environmental and social risks	Mainland China	Entities	2,502
	Hong Kong, Macao, and Taiwan Regions	Entities	2
	Overseas	Entities	46
Proportion of suppliers screened and controlled for environmental and social risks	%	60.70	
Procurement amount generated from long-term cooperative suppliers screened and controlled for environmental and social risks	10,000 (CNY)	537,919	
Among long-term cooperative suppliers screened and controlled for environmental and social risks, the number of suppliers assessed as having significant negative impacts	Total	Entities	0
	Among suppliers assessed as having significant negative impacts, the number of suppliers with whom the Company agreed on corrective measures/improvement plans	Entities	0
	Among suppliers assessed as having significant negative impacts, the number of suppliers terminated	Entities	0

Indicators	Unit	2025
	Total	Entities 456
Among suppliers with long-term cooperation, the number of suppliers participating in supplier training and capability enhancement	Among suppliers participating in training and capability enhancement, the number of suppliers screened and controlled environmental and social risks	Entities 255
Number of ESG training sessions or ESG training exchange meetings conducted with suppliers	Sessions	20
Number of suppliers passing system certifications such as quality, occupational health and safety, environment, or energy management	Entities	2,350
	Total	Entities 725
Number of non-long-term cooperative suppliers	Number of suppliers screened and controlled environmental and social risks	Entities 623
Proportion of products recalled for safety and health reasons	%	0
Litigation cases involving products and services related to safety and health reasons	Cases	0
Number of complaints received regarding products and services	Cases	21
Of which: Number of complaints properly replied to and handled	Cases	21
Proportion of complaints properly replied to and handled	%	100
Number of cases involving products and services allegedly infringing intellectual property rights	Cases	0
Number of complaints received due to leakage of customer information	Cases	0
Total number of customers	Units	30,119
Number of customers participating in satisfaction surveys	Units	7,001
Of which: Number of customers satisfied with the survey results	Units	6,616
Proportion of customers participating in satisfaction surveys	%	23.24
Customer satisfaction rate	%	94.5
Number of patent applications for the year	Items	656
Of which: Number of invention patents	Items	387
Number of patents authorized for the year	Items	433
Of which: Number of invention patents	Items	219
Cumulative number of valid patents	Items	5,322
Of which: Number of invention patents	Items	1,801
Cumulative software copyrights registered	Items	43
R&D investment / System process / Platform construction / Incentive mechanism / Talent guarantee	Million (CNY)	1,044
Of which: R&D investment in green and low-carbon technology	Million (CNY)	334
R&D investment as a percentage of operating revenue	%	4.13
Number of R&D personnel	People	1,215
Number of standards led or participated in formulation or revision	Units	318

Indicators	Unit	2025
Provincial and Ministerial Awards in science and technology	Items	9
Number of anti-commercial bribery and anti-corruption training sessions held and organized	Sessions	3,067
Person-times of directors of enterprises across all levels participating in anti-commercial bribery and anti-corruption training	Person-times	1,620
Person-times of employees of enterprises across all levels participating in anti-commercial bribery and anti-corruption training (excluding directors)	Person-times	62,754
Coverage rate of directors in anti-commercial bribery and anti-corruption training sessions held and organized	%	100
Coverage rate of employees in anti-commercial bribery and anti-corruption training sessions held and organized	%	100
Total number of law-abiding and compliance training sessions held and organized for the year	Sessions	23
Total person-times participating in law-abiding and compliance training for the year	Person-times	15,300
Total number of ESG special training sessions held and organized for the year	Sessions	6
Total duration of participation in ESG special training for the year	Hours	36
Number of participants in ESG special training for the year	People	716
Number of cases of employee violation of the code of business conduct (corruption or bribery)	Cases	0
Number of cases of employee violation of the code of business conduct (discrimination or harassment)	Cases	0
Number of cases of employee violation of the code of business conduct (customer privacy data)	Cases	0
Number of cases of employee violation of the code of business conduct (conflict of interest)	Cases	0
Number of cases of employee violation of the code of business conduct (money laundering or insider trading)	Cases	0
Amount of taxes and fees paid	10,000 (CNY)	147,041.59
Total amount of public welfare investment (including material donations)	10,000 (CNY)	579.08
Donations to targeted assistance areas (rural revitalization category)	10,000 (CNY)	517.00
Public welfare donation	10,000 (CNY)	62.08
Number of entrepreneurship internship bases	Units	3
Provision of internship positions for students in school	Units	20
Number of established volunteer organizations or groups	Units	4
Number of volunteers among employees	People	263
Number of person-times of volunteer activities carried out	Person-times	2,124
Number of working hours of volunteer activities carried out	Hours	1,200
Total investment of the enterprise in supporting volunteer activities	10,000 (CNY)	16

