



洋房牌水泥

2025

Environmental, Social and Governance (ESG) Report

ASIA CEMENT (CHINA) HOLDINGS CORPORATION



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About This Report

Overview

This report is the 12th Environmental, Social, and Governance (ESG) Report released to the public by Asia Cement (China) Holdings Corporation (hereinafter referred to as "Asia Cement (China)", "the Company" or "we"). This report is open to all stakeholders of Asia Cement (China), and truthfully discloses responsibility performance practices of Asia Cement (China) in 2025 based on the principles of openness, transparency and integrity, with the aim of responding to the expectations of stakeholders and better fulfilling social responsibilities in the future.

Principles of Preparation

Materiality Principle

During the preparation of this report, key stakeholders and their concerns regarding ESG issues were identified. The report selectively discloses these issues based on their relative materiality to stakeholders.

Quantification Principle

This report uses quantitative data to disclose key performance indicators (KPIs) for environmental and social aspects. These KPIs are calculated in accordance with national regulations or industry standards. The measurement criteria, methodologies, assumptions, and conversion factors used for the KPIs in this report are detailed in the relevant sections.

Balance Principle

The Company has thoroughly discussed sustainability matters that have a significant impact on its operations, including achievements and challenges. Efforts have been made to avoid any selection, omission, or presentation formats that could unduly influence the decision-making or judgment of the report's readers.

Consistency Principle

Unless otherwise stated, the data and statistical methods applied in this report are consistent with those used in the Company's previous annual report.

Reporting Period

This is an annual report. Unless otherwise stated, the reporting period is from January 1, 2025 to December 31, 2025. To enhance the comparability and completeness of this report, some content may trace back to previous years or include forward-looking descriptions.

Data Sources

Unless otherwise specified, the information and data cited in this report are derived from the Company's statistical reports and relevant documents, as well as ESG information that has been compiled and audited by the Company. Unless otherwise specified, the monetary unit is RMB.

Basis of Preparation

This report is prepared in accordance with Appendix C2 *Environmental, Social and Governance Reporting Guide* (the "ESG Reporting Guide") and Appendix D *Climate-related Disclosures* of the Rules Governing the Listing of Securities (the "Listing Rules") issued by the Stock Exchange of Hong Kong Limited, with reference to the *Global Reporting Initiative (GRI) Standards*, the United Nations' *SDG Compass: The Guide for Business Action on the SDGs*, cement industry standards released by the Global Cement and Concrete Association (GCCA), and building materials industry standards released by the Sustainability Accounting Standards Board (SASB).

External Verification

This report has been independently verified by China Quality Certification Centre Co., Ltd. The statement of verification is attached at the end of this report.

Confirmation and Approval

This report has been deliberated and approved by the Board of Directors of the Company. The Company pledges that the report contains no false records, misleading statements or material omissions, and assumes individual and joint liability for the authenticity, accuracy and completeness of its content.

Report Release Format

This report is released in electronic version and can be accessed or downloaded from the Company's website at <http://www.achc.com.cn/>. This report is in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Contact Information

For further inquiries, questions or suggestions regarding this report and the Company's ESG work, you may contact us in the following ways:

-  Website : <http://www.achc.com.cn/>
-  Address : No. 6 Ya Dong Avenue, Matou Town, Ruichang City, Jiangxi Province, China
-  Postal Code : 332207
-  Contact Number : 0792-4888999 / 4888200

Interpretation

Unless otherwise specified, this report covers the ESG performance of Asia Cement (China) Holdings Corporation and its wholly-owned and controlled subsidiaries, and the information boundary is consistent with the Company's annual report.

Full Name	Abbreviation
Asia Cement (China) Holdings Corporation	Asia Cement (China) / the Company / we
Jiangxi Ya Dong Cement Co., Ltd.	Jiangxi Ya Dong
Huanggang Ya Dong Cement Co., Ltd.	Huanggang Ya Dong
Hubei Ya Dong Cement Co., Ltd.	Hubei Ya Dong
Sichuan Ya Dong Cement Co., Ltd.	Sichuan Ya Dong
Sichuan Lan Feng Cement Co., Ltd.	Sichuan Lan Feng
Yangzhou Ya Dong Cement Co., Ltd.	Yangzhou Ya Dong
Wuhan Ya Dong Cement Co., Ltd.	Wuhan Ya Dong
Nanchang Ya Dong Cement Co., Ltd.	Nanchang Ya Dong
Nanchang Ya Li Ready-mixed Concrete Co., Ltd.	Nanchang Ya Li
Wuhan Ya Li Ready-mixed Concrete Co., Ltd.	Wuhan Ya Li
Sichuan Ya Li Ready-mixed Concrete Co., Ltd.	Sichuan Ya Li
Chengdu Ya Li Ready-mixed Concrete Co., Ltd.	Chengdu Ya Li
Shanghai Ya Li Ready-mixed Concrete Co., Ltd.	Shanghai Ya Li
Taizhou Ya Dong Building Materials Co., Ltd.	Taizhou Ya Dong
Jiangxi Ya Li Transportation Co., Ltd.	Jiangxi Ya Li
Hubei Ya Li Transportation Co., Ltd.	Hubei Ya Li
Sichuan Ya Li Transportation Co., Ltd.	Sichuan Ya Li

Statement of the Board of Directors

The Board of Directors of Asia Cement (China) is well aware of its important responsibility in promoting the sustainable development of the Company. We firmly believe that sustainable development is not only the embodiment of corporate social responsibility, but also the cornerstone of long-term corporate development, and we always integrate it into the Company's daily operations and management. The Company's Board of Directors and senior management adopt a bidirectional management approach to comprehensively assess the material issues the Company faces, using these assessments as an important basis for formulating sustainable development strategies. This ensures an accurate understanding of ESG principles at the top, but also facilitates smooth communication between decision makers and frontline employees, thereby guaranteeing that ESG principles are effectively implemented across all levels of the Company.

The Company places great emphasis on communication and collaboration with stakeholders, and provides a comprehensive overview of the Company's ESG performance and progress through the regular publication of annual ESG reports. We also actively listen to the opinions and suggestions of stakeholders to constantly improve our ESG management system, while closely monitoring the latest developments and international standards in the ESG field to timely adjust and optimize our ESG strategies and initiatives.

The Company firmly believes that consistently practicing ESG principles and actively fulfilling its social responsibilities is an effective way to promote harmonious coexistence between the Company and society. In the future, Asia Cement (China) Holdings Corporation will continue to seek opportunities to enhance its ESG practices, further improve its sustainability performance, and contribute to achieving the sustainable development goals.



Message from the Management

— Master the Changes, Secure the Future!



Globally carbon neutrality targets are rapidly transforming from political commitments to market actions. In China, the "carbon peaking and carbon neutrality goals" have been integrated into the overall framework of ecological conservation. The carbon market has expanded to cover the cement sector, with its regular trading mechanism growing increasingly mature. Internationally, the adoption of the ISSB standards and the EU Carbon Border Adjustment Mechanism (CBAM) has jointly outlined a new landscape for sustainable development.

Facing a complex and ever-changing global landscape and increasingly urgent climate change, Asia Cement (China) Holdings Corporation (hereinafter referred to as "the Company") has deeply embedded ESG principles into its corporate strategy, recognizing them as central to sustainable business operations. Reviewing 2025, the Company, adhering to the principles of "Stability in Transformation" and "Perseverance amid Changes", has forged steadily ahead amid the global wave of sustainability. With a profound industrial foundation and strong commitment, it has made

solid progress in multiple key areas, including low-carbon transition, biodiversity conservation, workplace well-being, and social inclusion.

Environmental Dimension: Technology Empowerment, Solidifying Green Foundations

Driven by its mission of "Building a Sustainable Green Homeland", the Company is comprehensively driving the industrial transformation towards green and low-carbon development. This is achieved by establishing a robust technological innovation system, strengthening breakthroughs in low-carbon technologies, promoting ultra-low emission retrofits, and accelerating digital and intelligent upgrading.

In process decarbonization, the Company fosters innovation across the workforce, deepens R&D and application of environmental technologies, and pioneers process innovations throughout production, transportation, and sales. This achieves synergistic reductions in pollutants, nitrogen oxides, carbon dioxide, and dust, setting a benchmark for green factories. In terms of energy mix optimization, the Company has advanced decarbonization by developing distributed photovoltaic projects, purchasing green electricity, and increasing the proportion of industrial solid waste used as substitutes for limestone. The materials involved in the circular economy span waste from multiple industries—Jiangxi Ya Dong assists the government in processing municipal solid waste and Lee & Man Paper's waste, while Hubei Ya Dong specializes in treating heavy metal-contaminated soil, putting circular development principles into practice.

Social Dimension: Responsibility in Action, Building a Harmonious Ecosystem

The Company upholds its commitment to "creating a workplace of well-being, enriching corporate culture,

supporting vulnerable groups, and fostering an inclusive society", with dedicated efforts in employee care, community development, and ecological conservation.

In terms of employee care, it emphasizes talent cultivation and well-being, establishing a tiered and categorized training system. Practical skills training is provided for frontline production staff, while management personnel undergo capacity-building programs. Additionally, health protection initiatives and daily life support measures have been implemented to create a warm and supportive workplace environment. In community engagement, aligning with the national rural revitalization strategy, the Company has improved rural infrastructure in multiple regions and funded community welfare projects. For example, in November 2025, representing Sichuan Ya Dong, it donated RMB 50 million to support the relocation and construction of the Pengzhou Center for Disease Control and Prevention, contributing to local public health development. In mine ecological protection, adhering to the "ecology-first" principle, we have prioritized vegetation restoration and conservation since the establishment of our plants. Five mines of Jiangxi Ya Dong and three mines of Huanggang Ya Dong have been certified as provincial or national-level green mines, embodying the concept that "lucid waters and lush mountains are invaluable assets".

Governance Dimension: Structural Enhancement, Harnessing Collective Wisdom

The Company has established a sound three-tier governance structure comprising Board of Directors, Corporate Sustainability Committee, and Corporate Sustainability Implementation Committee, convening regular specialized meetings to review the progress of ESG strategy implementation and ensure the orderly advancement of all initiatives. Actively participating in the development of industry standards, the Company promotes the alignment of international frameworks for carbon footprint accounting and green electricity consumption, demonstrating the responsibility and commitment of a Chinese cement enterprise.

By leveraging the collective wisdom across the group, it fosters a butterfly effect among affiliated companies, amplifying synergistic impact. The Company, in partnership with its Hualien Plant in Taiwan and Ding Ding Management Consultant Corp. (DDMC), has successfully put into operation a dedicated smart energy management system. Building on this core platform, the Company is expanding its intelligent initiatives to cover optimized control, quality management, logistics management, and equipment management. It has joined hands with Far Eastern Union Petrochemical (Yangzhou) Co., Ltd. to jointly improve cement grinding aids, actively exploring new business frontiers and enhancing its competitiveness.

Looking Ahead: Wisdom for Sustainability, Shared Prosperity for All

Amid the converging challenges of extreme weather, policy shifts, and sustainability pressures, enterprises face unprecedented trials. Short-term adaptations alone can no longer meet future demands—only "Wisdom for Sustainability" ensures steady and enduring progress. The Company remains committed to investing in the future, closely aligning its sustainability strategy with evolving environmental demands. It is actively driving transformation in areas such as AI adoption, net-zero transition, organizational restructuring, and talent development, thereby building momentum for sustained growth. We look forward to continuing our collaboration with all sectors to fulfill the "carbon peaking and carbon neutrality goals", contribute to building a beautiful China, and collectively create a prosperous future marked by win-win outcomes for business, society, and the environment.

Asia Cement (China) Holdings Corporation
Chairman of the Board

徐旭東

Insights about Asia Cement (China)

Asia Cement (China) Holdings Corporation, as one of the leading enterprises in China's cement industry, has been dedicated to providing high-quality cement products and solutions, offering reliable support for a wide range of construction projects since its establishment in 2004. On May 20, 2008, the Company was listed on the Main Board of the Hong Kong Stock Exchange, with the stock code 743.

Vision

To continuously pursue high quality, high efficiency, strong environmental protection, low cost, and innovation, becoming a role model in the cement industry

Goal and Prospect

The Company aspires to become one of China's leading integrated cement producers, achieving the highest regional market share and operational efficiency, while striving to maximize returns for its shareholders

Mission

The preferred partner for building a sustainable green home

Philosophy

Industrial development and environmental protection can coexist harmoniously

Founding Spirit

Integrity, Diligence, Austerity, Prudence and Innovation

Development History

- 1994**
 Mr. Zhang Caixiong, General Manager of Taiwan Asia Cement Corporation, was invited to visit Ruichang City, Jiangxi Province, where he discussed investment opportunities and the establishment of a cement plant with local government officials.
- 1995**
 Shanghai Ya Li Ready-mixed Concrete Co., Ltd., the first company established by Asia Cement (China) in Chinese mainland, was incorporated.
- 2000**
 No. 1 Kiln of Jiangxi Ya Dong was ignited and put into production.
- 2002**
 Jiangxi Ya Dong was certified under the ISO 9001 Quality Management System.
- 2005**
 Jiangxi Ya Dong was certified under ISO 14001 Environmental Management System; the same year, Hubei Ya Dong was registered and construction commenced.
- 2006**
 Asia Cement (China) established its Chinese mainland management headquarters, and No. 1 Kiln of Sichuan Ya Dong was ignited and put into production.
- 2008**
 Asia Cement (China) was listed on the Main Board of the Hong Kong Stock Exchange.
 Yangzhou Ya Dong, a grinding factory established by Asia Cement (China) in the Yangtze River Delta region, was put into production.
 Jiangxi Ya Dong was certified under the OHSMS18001 Occupational Health and Safety Management System.
- 2009**
 The first set of cement kiln put into production by Asia Cement (China) in Hubei Province - No. 1 Kiln of Hubei Ya Dong was ignited and put into production.
 Asia Cement (China) completed the construction of Sichuan Ya Dong's 12.6 km-long belt conveyor, which is a domestic leader in its scale.
- 2010**
 No. 1 Kiln of Huanggang Ya Dong invested and constructed by Asia Cement (China) in Hubei Province was ignited and put into production.
- 2014**
 Sichuan Lan Feng Cement Co., Ltd. was acquired.
- 2020**
 Jiangxi Ruiya New Material Co., Ltd. was established.
- 2022**
 Jiangling Ya Dong Building Material Cement Co., Ltd. was established.
- 2024**
 Wuxue Ya Dong Mining Co., Ltd. was established.



Products and Business Layout

Asia Cement (China) is headquartered in Ruichang City, Jiangxi Province, with its subsidiaries located in the middle and lower reaches of the Yangtze River as well as Chengdu, Sichuan Province. The Company operates multiple modern cement production lines, with an annual cement production capacity of 35,000,000t.

The Company's main markets cover Sichuan, Hubei, Henan, Jiangxi, Anhui, Jiangsu, Zhejiang, Shanghai and other provinces and cities. After years of operation, the Company's flagship product - Skyscraper Brand cement - has become a representative of high-quality cement in Wuhan, Jiujiang, Nanchang, Yangzhou, Shanghai, Chengdu and other urban markets.

The Company's main products include: Portland cement clinker, general purpose Portland cement with different strengths, moderate and low-heat Portland cement, slag powder, limestone powder, ash powder, ready-mixed concrete, etc.

Integrated cement plant	Jiangxi Ya Dong Cement Co., Ltd. Huanggang Ya Dong Cement Co., Ltd. Hubei Ya Dong Cement Co., Ltd. Sichuan Ya Dong Cement Co., Ltd. Sichuan Lan Feng Cement Co., Ltd.
Cement grinding plants	Yangzhou Ya Dong Cement Co., Ltd. Wuhan Ya Dong Cement Co., Ltd. Nanchang Ya Dong Cement Co., Ltd.
Cement products manufacturin plants	Nanchang Ya Li Ready-mixed Concrete Co., Ltd. Wuhan Ya Li Ready-mixed Concrete Co., Ltd. Sichuan Ya Li Ready-mixed Concrete Co., Ltd. Chengdu Ya Li Ready-mixed Concrete Co., Ltd.
Transportation companies	Jiangxi Ya Li Transportation Co., Ltd. Hubei Ya Li Transportation Co., Ltd. Sichuan Ya Li Transportation Co., Ltd.
Others	Taizhou Ya Dong Building Materials Co., Ltd.

Social Recognition



One of the TOP 10 in China's Cement Clinker Capacity in 2024



2024 Annual Cement Industry Enterprise Influence Key Project Quality Supplier



2024 Annual Cement Industry Enterprise Influence Renowned Brand Enterprise



2024 Annual Cement Industry Enterprise Influence Quality and Credit-Conscious Enterprise



2024 Annual Cement Industry Enterprise Influence New Quality Productivity Demonstration Enterprise



One of the TOP 10 in China's Cement Clinker Capacity in 2025



2025 Annual Cement Industry Enterprise Influence Quality and Credit-Conscious Enterprise



2025 Top 100 Private Enterprises in Chengdu

Sustainable Asia Cement

Navigating the Trend to Be Committed to Long-Term Progress

Asia Cement (China) is deeply dedicated to ESG principles, continuously improving its modern corporate governance architecture. The Company unwaveringly adheres to business ethics and compliance standards, establishing a solid foundation for growth through rigorous and compliant operations. By enhancing governance effectiveness through comprehensive risk management, Asia Cement (China) is committed to building a governance system that is orderly, transparent, ethical, and highly collaborative, thus injecting strong momentum for the Company's high-quality sustainable development.

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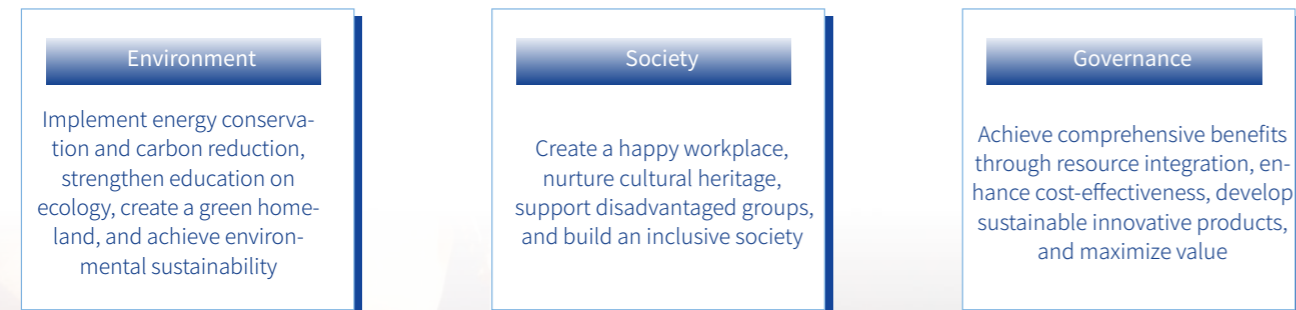


» Anchoring Sustainable Development «

Asia Cement (China) highly values the deep integration of ESG management principles with its development strategy. The Company continuously improves its ESG management mechanism, closely monitors the comprehensive performance of its ESG practices, and actively responds to the expectations of various stakeholders. While achieving its operational goals, the Company effectively fulfills corporate social responsibilities, consistently creates long-term value for society, and escorts the Company's sustainable development.

Sustainable Development Strategy

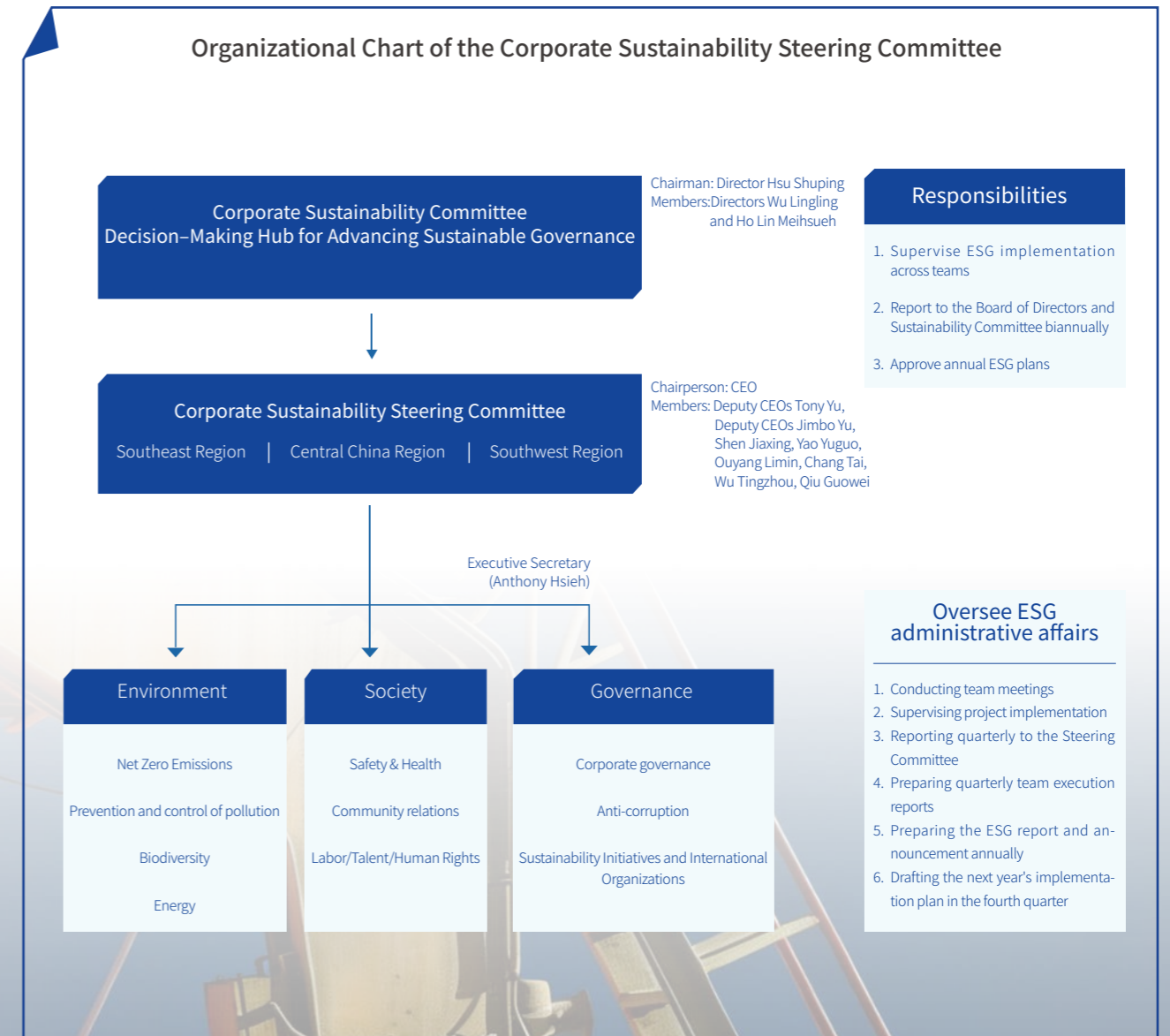
The Company bases its sustainable development strategy on three aspects: environment, society, and governance, and assesses the impact of each operational link on domestic and international sustainability. By integrating feedback from stakeholders, industry characteristics, and external expert opinions, the Company prioritizes sustainable mining, circular economy, and low-carbon manufacturing as key focus areas for sustainable development.



Sustainable Development Governance Mechanism

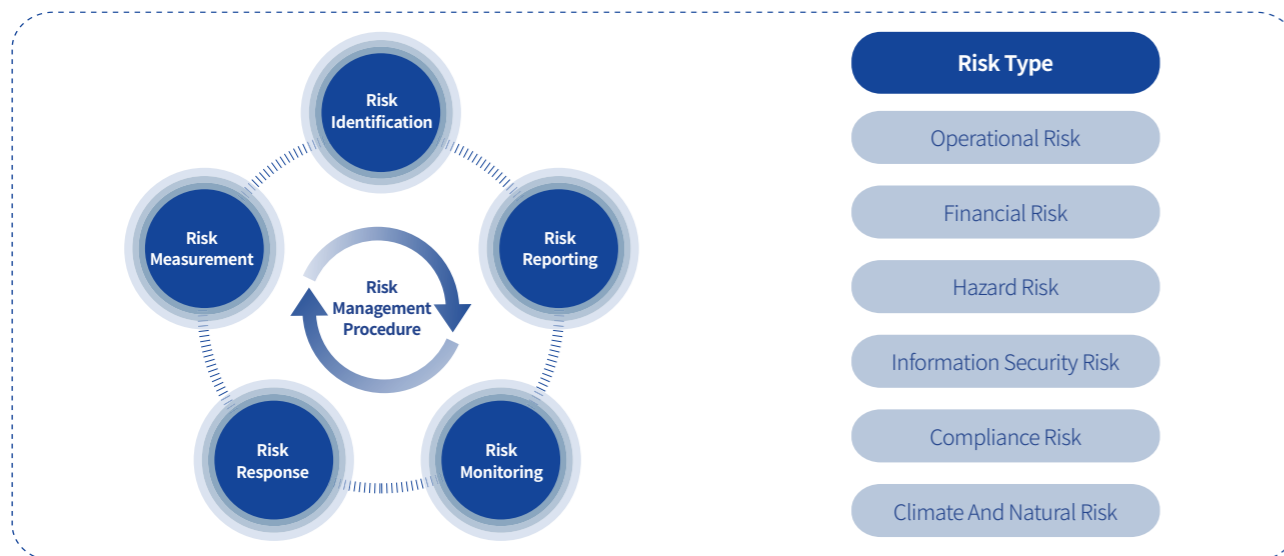
In order to achieve the philosophy of sustainable management, Asia Cement (China) established a Corporate Sustainability Committee in 2023, with the approval of the Board of Directors. The Committee is responsible for supervising and making decisions on matters related to corporate sustainability, and shall hold at least two meetings annually and report to the Board of Directors. The Board of Directors provides the Corporate Sustainability Committee with annual guidance on the Company's ESG-related issues, and monitors the implementation and performance of corporate sustainability throughout the year.

To more effectively promote the implementation of sustainable development initiatives, the Company has also established the Corporate Sustainability Implementation Committee. The Committee is chaired by the CEO of Asia Cement (China), with the Director of the Secretariat of the Administration Department serving as the Executive Secretary. They are responsible for establishing task forces and appointing leaders for different ESG-related issues, planning the promotion of sustainable issues, and regularly reporting work objectives and progress to the Corporate Sustainability Committee to ensure the smooth progress of sustainable work.



Sustainability Risk Management Mechanism

In order to strengthen corporate governance and promote the steady operation and sustainable development of the Company, the Company has established a robust risk management mechanism to keep potential risks within manageable limits. The Board of Directors is the highest decision-making body for risks and opportunities, and bears the ultimate responsibility for the overall risk of the Company. The Corporate Sustainability Committee, together with other responsible units, executes the decisions of the Board of Directors to ensure the achievement of goals. The Company conducts regular risk review annually and identifies risk issues with priority, which are then submitted to the Corporate Sustainability Implementation Committee for deliberation.



Risk Issues with Priority	Risk Description	Mitigation Measures
Climate risk	If the government imposes a carbon fee, it may cause an increase in direct operational costs.	The Corporate Sustainability Implementation Committee has established the Net-zero Emission Group to regularly report on carbon reduction initiatives and their effectiveness, ensuring the Company's carbon reduction performance.
Labor relations risk	If internal communication channels are ineffective, it may cause strikes, slowdowns, etc., affecting the Company's normal production and operational order and damaging its reputation and image.	Establish the "Worker Labor Union Committee" to hold meetings with the corporate management for collective consultation and negotiation on company policies, salaries, welfare, etc., to protect workers' rights and interests, and promote the healthy development of the Company.
Policy and regulatory risks	Regulatory policies, tax laws, and international accounting standards.	Complete the preparation, announcement, and filing of quarterly financial reports, tax operations, and declarations on schedule to reduce the Company's operational risks.

Sustainable Development Goal

In recent years, the Company has gradually quantified its sustainable development goals based on scientific analysis, regularly tracks and evaluates progress toward achieving the sustainable development goals, and discloses its sustainability performance to employees, partners, customers and the public. In the meantime, we timely adjust or revise the goals based on completion status, the Company's strategic plan, and changes in market risks and opportunities, to ensure their rationality and feasibility.

Long-term Sustainable Development Goal
2060 net-zero emission

Short-term Sustainable Development Goal

Aspect	Group	Type	Indicator	2025 Goals Overview	2025 Target Achievements	2026 Goals Overview
Environment	Net-zero carbon emission	Carbon emissions	Reduce cement emission intensity (tCO ₂ e/t cement)	To reduce cement carbon emission intensity (Scope 1+Scope 2) by 5.1% to 0.688 tCO ₂ e/t cement	To reduce it by 5.66% to 0.684 tCO ₂ e/t cement	To reduce cement carbon emission intensity (Scope 1+Scope 2) by 6.62% to 0.677 tCO ₂ e/t cement
			Electricity consumption (MWh)	To reduce electricity consumption by 1% annually	To reduce it by 32.3%	To reduce electricity consumption by 1% annually
	Energy	Energy management	Electricity intensity (MWh/t cement)	To reduce the intensity by 0.5% annually	To reduce it by 4.81%	To reduce the intensity by 0.5% annually
			Alternative fuel heating ratio (%)	The heating ratio of biomass + non-biomass alternative fuels will reach 2.4%	1.45%	The heating ratio of biomass + non-biomass alternative fuels will reach 2.6%
			Ratio of waste heat power generation to total plant electricity consumption (%)	Net waste heat recovery power generation accounts for 30% of purchased electricity	32.1%	Net waste heat recovery power generation accounts for 30% of purchased electricity
Society	Safety and health	Occupational health and safety	Disabling injury frequency rate per million working hours (FR)	Employee FR < 1.31	1.52	Employee FR < 1.31
				Contractor FR < 0.43	0	Contractor FR < 0.43
			Disabling injury severity rate per million working hours (SR)	Employee SR < 45.42	40.13	Employee SR < 45.42
				Contractor SR < 20.23	0	Contractor SR < 20.23
Frequency-severity indicator (FSI)	Employee FSI < 0.24	0.25	Employee FSI < 0.24			
	Contractor FSI < 0.09	0	Contractor FSI < 0.09			

Aspect	Group	Type	Indicator	2025 Goals Overview	2025 Target Achievements	2026 Goals Overview
Society	Labor/ Humanrights/ Talent	Human rights	Education and training of employees' human rights	Annual training participation rate 100%	100%	Annual training participation rate 100%
				Annual training pass rate 100%	100%	Annual training pass rate 100%
		Talent development	Education and training of employees	Training hours per employee ≥ 30 hours	57.27 hours	Training hours per employee ≥ 30 hours
				100% completion of leadership training and skill development according to the annual plan	100% achieved	100% completion of leadership training and skill development according to the annual plan
		Talent retention	Voluntary employee turnover rate (%)	Voluntary turnover rate ≤ 2%	0.92%	Voluntary turnover rate ≤ 2%
				Involuntary turnover rate ≤ 3%	2.60%	Involuntary turnover rate ≤ 3%
Governance	Anti-corruption	Bribery prevention management	Establish an anti-bribery culture	Bribery prevention training once a year; target completion rate 98%	100% achieved	Bribery prevention training once a year; target completion rate 98%
			Zero bribery incidents	Zero incidents of bribery and corruption	0	Zero incidents of bribery and corruption
			Implement whistleblower protection	Zero incidents of retaliation against whistleblowers	0	Zero incidents of retaliation against whistleblowers
			Strictly punish dishonest acts	100% execution according to reward and punishment management measures	100% achieved	100% execution according to reward and punishment management measures
				Major cases are sent to public security and economic investigation systems for handling	0	Major cases are sent to public security and economic investigation systems for handling

Notes:
 (1) The electricity consumption and electricity intensity targets are based on 2019 as the reference year;
 (2) The FR, SR, and FSI targets are based on the Company's average from 2020 to 2022;
 (3) The anti-bribery education targets cover all employees.

Making Materiality Assessment on Issues

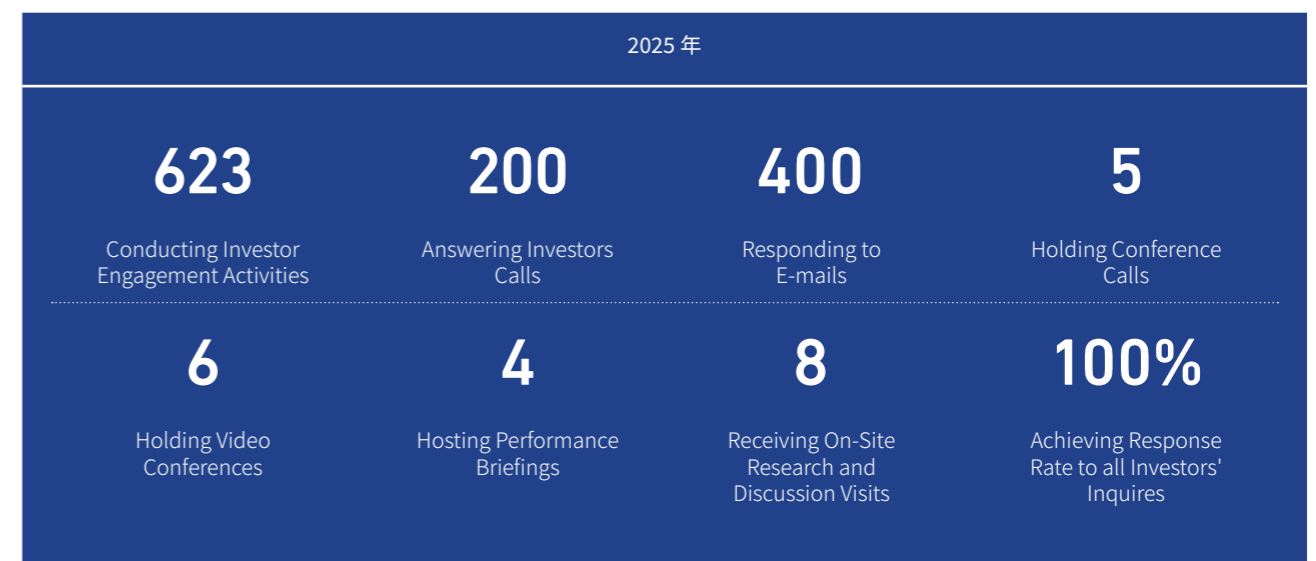
In order to make sure sustainable development meets the needs of stakeholders, reflects the Company's operational characteristics, and stays in line with industry trends, Asia Cement (China) adopts a scientific approach to systematically manage material sustainability issues by four steps, i.e., identification of sustainability issues, stakeholder survey, sustainability impact assessment, and management of material issues.

Identification of Sustainability Issues

When identifying sustainability issues, the Company comprehensively considers various internal and external factors to establish a material issues inventory. Stakeholder engagement is conducted through multiple channels, such as in-depth interviews, and everyday feedback. Surveys are conducted every 1 to 2 years, with adjustments made based on its sustainability performance. Targeted research is conducted when there are significant changes in the deployment of sustainable development initiatives.

Stakeholder Survey

The Company attaches great importance to maintaining effective communication with both internal and external stakeholders. To this end, it has established a regular communication mechanism to understand stakeholders' needs and expectations through shareholder meetings, investor hotlines, the corporate website, social media platforms, emails, and fax. Communication channels are continuously optimized and adjusted to proactively address stakeholders' concerns, ensuring the orderly advancement of ESG initiatives.

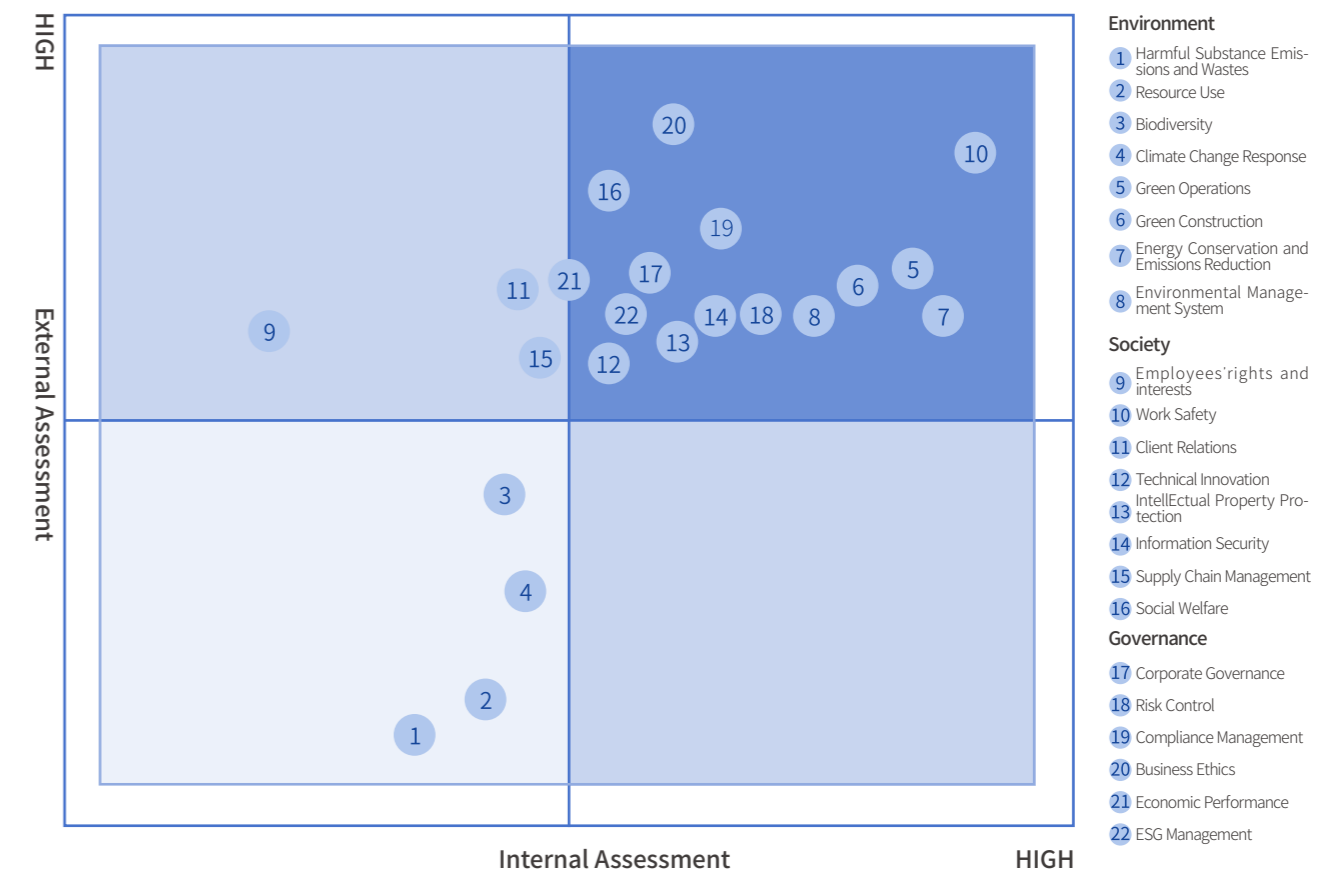


Stakeholders	Issues of Concern	Communication Methods and Channels
Employee	Legal employment Protection of rights and interests of employees Diversity and equal opportunity Training and development Occupational health and safety	Training and performance assessment Complaint and feedback Labor union Employee satisfaction survey Employee handbook Electronic bulletin board
Shareholders and investors	Economic performance Risk management Compliance management Management architecture	Shareholders' Meeting Investor zone on official website Information disclosure (annual reports, ESG reports) Daily communication (phone, email, and meeting)
Customers and partners	Customer service Product quality and safety Information security Digital transformation	Satisfaction survey Product quality certification and inspection report Official website feedback Laboratory cooperation Daily communication (phone, email, and meeting)
Suppliers and contractors	Business ethics Responsible procurement Supplier Management	Supplier evaluation Supplier management platform Supplier feedback questionnaire Daily communication (phone, email, and meeting)
Government bodies and supervisory authorities	Economic performance Environmental compliance	Information disclosure Participation in external activities (Regulation briefing, seminar or symposium) Correspondence Routine inspection
Non-governmental organization	Green mine Energy conservation and emissions reduction Climate Change Response	Information disclosure Participation in external activities (NGO activity, seminar or symposium)
Industry associations and peer companies	Economic performance Green products	Participation in external activities (exhibition, seminar or industry conference) Daily communication (phone, email, and meeting)
Community and public media	Community relations Management of mines Prevention and control of pollution Charity and public welfare	Complaint and feedback Public welfare activities Community resident activities Company website Daily communication (phone, email, and meeting)

Sustainability Impact Assessment

In the process of the sustainability impact assessment, the Company comprehensively considered its key tasks for 2025, industry trends, and stakeholder feedback, and adjusted the materiality of certain issues accordingly. The Company conducted a cross-analysis from two aspects: the impact on stakeholders' decisions and evaluations, and the Company's ESG impacts. Based on 1,406 completed questionnaires, the analysis was used to develop the materiality matrix for this report, which was then reviewed and approved by the Board of Directors.

Material Issue Matrix of Asia Cement (China) in 2025



Management of Material Issues

Based on the identification and assessment results of sustainability issues, the Company has enhanced the disclosure of material issues in this report and uses the findings to guide business improvements and management optimization in daily operations. These efforts aim to meet stakeholder expectations, strengthen trust and collaboration, and contribute to the sustainable development of both the Company and society.

Upholding Business Ethics

Asia Cement (China) strictly adheres to laws, regulations, and regulatory requirements, and has developed and implemented internal management systems such as the *Business Ethics Management and Anti-Corruption Policy, Code of Conduct for Business Personnel, Integrity Management Code, and Employee Stakeholder Declaration Management Measures*. These systems cover all business areas and commercial partners, including employees, suppliers, customers, and special transactions. The Company has established a robust compliance management system, a comprehensive reporting mechanism, and a whistleblower protection system. Through self-assessments, external audits, annual audits, and special investigations, the Company effectively supervises anti-corruption and anti-bribery efforts, thereby preventing improper and illegal conduct.

Routine Audit

The Audit Committee assists the Board of Directors in conducting independent reviews of the Company's internal controls and risk management, and supervises the audit process. Meanwhile, the Company has established a General Auditing Office and regional auditing offices to coordinate the Company's risk control auditing activities. In addition, according to the operational procedures of each department, the Company formulates internal auditing implementation guidelines to guide the implementation of auditing work.

The General Auditing Office and regional auditing offices conduct internal audits across all business areas annually, formulate annual audit plans based on operational process risk assessment results, and determine audit frequencies according to previous audit exceptions. Special audits with priority are conducted for temporary management risks or relevant reports received. Audit reports summarizing the results of annual audits, ad hoc special audits, and investigation of reported cases are prepared and then submitted to the Vice Chairman for approval. After approval, the reports are forwarded to the relevant departments for follow-up actions and corrective measures in accordance with the directives.

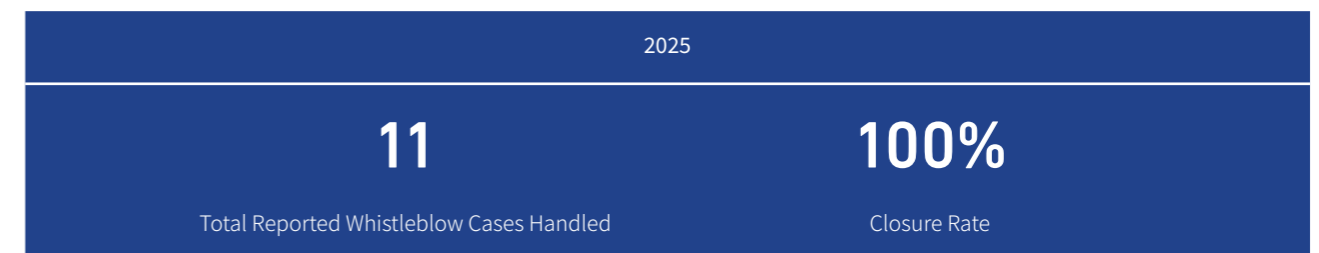


Grievance and Whistleblowing Mechanism

The Company prohibits all employees from soliciting or accepting any benefits, either for themselves or others, from individuals, companies, or organizations that have business dealings with the Company or its subsidiaries. In cases where business-related banquets or similar events are necessary, they must be strictly conducted in accordance with the Company's relevant regulations. Employees are also required to proactively avoid conflicts of interest, such as familial relationships with suppliers.

The Company has established a continuous grievance and whistleblowing mechanism, and has developed and implemented a Whistleblowing Policy. The General Auditing Office and regional auditing offices are responsible for managing whistleblowing and complaint processes, including receiving reports, recording, investigating, reporting, and following up on any violations of rules and regulations.

The Company ensures that internal whistleblowing and complaint channels are kept open and accessible. It encourages all employees, suppliers, customers, contractors, business partners, and any other relevant parties involved in business with the Company to actively engage in whistleblowing of bribery, corruption, fraud, violations of corporate policies, and any other suspected legal or regulatory violations.



Whistleblower Protection

The Company accepts both anonymous and real-name whistleblowing, and firmly protects the legitimate rights and interests of whistleblowers. The whistleblow handling department is required to maintain strict confidentiality of all whistleblower information. It is strictly prohibited to disclose the whistleblower's personal information, the status of case handling, or any related details to the subject of the report or to individuals who are not involved in the whistleblowing process. Any form of retaliation against whistleblowers is strictly prohibited.

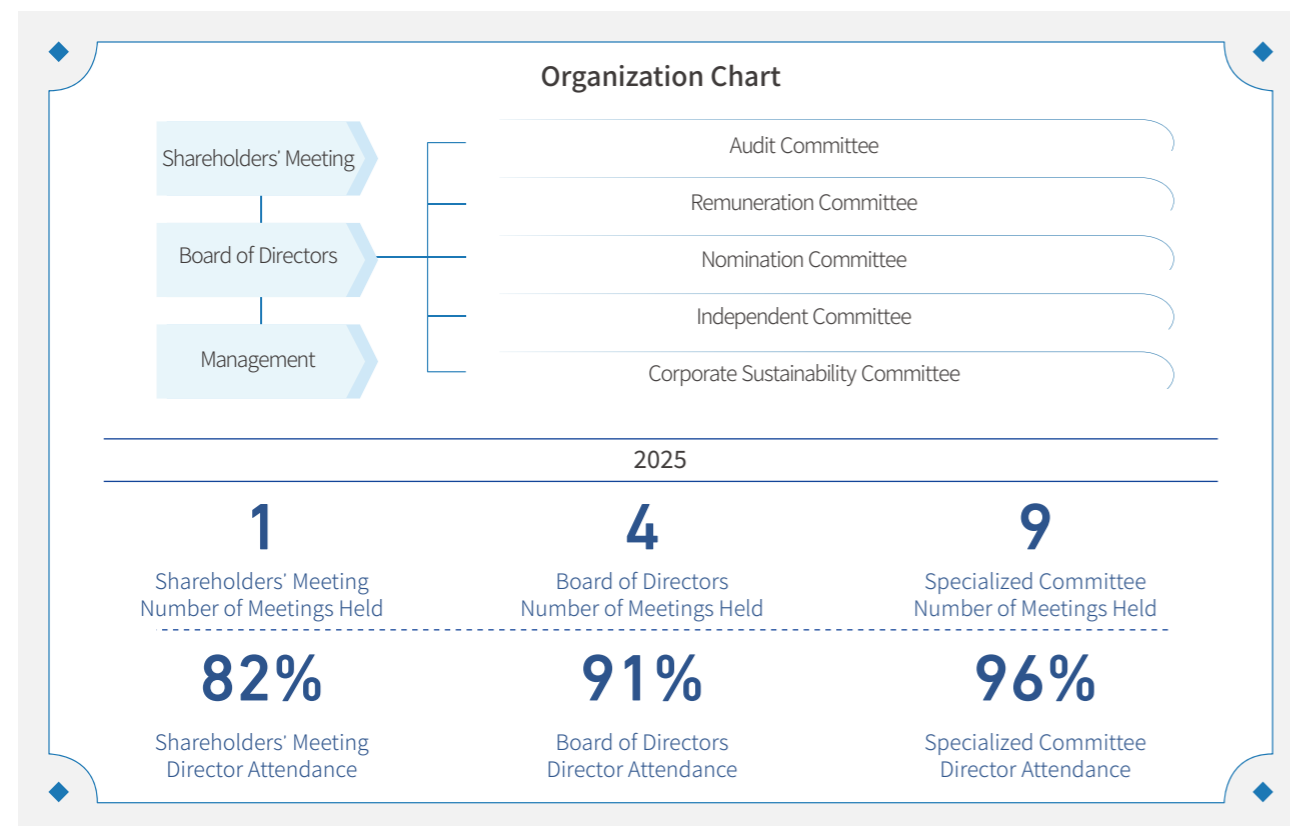
Anti-corruption Training

The Company actively conducts anti-corruption training and integrates it into the employee training management system. Regular dedicated sessions are scheduled to ensure that every employee systematically receives anti-corruption education. Additionally, the Company actively incorporates employee feedback, continuously refines the training content and methods, and enhances the overall effectiveness of the anti-corruption training, thereby reinforcing the Company's integrity framework.



Strengthening Governance Foundations

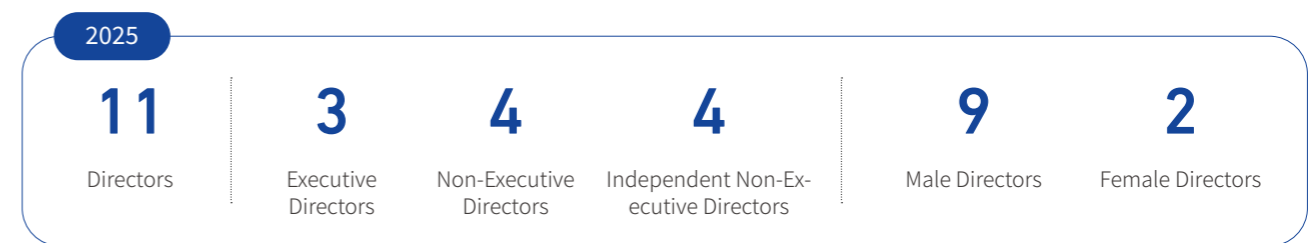
Asia Cement (China) has established a corporate governance architecture composed of Shareholders' Meeting, Board of Directors and its specialized committees, as well as management, in strict compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Hong Kong Listing Rules*, relevant laws and regulations of the China Securities Regulatory Commission, and the *Company's Articles of Association*. In accordance with the *Company's Articles of Association* and listing requirements, Shareholders' Meetings and Board meetings are convened for management decision-making and operational supervision, ensuring that the decision-making process for major matters is both standardized and efficient. During the reporting period, the decision-making and supervisory bodies, including the Shareholders' Meeting and the Board of Directors, conducted management decision-making and operational supervision in strict accordance with the normative operating procedures and internal regulations. The operations were standardized and effective, with each committee fulfilling its duties as stipulated in the Articles of Association and its respective rules of procedure. During the reporting period, the Company was awarded two prestigious honors by the China Cement Association: 15th place in the 2025 Comprehensive Strength Ranking of listed cement companies in China and 9th place in the 2025 Market Sales Ranking. These accolades clearly reflect the success of the Company's standardized governance and scientific management, showcasing the significant progress in the modernization of its governance system and capabilities.



Note: During the reporting period, Dr. Wang Kuoming, the Company's Independent Non-executive Director, resigned on October 28, 2025; on the same day, upon deliberation and approval by the Company, Ms. Ho Lin Meihsueh was appointed as the Company's Independent Non-executive Director to fill the vacancy.

Diversity in the Board of Directors

The Company actively builds a diversified Board of Directors in strict accordance with the *Board Diversity Policy* and other internal regulations. The Nomination Committee conducts an annual review of the Board's structure, composition, and membership. When nominating directors, factors such as gender, age, cultural and educational background, professional experience and skills, knowledge, and industry expertise are considered, aiming to promote the Company's sustainable development through a more professional and diverse management perspective.



Responsibilities of specialized committees of the Board of Directors

Audit Committee	Assist the Board of Directors in independently reviewing the effectiveness of the financial reporting procedures, internal controls and risk management systems of the Company and its subsidiaries, supervise the reviews, and perform other duties and responsibilities as delegated by the Board of Directors.
Remuneration Committee	Review and formulate the remuneration policy for all directors and senior management of the Company, and submits recommendations to the Board of Directors for consideration.
Nomination Committee	Review the structure, size and membership of the Board of Directors at least annually and make recommendations to the Board of Directors on any proposed changes to align with the Company's development strategy.
Independent Committee	Review all transactions between the Company, Asia Cement Corporation and Far Eastern Group to ensure that such transactions are conducted on general commercial terms and in the ordinary course of the Company's business and, where necessary, recommend to the Board of Directors that corrective measures be adopted or that the transactions should not proceed.
Corporate Sustainability Committee	Be responsible for supervising the implementation of sustainability policies, systems or related management guidelines, and reporting the progress to the Board of Directors regularly.

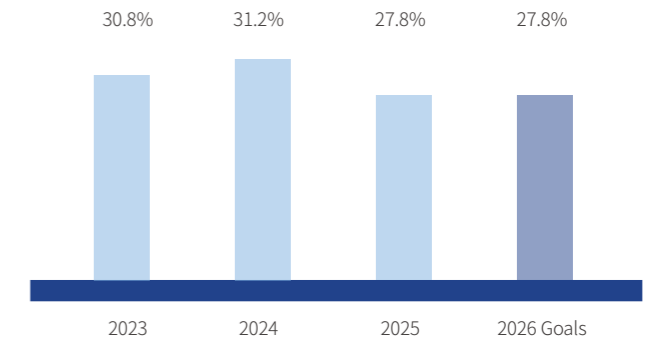
Remuneration Policy for Directors and Executives

The remuneration policy for directors is formulated by the Remuneration Committee based on the Company's operating performance, individual positions and performance, and comparable market statistics. For information on the remuneration of each director, please refer to the Company's 2025 Annual Report.

In line with the Company's commitment to sustainable business practices, ESG-related key performance indicators (KPIs) have been integrated into the annual remuneration system for the General Manager and senior managers. The assessment results impact the allocation of variable remuneration and incentive awards. Variable remunerations (30%-35%) for the General Manager and senior managers are linked with the management of ESG sustainable performance indicators. Net-zero emissions, pollution prevention and control, energy, labor/human rights, safety and health, talent, and anti-corruption are all important reference indi-

cators for the Company's performance evaluation, daily work assessment, and rewards and punishments. Among these, environmental protection (net-zero emissions, pollution prevention and control, energy, etc.), labor safety and health are the main evaluation indicators, which are highly related to the remuneration of senior management, accounting for about 40% of year-end bonuses and employee incentives.