# Index Table

## Shenzhen Stock Exchange Guidelines No. 17 for Self-discipline Regulation of Listed Companies - Sustainability Report (Trial)

Guideline Clauses	Report Chapters	
Chapter I General Provisions	Articles 1 to 4 Full Report	
	Article 5 Materiality Assessment	
	Articles 6 to 8 Full Report	
	Article 9 Stakeholder Communication	
	Article 10 Full Report	
Chapter II Sustainability Information Disclosure Framework	Materiality Assessment	
	Deepening Integrity Building	
	Articles 11 to 19 Addressing Climate Change	
	Creating Quality Service	
Chapter III Environmental Information Disclosure	Promoting Technological Innovation	
	Articles 20 to 28 Addressing Climate Change	
		Section 1 Addressing Climate Change
Chapter III Environmental Information Disclosure	Protecting Ecological Environment	
	Article 29 Strengthening Environmental Management	
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Section 2 Pollution Prevention and Control and Ecosystem Protection	Strengthening Environmental Management	
	Chapter III Environmental Information Disclosure	Addressing Climate Change
Article 34 Promoting Circular Economy		
Section 3 Resource Utilization and Circular Economy	Article 35 Addressing Climate Change	
	Article 36 to 37 Promoting Circular Economy	
Chapter IV Social Information Disclosure	Articles 38 to 40 Co-creating Social Value	
		Section 1
		Rural Revitalization and Social Contribution

Guideline Clauses	Report Chapters	
Chapter IV Social Information Disclosure	Articles 41 to 42 Promoting Technological Innovation	
	Section 2 Green Solutions	
	Innovation-driven and technological ethics	Article 43 BNBM's core business is the production and sales of gypsum boards, waterproof materials, and coatings, and it does not engage in scientific research or technological development activities in areas sensitive to technological ethics.
Articles 44 Creating Quality Service		
Chapter IV Social Information Disclosure	Articles 45 Promoting Win-Win Cooperation	
	Section 3 Suppliers and Customers	As of the end of the reporting period, BNBM's balance of accounts payable (including notes payable) did not exceed CNY 30 billion, accounting for no more than 50% of total assets, and there were no cases where information regarding overdue unpaid amounts to small and medium-sized enterprises was disclosed to the public through the National Enterprise Credit Information Publicity System
	Article 46	
Chapter IV Social Information Disclosure	Article 47 to 48 Creating Quality Service	
	Section 4 Employees	Improving Intrinsic Safety
		Articles 49 to 50 Safeguarding Employee Rights
Chapter V Disclosure of Sustainability-related Governance Information	Supporting Communication Channels	
	Article 51 Deepening Corporate Governance	
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Section 1 Sustainability-related Governance Mechanisms	Article 53 Stakeholder Communication	
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Articles 54 to 56 Implementing Compliance Operation		
Chapter VI Supplementary Provisions and Definitions	Section 2 Business Conduct	
	Article 57 Index Table	
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Articles 59 to 63 Full Report		

# Feedback

Dear Readers, thank you for reading this report. To continuously improve our ESG work, enhance our ESG management capabilities and levels, and ensure the next report meets your expectations, we look forward to your feedback and suggestions in the following areas.

Please leave your information, which we will keep strictly confidential:

Name:	Organization/Occupation:
Contact Number:	Email:
Correspondence Address:	Postal Code:

## Closed-ended Questions

1. Are you satisfied with this report overall?

Yes  No  Average

2. Is the information you are concerned about reflected in the report?

Yes  No  Average

3. Do you think the report truthfully reflects BNBM's ESG work content and its impact on stakeholders?

Yes  No  Average

4. Can you easily find the information you are concerned about in the report?

Yes  No  Average

5. Are you satisfied with the layout and design of the report?

Yes  No  Average

## Open-ended Questions

1. What aspect of this report are you most satisfied with?

2. What further information would you like to know about BNBM?

3. Do you have any comments on our future ESG/sustainability work and sustainability reports?