The proportion of variable remuneration for senior managers from 2023 to 2026



Note: Senior managers are employees of the Company at grade 15 and above.



Responsible Asia Cement

Moving Forward Together to Forge a New Chapter

Asia Cement (China) takes innovation as its engine, fully driving the research & development, and iteration of high-quality products to continuously enhance product competitiveness. The Company places great emphasis on collaborative development within the supply chain, building mutually trusting and win-win partnerships that advance synergy and mutual growth across the entire industry chain. Guided by a people-oriented philosophy, the Company comprehensively safeguards employees' legal rights and interests while fully unlocking their intrinsic drive for entrepreneurship and innovation. Actively engaged in the broader context of social development and improvements to people's livelihoods, the Company contributes to society through tangible actions, working together to create a new model of harmonious and sustainable development.

» Innovation-Driven Development « 29	» Strengthening Safety Defenses « 50
» Crafting Excellence to Polish Quality « 33	» Embracing Social Responsibility « 56
» Making Concerted Efforts to Pursue Long-Term Success « 40	



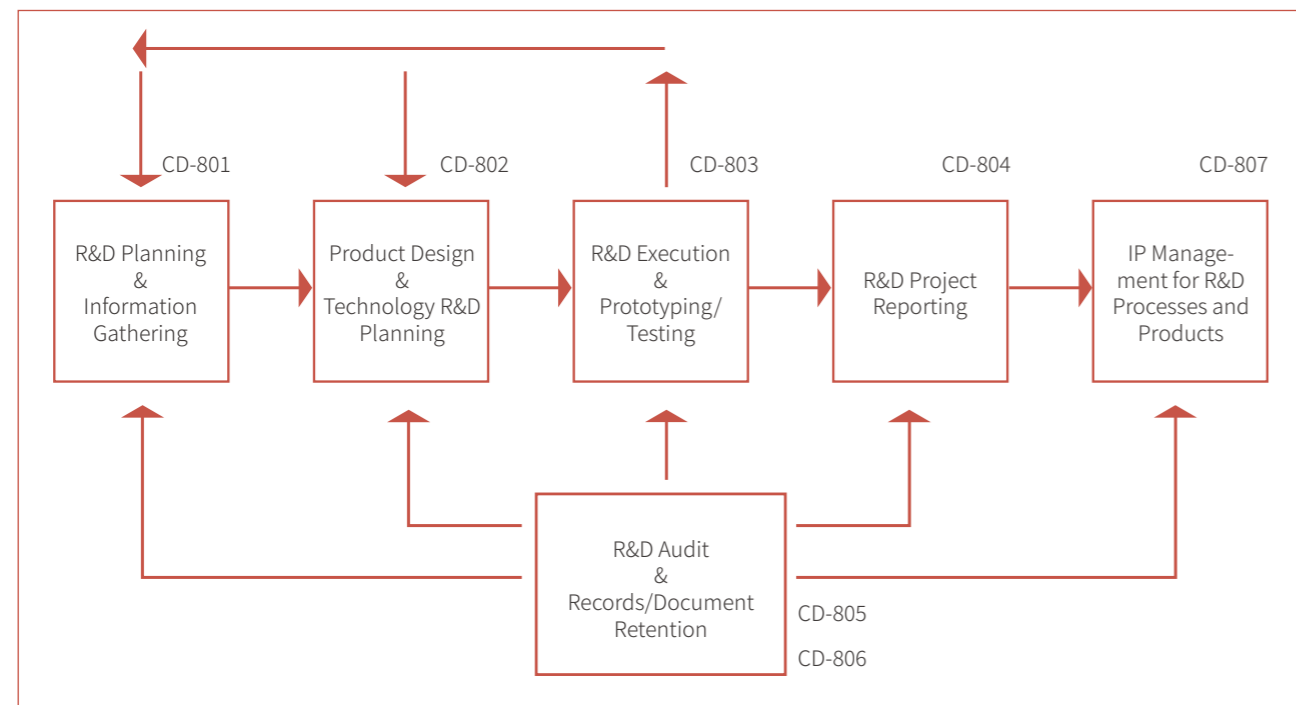
Innovation-Driven Development

Asia Cement (China) actively promotes innovation-driven development, continuously establishes and improves its R&D and innovation management systems and supporting mechanisms. The Company strengthens investment in R&D, prioritizes intellectual property protection, and actively engages in industry exchanges and seminars to absorb advanced innovative practices. By addressing key challenges and pain points in R&D, the Company drives the iterative upgrade of technological innovation, consistently empowering the Company's high-quality development.

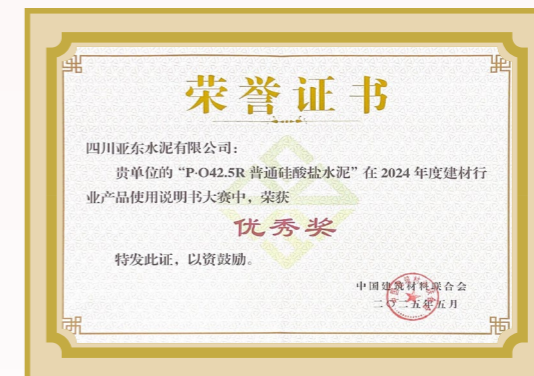
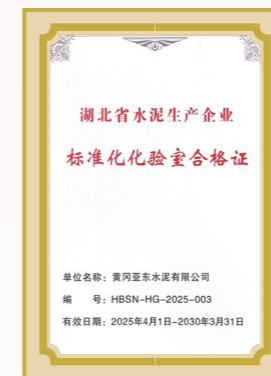
Innovation Management System

The Company has formulated and implemented the *Articles of Organization for the Innovation and Improvement of Nomination Committee and Operation Management Measures 4.1*, encouraging active participation from all employees across its subsidiaries. This initiative aims to fully inspire innovative and improvement-driven thinking, harness collective intelligence, and continuously drive work innovation and enhance operational efficiency.

The Company implements closed-loop management throughout the entire R&D process, integrating key stages such as R&D timing & information collection, product design & technical R&D plan, R&D execution & trial production/testing, R&D special report, R&D audit & record/document management, as well as intellectual property management of R&D outcomes and products. This enables R&D activities to be conducted efficiently and in a well-organized manner.



Award Entity	Honorary Title	Awarding Organization
Huanggang Ya Dong	Standardized Laboratory of Cement Production Enterprises in Hubei Province	Hubei Quality Supervision and Inspection Station
Sichuan Ya Dong	Standardized Laboratory of Cement Production Enterprises	China Building Materials Federation
	Excellent Award for P·O42.5R Ordinary Portland Cement	China Building Materials Federation
Yangzhou Ya Dong	Outstanding Laboratory Director of Cement Enterprises in Jiangsu Province (Li Xiaojiang)	Jiangsu Building Materials Industry Association
	Outstanding Laboratory of Cement Production Enterprises in Jiangsu Province	Jiangsu Building Materials Industry Association
Nanchang Ya Dong	2024 Advanced Unit in Comparative Verification of Cement Enterprises in Jiangxi Province	Jiangxi Province Building Materials Industry Federation; Jiangxi Provincial Building Materials Product Quality Supervision and Inspection Station Co., Ltd.
	2024 Outstanding Laboratory in Comparative Verification of Cement Enterprises in Jiangxi Province	Jiangxi Province Building Materials Industry Federation; Jiangxi Provincial Building Materials Product Quality Supervision and Inspection Station Co., Ltd.



Clarify Reward Rules The Company has established a proposal incentive system and reward standards. Employees who submit improvement proposals receive administrative recognition. Those who propose innovative ideas are eligible for monetary rewards ranging from RMB 100 to 6,000. Additionally, personnel responsible for executing innovative proposals may receive bonuses ranging from RMB 200 to 13,200, based on the actual benefits generated by the proposals.

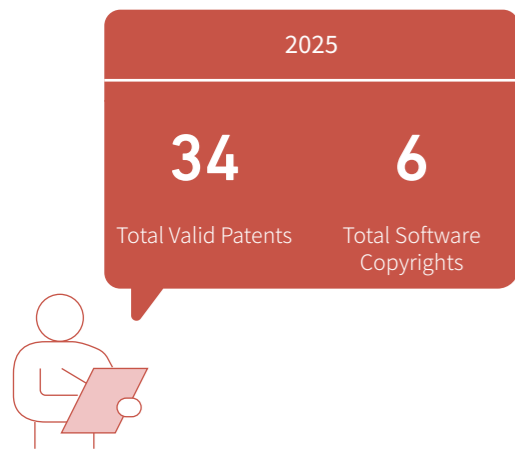
Bonus Distribution Process After a proposal is confirmed for execution, relevant personnel from each department or subsidiary will notify the proposer's HR department to issue the proposal bonus based on the review results.

Additional Reward Mechanism If an innovative proposal achieves groundbreaking results after execution, such as establishing new methods, processes, or procedures that can serve as industry benchmarks (or receiving official commendations from relevant government authorities), or successfully obtaining patents for new products or processes, the Project Leader may submit supporting documentation to the Nomination Committee for reward application.

Benefit Bonus Calculation Based on the calculation method of the innovative proposal benefit bonus, proposals approved by the Nomination Committee will be returned to each department or subsidiary for further improvement. From the date the Project Leader issues the completion notice, the bonus will be calculated based on the actual benefits generated by the proposal within the specified period and distributed to relevant personnel.

Intellectual Property Protection

The Company places high importance on intellectual property protection, regarding it as a critical measure to support innovation-driven development and strengthen core competitiveness. The Company has formulated and implemented the *Patent Management Measures*, which provide a systematic framework for patent application, and maintenance, as well as guidelines for the proper use of products incorporating intellectual property. These measures effectively prevent IP infringement, safeguard the Company's innovative achievements, and strengthen the effective translation of innovation into tangible outcomes.



Supporting Industry Development

The Company actively assumes responsibility for industry development, continuously exploring and implementing initiatives that integrate independent innovation with open collaboration and standardization. While advancing technological capabilities, it diligently fulfills its responsibilities as a member of industry associations, consistently participating in their activities and proactively serving as a bridge to foster industry consensus, regulate industry standards, and promote coordinated technological advancement. The Company is now a formal member of multiple associations, holding positions such as vice president, executive director, and governing member, demonstrating its strong influence within the industry.

Company	Association/Organization	Title
Jiangxi Ya Dong	Jiujiang Taiwanese Business Association	Vice President
	Jiujiang Entrepreneurs Association	Member
	Jiangxi Provincial Blasting Equipment Industry Association	Member
	China Building Materials Federation	Member
	China Mining Association	Member
	Jiangxi Mining Federation	Member
	Jiujiang Engineering Blasting Association	Standing Member
	Jiujiang Precursor Chemicals Industry Association	Member
	Jiangxi Safety Production Association	Governing Member
	Jiujiang Quality Management Association	Member
	Jiujiang Port Association	Governing Member
	Jiangxi Provincial Quality Association	Governing Member
	Jiangxi Federation of Building Materials Industry	Vice President
	Jiangxi Provincial Brand Promotion Association	Member
	sxcoal.com	Member
	China Cement Net	Member
Jiangxi Provincial Cement Association	Governing Member	
PowerChina Jiangxi Hydropower Engineering Bureau	Member	
Shanghai Cement Industry Association	Governing Member	
SC199	Member	
Hubei Ya Dong	Hubei Cement Industry Association	Vice President
	Wuhan Taiwan Enterprises Association	Member
Sichuan Ya Dong	Chengdu Enterprise Confederation	Member
	Chengdu Taiwan Compatriot Investment Enterprise Association	Executive Vice President
	Sichuan Cement Association	Member, Member Representative, Governing Member
	Chengdu Building Materials Industry Association	Vice President
Sichuan Lan Feng	Sichuan Cement Association	Governing Member
	Chengdu Building Materials Industry Association	Executive Director
Yangzhou Ya Dong	Yangzhou Occupational Health Association	Member
	Jiangsu Building Materials Industry Association	Member
	Yangzhou Building Materials Industry Association	Vice Governing Member
	Yangzhou Taiwan Compatriot Investment Enterprise Association	Governing and Supervisory Member
Wuhan Ya Dong	Hubei Cement Industry Association	Member
Wuhan Ya Li	Wuhan Concrete Association	Member
Sichuan Ya Li	Chengdu Concrete Association	Member
	Construction Industry Association of Wenjiang District	Member
Chengdu Ya Li	Pengzhou Construction Industry Association	Governing Member
Taizhou Ya Dong	Taizhou Taiwan Compatriot Investment Enterprise Association	Member

Crafting Excellence to Polish Quality

Asia Cement (China) has always regarded quality as the cornerstone of its operations and development. The Company strictly adheres to product quality standards, continuously enhances production management, and steadily establishes and improves its after-sales service system. It exercises stringent control over raw material procurement, places strong emphasis on supply chain collaboration, and achieves end-to-end quality control from source to final product.

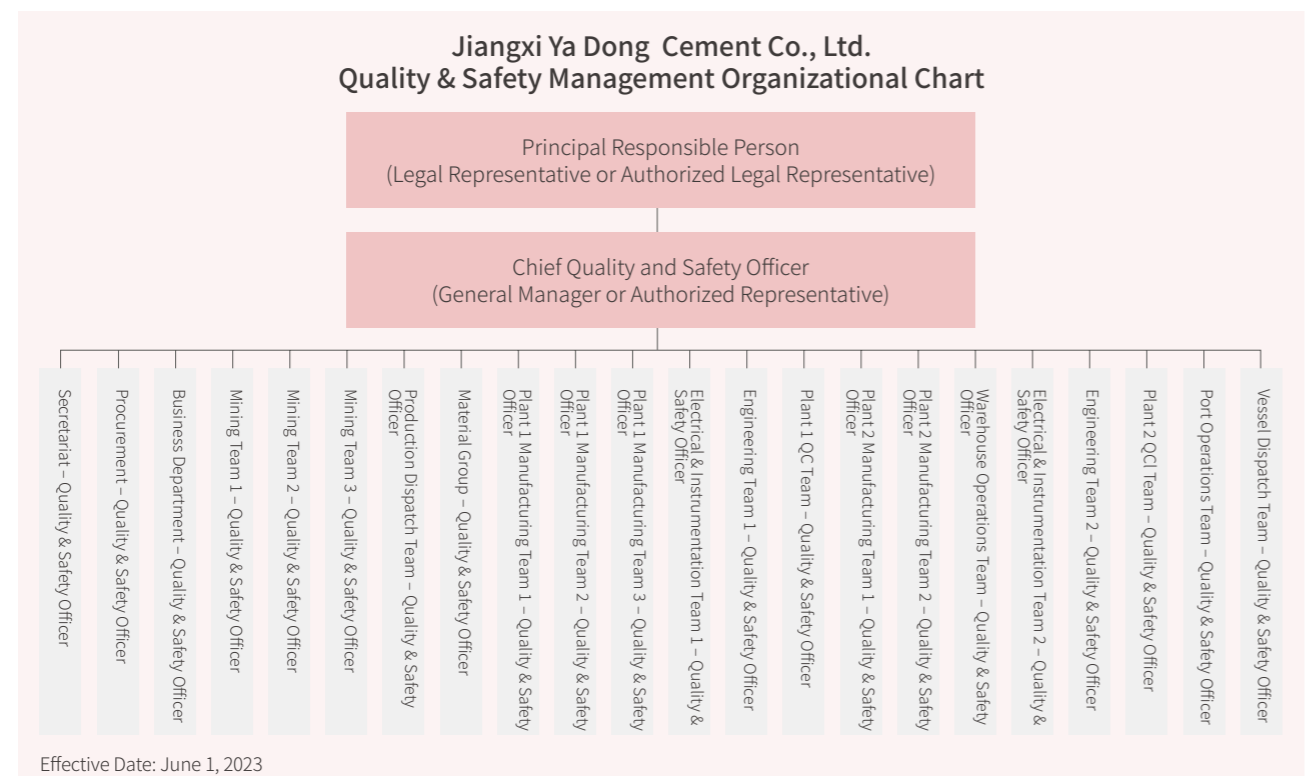
Quality Management

2025

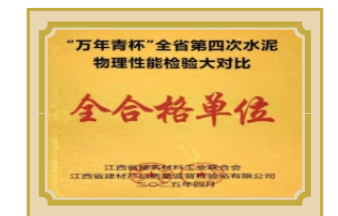
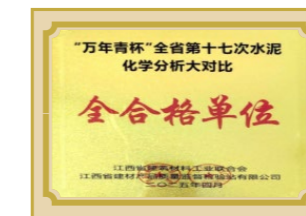
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Recall Incidents or Regulatory Violations Related to Product Quality or Safety

The Company strictly complies with applicable national laws, regulations, and standards such as the *Product Quality Law of the People's Republic of China*, the *Implementation Rules for Cement Product Certification*, and the *Implementation Rules for Portland Cement Clinker Product Certification*, as well as industry standards. It continuously enhances its three-level quality inspection and full-process quality control management based on the ISO 9001 Quality Management System. During the reporting period, the Company's quality management system certification remained valid, with multiple subsidiaries successfully completing updates to their certifications. Overall product quality remained stable and well-controlled.



The Company has continued to strengthen its quality management system. Through a variety of targeted, multi-tiered training programs, skill assessments, and hands-on practice activities, it has systematically enhanced the quality assurance capabilities and technical expertise across all business units. As a result, both the Company's overall quality competitiveness and its capacity for sustainable development have been further reinforced through industry inspections and internal governance. During the reporting period, multiple subsidiaries achieved outstanding results in national and provincial cement testing comparison activities, receiving awards such as "All-Excellent Award", "Advanced Excellence Unit", and "Outstanding Laboratory". Several employees also obtained professional certifications.



Award Entity	Honorary Title	Awarding Organization
Hubei Ya Dong	2025 "Yumeng Environmental Protection Cup" 20th National Cement Quality Index Testing Comparison - Excellent Award	China Testing & Certification International Group Co., Ltd.; National Center for Quality Inspection and Testing of Cement
Yangzhou Ya Dong	2025 "Yumeng Environmental Protection Cup" 20th National Cement Quality Index Testing Comparison - Excellent Award	China Testing & Certification International Group Co., Ltd.; National Center for Quality Inspection and Testing of Cement
Wuhan Ya Dong	2025 "Yumeng Environmental Protection Cup" 20th National Cement Quality Index Testing Comparison - Excellent Award	China Testing & Certification International Group Co., Ltd.; National Center for Quality Inspection and Testing of Cement
Nanchang Ya Dong	2025 "Yumeng Environmental Protection Cup" 20th National Cement Quality Index Inspection Comparison - All-Excellent Award	China Testing & Certification International Group Co., Ltd.; National Center for Quality Inspection and Testing of Cement
	"Wannianqing Cup" 17th Provincial Cement Chemical Analysis Proficiency Testing - Fully Qualified Unit	Jiangxi Province Building Materials Industry Federation; Jiangxi Provincial Building Materials Product Quality Supervision and Inspection Station Co., Ltd.
	"Wannianqing Cup" 4th Provincial Cement Physical Performance Testing - Fully Qualified Unit	Jiangxi Province Building Materials Industry Federation; Jiangxi Provincial Building Materials Product Quality Supervision and Inspection Station Co., Ltd.
	2024 Advanced Unit in Comparative Verification of Cement Enterprises in Jiangxi Province	Jiangxi Province Building Materials Industry Federation; Jiangxi Provincial Building Materials Product Quality Supervision and Inspection Station Co., Ltd.
	2024 Outstanding Laboratory in Comparative Verification of Cement Enterprises in Jiangxi Province	Jiangxi Province Building Materials Industry Federation; Jiangxi Provincial Building Materials Product Quality Supervision and Inspection Station Co., Ltd.

Customer Service

Guided by the founding spirit of "Integrity, Diligence, Austerity, Prudence and Innovation," the Company upholds a customer-oriented approach, focusing on customers' core needs. By continuously enhancing product quality and service standards, it strives to maximize customer satisfaction, build a strong brand reputation through exceptional experiences, expand corporate influence, and steadily foster mutual trust between the Company and its customers.

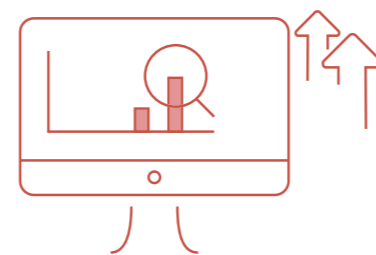
Service Management Mechanism

The Company reinforces the implementation of internal procedures, including the *Service Management Operation Procedure* and the *Customer Satisfaction Survey Management Operation Procedure*, to optimize pre-sales, in-sales, and after-sales services, thereby promoting simultaneous improvements in product quality and service standards. The business departments of each subsidiary are responsible for distributing cement factory test reports and service reports, conducting customer visits and surveys, and handling customer complaints, while their quality control teams assist in addressing related issues.

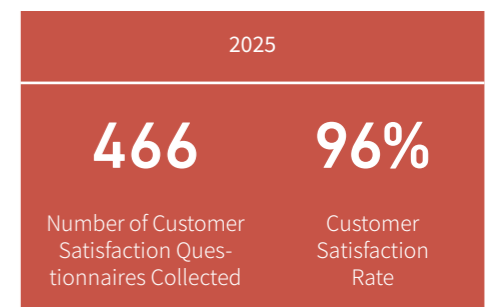
Pre-sales Services	Proactively communicate with customers through various channels, including phone calls, electronic media, advertising, online promotions, and customer order meetings.
In-sales Services	Review management operating procedures in accordance with product requirements and orders.
After-sales Services	Establish an after-sales service hotline, conduct regular customer satisfaction surveys, provide quality services, and optimize cement or concrete mix ratios in line with customer needs.

Customer Satisfaction Improvement

To fully safeguard the rights and interests of customers and enhance customer satisfaction, the Company conducts annual customer visits, collects customer satisfaction questionnaires, and actively strives to provide superior products and services. The Company promptly refines its service processes and improves service quality and standards based on customer feedback. Additionally, in response to various customer concerns, technical experts are dispatched to provide targeted on-site solutions, resolve issues, and ensure continuous follow-up.



During the reporting period, the Company proactively strengthened its communication with customers through various channels, conducted regular customer satisfaction surveys, and promptly organized technical teams to provide on-site technical support and implement targeted improvements aligned with customer feedback on technical and service needs. The Company has continuously refined its service processes, contributing to a steady increase in customer satisfaction.

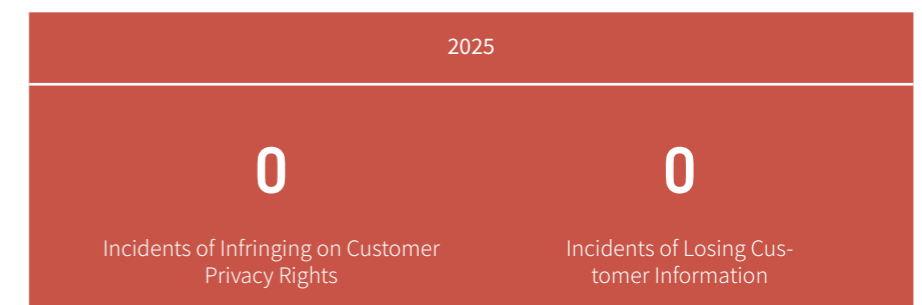
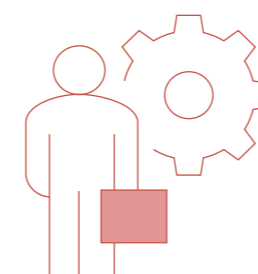


Customer Privacy Protection

The Company strictly and comprehensively complies with the relevant legal provisions on personal data protection under the *Civil Code of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and strictly safeguards customer privacy.

All employees are required to sign the *Letter of Commitment on the Use of IT Equipment, Network Security and Confidentiality by Employees*, pledging not to disclose, steal, or illegally use customer information.

For business personnel with access to customers' primary data, the Company has established and implemented the *Code of Conduct for Business Personnel*, which ensures multiple layers of protection for customer information through role-based access controls and stringent approval procedures.

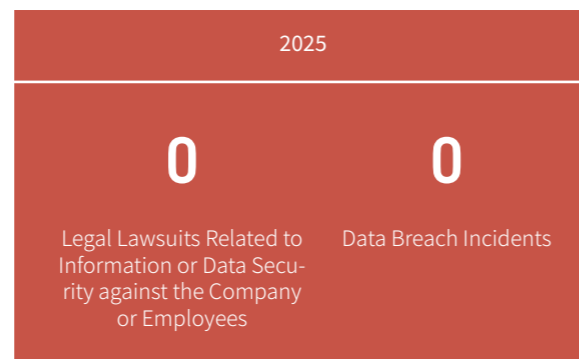


Data and Information Security

The company is fully committed to establishing a robust data and information security framework. Through the development of a comprehensive set of management systems, we clearly define the objectives, guiding principles, management responsibilities, and operational procedures for information security. This enables a coordinated and systematic approach to data protection and information security, ensuring the confidentiality, integrity, and privacy of information for all stakeholders.

- System Security** Continuously improve the security management system, regularly reviewing and refining internal control policies.
- Data Security** Strengthen data governance by implementing strict access controls, employing data transmission encryption technologies, and ensuring key data backup and recovery.
- Hardware Security** Procure high-end physical hardware to reinforce system-level physical security. Conduct regular network security assessments, vulnerability scans, and risk evaluations to proactively identify and mitigate potential security risks.
- Network Security** Ensure the stable and secure operation of IT systems by implementing security controls such as equipping firewalls, secure servers, and antivirus protection, and regulating employee internet use.

During the reporting period, the Company organized information security training to raise employees' awareness of data protection, fully safeguarding the information and privacy of both the Company and its stakeholders. Network security monitoring devices were deployed to perform regular scans and continuous monitoring of all internal network equipment, and antivirus software was installed to detect, monitor and neutralize threats from abnormal devices.



Sustainable Supply Chain

The Company strictly complies with the *Company Law of the People's Republic of China*, the *Law of the People's Republic of China on Tenders and Bids*, and other applicable laws and regulations. Tailored to its specific needs, the Company has developed and implemented a range of policies, including the *Supplier Management Measures*, *Procurement Standard Operating Procedures*, *Code of Conduct for Purchase Business*, and *Supplier Conduct Guidelines*, to regulate supply chain management. All suppliers are required to sign the *Supplier Responsibility Declaration*, committing to the fundamental principles of honesty, integrity, and lawful business practices, thereby fostering a healthy and competitive environment based on fairness.

Supplier Management

The Company implements comprehensive lifecycle management of suppliers through qualification verification, risk assessment, audit supervision, performance evaluation, and other measures. This management covers all stages, including supplier selection, admission, utilization, maintenance, assessment, auditing, and elimination.

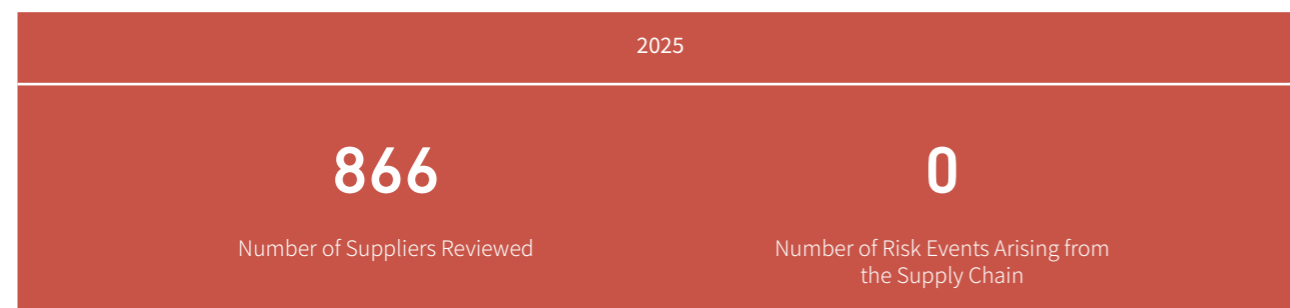
Supplier Admission Mechanism	<ul style="list-style-type: none"> Social responsibility and other relevant factors are incorporated into supplier selection criteria. All supplier contracts include the <i>Supplier Conduct Guidelines</i>, which explicitly regulate anti-corruption and unfair competition practices. 	
	Supplier Evaluation Mechanism	
	Evaluation Methods	Based on risk considerations, procurement officers and evaluation teams assess suppliers through on-site evaluations, sample or similar product testing, record reviews, and past performance assessments.
	Evaluation Frequency	Raw material suppliers are evaluated semi-annually, while other supplier categories are assessed annually. Evaluations include sustainability-related factors such as social responsibility and environmental performance.
	Process	The evaluation is initiated by the procurement department. Supplier evaluation forms are completed according to the type of supplier (materials, engineering, raw fuels), and responsible departments jointly score the evaluations. The final evaluation score is calculated by the system using a weighted average.
	Results	Suppliers are classified into four tiers: A, B, C, and D after evaluation. D-tier suppliers are permanently suspended, while C-tier suppliers undergo in-depth investigation and must rectify identified issues within a specified timeframe.

Indicator	Unit	2025
Total Number of Suppliers	Unit	1,879
-Number of Suppliers in Chinese Mainland	Unit	1,866
Including: Western China	Unit	308
Eastern China	Unit	533
Central China	Unit	645
Northeast China	Unit	380
-Number of Suppliers in Hong Kong, Macao, Taiwan, and Overseas Regions	Unit	13

Supply Chain Risk Management

The Company implements a centralized supply chain management strategy to maximize resource sharing across the Group. In addition, it mitigates systemic risks and strengthens the stability of the supply chain by conducting business training, enhancing communication with suppliers, focusing on the collection and analysis of supplier information, and establishing backup supply chains. These measures help avoid risks arising from price fluctuations, changes in upstream and downstream companies, and the emergence of new products.

The Company adheres to the principles of engineering service outsourcing, upholding fair trade and competition. It actively works towards creating a mutually beneficial and win-win environment, fully committed to developing a highly responsible and sustainable supply chain system.



Supporting Local Procurement

The Company is dedicated to building a healthy, green, and sustainable supply chain. It proactively collaborates with suppliers to address product quality and safety issues, conducts comprehensive supplier training programs, and supports suppliers in obtaining certifications for continuous improvement. The Company also promotes energy conservation and emission reductions across the supply chain, working to minimize the environmental impact of logistics, production, and procurement activities. Furthermore, the Company prioritizes local suppliers and places significant emphasis on addressing local employment issues. All labor and technical personnel are sourced from the local community.

2025

1,127,606,128 RMB

The Amount of Local Procurement

Making Concerted Efforts to Pursue Long-Term Success

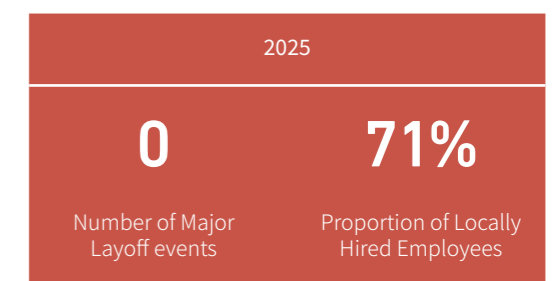
Asia Cement (China) adheres to a people-oriented philosophy, committed to building a comprehensive system for equal employment, talent acquisition, and development. The Company consistently respects and safeguards the rights and interests of its employees, providing them with platforms to unlock their potential and grow. By fostering employee engagement, the Company strives to create a harmonious alignment between individual development and the Company's high-quality growth, ensuring mutual benefits and synergies.

Construction of Talent Team¹

The Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Law on the Protection of Women's Rights and Interests of the People's Republic of China*, the *Law of the People's Republic of China on Protection of Minors*, and other applicable laws and regulations in the jurisdictions where it operates. It adheres to fair recruitment and equal employment, advocates diversity and inclusion, and fosters a harmonious and stable team atmosphere.

Talent Recruitment

The Company has established and implemented relevant regulations and systems for position appointments. Talent recruitment is conducted primarily through various channels such as internal recruitment, campus recruitment, official website recruitment, and external recruitment platforms, with a focus on hiring local employees.



Case: Best Employer Award

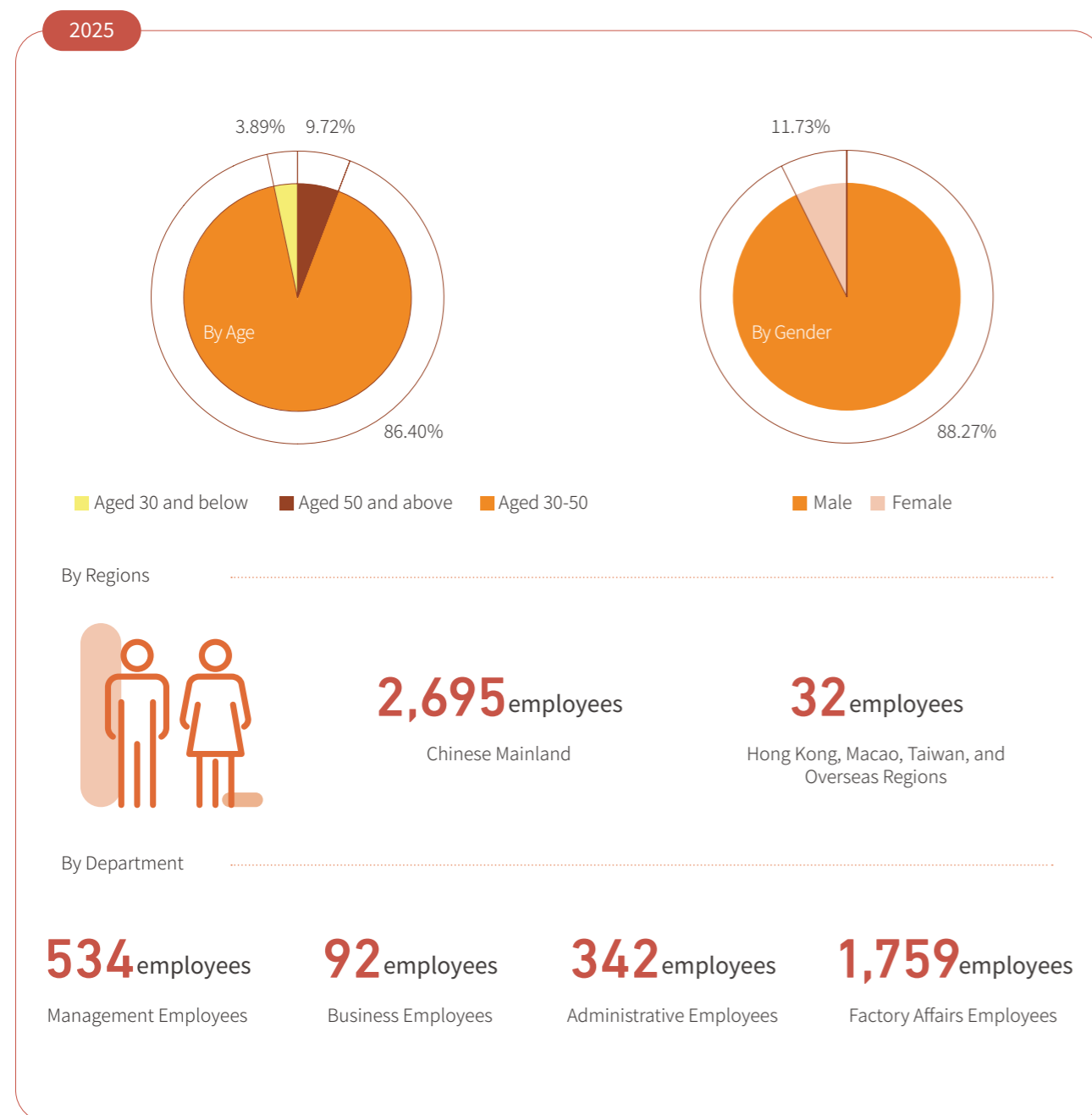
The Company received the "Asia's Best Employer Award" from the professional human resources publication "HR ASIA" in 2021 and 2022.



¹For employee-related data, please refer to the Appendix "Key Performance Table"

Equality and Diversity

The Company rigorously adheres to the principles of fair competition and open recruitment, striving to foster a diverse and inclusive workplace. Throughout the full spectrum of HR management, including recruitment, remuneration determination, and career development, the Company strictly prohibits any form of discrimination based on ethnicity, gender, age, nationality, religion, or marital status. It places particular emphasis on achieving gender balance and systematically integrates the principle of equality into every stage of HR management. During the reporting period, the Company employed a total of 2,727 individuals, all on a full-time basis, including 10 employees from ethnic minority groups.



Protection of Human Rights

The Company has established *Policies for Human Rights*, which covers key principles such as diversity, equality, and non-discrimination; the prohibition of child labor; the prohibition of harassment; the protection of personal freedom and security; and the prohibition of human trafficking; employment relationships; fair wages/compensation; the prohibition of forced labor; employees' freedom of association; health and safety; working conditions and hours; freedom of speech and expression; the right to family life; the right to privacy; protection of women; and indigenous rights. The Company is committed to strictly prohibiting all forms of harassment, child labor, and forced labor.

The Company complies with applicable laws and regulations in the jurisdictions where it operates and does not employ child labor under the age of 16. During the recruitment process, the Company diligently verifies candidates' identities, educational backgrounds, previous employment separation certificates, and other relevant information.

The Company adheres to labor laws and international standards, prohibiting the coercion of unwilling individuals into labor through improper demands, violence, threats, wage withholding, or debt bondage. It also prohibits any restriction on an individual's freedom, such as the confiscation of identity documents.

The Company has established a human rights due diligence mechanism, conducting regular assessments of its human rights management practices and recognizing it as a key initiative for advancing sustainable management. The scope of the review includes employees and local residents at the operational headquarters and its subsidiaries. The Company plans to conduct human rights due diligence every three years, aiming to promptly identify significant human rights issues, comprehensively assess the effectiveness of human rights management, and develop precise improvement plans with corresponding preventive measures.



Protection of Rights and Interests of Employees

The Company attaches great importance to the rights and interests of employees and strictly complies with relevant laws and regulations in the jurisdictions where it operates, including the *Labor Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Special Regulations on Labor Protection of Female Employees*, and the *Trade Union Law of the People's Republic of China*. It legally protects employees' legitimate rights and interests, including labor remuneration, rest and leave, compensation and benefits, and effectively safeguards employees' vital interests.

Working Hours and Holidays

The Company adheres to the standard working hour system as prescribed by the *Labor Law of the People's Republic of China*. Employees' daily working hours do not exceed 8 hours, and their average weekly working hours do not exceed 44 hours². Employees are entitled to paid annual leave as stipulated by law, including marriage leave, sick leave, bereavement leave, maternity leave, nursing leave, parental leave, and breastfeeding leave, among others.

Employee Salary Levels

Through market benchmarking, the Company evaluates salary levels within the industry and the broader market. Taking into account its strategic objectives and the value of individual roles, it establishes a competitive salary and bonus system, which is rigorously implemented and continuously optimized to fully incentivize employee engagement and initiative.

100% of employees enjoy variable remuneration and long-term incentive programs

The Company has established and continuously improved its salary and bonus policies. Employees are entitled to various forms of variable remuneration, including monthly production/operation bonuses, perfect attendance bonuses, annual attendance bonuses, year-end bonuses tied to net operating profit, and profit-sharing bonuses (i.e., dividends) based on company profits, along with other performance-based incentives.

100% of employees participate in performance evaluations

The Company has implemented a comprehensive performance management system, where all active employees are required to participate in performance evaluations, which are directly linked to bonuses. An incentive structure is in place that aligns bonus distribution with individual performance.

Salary levels for women and men

As a traditional manufacturing company, our workforce is predominantly male. Consequently, the overall data indicates that male employees tend to have slightly higher remuneration compared to female employees. However, our company ensures that remuneration is not influenced by gender or ethnicity.

²The drivers employed by the transportation companies are subject to a comprehensive working hour system due to the specific nature of their duties.

Employee Welfare Policy

The Company strictly complies with national laws, regulations, and internal policies to establish a comprehensive employee welfare system, ensuring that every employee genuinely feels the Company's care and attention, thereby enhancing their sense of belonging and overall well-being.

- The Company makes timely contributions to the five mandatory social insurances and the housing fund for all employees, and provides additional non-cash benefits in accordance with relevant employee welfare regulations. These benefits include, but are not limited to, meal allowances, festival gifts, year-end dinners, travel and flexible benefits, birthday bonuses, and subsidies for weddings, funerals, and childbirth.
- All employees are provided with three nutritionally balanced meals per day or equivalent meal allowances, along with fresh seasonal fruits, ensuring comprehensive support for their dietary health.
- The retirement age for employees strictly follows national legal standards. To safeguard employees' post-retirement rights, the Human Resources Department assists in processing social security retirement approvals, pension applications, and other related procedures, ensuring an efficient and smooth process. Retired employees are entitled to legally mandated benefits such as pensions and lifetime medical insurance.

Grievance Channels

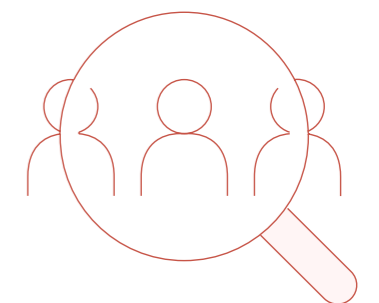
To ensure smooth internal communication and the efficient handling of employee concerns, the Company has established a multi-channel, comprehensive communication and feedback system. Employees may report issues or raise matters directly with the relevant departments through online channels, including company phone lines, corporate WeChat, and company email.

For filing formal appeals, reporting incidents, or submitting complaints, employees can use the Company's official website or the dedicated email account of the Vice Chairman. The Company is committed to strictly safeguarding the personal data and privacy of appellants, whistleblowers, and complainants, protecting their legal rights and interests throughout the process. Any form of retaliation or unfair treatment is strictly prohibited, ensuring a secure and trustworthy environment for employees to raise concerns.

Implementation of the 2025 Employee Satisfaction Survey

Since 2024, the Company has conducted an employee satisfaction survey annually to gain continuous, in-depth insights into employees' perceptions and satisfaction across various aspects of the Company. The survey serves as a critical tool for guiding management improvements and enhancing the overall employee experience.

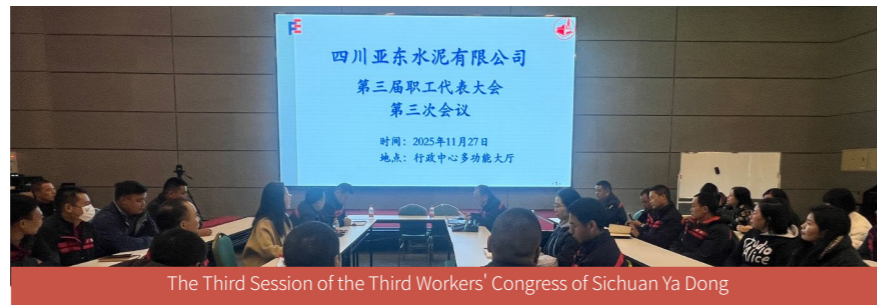
During the reporting period, the survey encompassed all subsidiaries of the Company. Results from the sampled responses indicated that 96% of employees expressed satisfaction with their experience at the Company.



Democratic Management

The Company continues to advance democratic management by establishing labor unions that facilitate open communication channels for employees, allowing direct engagement with their concerns, and actively encouraging employee participation in corporate governance. This approach ensures the effective resolution of practical issues faced by employees.

- All subsidiaries have legally established labor unions, with employee representative meetings convened at least once annually.
- The formulation and revision of personnel policies are strictly carried out through democratic procedures, requiring discussion and approval by employee representative meetings before implementation. This process fully ensures employees' rights to information, participation, and oversight.
- Several subsidiaries have signed labor union/collective agreements, contributing to the creation of a harmonious and orderly work environment.

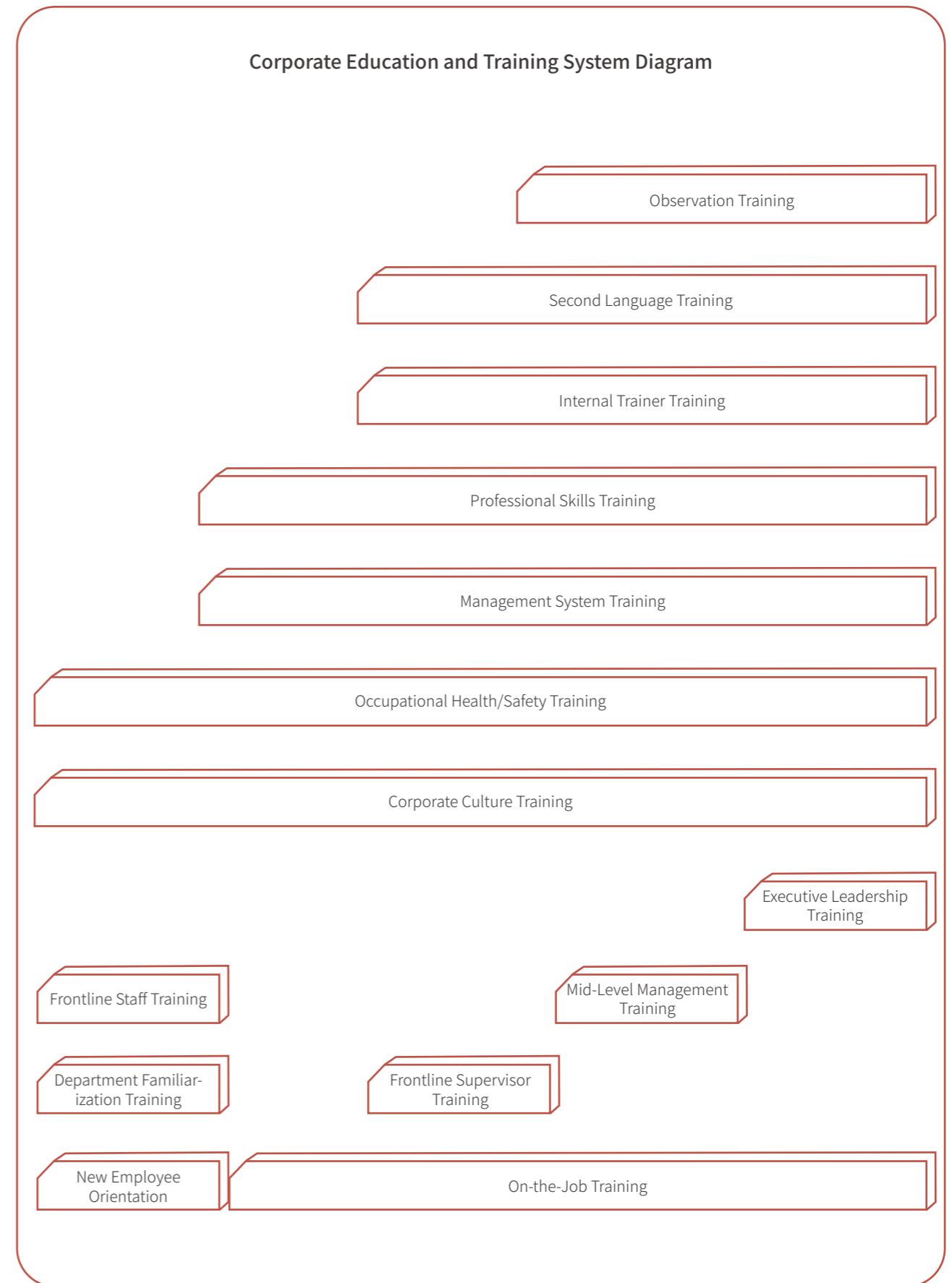


Talent Development System

The Company encourages lifelong learning among employees by establishing a robust talent development system. This system includes the formulation and implementation of training-related policies and regulations, offering comprehensive and multi-level training programs to meet the career development needs of employees at all levels and across various roles. Training initiatives are carried out consistently and progressively. The Company's training programs cover all employees as well as some suppliers and contractors.

- For consecutive years, the Company has conducted "Elite Class" supervisor training, middle-management training, frontline supervisor management leadership training, and frontline supervisor management, and professional development programs for frontline staff. Tailored talent development plans with elevated standards and flexible teaching models enhance management skills of personnel at all levels and contribute to the cultivation of well-rounded, versatile professionals.
- The Company incorporates business ethics and information security requirements into its training programs. It also provides psychological stress management and workplace safety training to improve employees' overall competencies.
- The Company has established a library, offering a variety of publications, and organizes external training opportunities to help employees acquire relevant professional certifications, thereby enhancing their vocational skills.
- The Company has implemented a training database system that links training activities with performance evaluations. All training data is recorded in the system, enabling the Company to monitor training progress in real-time.

Corporate Education and Training System Diagram



Classification of Training Courses

Observation Training Courses	External observation and internal observation
Second Language Training Courses	Reading club and platform-based online courses
Courses of Internal Instructors	Seeded coach certification, course instructor certification and development coach certification
Professional Function Training Courses	Civil engineering, machinery, electrical instruments, quality control, design, mining, finance, accounting, information, business, procurement, human resources, administration, auditing, transportation and products
Management System Courses	Quality management system, environmental management system, occupational health and safety management system, and energy management system
Class and Level Management Courses	Frontline executives, intermediate executives, senior executives
General Courses	New employee training, department awareness training, frontline employee training
Occupational Health/Safety Courses	Safety training, occupational health training, mental health, and three-level occupational health and safety education
Corporate Culture Courses	Corporate culture promotion activities, human rights policy training, anti-corruption policy training

During the reporting period, the Company implemented training activities in accordance with the annual training plan, covering all employees. The training courses were categorized into 9 categories, comprising 40 courses. Additionally, the training programs supported employees in obtaining certifications from recognized authorities, including licenses for special operations and equipment operation, safety management qualifications, blasting operation permits, registered safety engineers, registered fire engineers, professional technical qualification certificates (engineer), Red Cross first aid certification, and emergency rescue personnel certifications.



Elite Talent Training

2025 Offered 1 animation production course

30 hours

Training hours per employee Target

57.27 hours

Training hours per employee Actual

Leadership Development

- Delivered **4** sessions of talent management training for intermediate and senior executives, cultivating **140** intermediate and senior executives.
- Conducted **3** sessions of frontline management training, equipping **135** individuals with essential management skills.

Skills Development

- Launched **1** AI-related course, upskilling **94** participants.
- Conducted skills assessments for **8** critical positions, assessing **222** employees.
- Organized **1** internal trainer development program, cultivating **25** individuals.
- Offered **1** animation production course, providing training to **36** participants.
- Delivered **3** professional development sessions for frontline staff, benefiting **138** employees.
- Conducted **12** legal knowledge sessions, training **1,116** participants.
- Achieved **100%** coverage for all other specialized training programs.



Frontline Training



Mid-Level Training

Care for Employees' Lives

The Company always adheres to the philosophy of work-life balance, striving to provide employees with comprehensive, multi-faceted support and thoughtful care, continuously enhancing their sense of belonging, satisfaction, and well-being.

Care and Support

The Company always focuses on employees' needs, paying close attention to their concerns and daily lives. By addressing urgent and pressing issues, we implement thorough and thoughtful employee care initiatives, ensuring that support and warmth reach every employee, while continuously enhancing their sense of belonging, well-being, and security.

Recreational Activities

The Company actively promotes a diverse cultural and interest platform. It has established multiple clubs such as tennis, soccer, basketball, fishing, yoga, running, and English clubs, and regularly organizes themed activities. In addition, special events like family outings, outdoor barbecues, and group trips are planned to enrich employees' leisure life and foster a positive and vibrant corporate culture.



Autumn Outing



Family Fun Fair



Soccer Club Activity



Fishing Club First Tournament

During the reporting period, Jiangxi Ya Dong achieved notable sports results: fourth place in the 2025 Ruichang City "National Day Celebration" Badminton Mixed Team Competition, first place in the Second "Ganxiang Cup" Badminton Team Tournament, and fourth place overall in the Eighth Ruichang City Employees' Sports Games.



Strengthening Safety Defenses

Asia Cement (China) strictly adheres to relevant laws and regulations in the jurisdictions where it operates, including the *Work Safety Law of the People's Republic of China*, *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, *Mine Safety Law of the People's Republic of China*, *Emergency Response Law of the People's Republic of China*, *Safety Regulations for Limited Space Operations in Industrial and Trade Enterprises*, *Regulations on Penalties for Work Safety Accidents*, *Mine Rescue Regulations*, *Regulations on the Reporting and Investigation of Production Safety Accidents*, *Standards for Determining the Potential Risks of Major Accidents of Industry and Trade Enterprises*, and *Standards for Determining the Major Accident Hazards in Special Equipment*, as well as the Occupational Health and Safety Management System issued by the International Organization for Standardization (ISO), to establish a robust management system. The scope of application includes 100% of personnel and suppliers of Asia Cement (China).

Occupational Health and Safety Management Structure

The Corporate Sustainability Implementation Committee is responsible for the strategic planning and performance management of occupational health and hygiene issues. Its subordinate Occupational Health and Hygiene Task Force is tasked with thoroughly implementing safety protocols, maintaining a zero-tolerance approach to safety hazards, strengthening the prevention and control of occupational diseases, and instilling a health and hygiene culture across all employees, thereby continually improving the Company's occupational health and hygiene management standards.

According to company policies, we establish dedicated occupational health and hygiene management units and personnel, and implement appropriate management systems tailored to the specific nature and size of each unit. Each operational unit has a Work Safety Committee, chaired by the General Manager. Committee members include department heads, technical professionals, and employee representatives, with the latter accounting for 33% of the Committee. The Work Safety Committee convenes monthly to review health and safety policies, operational practices, and potential hazards, formulate recommendations for improvement, and oversee corrective actions based on committee resolutions.

In addition, the Company entrusts an occupational health technical service institution to conduct at least one inspection of occupational disease hazards and occupational health examinations each year, and at least one current status assessment of occupational disease hazards every three years.

All subsidiaries have established occupational health and safety management systems tailored to their respective business operations and have obtained Grade II safety standardization certifications in their industries. Additionally, certain standardized cement manufacturing plants have achieved ISO 45001 certification for occupational health and safety management.

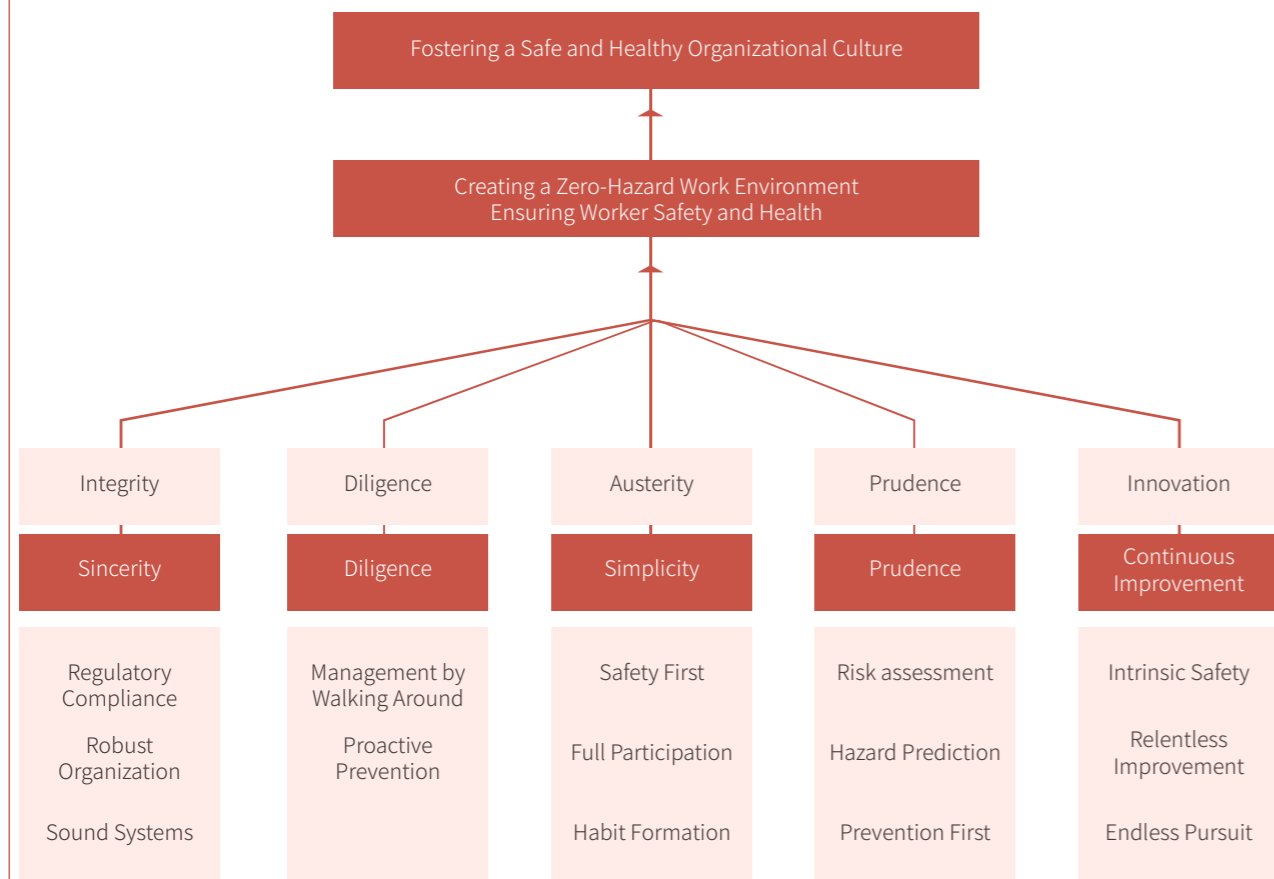


The Company conducts rigorous hazard identification and risk assessments for every operation, establishes operational procedures and job-specific standards, and encourages all employees to actively participate in training to cultivate a "safety first" mindset. Through management by walking around, potential hazards are identified and addressed proactively. Continuous innovation and enhancement of safety measures safeguard workers' health and safety, fostering a distinctive Asia Cement (China) safety culture and creating a healthy and secure working environment for all employees. The Company engages a qualified safety evaluation agency to perform a safety in-use evaluation at least once every three years.

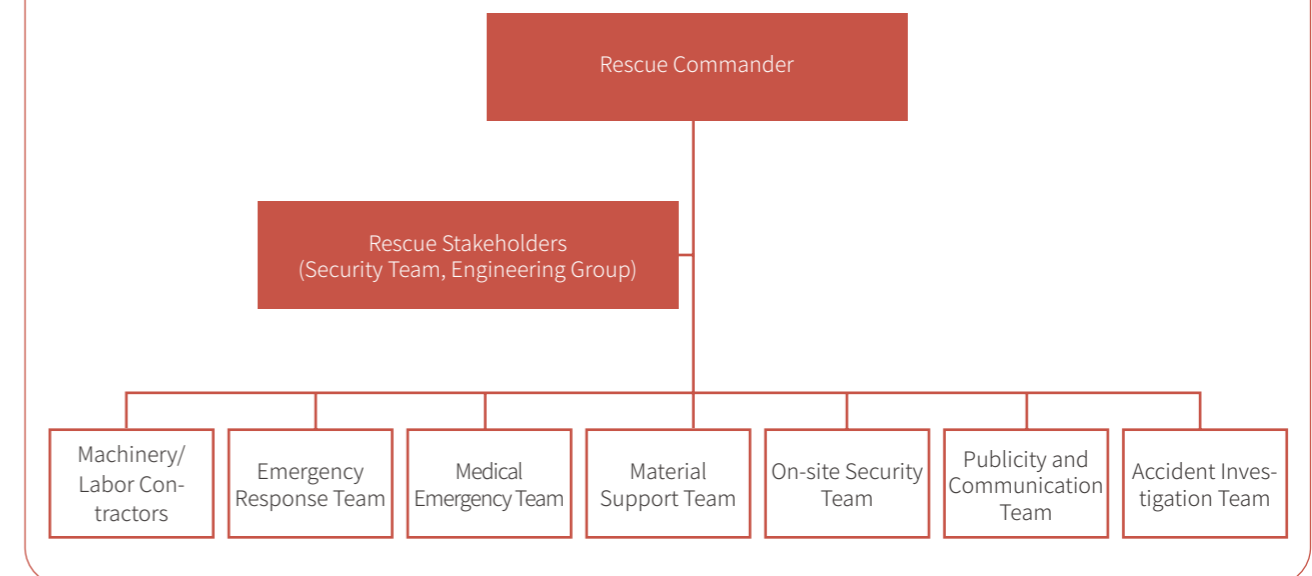
Emergency Management of Work Safety

The Company formulates and implements internal management systems, including the *Comprehensive Emergency Response Plan*, the *Special Plan* and the *Site Disposal Plan*, in compliance with the *Regulations on Emergency Response to Work Safety Accidents* and other applicable laws and regulations. The emergency rescue team conducts annual specialized safety drills—such as mine/diesel storage fires, landslides/slope collapses, vehicle/machinery-related injuries, fall accidents/object strikes, heatstroke, heavy rainstorm, and chemical spills—based on the emergency drill plan. These drills aim to improve employees' self-rescue and mutual aid abilities during emergencies and enhance the practical response capabilities of the emergency rescue team.

Asia Cement (China) Holdings Corporation Occupational Health and Safety Management Policy



Asia Cement (China) Emergency Rescue Organizational Structure Diagram



The Company proactively conducts targeted inspections to identify potential safety hazards. For each hazard detected, a detailed record is promptly established, clearly assigning responsibility and setting rectification deadlines. The progress of corrective actions is closely monitored to ensure that hazards are addressed promptly and thoroughly. Through these measures, the Company fosters a safe and reliable working environment for employees and ensures the smooth and orderly operation of its production activities.

2025

15,040 RMB 10K

Work Safety Investment

2.5%

Proportion of Work Safety Investment to Operating Revenue



Jiangxi Ya Dong Emergency Response Drill



Huanggang Ya Dong Emergency Response Drill



Sichuan Ya Dong Fire Drill



Sichuan Lan Feng Fire Emergency Drill

The Company strictly adheres to operational guidelines, including mineral resource development and utilization plans, preliminary designs, and safety facility designs. Comprehensive slope inspections are conducted before, during, and after operations. On-site supervisors perform regular patrols, and if any loose rocks, overhanging boulders, or other hazards are identified, operations are immediately suspended and remediation measures are implemented. Work resumes only after all identified risks have been fully mitigated.



Slope Remediation at 1370-1358 Section, Woniuping Mine, Sichuan Ya Dong



Mine Slope Revegetation



Occupational Health and Work Safety Training

The Company maintains a highly skilled occupational safety and health management team and annually recruits top-tier talent from universities. It has established a comprehensive talent development and incentive system and conducts both regular and ad-hoc on-the-job training. Outstanding supervisors and colleagues are selected as instructors to strengthen employees' safety awareness and operational skills. The Company also organizes regular employee health check-ups, and no occupational diseases were reported among staff during the reporting period. In addition, suppliers are required to participate in the "Three-Level Safety Education and Training" program, ensuring strict compliance with all safety management systems. During the reporting period, Sichuan Ya Dong organized mine employees to participate in the provincial online Safety Production Knowledge Competition, hosted by the Sichuan Bureau of the National Mine Safety Administration, and was recognized with the Outstanding Organization Award.



Jiangxi Ya Dong Contractor Training



Sichuan Ya Dong Contractor Training



Wuhan Ya Dong Employee and Contractor Training



Sichuan Ya Li Employee Safety Training

2025

4,567 Session

Work Safety Training Sessions

110,625 Hour

Safety Training Hours

40 Hour

Average Safety Training Hours per Capita

Occupational Health and Work Safety Goals ▼

Each subsidiary annually sets work safety goals and performance evaluation standards in accordance with the Company's work safety policies, objectives, and indicator management procedures. The Company's Environmental Protection and Industrial Safety Office conducts regular inspections of all units and carries out monthly evaluations, encompassing both proactive and reactive performance, and reports each unit's results to the Work Safety Committee.

The Company establishes occupational health and safety indicator targets according to industry category. Using the 2020-2022 average as the baseline, Asia Cement (China) aims for a 10% reduction by 2026. In the industry of building materials, this includes six cement companies, three grinding companies, and five ready-mixed concrete companies; in the industry of transportation, it covers three transportation companies.

Asia Cement (China) in the Industry of Building Materials		FR	SR	FSI
Employee	Reference Value	1.47	51.03	0.27
	Actual Value in 2022	1.34	46.30	0.25
	Actual Value in 2023	0.97	46.47	0.21
	Actual Value in 2024	1.34	43	0.24
	Actual Value in 2025	1.52	40.13	0.25
	Achievement in 2025	X	√	X
	2026 Goals	1.31	45.42	0.24
	Reference Value	0.48	22.47	0.10
Contractors	Actual Value in 2022	0.62	28.74	0.13
	Actual Value in 2023	0.36	9.33	0.06
	Actual Value in 2024	0.37	20	0.09
	Actual Value in 2025	0	0	0
	Achievement in 2025	√	√	√
	2026 Goals	0.43	20.23	0.09

Asia Cement (China) in the Industry of Transportation		FR	SR	FSI
Employee	Reference Value	6.87	394.75	1.65
	Actual Value in 2022	6.55	286.38	1.37
	Actual Value in 2023	3.53	367.36	1.14
	Actual Value in 2024	0.00	0.00	0.00
	Actual Value in 2025	2.1	67.25	0.38
	Achievement in 2025	√	√	√
	2026 Goals	6.18	355.28	1.48
	Reference Value	0.00	0.00	0.00
Contractors	Actual Value in 2022	0.00	0.00	0.00
	Actual Value in 2023	0.00	0.00	0.00
	Actual Value in 2024	0.00	0.00	0.00
	Actual Value in 2025	0	0	0
	Achievement in 2025	√	√	√
	2026 Goals	0	0	0

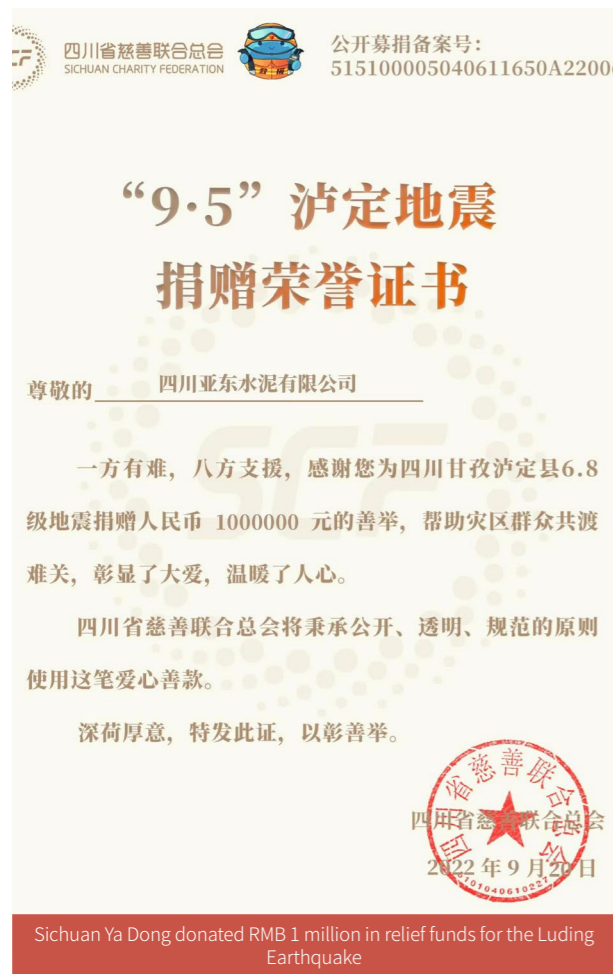
Embracing Social Responsibility

Asia Cement (China) consistently upholds its corporate social responsibility, embedding this commitment deeply into its development framework. By leveraging its strengths, the Company fulfills its mission through compassionate initiatives that give back to society and high-quality performance that fosters regional collaborative development. This reflects the responsibility and excellence of enterprises in the new era, contributing solid momentum to high-quality social development.

Spreading Warmth and Strength

With a strong sense of social responsibility, the Company actively engages in community development and public welfare. It integrates and leverages its resources and strengths across various domains to serve society comprehensively, making significant contributions to social progress and improvement. During the reporting period, the Company donated RMB 21.31 million, with contributions spanning education, healthcare, flood prevention, and other key sectors.

Supporting Earthquake Relief Efforts



Organizing Blood Donation Drives



Promoting Public Health

Jiangxi Ya Dong supported the Ruichang Municipal Government in hosting the 14th Jiujiang City Games, contributing RMB 100,000 in cash and 2,793 tons of cement.

Supporting Rural Revitalization



Supporting Education Initiatives



Promoting Regional Connectivity

The Company's products, renowned for their exceptional quality and performance, are widely applied in numerous key domestic infrastructure projects. They play a critical role in sectors such as high-speed rail network development and large-scale bridge construction, significantly enhancing both the efficiency and quality of transportation infrastructure. These contributions help to reduce the spatial and temporal gaps between cities, improve the regional transportation network layout, and provide convenient travel solutions for the public. Moreover, they actively promote regional resource integration, foster industrial synergy, and contribute to the collaborative development of the region.

Southeast Region

Nanchang Changbei International Airport, Nanchang Metro, Jiujiang Yangtze River Bridge, Wuxue Yangtze River Bridge, Anqing-Jiujiang High-speed Railway, Wuhan-Jiujiang Railway, Nanchang-Jiujiang Intercity Railway, Nanchang-Jiujiang Expressway, Xianning-Jiujiang Expressway, Tongcheng-Tonggu Expressway, Huanggang-Huangmei High-speed Railway, Nanchang-Jingdezhen-Huangshan High-speed Railway, Macheng-Wuxue Expressway, Qichun-Taihu East Expressway, Qipanzhou Bridge, Nanjing-Qidong Railway, Yangzhou Taizhou International Airport, Shouxihu Tunnel, Reconstruction and Expansion of National Highway 328.

Central China Region

Hefei-Wuhan High-speed Railway, Qiaokou-Xiaogan Expressway, Northern Extension of Macheng-Yangxin Expressway, Urban Ring Expressway, Reconstruction and Expansion of Hankou-Yichang High-speed Expressway, Wuhan Railway Hub Line, Macheng-Ankang Expressway, Wuhan-Hongan Expressway, Wuhan-Dawu Expressway, Wuhan High-Speed Railway Station, Wuhan-Yangxin Expressway, Qiaokou-Xiaogan Expressway, Shuangliu Yangtze River Bridge, Tianxingzhou Bridge, Fuhe Bridge, Metro Line 12.

Southwest Region

Chengdu Shuangliu International Airport, Chengdu Tianfu International Airport, Jianyang Airport, Jiuzhi-Maerkang Expressway, Chengdu Third Ring Expressway, Dujiangyan-Siguniangshan Mountain Railway, Dadu River Flood Control Project, Expansion of Chengdu-Mianyang Expressway, Chengdu-Leshan Expressway, Shuangjiangkou Power Plant, Xi'an-Chengdu Railway, Tianfu New Area-Meishan-Leshan Expressway, Chengdu-Chongqing Central Line and Sichuan-Tibet Railway.



Qichun-Taihu East Expressway



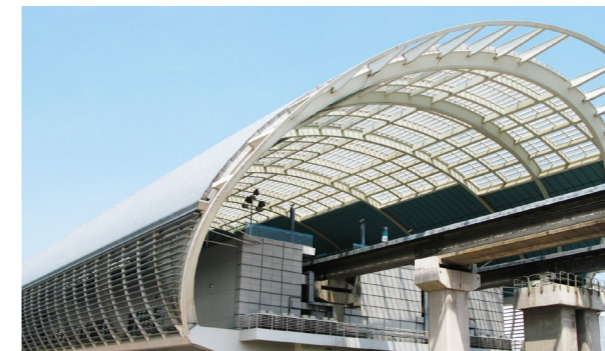
Xianning-Jiujiang Expressway



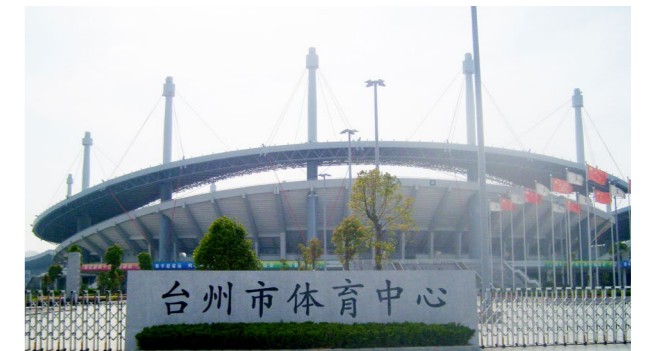
Wuhan-Dawu Expressway



Jiuzhi-Maerkang Expressway



Shanghai Maglev Station



Taizhou Sports Center, Zhejiang Province



Chengdu Global Center



Tianxingzhou Yangtze River Bridge in Wuhan



Green Asia Cement

Advancing Low-Carbon Practices to Promote Sustainable Development

Asia Cement (China) actively supports the national goals of carbon peaking and carbon neutrality, fully embracing green development principles. The Company is accelerating the development of a comprehensive environmental management system and relevant certification processes, continuously improving resource efficiency, and proactively addressing climate change challenges. By strengthening its low-carbon capabilities, Asia Cement (China) aims to become a benchmark enterprise that is both resource-efficient and environmentally responsible, embedding sustainable development across all aspects of its operations.

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Strengthening Ecological Barriers

Asia Cement (China) strictly adheres to relevant laws and regulations in the jurisdictions where it operates, including the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Energy Conservation*, as well as the ISO 14001 Environmental Management System standards. The Company is committed to continuously enhancing and expanding its environmental management practices, integrating environmental protection principles throughout all stages of production and operations. This is achieved through systematic planning, execution, and operation.

Environmental Management System

The Company continuously improves its environmental management system, establishing a comprehensive responsibility framework and hierarchical management structure that spans from headquarters to subsidiaries and from senior management to operational execution. By setting clear annual environmental targets and implementing effective cross-level communication and oversight mechanisms, the Company ensures that environmental management practices are carried out accurately and consistently at every stage. Several subsidiaries have obtained ISO 14001 Environmental Management System certification.

Asia Cement (China) Operating Headquarters

- The CEO of the Operating Headquarters takes primary responsibility.

Technology & Production Department, Main Companies of each Region

- General managers of main companies in each region: Responsible for overseeing safety and environmental management, as well as energy conservation, emission reduction, and decarbonization initiatives within their respective regions.
- Technology & Production Department: Responsible for driving innovation, R&D, providing technical support and assistance, and overseeing the performance execution of subsidiaries.

Subsidiaries and Functional Departments

- General managers of subsidiaries: Responsible for safety and environmental management, energy conservation, emission reduction, and carbon management within their respective subsidiaries.
- Manufacturing Group, Environmental Protection & Industrial Safety Office, and relevant departments: Responsible for the implementation and execution of safety and environmental management, energy conservation, emission reduction, and carbon management initiatives.



Online Environmental Monitoring of Sichuan Ya Dong Mining Area

The Company continues to advance the upgrading of its mine environmental monitoring system. The Jiangxi Ya Dong, Sichuan Ya Dong, and Huanggang Ya Dong mines have successfully implemented and activated online environmental monitoring systems. These systems facilitate real-time, dynamic monitoring of environmental parameters, including dust (PM2.5, PM10) and noise, through designated monitoring points. The monitoring data is publicly displayed in real-time on large outdoor screens at the mines, ensuring transparency in environmental monitoring and reinforcing the meticulous management of the mine's environmental impact.

Environmental Management Objectives

Adhering to the principles of green operations, the Company has systematically developed and rigorously implemented annual environmental management objectives that span multiple dimensions and levels. Through refined management practices and technological upgrades, all major environmental indicators were effectively controlled and improved, and all environmental management objectives were achieved during the reporting period.

Key Environmental Management Objectives	
Air Pollutant Emission Control	The Company has established emission concentration limits for both organized and unorganized sources, exceeding national and local regulatory standards. By the end of the reporting period, all major production subsidiaries consistently complied with air pollutant emission standards, and no major environmental pollution incidents occurred during the year.
Noise Management	The Company strictly complies with plant boundary noise emission standards (≤65 dB(A) during the day, ≤55 dB(A) at night), with regular monitoring results consistently indicating compliance.
Solid Waste Management	The Company achieved its annual target of 100% compliance in hazardous waste disposal and an improvement in the resource utilization rate of general industrial solid waste.
Clinker and Cement Carbon Emission Intensity Control	The Company has incorporated carbon emission management for clinker and cement production into its core environmental objectives. Subsidiaries have established annual carbon emission intensity reduction targets (ton CO ₂ /t clinker or cement), with 2019 serving as the baseline year. By the end of the reporting period, the carbon emission intensity of clinker and cement at the relevant units was largely in line with the anticipated control targets.

Environmental Control Measures ✓

Response to Environmental Emergencies

- The Company rigorously adheres to internal management systems, including the *Emergency Preparedness and Response Control Procedure* and the *Emergency Plan for Environmental Emergencies*, to proactively prevent and mitigate environmental and safety risks throughout its operations.
- Emergency plans are dynamically assessed and updated to ensure their continued effectiveness and compliance with applicable regulations, and are filed with the competent ecological and environmental authorities as required.
- Targeted emergency drills are routinely conducted across all subsidiaries to enhance emergency response and coordination capabilities, with internal monitoring mechanisms ensuring that management measures are effectively implemented.

During the reporting period, the Company's environmental management system functioned effectively.

Clean Production Audit

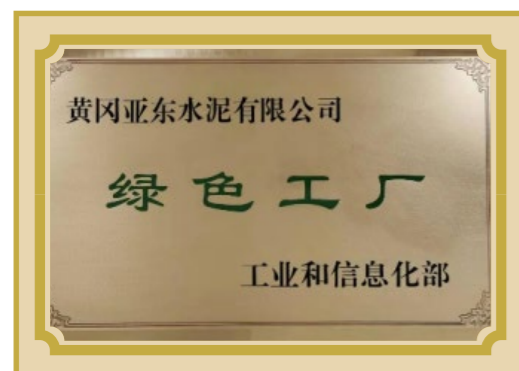
- The Company is committed to enhancing clean production across its entire system. Its subsidiaries actively implement measures such as optimizing production processes, adopting advanced energy-saving technologies, increasing the use of alternative raw materials and fuels, and co-processing waste in cement kilns, systematically reducing resource consumption and environmental emissions during production.

During the reporting period, the Company made positive progress in green production, with one additional subsidiary successfully passing the clean production audit, bringing the total number of subsidiaries certified to two.

Green Factory Certification

- Several subsidiaries have implemented clean production initiatives and applied for Green Factory Certification, advancing environmental management in a standardized and systematic manner.

By the end of the reporting period, one of the Company's subsidiaries had obtained national-level Green Factory Certification, while another had achieved provincial-level certification.



Implementing Strict Pollution Control ◀▶

Asia Cement (China) rigorously upholds environmental regulatory red lines, complies with applicable local laws and regulations, and adheres to a series of mandatory standards covering cement production, wastewater management, and the storage and disposal of hazardous waste. The Company has established a comprehensive, end-to-end pollution prevention system encompassing air, water, general solid waste, and hazardous waste. It continuously improves its internal environmental management system, fully integrates environmental responsibilities into operational procedures, and implements meticulous controls over all types of pollutants such as exhaust gases, wastewater, solid waste, and hazardous waste. These measures ensure that all pollutants are properly treated and consistently meet discharge standards, enabling the Company to fulfill its primary responsibility for environmental protection while promoting the sustainable coexistence of operations and the ecosystem. As of the end of the reporting period, Jiangxi Ya Dong was selected for the second batch of Jiujiang City's "Zero-Waste Cell" initiative. At its Ruichang Manufacturing Plant, the Dawuchen cement-grade shale mine achieved 100% comprehensive utilization of mineral resources and was officially recognized as a "Zero-Waste Mine".

Prevention and Control of Pollutants ✓

The Company strictly complies with applicable laws and regulations, including the *Law of the People's Republic of China on Prevention and Control of Air Pollution*, the *Emission Standard of Air Pollutants for Cement Industry*, the *Technical Guidelines for Formulating Emergency Emission Reduction Measures for Key Industries in Heavy Pollution Weather*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant*, the *Integrated Wastewater Discharge Standard*, and the *Wastewater Quality Standards for Discharge to Municipal Sewers*. It has implemented internal management systems such as the Air Pollution Prevention and Control Management Operating Procedure and the Sewage Management Control Procedure to ensure stringent, real-time control of waste gas and wastewater emissions.

Main types of waste gas pollutants

nitrogen oxides, sulfur oxides, and dust

Main types of wastewater pollutants

production wastewater and domestic sewage

Waste Gas Control

The Company is equipped with exhaust gas monitoring systems that track emissions in real time and regularly commissions qualified third-party testing agencies to conduct monitoring, ensuring that all emissions comply with regulatory standards. During the reporting period, key emission indicators such as particulate matter, sulfur dioxide (SO₂), and nitrogen oxides (NO_x) from critical discharge points like kiln heads and kiln tails at all production bases met or exceeded the established targets.

Exhaust Emission Targets

Overall exhaust emission targets for integrated cement plants, By 2026

2,719.65_t

total NO_x emissions are projected

314.32_t

total SO₂ emissions

306.3_t

total particulate emissions

Emission targets for each subsidiary

Company Name	Exhaust Emission Targets		
	Nitrogen Oxides (mg/m ³)	Sulfur Dioxide (mg/m ³)	Dust (mg/m ³)
Hubei Ya Dong	≤100	≤50	≤10
Jiangxi Ya Dong	≤200 (#1 and #2 kilns) ≤50 (#3 and #4 kilns) ≤100 (#5 and #6 kilns)	Plant I ≤100 Plant II ≤50	Plant I ≤20 Plant II ≤10
Huanggang Ya Dong	≤50	≤35	≤10
Sichuan Ya Dong	≤50	≤35	≤10
Sichuan Lan Feng			

During the reporting period, the Company's exhaust pollutant emissions were as follows

Indicator	Unit	2025	Compared to 2024
Exhaust Pollutant Emissions	Ton	3,451.5	Decreased by 31%
- Particulate Matter	Ton	325.72	Decreased by 4%
- Nitrogen Oxides	Ton	2,803.81	Decreased by 28%
- Sulfur Oxides	Ton	321.96	Decreased by 58%

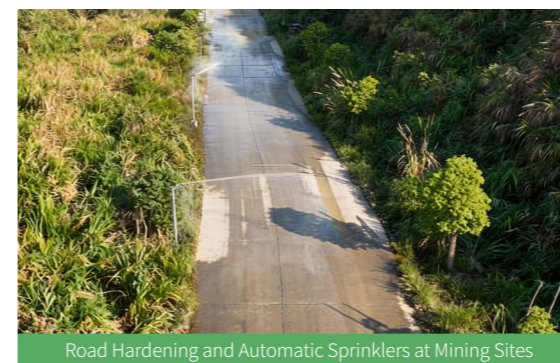
The Company actively implements waste gas treatment improvement projects through low-nitrogen combustion technology, SCR denitrification, SNCR denitrification, wet desulfurization, slaked lime desulfurization, hot raw meal desulfurization, and the conversion of electrostatic precipitators to baghouse dust collectors, to continuously reduce emissions of sulfur dioxide, nitrogen oxides, particulate matter, and other pollutants, ultimately ensuring that exhaust gases are discharged in compliance with relevant environmental standards. By the end of the reporting period, Jiangxi Ya Dong had completed the wet flue gas desulfurization (WFGD) project for Kilns #1, #2, and #3, enabling SO₂ emissions to be controlled below 10 mg/m³.

The emission reduction effects of various pollutant emission reduction measures are shown in the table below

Item	Concentration Before Renovation (mg/m ³)	Concentration After Renovation (mg/m ³)	Emission Reduction Efficiency Before Renovation (%)
Low nitrogen combustion + precise denitrification	250	45	82
Wet desulfurization	170	10	94.1
SNCR	500	100	80
SCR	100	50	50
Slaked lime desulfurization	40	10	75
Hot raw meal desulfurization	200	35	82.5
Conversion of electrostatic precipitator to baghouse dust collectors	15	5	66.7

Case: Dust Control at Mining Sites and Roads

The Company focuses on dust control at mining sites and roads. A total of 16 water trucks are deployed across all mining sites, with automatic sprinklers installed along selected road sections, covering a total length of 2,100 meters. To reduce mud accumulation on road surfaces and facilitate dust management, permanent haul roads and crusher discharge platforms at all mining sites have been paved, effectively minimizing unorganized dust emissions.



Road Hardening and Automatic Sprinklers at Mining Sites



Multi-functional Dust Suppression Vehicle



Post-blast Dust Suppression Operations



Hubei Ya Dong has built a three-stage wastewater sedimentation tank. Wastewater generated on site is settled in the tank and then loaded into water trucks for road dust suppression inside and outside the plant, enabling the recycling of wastewater.

Wastewater Control

By optimizing treatment processes and enhancing the management of industrial and domestic wastewater reuse, along with ensuring compliant discharge, the Company has steadily increased its wastewater recycling rate. Multiple production bases have improved wastewater treatment efficiency by installing high-efficiency filter presses, renovating sedimentation ponds, and upgrading water circulation systems. Additionally, the deeply treated industrial wastewater is being reused in road dust suppression, green space irrigation, wet desulfurization, and equipment cooling, further boosting the wastewater utilization rate.



Cement subsidiaries under the Company actively implement water recycling measures. Wastewater generated from cement concrete production and concrete mixer truck cleaning is treated by filter presses to remove sludge and then reused as process water for concrete production. The filter cake obtained is delivered to cement plants as raw material for cement production, achieving zero wastewater discharge.

Waste Control

The Company strictly abides by applicable laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Standard for Pollution Control on Hazardous Waste Storage*. Through specialized systems including the *Hazardous Waste Management System*, *Operation Procedure for Hazardous Waste Management*, *Hazardous Waste Warehousing Entry and Ex-warehouse Ledger Management System*, *Control Procedure for Oil Product Management*, *Control Procedure for Chemical Substance Management*, and *Control Procedure for Resource Recycling*, the Company implements closed-loop, standardized management of various waste types, from generation and storage to transfer and disposal.

General Industrial Solid Waste Management

The Company continuously promotes green operations and circular economy initiatives, embedding sustainable development principles into its waste management system. It strengthens the segregation, recycling, and resource recovery of general industrial solid waste. Recyclable waste generated by production facilities is transported to designated storage areas, where the procurement department manages centralized auctions and sales. Non-recyclable combustible waste, together with domestic waste, is processed in rotary kilns for incineration with energy recovery, while non-recyclable, non-combustible waste is incorporated into raw material grinding before being fed into kilns for co-processing. These measures steadily enhance the overall utilization rate of general solid waste, achieving the objectives of resource recovery, waste reduction, and harmless disposal.

Main types of general solid waste

domestic waste, waste test blocks, waste belts, waste metals, etc.

General Industrial Solid Waste Emission Targets and Achievements

Indicator	Reference Year	Goal					Actual Emissions (t)
	2022	2023	2024	2025	2026	2030	
Targeted Total Emissions (t)	530.3	406.5	400	391.8	383	375.2	273.9
Reduction Ratio (%)	0	23.35	24.57	26.12	27.78	29.25	48.35

Note: The general industrial solid waste in the above table only counts "domestic waste (handed over to the environmental sanitation station after leaving the factory)" as the reduction target.

Hazardous Waste Management

The Company strictly adheres to relevant operational procedures. By maintaining comprehensive management records, implementing the hazardous waste transfer manifest system, and submitting management plans, it standardizes the classification, storage, transfer, and disposal processes for hazardous waste, ensuring its safe and compliant management.

All hazardous waste is stored in dedicated facilities that meet national standards. The transfer of hazardous waste strictly complies with the *Hazardous Waste Transfer Sheet Management Measures*. The Company submits the *Management Plan for Hazardous Waste* annually, signed and stamped by the hazardous waste management department, to the local ecological environment bureau for filing. Additionally, the Company enters into the Entrusted Disposal Agreement with third-party entities holding valid *Hazardous Waste Business License*.

Main types of hazardous waste	waste refractory bricks, waste lubricating oil, waste batteries, and waste oil packaging materials.
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Hazardous Waste Emission Targets and Achievements

Indicator	Reference Year	Goal					Actual Emissions(t)
	2022	2023	2024	2025	2026	2030	
Targeted Total Emissions (t)	2,467	2,344	2,319	2,295	2,281	2,260	1,915.85
Reduction Ratio (%)	0	4.99	6.00	6.97	7.54	8.39	22.34

Note: Hazardous waste is 100% treated in compliance with harmless disposal. Waste chemicals and waste test solutions are treated through neutralization and precipitation. Other hazardous wastes are 100% outsourced to certified third-party companies for disposal.

Optimizing Resource Utilization

Asia Cement (China) actively integrates sustainability principles throughout its entire production and operational chain. The Company strictly adheres to national laws and regulations on water conservation, clean production, and other environmental standards, while systematically advancing efficient resource utilization and a green, low-carbon transformation.

Water Resource Management

The Company strictly adheres to national regulations on water conservation and clean production. It continuously improves and implements internal management systems, including the *Planned Water Utilization Management System*, *Water Conservation and Utilization Management System*, *Water Utilization Equipment Inspection System*, and *Water Conservation Reward and Punishment System*. These measures comprehensively strengthen the institutionalization and standardization of water resource management.

Main water resource sources	surface water, collected rainwater (mine reservoirs), and water provided by a third party.
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Strengthening Internal Management	<ul style="list-style-type: none"> Develop and rigorously implement annual water usage plans and long-term water conservation strategies, integrating water-saving targets into performance evaluations. Conduct regular assessments of water-saving technology upgrades, driving the adoption of water-efficient equipment and intelligent water control systems. This facilitates comprehensive water management from source to endpoint.
Regular Monitoring and Analysis	<ul style="list-style-type: none"> Establish a comprehensive water usage monitoring network, dynamically tracking and collecting data from key production lines, high water-consuming equipment, and water recycling systems. Perform in-depth analyses of water usage efficiency, generate water resource utilization reports, and implement an early warning system for abnormal water consumption to support data-driven optimization of water use structures.
Water Resource Recycling	<ul style="list-style-type: none"> Advance the development of water recycling systems, including standardized rainwater harvesting pools, condensate recovery units, and process wastewater treatment and reuse systems across major production sites. Apply a tiered treatment and quality-based utilization approach, repurposing recycled water for equipment cooling, dust suppression, and landscape irrigation.
Water Conservation Publicity and Education	<ul style="list-style-type: none"> Establish a continuous water conservation education framework to raise awareness and encourage employee participation in water-saving initiatives; Place water conservation signage in production areas to promote a collective culture of water-saving across all staff.

Case: Water Resource Recycling

Cement plants under the Company use circulating water to absorb heat from production equipment. After the water temperature rises, it is sent to cooling towers where it is sprayed into droplets or water films, coming into full contact with air entering from the bottom of the tower. Heat in the water is transferred to the air through evaporative and contact cooling, resulting in a significant temperature drop. The cooled water is collected in the injection well at the tower bottom and pumped back to production equipment to continue absorbing heat, forming a closed-loop water circulation system. This has greatly reduced freshwater consumption while ensuring stable equipment operation.

Jiangxi Ya Dong has leveraged the natural topography, which slopes downward from west to east, to build a large-scale four-stage sedimentation tank covering a total area of 13,136 square meters with a storage capacity of over 30,000 cubic meters. This effectively addresses water shortages at the mine during summer. In 2025, more than 600,000 tons of water resources were recycled.



Four-stage Sedimentation Tank at Jiangxi Ya Dong

Energy Management ✓

The Company's energy management is being advanced proactively and systematically under the principle of "Management + Technology + Innovation", focusing on key areas such as Energy Management System Certification, the application of alternative fuels and raw materials, technological upgrades for energy conservation, emissions reduction and carbon reduction, the development and utilization of renewable energy and the source of utilization of industrial waste residues, solid waste, and hazardous waste.

Energy

The company's energy utilization is primarily associated with production activities, office operations, infrastructure construction, and employee living facilities. Within the production process, energy use mainly occurs in the power generation stage, where photovoltaic energy is converted into electricity, which is then delivered to electrical equipment through the power transmission and distribution network.

<p>Energy Usage Types</p>	<ul style="list-style-type: none"> The Company's energy primarily consists of renewable energy (solar power), fossil fuels (coal), and purchased electricity used for production and office operations.
<p>Primary Energy Sources</p>	<ul style="list-style-type: none"> Solar energy is converted into electricity through photovoltaic modules and solar panels. The coal primarily consists of domestic bituminous coal. The Company utilizes a waste heat power generation system from the cement kiln, which supplies approximately one-third of the electricity used in production.

Energy Management System Certification

During the reporting period, a number of subsidiaries completed the surveillance review of their Energy Management Systems, and their Energy Management System certificates were successfully renewed, ensuring the continued effective operation of the management systems and providing an institutional framework for the standardized management of energy management.

Energy Management Objectives

The Company strictly benchmarks its energy management practices against the national standard GB 16780-2021 Norm of Energy Consumption per Unit Product of Cement. Based on this standard, it establishes targets for comprehensive electricity consumption, coal consumption, and total energy consumption per unit of clinker and cement products. Achieving the Grade I energy consumption benchmark is designated as a key performance indicator. Driven by technological innovation and process optimization, the Company continuously promotes the optimization and upgrading of its energy mix, while advancing energy conservation, emissions reduction, carbon mitigation, and efficiency improvement throughout the production process. Through these efforts, the Company systematically implements the green development philosophy and supports its long-term high-quality and sustainable development.

Energy-Saving Targets and Process

The Company actively implements the requirements set out in the *Special Action Plan for Energy Conservation and Carbon Reduction in the Cement Industry*. In line with this initiative, the Company aims to reduce the energy consumption per unit product of clinker product by 3.7% by the end of 2025 compared with the 2020 baseline.

Energy Management Measures

The Company systematically promotes a strategy of replacing fossil fuels with clean energy and substituting natural raw materials with industrial solid waste. Priority is given to the utilization of renewable and low-carbon energy sources, including photovoltaic power generation, gravity-based energy recovery, and waste heat power generation. Through these initiatives, the share of clean energy in the Company's energy mix continues to increase in an orderly manner.

Internal Control Mechanism	<ul style="list-style-type: none"> The Company has established an internal management framework centered on monthly energy-saving performance assessments, carbon emissions tracking and review, and product quality management. Through this mechanism, the Company systematically optimizes energy-use efficiency, reduces the carbon emission intensity of clinker and cement products, and ensures stable and high product quality. 						
Technological Upgrading and Equipment Modernization	<ul style="list-style-type: none"> The Company continuously improves energy utilization efficiency through process optimization in raw material proportioning and upgrades to production equipment, including the adoption of high-efficiency fans and variable-frequency motors. During the year, multiple key technological upgrading projects were implemented, covering core production processes across the Company's subsidiaries. 						
Alternative Fuels and Energy-Efficiency Retrofit Projects	<ul style="list-style-type: none"> Sichuan Lanfeng implemented the Kiln No.1 Alternative Fuel Project (using industrial solid waste as a substitute for coal) and the Kiln No.1 Energy-Efficiency and Draft Optimization Retrofit Project, which optimizes kiln structure to reduce energy consumption. Sichuan Ya Dong carried out the Alternative Fuel Projects for Kilns No.2 and No. 3, replacing coal with industrial solid waste. Huanggang Ya Dong advanced the Kiln No.1 Alternative Fuel Project and implemented the Raw Mill No.1 Capacity Enhancement and Energy-Efficiency Retrofit Project, optimizing the grinding process to reduce electricity consumption. 						
Renewable Energy Development	<table border="0"> <tr> <td data-bbox="356 1425 526 1479">Photovoltaic Power Generation</td> <td data-bbox="550 1388 1330 1554"> <ul style="list-style-type: none"> In 2025, Yangzhou Ya Dong generated 99,838 KWh of electricity from photovoltaic power in 2025, achieving carbon emission reductions of 55.59 tons. Jiangxi Ya Dong has installed photovoltaic systems with a total capacity of 3,838 kW, covering 18,360 m². From 2024 to 2025, the systems generated a cumulative 2,257,033 kWh of electricity, resulting in carbon emission reductions of 1,211 tons. </td> </tr> <tr> <td data-bbox="356 1620 526 1674">Gravity-Based Energy Recovery</td> <td data-bbox="550 1591 1330 1761"> <ul style="list-style-type: none"> As of December 15, 2025, the mine gravity transportation system at Sichuan Ya Dong generated 3,541,080 kWh of electricity by utilizing gravitational potential energy resulting in carbon emission reductions of 1,900.14 tons. During the same period, the downhill power-generating conveyor system at Jiangxi Ya Dong generated 442,308 kWh of electricity, achieving carbon emission reductions of 237 tons. </td> </tr> <tr> <td data-bbox="356 1806 526 1885">Waste Heat Power Generation from Cement Kilns</td> <td data-bbox="550 1802 1330 1856"> <ul style="list-style-type: none"> In 2025, the Company's integrated cement subsidiaries generated a combined net waste heat power output of 422,297,038 kWh, resulting in carbon emission reductions of 235,134.99 tons. </td> </tr> </table>	Photovoltaic Power Generation	<ul style="list-style-type: none"> In 2025, Yangzhou Ya Dong generated 99,838 KWh of electricity from photovoltaic power in 2025, achieving carbon emission reductions of 55.59 tons. Jiangxi Ya Dong has installed photovoltaic systems with a total capacity of 3,838 kW, covering 18,360 m². From 2024 to 2025, the systems generated a cumulative 2,257,033 kWh of electricity, resulting in carbon emission reductions of 1,211 tons. 	Gravity-Based Energy Recovery	<ul style="list-style-type: none"> As of December 15, 2025, the mine gravity transportation system at Sichuan Ya Dong generated 3,541,080 kWh of electricity by utilizing gravitational potential energy resulting in carbon emission reductions of 1,900.14 tons. During the same period, the downhill power-generating conveyor system at Jiangxi Ya Dong generated 442,308 kWh of electricity, achieving carbon emission reductions of 237 tons. 	Waste Heat Power Generation from Cement Kilns	<ul style="list-style-type: none"> In 2025, the Company's integrated cement subsidiaries generated a combined net waste heat power output of 422,297,038 kWh, resulting in carbon emission reductions of 235,134.99 tons.
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Case : Advocating for Green Operations

Jiangxi Ya Dong installed 485 m² of photovoltaic panels in the employee parking lot and an initial 2,783 m² of photovoltaic panels adopt the crushing system shed. During the reporting period, on-site the photovoltaic generation totaled 584,139 kWh, reducing carbon emissions by 325 tons. The Company also deployed new electric wide-body vehicles; battery-electric wide-body trucks now represent 91.43% of the total hauling capacity at the mining site. Compared with the previously used Caterpillar equipment, which consumed 0.122 liters of fuel per ton of material moved, unit carbon emissions have dropped by 68%, achieving a reduction of 5,138 tons during the reporting period.



Photovoltaic Panels



Electric Wide-body Vehicles

Case: Large-angle Downhill Belt Conveyor Project

Jiangxi Ya Dong has constructed two downhill power-generating belts that leverage the plant's topography, which is higher in the west and lower in the east. Spanning a total length of 3,604 meters, these belts achieve a conveying capacity of 1,500 T/H. With a vertical drop of over 200 meters between the belt's head and tail, the power generation capacity reaches 300 kW/H, enabling annual electricity production of over 1 million kWh. During the reporting period, the downhill belt conveyor generated 470,654 kWh of electricity, contributing to a carbon emission reduction of 262 tons.



Jiangxi Ya Dong Downhill Power Generation Belt Conveyor



Sichuan Ya Dong Phase II 26.3 km Belt Conveyor

In 2015, Sichuan Ya Dong completed the construction of No. 2 Belt Conveyor Transportation System, replacing the original chute and adit transport system. This conveyor system incorporates a downhill power generation motor design, generating a total of 3,741,490 kWh during the reporting period, equivalent to a carbon reduction of 2,133 tons.

Circular Economy

The Company focuses on the development of a circular economy. Through efficient utilization and cyclic disposal, it conserves natural resources, transforms waste into valuable resources, effectively reduces waste generation, contributes to energy conservation and carbon reduction. These efforts support the creation of "Zero-waste Cities," and put into practice the Company's own green development philosophy.

Standardized Management and Recycling of Packaging Materials

The Company strictly adheres to the *GB/T 9774-2020, Sacks for Packing Cement*, strengthening the standardized management of cement packaging bags while optimizing packaging material quality and promoting the recycling of used packaging materials to support environmental protection efforts.

<p>Standardized Management</p> <p>Continuously strengthening the standardized management of cement packaging bags through rigorous implementation of standard requirements in areas including classification, specifications, labeling, surface printing, and bag-making materials.</p>	<p>Quality Optimization</p> <p>Employing virgin polypropylene materials for manufacture cement packaging bags and apply inner lining films to enhance sealing performance, effectively reducing dust leakage rates and minimizing fugitive emissions.</p>	<p>Recycling Initiatives</p> <p>Actively promoting the recycling of used packaging materials generated during production through measures such as repurposing them as garbage bags, utilizing them as alternative fuel in kilns, or selling them to packaging bag manufacturers for reprocessing.</p>
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Large-scale Compliant Utilization of Industrial Solid Waste

The Company formulated the *Alternative Raw Material Application Plan*, which specifies compliant utilization methods for industrial solid wastes including copper slag, phosphorus slag, tailings, coal slag, fly ash, slag, nickel slag, sludge (from mineral processing and municipal sources), papermaking white mud, industrial by-product gypsum, and heavy metal-contaminated soil. These materials are used as raw meal ingredients, cement retarders, and blended additives, with strict control over harmful substance content. This approach enables the Company to "turn waste into wealth while reducing natural resource consumption," lowering resource usage from the source. All integrated cement subsidiaries prudently control the use of various alternative raw materials and industrial waste residues in clinker and cement production, implementing co-processing of solid and hazardous waste in cement kilns. These efforts contribute to energy conservation and carbon reduction while supporting the creation of "Zero-waste Cities."

2025

Jiangxi Ya Dong	Huanggang Ya Dong	Sichuan Ya Dong
<p>Approximately 5.72 million tons of high-magnesium limestone were utilized to produce construction aggregates. Through blending technology, 1 million tons of surface soil containing rocks were comprehensively utilized, and 600,000 tons of water resources were recycled using four-stage sedimentation ponds. Waste rock used in blending and aggregate applications accounted for 35.97% of total utilization.</p>	<p>A total of 800,000 tons of limestone resources for cement production (including high-magnesium waste rock, Maokou Formation, interlayers, waste stone, surface soil, and fissure soil) were comprehensively utilized. Additionally, 5.04 million tons of high-magnesium waste rock were utilized for aggregate applications. Waste rock used in blending and aggregate applications accounted for 67.74% of the total utilization.</p>	<p>Approximately 600,000 tons of clay were blended and about 580,000 tons were reclaimed from the dumping site, accounting for 17.35% of the total utilization.</p>

Making Climate Change Response

Under the guidance of the nation's "Dual Carbon" goals, Asia Cement (China) Holdings Corporation has further integrated climate change response into its core governance and operations. The Company adheres to the four core pillars outlined in China's Corporate Sustainability Disclosure Standard No. 1—Climate (for Trial Implementation): governance, strategy, risk and opportunity management, and metrics and targets.

In response to climate challenges and evolving policies, Asia Cement (China) has been continuously refining its climate governance framework in accordance with the *Corporate Sustainability Disclosure Standard No. 1—Climate (for Trial Implementation)* issued by the Ministry of Finance and other authorities. This framework is built upon four pillars: governance, strategy, risk and opportunity management, and metrics and targets.

Governance

The Company's climate governance system operates at a mature level, with the Corporate Sustainability Committee providing oversight and the Sustainability Implementation Committee ensuring efficient execution. Environmental, Health, and Safety (EHS) teams at each subsidiary company serve as monitoring bodies, while production quality control and relevant departments continuously enhance carbon emission management. These teams persistently pursue effective measures to achieve first-tier product energy consumption targets, supported by the full technical expertise and assistance of the company's technology and production departments. This collaborative approach ensures the professional effectiveness of the Company's climate governance initiatives.

Additionally, the Company actively complies with national standards *GB/T 46783-2025, Greenhouse Gas Management Systems-Implementation Guidelines for Building Materials Enterprises* and *GB/T 46566-2025, Greenhouse Gas Management Systems-Requirements*. Accordingly, each integrated cement subsidiary has established and improved its greenhouse gas management system.

Strategy

With the official issuance of the "2024-2025 Total Quota and Allocation Plan for the Steel, Cement, and Aluminum Smelting Industries in the National Carbon Emission Trading Market", the Company's climate response efforts have entered a new phase centered on fulfilling mandatory carbon quota obligations in the national carbon market. Guided by the core principle that "carbon emissions incur costs, while carbon reductions generate benefits", the Company integrates national carbon market compliance requirements, climate risk mitigation, and its long-term green and low-carbon transformation. By establishing a proactive carbon asset management system and strengthening full-process controls, it systematically advances low-carbon development, effectively addresses industry-wide carbon constraints, and transitions carbon management toward precise and proactive carbon management.

Strengthen carbon market compliance management to solidify regulatory foundations

In 2025, carbon emission quotas will, for the first time, be allocated using a benchmark methodology based on clinker production emission intensity. Preparations are underway to fulfill mandatory carbon quotas by the end of 2026 under the "surplus refunds, deficits replenished" rule. The Company strictly conducts monthly digital archiving of key carbon emission data on the national carbon market management platform, subjecting the data to three-tier government audits to ensure standardized management of critical carbon emission information.

Strengthen climate risk prevention and control, and optimize operational management.

The Company integrates emergency management for climate-related physical risks such as floods and extreme weather into the ISO 14001 environmental management systems of all production bases, and improved risk prevention mechanisms. It also established a Port Storage and Transportation Department to oversee shipping and storage logistics, further optimizing Scope 3 carbon emission controls.

Deepen low-carbon transformation practices to enhance development momentum

The Company is accelerating the research and development of green, low-carbon cement across four key dimensions—product structure optimization, supply chain management, production operations, and investment. Efforts are being intensified to expand the use of alternative raw materials and fuels, strengthen renewable energy projects like photovoltaic systems, and implement precision energy-saving technological upgrades.

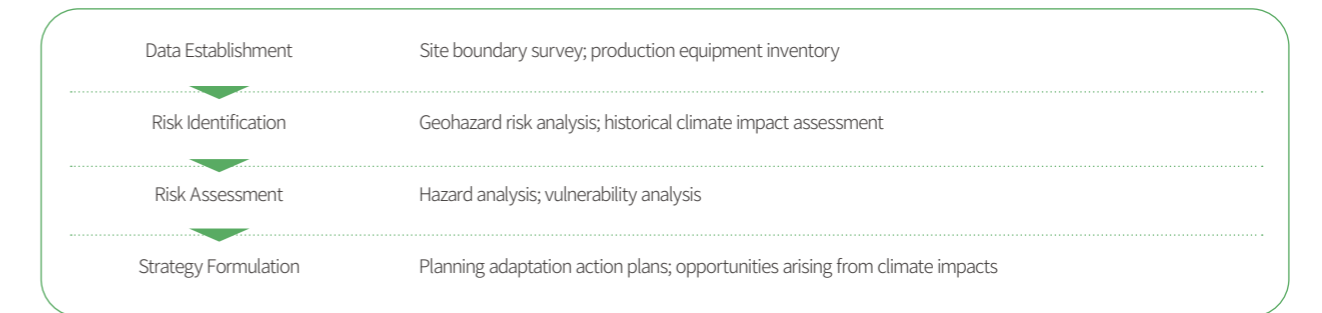
Improve carbon asset management and strengthen collaborative safeguards

The Company is driving the establishment of a proactive carbon asset management system: continuously optimizing production processes and advancing precision technical upgrades to strictly control product carbon emission intensity; conducting dynamic assessments of carbon emission trading costs and investments related to low-carbon technical upgrades; and regularly reporting progress to the Sustainability Steering Committee, thereby achieving synergistic improvement in both carbon reduction effectiveness and economic benefits.

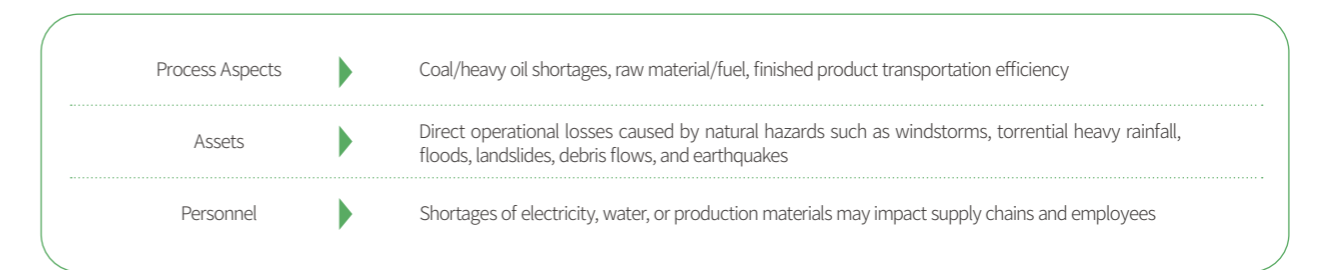
Impact, Risk, and Opportunity Management ✓

The Company's risk assessment framework is overseen by the Sustainability Committee and undergoes continuous dynamic updates. It emphasizes systematic evaluation of risks and opportunities related to transformation and upgrading. Key risks mainly fall into two categories: First, transition risks, primarily including compliance and contract cost pressures arising from the launch of the national carbon market in the cement industry, investment costs associated with green and low-carbon technology transformation, and market requirements regarding the economic viability of green building materials. Second, physical risks, encompassing both acute impacts from extreme weather events such as floods, typhoons, high temperatures, and freezing on assets, supply chains, and product storage, transportation, and sales, as well as chronic effects from long-term temperature rises and water resource changes on production and operations.

Climate Change Risk Assessment Process



Climate Change Risk Content



Climate Change Risk Action Plan

Risk Type	Item	Climate-Related Risks	Risk Management and Action Plan
Transition Risks	Regulations	Policies for peak carbon and carbon neutrality; Greenhouse Gas Emission Reduction and Management Act	Implement energy conservation and carbon reduction; purchase renewable energy certificates
	Technology	Technology transition costs, rising raw material costs	Promoting the integrated development of energy efficiency and intelligence ("dual-energy integration") to advance low-carbon cement production processes and fuel transition; Utilizing renewable energy and low-carbon footprint energy sources;
	Market	New product development and evolving customer demands	Assessing substitution risks of products and competitive advantages relative to alternative materials
	Goodwill	Changes in Customer or Public Perception of the Enterprise	Dual control of energy consumption, water conservation, green mine construction, humanistic care, and philanthropic efforts
Physical Risks	Immediate	Extreme weather events such as floods and typhoons impact production facilities or transportation, leading to operational losses	Developing emergency disaster response and contingency plans
	Long-term	Creating potential safety hazards in the work environment, affecting employee safety and health	Continuous monitoring of relevant climate risks

Metrics and Targets

The Company has established climate-related key performance indicators (KPIs) and targets. The Board of Directors continuously oversees the implementation of these climate goals, working to reduce both the intensity and absolute volume of carbon emissions from clinker and cement production, while strengthening the standardization of indicator accounting and improving data quality.

Category	Company	Reference year	Goal				Progress During Reporting Period
		2019	2025	2026	2030	2035	2025
Integrated Cement Company Carbon Emission Intensity of Cement Materials	Jiangxi Ya Dong	0.77	0.71	0.696	0.68	0.67	0.702
	Huanggang Ya Dong	0.743	0.676	0.643	0.64	0.63	0.645
	Hubei Ya Dong	0.665	0.636	0.656	-	-	0.659
	Sichuan Ya Dong	0.724	0.69	0.673	0.671	0.664	0.675
	Sichuan Lan Feng	0.671	0.675	0.668	0.666	0.662	0.67

During the reporting period, the Company's greenhouse gas emissions were as follows

Indicator	Unit	2025
Total Greenhouse Gas Emissions	Metric tons of CO ₂ equivalent	15,387,888.21
- Direct Greenhouse Gas Emissions (Scope 1)	Metric tons of CO ₂ equivalent	14,601,215
- Indirect Greenhouse Gas Emissions (Scope 2)	Metric tons of CO ₂ equivalent	686,081.61
-Other Indirect (Scope 3) Greenhouse Gas Emissions	Metric tons of CO ₂ equivalent	100,591.6
-Percentage of Scope 1 Emissions Subject to Regulation	%	100
-Total Greenhouse Gas Emissions per Million Revenue (Scope 1 and Scope 2)	Metric tons CO ₂ equivalent / million RMB	2,985.29
-Other Indirect Emissions per Million Revenue (Scope 3)	Metric tons CO ₂ equivalent / million RMB	19.64
-Greenhouse Gas Emission Reduction (Scope 1)	Metric tons of CO ₂ equivalent	1,854,709.98
-Greenhouse Gas Emission Reduction (Scope 2)	Metric tons of CO ₂ equivalent	4,487.75

Building Green Benchmarks

Asia Cement (China) Holdings Corporation, in accordance with relevant documents and standards, is actively engaged in green mine construction. It adheres to the principle of "simultaneous mining, management, and restoration," vigorously carrying out ecological restoration of mines to protect biodiversity in mining areas.

Developing Green Mine

In accordance with the guiding principles outlined in the *Implementation Opinions on Accelerating the Construction of Green Mines* and the implementation standards of *DZ/T 0318-2018, Green Mine Construction Specifications for Cement Limestone*, the Company has comprehensively advanced a new model of mining development that aligned with the requirements of ecological civilization. This initiative spans six key areas: mining area environment, resource development methods, comprehensive resource utilization, energy conservation and emissions reduction, technological innovation and digital mining, as well as corporate management and image. Tailored green mine construction plans and implementation schemes have been developed based on the unique characteristics of each mine site, with the primary objectives of promoting rational resource utilization, energy conservation and emissions reduction, ecological environment protection, and harmonious mine-land relations, thereby achieving a coordinated balance of economic, ecological, and social benefits in resource development.

Commitments	Green Mine Certification Application Process ³
Maintaining standardized and tidy mining environments; promoting the rational utilization of resources; protecting and restoring the ecological environment of mining areas, developing modern digital mines, and establishing a positive corporate image for mining enterprises.	<ul style="list-style-type: none"> Mine Self-Assessment: Conducting self-evaluation in accordance with green mine construction requirements and industry standards; Third-Party Assessment: Engaging an independent legal entity, social organization, or professional assessment agency to conduct on-site verification of mine construction and issue a third-party assessment report; Government spot checks and subsequent submission for review.

The Company has actively engaged in green mine construction in accordance with relevant documents and standards. During the reporting period, the Company invested a total of RMB 19.51 million in mine construction and restoration, implementing 187 projects covering mining area environment, resource development methods, comprehensive resource utilization, energy conservation and emission reduction, technological innovation and digital mining, as well as corporate management and image. As of the end of the reporting period, the Company had obtained certification for eight green mines, including six national-level green mines and two provincial-level green mines.

³ In accordance with the Green Mine Evaluation Index and the Third-Party Assessment Requirements for Green Mine Selection

The Company is fully advancing the mechanization, automation, informatization, and intelligentization of its mines. By leveraging various digital management tools such as the remote monitoring system for open-pit mining equipment, the mine 3D real-scene system, the mine production remote supervision system for mine production, the remote video surveillance system for mines, and the mine reserve management system, the company achieves real-time control over key processes including mining, processing, and production. This enables both remote command, and enhanced mine safety, while facilitating real-time monitoring of dust emissions, water quality, noise levels, and reclamation greening. Combined with measures such as safety hazard inspections, safety emergency drills, and energy-saving emission reduction applications, these efforts ensure the safe, environmentally friendly, and stable operation of green mines.

Monitoring Projects	Indicator	2025 Completion Status
Mining Method	Adhering to the principle of "simultaneous stripping and mining, stripping first, and simultaneous extraction of high-grade and low-grade ores," the ore recovery rate exceeds 95%.	The mining operations adopt a top-down bench method, with benches designed as inward-sloping water-retention platforms that channel surface runoff toward the inner side and into the mine drainage system. Additionally, the Company has been optimizing cement plant process parameters to enhance the utilization of high-magnesium waste rock, thereby reducing waste discharge. The ore recovery rate exceeds 98%.
Blasting Vibration	Complying with the GB 6722-2014, <i>Safety Regulations for Blasting</i> , and maintaining particle vibration velocities below the regulatory limit of 2.5 cm/s for protected structures.	Digital electronic detonators are used for deep-hole, hole-by-hole blasting, effectively reducing blast vibration.
Soil and Water Conservation in Mining Areas	Complying with Class I standards in Table 4 of GB 8978-1996 <i>Integrated Wastewater Discharge Standard</i>	Quarterly sampling and testing at each mine site consistently show results below the Class I standard limits.
Mining Area Safety Monitoring	Slope stability monitoring conducted in accordance with the <i>Technical Code for Slope Engineering of Non-coal Open-pit Mines Slope Engineering</i> (GB 51016-2014)	Monthly installation of displacement observation stakes on monitoring platforms, with the mean square error of monitoring point displacement controlled to within 1 mm.
Mining Area Environmental Monitoring	Complying with Class 2 limits of GB 12348, <i>Emission Standard for Industrial Enterprises Noise at Boundary</i> ; and with Table 2 limits of GB 4915 <i>Emission Standard of Air Pollutants for Cement Industry</i>	Observed noise and particulate emissions are all below standard limits.
Mining Area Greening Coverage Rate	In compliance with DZ/T 0318-2018 <i>Green Mine Construction Specifications for Cement Limestone</i> , the greening coverage rate in the mining area shall reach 100%.	Comprehensive greening of all reclaimable areas has been implemented across the entire mining site, achieving a total greening area (including flat and sloping surfaces) of 14.67 hectares.
Green Mine Directory Assessment	Provincial-level or higher Green Mine Directory to be assessed by 2024	No new green mines were added to the Green Mine Directory. The green mine selection targets for Sichuan Ya Dong's Woniuping and Tazishan mines have been postponed to 2026.
Percentage of Local Residents Employed at Factory and Mine Sites	Local residents must account for at least 60% of the workforce at factory and mine sites	Local employment ratio reached 69.8%

Both Jiangxi Ya Dong and Sichuan Ya Dong have completed the first phase of their digital mine construction. This initiative integrates video surveillance footage, production monitoring, excavation monitoring, environmental monitoring data, and other information from the established "Remote Integrated Mine Supervision System." The initial phase achieves 3D real-scene visualization applications, providing a visual display of mining areas, production information, reclamation, and greening efforts.

Case: Technology Empowering Blasting Safety

All mines operated by the company have adopted higher-specification digital electronic detonators. In complex blasting environments, these detonators improve blasting effectiveness. Their initiation systems and control software reduce the network setup time for digital electronic detonators, ensuring safe, reliable, and straightforward operations while enhancing efficiency. Additionally, they offer safety and information management capabilities features absent in traditional detonators, enabling clear and real-time detonator flow control.

Jiangxi Ya Dong has fully implemented pre-split blasting designs for final slopes, with bench widths reserved in advance for smooth blasting. Based on on-site rock hardness and the degree of fissure development, blast holes are densely arranged at intervals of approximately 1.5 meters. After blasting, excavators are first used to clear muck piles and loose rocks from the slopes. Once cleared, the final slope rock walls are clean, tidy, and free of hazardous rocks, eliminating risks of collapse and landslides. With a residual blast hole rate of about 80%, the stability of the final slope rock layers is ensured. In 2025, Jiangxi Ya Dong Mine executed a cumulative total of 2,486.4 meters of pre-split blasting, reducing vibrations and damage to the slope.

Meanwhile, to control the substantial dust generated during blasting operations, Jiangxi Ya Dong deployed a 257 kW high-power blasting dust suppression vehicle. After each blasting, the vehicle quickly moves to the perimeter of blast area, activating a high-pressure spray/jet system to create an extensive water mist barrier that captures suspended dust particles, thereby minimizing dust dispersion and reducing harm to both the surrounding environment and site personnel. Additionally, to strictly manage noise and vibration impacts, a Topcon fixed vibration monitor was installed near residential areas (beside the mine complex building) during the reporting period, enabling round-the-clock real-time monitoring of blasting vibrations and ensuring the safety of the surrounding.



Jiangxi Ya Dong has implemented pre-split blasting on the final slopes of its mining area to ensure the integrity and stability of the rock mass.



Jiangxi Ya Dong has implemented round-the-clock real-time monitoring of blasting vibration in its mining area.

Protecting Biodiversity ✓

The development of mineral resources is essential for human survival, economic construction, and social development. However, mineral resources are exhaustible. As a temporary land-use activity, mining requires a period several times longer than the mining operation itself for the post-mining environment to reach a new equilibrium after resource depletion and mining cessation. Yet, this equilibrium will fall far short of the diversity and productivity of the pre-mining environment. Recognizing this reality, the Company is keenly aware of the importance of coordinated development between resource exploitation and environmental protection, and is actively promoting the implementation of its sustainable mining planning.

The Company regards sustainable mine planning as a long-term initiative involving continuous and iterative cycles of planning, implementation, review, adjustment, and re-execution. This begins with pre-mining plans such as extraction planning, land reclamation schemes, and post-mining land use strategies. During operations, orderly mining and final terrain construction are conducted in accordance with these plans, with ongoing adjustments informed by societal-environmental changes and technological advancements. The ultimate goal is to achieve a post-mining landscape resembling the original environment, thereby striking an optimal balance between resource development and environmental protection. Guided by this objective, multi-dimensional implementation guidelines are established to serve as references for mine-specific planning and evaluation.

The company strictly complies with applicable laws and regulations including the *Biodiversity Mine Standards*, and has formulated and is steadily advancing biodiversity conservation measures under the oversight of the Corporate Sustainability Committee, which oversees mine-related biodiversity protection initiatives.

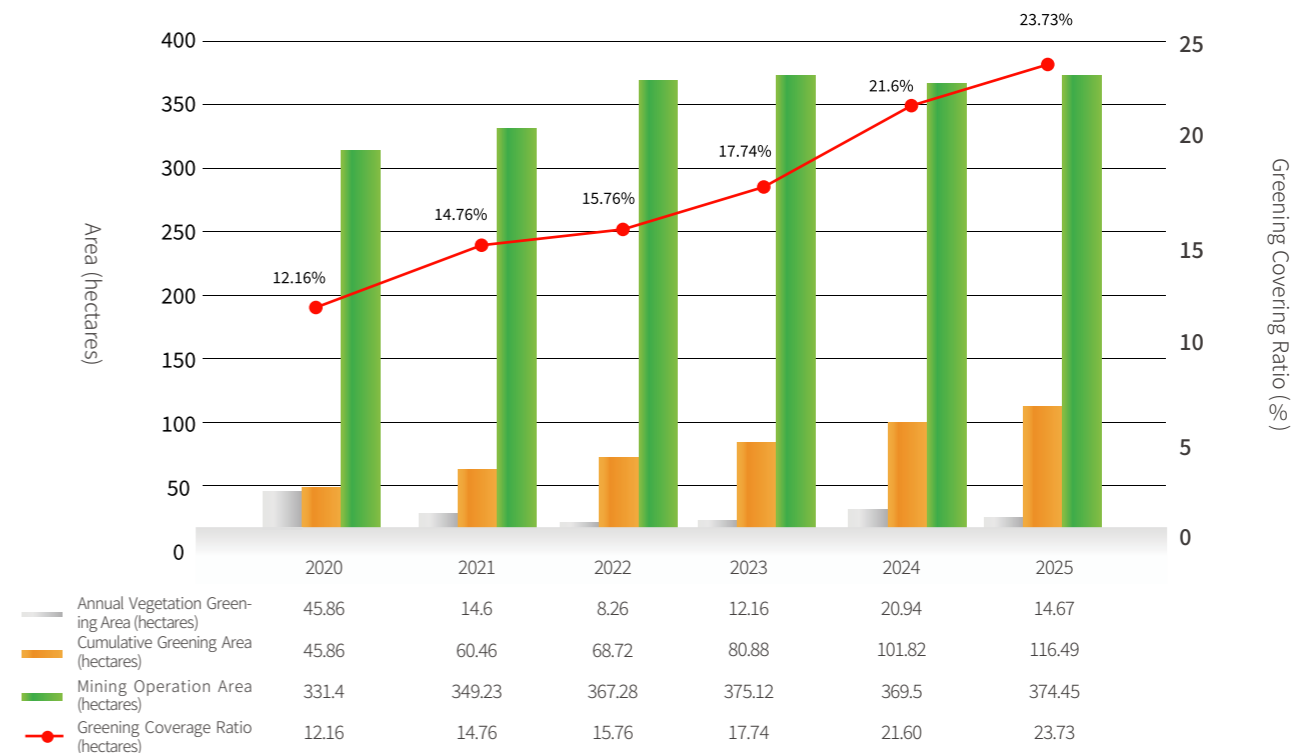


Biodiversity Protection Commitment

- Conduct pre-mining biodiversity assessments and environmental impact evaluations before establishing new extraction sites.
- All mining sites have formulated mineral resource development and utilization plans, as well as mine geological environment restoration and land reclamation management plans, adhering to the principle of "balancing production and ecology" and zonal management.
- Mining activities follow the principle of "simultaneous mining and rehabilitation," achieving green mining and environmental management throughout the entire process, with regular biodiversity monitoring and dynamic environmental monitoring and reporting implemented.
- Commitment to ensuring that post-closure restoration of all areas reaches a safe and stable state, thereby effectively protecting and restoring overall ecological functions and biodiversity.
- Commitment to zero deforestation, strict compliance with all applicable local regulations, limiting mining activities to legally permitted areas; and maintaining 100% zero deforestation outside mining zones to prevent any destruction of primary forests.
- Centered on the efficient and circular use of resources, guided by the principles of "reduce, reuse, recycle", the Company is working to achieve the "dual carbon" goals.

The Company conducts regular biodiversity and environmental monitoring in its mining area, systematically creating habitats that are similar to the surrounding mining areas. During the reporting period, it tracked vegetation restoration progress on a quarterly basis and submitted corresponding reports to the Corporate Sustainability Steering Committee. By the end of the reporting period, the Company had achieved a cumulative greening area of 116.49 hectares, accounting for 23.73% of the total area. The reclaimed area reached 14.67 hectares, with a restoration plan completion rate of 78.58%. The planned reclamation area for 2026 is 13.59 hectares, with 8,413 trees scheduled for planting.

Summary of Mining and Greening Conditions for Three Mines



Adhering to the principle of "simultaneous mining, rehabilitation, and restoration," the Company actively carries out ecological restoration of mines. For temporarily inactive areas, it applies topsoil and performs grass seeding to achieve multi-dimensional, comprehensive biodiversity greening. The Company continuously monitors biodiversity across all mining sites, formulates and implements geological environment restoration plans and land reclamation programs, and advances environmental management in mining areas. By establishing greenhouse nurseries and large-scale greening sites, the Company creates favorable conditions for concurrent mining and restoration.

2025

Jiangxi Ya Dong

For temporarily inactive areas, topsoil covering and grass seeding were implemented to reduce exposed surfaces and minimize visual impact. Approximately 30,000 m² of limestone mining area's final slopes were hydroseeded, with 7.39 hectares covered with topsoil and revegetated. Additionally, 4,000 seedlings were transplanted or propagated from cuttings, and 900 kg of various grass seeds (including white clover, lespedeza, Bermuda grass, pigeon pea, and broadleaf paspalum) were sown. In the sandstone mining area, about 2,300 m² were hydroseeded, 1.1 hectares of mined-out areas were covered with topsoil, approximately 1,100 osmanthus and crape myrtle seedlings were transplanted, and around 180 kg of grass seeds were sown.



Jiangxi Ya Dong Outdoor Nursery

Huanggang Ya Dong

Conducted comprehensive topsoil covering and seedling planting for greening on the final slopes of completed mining areas, achieving a total greening area of 3.29 hectares. And transplanted 1,285 native tree seedlings and sowed 1,520 kg of grass seeds.



Huanggang Ya Dong Mine's Top-Down Extraction

Sichuan Ya Dong

Planted over 2,600 trees on the 1,358m and 1,346m platforms of the final slopes and the 1290 waste dump, including 50 transplanted Chinese pine trees and over 2,550 newly planted alder trees. Sowed 1,245 kg of grass seeds, primarily Bermuda grass and perennial ryegrass, on the 1,346m platform and 1290 waste dump. The cumulative greening area for the year reached 2.93 hectares.



Sichuan Ya Dong Mine's Reduction of Exposed Area (Woniuping Mine)

Case: Painting an Ecological Landscape for Mining Areas

To reshape the ecological landscape of mining areas, optimize visual aesthetics, and reduce the visual impact of development on surrounding environments, Jiangxi Ya Dong and Sichuan Ya Dong have successively launched landscape optimization initiatives. Based on their respective site conditions, they have planned and implemented distinctive landscape initiatives, steadily advancing project execution to enhance the ecological quality of the mining areas.

Since 2019, Jiangxi Ya Dong has been implementing its ecological landscape optimization project, planning and constructing facilities such as an eco-agricultural park, exhibition halls, ecological garden zones, eco-agricultural zones, sedimentation pond ecological areas, and natural-style green spaces. All facilities were completed and put into use by 2020, effectively restoring visual harmony between the mining area and the surrounding natural environment while minimizing the impact of mining development on the regional visual landscape.



Jiangxi Ya Dong Eco-Agricultural Park



Panoramic View of Jiangxi Ya Dong Mining Area Entrance

Since 2021, Sichuan Ya Dong has been implementing the landscape beautification project at the entrance of the foothill mining area, focusing on the initiatives of dome silo painting, parking lot renovation in the residential area, the mine cascading water landscape project, and nursery development. All projects were successfully completed and put into use in early 2022, further improving the landscape layout of the mining area and aligning with the overall ecological optimization concept.



Panoramic View of Sichuan Ya Dong's Entrance Landscape Project

Appendix

List of Laws, Regulations, and Internal Policies

ESG Indicators	Compliance with Laws and Regulations	Internal Policies
A1 Emissions	<p><i>Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution</i></p> <p><i>Emission Standard of Air Pollutants for Cement Industry</i></p> <p><i>Technical Guidelines for Formulating Emergency Emission Reduction Measures for Key Industries in Heavy Pollution Weather</i></p> <p><i>Water Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>GB 18918-2002 Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (Grade I Emission Standard)</i></p> <p><i>GB 8978-1996 Integrated Wastewater Discharge Standard (Grade I, II, and III discharge standards)</i></p> <p><i>GB 31962-2015 Water Quality Standards for Discharge into Urban Sewerage Systems (Grade B Standard)</i></p> <p><i>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes</i></p> <p><i>Standard for Pollution Control on Hazardous Waste Storage</i></p> <p><i>Cleaner Production Promotion Law of the People's Republic of China on the Promotion of Clean Production</i></p>	<p><i>Air Pollution Prevention and Control Management Procedures</i></p> <p><i>Wastewater Management Control Procedure</i></p> <p><i>Hazardous Waste Management System</i></p> <p><i>Hazardous Waste Management Operating Procedure</i></p> <p><i>Hazardous Waste Inbound/Outbound Ledger Management System</i></p> <p><i>Oil Product Management Control Procedure</i></p> <p><i>Chemical Substance Management and Control Procedure</i></p> <p><i>Resource Recycling Control Procedure</i></p> <p><i>Management Measures for Hazardous Waste Transfer Manifests</i></p>
A2 Resource Utilization	<p><i>GB/T 12452-2008 The General Principles for Water Balance and Test in Enterprises</i></p> <p><i>GB 16780-2021 The Norm of Energy Consumption Per Unit Product of Cement</i></p> <p><i>GB/T 9774-2020 Sacks for packing cement</i></p> <p><i>Special Action Plan for Energy Saving and Carbon Reduction in the Cement Industry</i></p>	<p><i>Water Use Planning Management System</i></p> <p><i>Water Conservation and Usage Management System</i></p> <p><i>Water Equipment Inspection System</i></p> <p><i>Water Conservation Reward and Penalty System</i></p> <p><i>Alternative Raw Material Application Plan</i></p>
A3 Environment and Natural Resources	<p><i>DZ/T 0318-2018, Green Mine Construction specification of Cement Limestone Industry</i></p> <p><i>"Implementation Opinions on Accelerating the Construction of Green Mines</i></p> <p><i>Work Plan for National Carbon Emissions Trading Market Covering the Cement, Steel, and Aluminum Smelting Industries</i></p>	/
A4 Climate Change	<p><i>Corporate Sustainability Disclosure Standard No.1-Climate (Trial)</i></p> <p><i>GB/T 46783-2025, Greenhouse Gas Management System-Implementation Guidelines for Building Materials Enterprises</i></p> <p><i>GB/T 46566-2025, Greenhouse Gas Management System-Requirements</i></p> <p><i>2024-2025 National Carbon Emission Trading Market Total Allowance and Allocation Plan for Steel, Cement, and Aluminum Smelting Industries</i></p> <p><i>Total Quota and Allocation Plan for the Steel, Cement, and Aluminum Smelting Industries in the National Carbon Emissions Trading Market for 2024 and 2025</i></p>	<i>Corporate Social Responsibility Practice Policy</i>

ESG Indicators	Compliance with Laws and Regulations	Internal Policies
B1 Employment	<p><i>Constitution of the People's Republic of China</i></p> <p><i>Civil Code of the People's Republic of China</i></p> <p><i>Labor Law of the People's Republic of China</i></p> <p><i>Labor Contract Law of the People's Republic of China</i></p> <p><i>Employment Promotion Law of the People's Republic of China</i></p> <p><i>Social Insurance Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Protection of Minors</i></p> <p><i>Law of the People's Republic of China on the Protection of Women's Rights and Interests</i></p>	<p><i>Job Grade and Position Appointment Management Measures</i></p> <p><i>Salary Management Regulations</i></p> <p><i>Bonus Distribution Management Regulations</i></p> <p><i>Employee Welfare Committee Operation Management Regulations</i></p>
B2 Health and Safety	<p><i>Work Safety Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on Prevention and Control of Occupational Diseases</i></p> <p><i>Mine Safety Law of the People's Republic of China</i></p> <p><i>Emergency Response Law of the People's Republic of China</i></p> <p><i>Provisions on the Safety of Operations in Confined Spaces of Industry and Trade Enterprises</i></p> <p><i>Regulations on Administrative Penalties for Work Safety Accidents</i></p> <p><i>Mine Rescue Regulations</i></p> <p><i>Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents</i></p> <p><i>Criteria for Determining Major Accident Hazards in Industrial and Trade Enterprises</i></p> <p><i>Criteria for Major Accident Potential of Special Equipment Judgment</i></p> <p><i>Regulations on Emergency Response to Work Safety Accidents</i></p>	<p><i>Emergency Response Plan</i></p> <p><i>Specialized Emergency Plan</i></p> <p><i>On-Site Disposal Plan</i></p>
B3 Development and Training	<p><i>Labor Law of the People's Republic of China</i></p> <p><i>Labor Contract Law of the People's Republic of China</i></p>	<i>Training and Internal Instructor Management Measures</i>
B4 Labor Standards	<p><i>Law of the People's Republic of China on the Protection of Minors</i></p> <p><i>Law of the People's Republic of China on the Protection of Women's Rights and Interests</i></p> <p><i>Special Regulations on Labor Protection for Female Employees</i></p>	<i>Human Rights Policy</i>
B5 Supply Chain Management	<p><i>Company Law of the People's Republic of China</i></p> <p><i>Bidding and Tendering Law of the People's Republic of China</i></p>	<p><i>Supplier Management Measures</i></p> <p><i>Supplier Code of Conduct</i></p> <p><i>Procurement Standard Operating Procedures</i></p> <p><i>Procurement Code of Conduct</i></p>
B6 Product Responsibility	<p><i>Product Quality Law of the People's Republic of China</i></p> <p><i>Implementation Rules for Cement Product Certification</i></p> <p><i>Implementation Rules for Certification of Portland Cement Clinker Products</i></p> <p><i>Civil Code of the People's Republic of China</i></p> <p><i>Personal Information Protection Law of the People's Republic of China</i></p>	<p><i>Service Management Operating Procedures</i></p> <p><i>Customer Satisfaction Survey Management Operating Procedures</i></p> <p><i>Code of Conduct for Business Personnel</i></p>
B7 Anti-Corruption	<p><i>Company Law of the People's Republic of China</i></p> <p><i>Anti-Money Laundering Law of the People's Republic of China</i></p> <p><i>Anti-Unfair Competition Law of the People's Republic of China</i></p>	<p><i>Anti-Corruption Policy for Business Ethics Management</i></p> <p><i>Code of Conduct for Business Personnel</i></p> <p><i>Code of Business Integrity</i></p> <p><i>Employee and Stakeholder Declaration Management Measures</i></p>

ESG Indicators	Compliance with Laws and Regulations	Internal Policies
B8 Community Investment	Charity Law of the People's Republic of China	/

Key Performance Indicators⁴ Environmental Dimension

Indicator	Unit	2025	2024	2023
Number of Green Factories	Nos	4	4	4
- Number of National-level Green Factories	Nos	1	1	1
- Number of Provincial-level Green Factories	Nos	3	3	3
Environmental Management System Certification Coverage Rate	%	47.00	56.25	56.25
Environmental Protection Investment	RMB	189,143,598.61	233,515,447.50	266,736,156.10
Ratio of Environmental Protection Investment to Operating Revenue	%	3.69	3.00	3.00
Mine Ecological Restoration Area	Hectares	14.67	20.94	12.16
Land Area Affected by Disturbance	Hectares	374.45	369.50	375.13
Percentage of Disturbed Land Area That Has Been Restored	%	23.73	21.60	17.74
Total energy consumption	GJ	59,939,030.97	72,235,732.79	78,437,593.66
- Coal	GJ	55,300,451.06	61,503,582.70	66,584,877.51
- Diesel	GJ	180,977.15	3,967,269.25	6,425,226.10
- Fuel oil	GJ	109,504.91	155,271.60	184,731.82
- Gasoline	GJ	2,989.06	2,280.26	2,055.13
- Natural Gas	GJ	43,625.02	18,607.07	123,281.08
- Total Thermal Value of Alternative Fuels for Rotary Kilns	GJ	814,776.09	647,847.62	1,201,398.19
- Purchased Electricity	GJ	4,738,127.81	5,029,186.75	5,565,596.78
- Self-consumed Renewable Energy	GJ	2,335,045.43	2,363,901.88	3,051,750.59

⁴Due to changes in statistical methodology this year, certain data have been retrospectively adjusted.

Indicator	Unit	2025	2024	2023
- Waste Heat Power Generation	GJ	1,520,269.34	1,716,054.26	1,850,352.588
Direct Energy Consumption	GJ	56,542,263.28	58,244,118.33	60,503,010.54
Indirect Energy Consumption	GJ	3,396,767.69	3,831,422.64	4,011,599.03
Energy-Related Emission Density	GJ/km ²	12,845,055.18	15,480,263.17	16,809,334.45
Proportion of Photovoltaic Electricity Consumption	%	0.02	0.01	/
Percentage of Grid Electricity	%	7.90	6.92	7.28
Percentage of Alternative Energy	%	1.36	0.9	/
Total Greenhouse Gas Emissions	Metric tons of CO ₂ equivalent	15,387,888.21	17,201,529.00	18,539,053.00
Direct Greenhouse Gas Emissions (Scope 1)	Metric tons of CO ₂ equivalent	14,601,215.00	16,455,924.98	17,643,725.07
Percentage of Scope 1 Emissions Regulated	%	100	56.5	56.5
Indirect Greenhouse Gas Emissions (Scope 2)	Metric tons of CO ₂ equivalent	686,081.61	690,569.36	826,401.86
Total Greenhouse Gas Emissions per Million Revenue (Scope 1 and Scope 2)	Metric tons CO ₂ equivalent/million RMB	2,985.29	2,315.95	2,150.81
Other Indirect (Scope 3) Greenhouse Gas Emissions	Metric tons of CO ₂ equivalent	100,591.60	55,034.75	68,926.50
Other Indirect (Scope 3) Greenhouse Gas Emissions per Million Revenue	Metric tons CO ₂ equivalent/million RMB	19.64	7.43	8.03
Greenhouse Gas Emission Reductions (Scope 1)	Metric tons of CO ₂ equivalent	1,854,709.98	1,187,800.00	1,709,970.00
Greenhouse Gas Emission Reductions (Scope 2)	Metric tons of CO ₂ equivalent	4,487.75	135,833.00	71,295.00
General Waste Generation	Ton	8,639.49	12,979.18	18,960.45
- Domestic Waste	Ton	568.90	1,562.30	2,149.00
- Scrap Metal	Ton	5,262.29	5,156.84	6,285.00
- Industrial Solid Slag	Ton	2,275.67	4,565.81	4,359.00
- Others (waste conveyor belts, tires, discarded air conditioners, etc.)	Ton	532.63	1,694.23	6,167.00
Hazardous Waste Generated	Ton	1,915.85	1,677.98	2,302.10
- Waste Lubricating Oil, Waste Engine Oil	Ton	151.88	48.48	181.00
- Waste Refractory Bricks	Ton	1,728.48	1,590.59	2,069.00

Social Dimension

Indicator	Unit	2025	2024	2023
- Waste chemicals Reagents, Waste Test Solutions	Ton	3.86	5.08	5.00
- Others	Ton	31.63	33.82	47.00
Percentage of Hazardous Waste	%	18.15	11.45	10.83
Percentage of Waste Recycling	%	87.96	86.79	87.72
Hazardous Waste Density	Ton/km ²	410.57	363.81	493.00
General Industrial Solid Waste Density	Ton/km ²	1,851.46	2,814.05	4,063.28
Exhaust pollutant emissions	Ton	3,451.50	4,995.32	5,613.31
- Particulate Matter	Ton	325.72	338.89	334.47
- Nitrogen Oxides	Ton	2,803.81	3,884.49	4,582.84
- Sulfur Oxides	Ton	321.96	771.94	695.90
Total Water Intake	m ³	6,729,746.28	7,112,692.03	7,174,119.00
Total Recycled Water	m ³	139,526,531.40	201,333,681.90	210,312,764.00
Water Recovery Rate	%	95.40	96.90	96.90
- Surface Water	m ³	6,135,742.00	6,383,789.00	6,496,993.00
- Groundwater	m ³	4,734.98	4,447.03	18,512.00
- Municipal Water Supply	m ³	128,677.30	165,713.00	121,188.00
- Rainwater	m ³	460,592.00	558,743.00	537,426.00
Total Water Consumption	m ³	146,256,277.68	208,446,373.90	217,486,883.00
Water Consumption Density	m ³ /km ²	31,343,051.17	45,196,525.14	46,610,991.00
Packaging Material Usage	Ton	3,497.36	3,510.88	3,638.86
Packaging Material Density	Ton/km ²	749.49	782.57	811.09

Note: 1. Water resource recycling rate = (Total recycled water + Rainwater) / (Total water intake + Total recycled water)

2. In 2024, groundwater extraction was reduced and replaced with purchased municipal water supply.

3. In 2024, the calculation formula was adjusted to: Total water consumption = Freshwater usage + Total recycled water; The original formula was: Total water consumption = Freshwater intake - Wastewater discharge

Indicator	Unit	2025	2024	2023
Total Number of Employees	Person	2,727	2,810	2,948
By Employment Type				
- Full-time Employees	Person	2,727	2,810	2,948
- Number of Part-time Employees	Person	0	0	0
By Region				
- Number of Employees in Chinese Mainland	Person	2,695	2,772	2,906
- Number of Employees in Hong Kong, Macao, Taiwan, and Overseas Regions	Person	32	38	42
By Gender				
- Percentage of Male Employees in Total Workforce	%	88.27	88.29	88.43
- Proportion of Female Employees in Total Workforce	%	11.73	11.71	11.57
By Age Group				
- Percentage of Employees Aged 30 and Below	%	3.89	5.94	7.73
- Proportion of Employees Aged 30-50	%	86.40	85.34	84.50
- Proportion of Employees Aged 50 and Above	%	9.72	8.72	7.77
Workforce Structure by Department				
- Number of Supervisory Staff	Person	534	539	527
- Number of Business Personnel	Person	92	97	104
- Number of Administrative Staff	Person	342	353	372
- Number of Facility Management Personnel	Person	1,759	1,821	1,945
Number of Employees from Ethnic Minorities	Person	10	11	11
Employee Turnover Rate (Voluntary)	%	0.7	0.8	14.7
Number of Employee Turnovers	Person	88	151	518
Employee Turnover Rate	%	3.23	5.37	17.57
By Gender				

Indicator	Unit	2025	2024	2023
- Male Employee Turnover Rate	%	2.79	4.70	15.64
- Female Employee Turnover Rate	%	0.44	0.68	1.93
By Age Group				
- Employee Turnover Rate (30 and Below)	%	0.29	0.75	2.10
- Employee Turnover Rate (30-50)	%	2.20	3.49	12.31
- Employee turnover rate for those aged 50 and above	%	0.73	1.14	3.15
By Region				
- Employee Turnover Rate in Chinese Mainland	%	2.97	5.20	17.37
- Employee Turnover Rate in Hong Kong, Macao, Taiwan, and Overseas Regions	%	0.26	0.18	0.20
Number of Work-Related Injuries	Person	11	9	7
Number of Work-Related Fatalities	Person	0	0	0
The Rate of Work-related Fatality	%	0	0	0
Workdays Lost Due to Occupational Injuries	Days	296	286	336
Occupational Health and Safety Management System Certification Coverage	%	52.94	52.94	52.94
Occupational Health and Safety Training Sessions – Employees	Person-Time	64,843	74,861	68,056
Occupational Health and Safety Training Sessions – Non-Employees	Person-Time	14,015	10,786	/
Safety Training Hours	Hour	110,625.00	104,177.34	87,796.71
Average Safety Training Hours Per Capita	Hour	40.00	37.07	29.78
Work Safety Investment	RMB 10K	15,040.00	10,815.00	14,072.57
Proportion of Work Safety Investment To Operating Revenue	%	2.50	1.80	1.90
Number of Safety Incidents	Nos.	11	9	7
Work Safety Training Sessions	Session	4,567	5,006	1,986
Total Investment in Occupational Injury Insurance	RMB 10K	404.00	245.49	296.47
Total Number of People Covered by Occupational Injury Insurance	Person	2,758	2,775	2,957

Indicator	Unit	2025	2024	2023
Number of Employee Mental Health Assistance Sessions	Time	106	113	174
Medical Examination & Health Record Coverage Rate	%	100	100	100
Employee Care and Assistance Beneficiaries	Person-Time	98	126	158
Employee Training Expenditure	RMB 10K	140.58	115.32	154.10
Average Training Expenditure per Employee	RMB 10K	0.05	0.04	0.05
Total Hours of Employee Training and Development	Hours	156,179	169,246	149,058
Average Training Hours per Employee	Hours/Person/Year	57.27	60.22	50.56
Percentage of Male Employees Trained	%	99.83	99.80	99.77
Percentage of Female Employees Trained	%	100	100	99.71
Average Training Hours per Male Employee	Hour	57.62	60.42	51.45
Average Training Hours per Female Employee	Hour	54.62	58.74	46.48
Average Annual Training Hours – Supervisors – Male	Hour	82.53	88.21	73.13
Average Annual Training Hours – Supervisors – Female	Hour	76.40	87.00	60.46
Average Annual Training Hours – Administrative Staff – Male	Hour	38.45	39.84	29.27
Average Annual Training Hours – Administrative Staff – Female	Hour	56.01	57.40	41.90
Average Annual Training Hours – Business Personnel – Male	Hour	31.32	29.37	26.18
Average Annual Training Hours – Business Personnel – Female	Hour	28.32	32.67	26.49
Average Annual Training Hours – Facility Management Personnel – Male	Hour	53.70	56.22	46.99
Average Annual Training Hours – Facility Management Personnel – Female	Hour	51.86	57.02	44.17
Trained Supervisors – Male	%	100	100	99.62
Trained Supervisors – Female	%	100	100	98.82
Administrative Personnel Trained – Male	%	100	100	100
Administrative Personnel Trained – Female	%	100	100	100
Business Personnel Trained – Male	%	100	100	100

Indicator	Unit	2025	2024	2023
Business Personnel Trained – Female	%	100	100	100
Facility Management Personnel Trained – Male	%	99.75	99.70	99.80
Facility Management Personnel Trained – Female	%	100	100	100
Percentage of Senior Management Employees Trained	%	100	100	97.59
Percentage of Middle Management Employees Trained	%	100	100	99.81
Percentage of Junior Employees Trained	%	100	99.77	99.83
Average Training Hours per Senior Management Employee	Hour	98.19	72.39	109.21
Average Training Hours per Middle Management Employee	Hour	73.22	83.83	65.49
Average Training Hours per Junior Employee	Hour	51.40	53.82	45.46
Total Number of Valid Patents	Units	34	69	10
Valid Patents per Million Revenue	Units/Million yuan	0.01	0.01	0.00
Number of Software Copyrights	Units	6	12	0
Number of Software Copyrights per Million Revenue	Units/Million yuan	0.00	0.00	0.00
Number of R&D Employees	Person	225	234	255
Proportion of R&D Employees	%	8.25	8.33	8.65
R&D Investment	RMB 10K	4,399.17	13,360.10	7,824.90
R&D Investment as Percentage of Operating Revenue	%	0.86	0.02	0.01
Total number of suppliers	Unit	1,879	2,064	1,624
Number of Suppliers in Chinese mainland	Unit	1,866	2,056	1,617
Including: Western China	Unit	308	363	242
Eastern China	Unit	533	583	485
Central China	Unit	645	700	485
Northeast China	Unit	380	410	405
Number of Suppliers from Hong Kong, Macao, Taiwan, and Overseas Regions	Unit	13	8	7

Indicator	Unit	2025	2024	2023
Number of Supply Chain Risk Incidents	Unit	0	0	0
Number of Suppliers Audited	Unit	866	854	589
Number of Suppliers Whose Partnership was Terminated Due to Non-compliance	Unit	32	26	17
Number of Product Recalls and Non-compliance Incidents Due to Quality and Safety Issues	Units	0	0	0
Number of Customer Complaints	Time	43	58	46
Number of Complaints Handled	Time	43	58	46
Response Rate to Complaints	%	100	100	100
Number of Customers Participating in Satisfaction Survey	Nos	466	525	442
Customer Satisfaction Rate	%	96	97	97
Number of Concluded Corruption Lawsuits Cases Filed Against the Company and Its Employees During the Reporting Period	Units	0	0	0
Number of Directors Who Participated in Anti-corruption Training	Person	10	10	0
Total Duration of Anti-Corruption Training Provided to Directors	Hour	2	2	0
Number of Employees Participating in Anti-Corruption Training	Person-Time	2,881	2,881	0
Total Duration of Anti-corruption Training Provided to Employees	Hour	2,881.00	2,881.00	0
Total Community Investment Amount	RMB	21,310,210	7,753,486	2,590,695
- Community Engagement & Giving Back	RMB	992,480	1,444,954	639,481
- Volunteer Services	RMB	0	293,692	150,165
- Sponsorship/Cultural/Educational/Artistic Activities	RMB	24,700	0	0
- Ecological Environment Education	RMB	59,540	102,033	64,144
- In-Kind Donations	RMB	179,030	1,014,840	1,801,049
- Donations/Participation in Disadvantaged Groups	RMB	20,105,000	5,000,000	/
Investment Amount in Health, Education, and Skills Training	RMB	134,629,492	1,051,182	1,476,816
Owned or Sponsored Schools Open to Community Members	Numbers	2	2	2
Volunteer Service Hours	Hour	1,750	1,799	699

Governance Dimension

Indicator	Unit	2025	2024	2023
Board Members	Numbers	11	11	11
Of which: Male Directors	Numbers	9	10	10
Female Directors	Numbers	2	1	1
Independent Directors	Numbers	4	4	4
Executive Directors	Numbers	3	3	6
Non-Executive Directors	Numbers	4	4	1
Number of Shareholders' Meetings	Time	1	2	1
Director Attendance Rate at Shareholders' Meetings	%	82	82	100
Number of Board Meetings	Time	4	5	4
Board of Directors Meeting Attendance Rate	%	91	100	95.25
Number of Committee Meetings	Time	9	9	9
Board Committee Meeting Attendance Rate	%	96	100	96.2
Clinker	Thousand Tons	1,003	2,391	2,039
Cement	Thousand Tons	20,802	21,561	24,054
Ready-Mixed Concrete	Thousand Cubic Meters	440	471	459
Ground Granulated Blast Furnace Slag	Thousand Tons	160	209	135
Aggregate	Thousand Tons	10,531	9,069	7,881
Total Assets	RMB 10K	1,980,184.00	1,967,755.00	2,028,290.00
Total Operating Revenue	RMB 10K	510,917.00	588,549.00	742,701.00
Total Profit	RMB 10K	18,400.00	5,444.00	47,163.00
Gross Profit Margin	%	14	10	14
Total Taxes Paid	RMB 10K	60,244.99	53,893.55	73,310.57

Indicator Index Table

ESG Reporting Guidelines

Key Categories, Aspects, General Disclosures and Key Performance Indicators	Disclosure Index
Part B: Mandatory Disclosure Requirements	
Governance Structure	A statement issued by the Board of Directors, which includes the following: (i) Disclosure of the board's oversight of environmental, social, and governance (ESG) matters; (ii) The board's ESG management policies and strategies, including the process for assessing, prioritizing, and managing material ESG-related matters (including risks to the issuer's business); and (iii) How the board reviews progress against ESG-related objectives and explains their relevance to the issuer's business. Board Statement
Reporting Principles	A description or explanation of how the reporting principles (materiality, quantification, and consistency) have been applied in the preparation of the environmental, social, and governance (ESG) report. Principles of Preparation
Reporting Scope	Explain the reporting scope of the environmental, social, and governance (ESG) report, and describe the process for selecting which entities or operations are included in the ESG report. If there are changes in the reporting scope, the issuer shall explain the differences and the reasons for such changes. Reporting Period, Reporting Scope
Part C: "Comply or Explain" Provisions	
A. Environment	
Aspect A1: Emissions	
General Disclosures Regarding air emissions, discharges to water and land, and generation of hazardous and non-hazardous waste, etc.: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.	Strict Pollution Control
Key Performance Indicator A1.1	Types of Emissions and Related Emission Data. Strict Pollution Control
Key Performance Indicator A1.3	Total hazardous waste generated (in tons) and (where applicable) intensity (e.g., per unit of production volume, per facility). Strict Pollution Control
Key Performance Indicator A1.4	Total non-hazardous waste generated (in tons) and (where applicable) intensity (e.g., per unit of production volume, per facility). Strict Pollution Control
Key Performance Indicator A1.5	A description of the emission target(s) set and steps taken to achieve them. Strict Pollution Control
Key Performance Indicator A1.6	A description of how hazardous and non-hazardous wastes are handled, and a description of the waste reduction target(s) set and steps taken to achieve them. Strict Pollution Control

Key Categories, Aspects, General Disclosures and Key Performance Indicators **Disclosure Index**

Aspect A2:Resource Utilization

General Disclosures Policies on the efficient use of resources, including energy, water, and other raw materials.		Resource Optimization
Key Performance Indicator A2.1	Total direct and/or indirect energy consumption by type (e.g., electricity, gas, or oil) (in thousands of kWh) and density (e.g., per unit of production, per facility).	Resource Optimization
Key Performance Indicator A2.2	Total water consumption and density (e.g., per unit of production, per facility).	Resource Optimization
Key Performance Indicator A2.3	Description of energy use efficiency initiatives and results achieved.	Resource Optimization
Key Performance Indicator A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Resource Optimization
Key Performance Indicator A2.5	Total packaging materials used for finished products (measured in tons) and, if applicable, with reference to per unit produced.	Key Performance Table

Aspect A3:Environment and Natural Resources

General Disclosures Policies to mitigate the issuer's significant impacts on the environment and natural resources.		Fortifying Ecological Barriers Setting Green Benchmarks
Key Performance Indicator A3.1	Describe the significant impacts of business activities on the environment and natural resources, as well as the actions taken to manage these impacts.	Fortifying Ecological Barriers Setting Green Benchmarks

B. Society
Employment and Labor Practices

Aspect B1:Employment

General Disclosures Information on remuneration and termination, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination, and other benefits. (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.		Together for a Sustainable Future
Key Performance Indicator B1.1	Total number of employees by gender, employment type (e.g., full-time or part-time), age group, and region.	Together for a Sustainable Future Key Performance Table
Key Performance Indicator B1.2	Employee turnover rate by gender, age group, and region.	Key Performance Table

Key Categories, Aspects, General Disclosures and Key Performance Indicators **Disclosure Index**

Aspect B2:Health and Safety

General Disclosures Regarding the provision of a safe working environment and protection of employees from occupational hazards: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.		Strengthening Safety Defenses
Key Performance Indicator B2.1	Number and rate of work-related fatalities occurred in each of the past three years (including the reporting year).	Key Performance Table
Key Performance Indicator B2.2	Number of workdays lost due to occupational injuries.	Key Performance Table
Key Performance Indicator B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Strengthening Safety Defenses

Aspect B3:Development and Training

General Disclosures Policies related to enhancing employees' knowledge and skills for discharging duties at work. Description of training activities.		Together for a Sustainable Future
Key Performance Indicator B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Together for a Sustainable Future Key Performance Table
Key Performance Indicator B3.2	Average hours of training completed per employee by gender and employee category.	Together for a Sustainable Future Key Performance Table

Aspect B4:Labor Standards

General Disclosures Relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.		Together for a Sustainable Future
Key Performance Indicator B4.1	Description of measures to review employment practices to prevent child labor and forced labor.	Together for a Sustainable Future
Key Performance Indicator B4.2	Description of steps taken to eliminate such practices when discovered.	Together for a Sustainable Future

Aspect B5:Supply Chain Management
Operational Practices

General Disclosures Policies on managing environmental and social risks of the supply chain.		Forging Quality with Ingenuity
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Key Categories, Aspects, General Disclosures and Key Performance Indicators		Disclosure Index
Key Performance Indicator B5.1	Number of suppliers by region.	Forging Quality with Ingenuity Key Performance Table
Key Performance Indicator B5.2	Description of practices related to supplier engagement, the number of suppliers where the practices are being implemented, how they are implemented and monitored.	Forging Quality with Ingenuity
Key Performance Indicator B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Forging Quality with Ingenuity
Key Performance Indicator B5.4	Description of practices used to promote the use of environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Forging Quality with Ingenuity
Aspect B6:Product Responsibility		
General Disclosures Relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.		Forging Quality with Ingenuity
Key Performance Indicator B6.1	Percentage of total products sold or shipped that were recalled for safety and health reasons.	Forging Quality with Ingenuity Key Performance Table
Key Performance Indicator B6.2	Number of complaints received in relation to products and services, and how they were addressed.	Forging Quality with Ingenuity Key Performance Table
Key Performance Indicator B6.3	Description of practices relating to observing and protecting intellectual property rights.	Driving Development Through Innovation
Key Performance Indicator B6.4	Description of quality assurance process and recall procedures.	Forging Quality with Ingenuity
Key Performance Indicator B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Forging Quality with Ingenuity
Aspect B7:Anti-corruption		
General Disclosures Relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.		Upholding Business Ethics

Key Categories, Aspects, General Disclosures and Key Performance Indicators		Disclosure Index
Key Performance Indicator B7.1	Number of concluded corruption legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Upholding Business Ethics Key Performance Table
Key Performance Indicator B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Upholding Business Ethics
Key Performance Indicator B7.3	Description of anti-corruption training provided to directors and employees.	Upholding Business Ethics
Aspect B8:Community Investment		
Community		
General Disclosures Relevant laws and regulations that have a significant impact on the issuer relating to community engagement to understand the needs of the communities where it operates and to ensure its business activities take into consideration the communities' interests.		Actively Shouldering Social Responsibilities
Key Performance Indicator B8.1	Areas of focus (e.g., education, environmental issues, labor needs, health, culture, sports).	Actively Shouldering Social Responsibilities
Key Performance Indicator B8.2	Resources allocated in focus areas (e.g., money or time).	Actively Shouldering Social Responsibilities Key Performance Table
Section D: Climate-related Disclosures		
(I) Governance	Information on the governance body or individual responsible for overseeing climate-related risks and opportunities	Fortifying Ecological Barriers Making Climate Change Response
	The role of management in governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities	
(II) Strategy	Climate-related Risks and Opportunities	Making Climate Change Response(Taking into account the current technical resource reserves for the Company' s climate-related work and cost-effectiveness considerations, the Company has not yet implemented climate scenario analysis and climate resilience assessment, nor has it assessed the impact of its business model on the value chain as well as the impact on its financial position. The Company will continuously monitor relevant policy and industry practices, and assess the feasibility of such implementation when conditions are mature.)
	Business Model and Value Chain	
	Strategy and Decision-making	
	Financial Position, Performance and Cash Flows	
	Climate Resilience	

Key Categories, Aspects, General Disclosures and Key Performance Indicators **Disclosure Index**

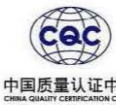
(III) Risk Management	Processes and policies for identifying, assessing, prioritizing and monitoring climate-related risks.	Anchoring Sustainable Development Making Climate Change Response
	Processes for identifying, assessing, prioritizing and monitoring climate-related opportunities.	
	The integration of climate-related risk and opportunity identification, assessment, prioritization, and monitoring processes into the issuer's overall risk management process, and the extent of such integration.	
(IV) Metrics and Targets	Greenhouse Gas Emissions	Making Climate Change Response Key Performance Table
	Climate-related Transition Risks	Making Climate Change Response (Taking into account the current technical resource reserves for the Company's climate-related work and cost-effectiveness considerations, the Company has not yet compiled specific quantitative data. The Company will continuously monitor relevant policy and industry practices, and assess the feasibility of relevant work when conditions are mature.)
	Climate-related Physical Risks	
	Climate-related Opportunities	
	Capital Deployment	
	Internal Carbon Pricing	Taking into account the current technical resource reserves for the Company's climate-related work and cost-effectiveness considerations, the Company has not yet implemented an internal carbon pricing mechanism. The Company will continuously monitor relevant policy and industry practices, and assess the feasibility of introducing an internal carbon pricing mechanism when conditions are mature.
	Compensation	Strengthening Governance Foundations
	Industry-based Metrics	Key Performance Table
	Climate-Related Targets	Anchoring Sustainable Development Making Climate Change Response

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SASB Building Materials Industry Disclosure Standards

Topic	Indicator	Value or Description
Greenhouse Gas Emissions	Scope 1 Emissions (tCO ₂ e)	14,601,215
	Percentage of Scope 1 Emissions Subject to Regulation (%)	100
	Long-term and Short-term Strategies and Plans, Reduction Targets, and Performance Analysis for Managing Scope 1 Emissions	Refer to Climate Change Response Section
Air Quality	NO _x (t)	2,803.81
	SO _x (t)	321.96
	PM10 (t)	/
	Dioxins/Furans (ngTEQ/m ³)	/
	Volatile Organic Compounds (VOCs) (t)	/
	Polycyclic Aromatic Hydrocarbons (PAHs) (t)	/
	Heavy Metals (Total of Tl, Cd, Pb) (mg/m ³)	/
Energy Management	Total Energy Consumption (GJ)	59,939,030.97
	Grid Electricity Proportion (%)	7.90
	Renewable Energy Proportion (%)	0.02
Water Resource Management	Total Freshwater Withdrawal (t)	6,729,746.28
	Water Reuse Percentage (%)	95.4
	Percentage of High/Extremely High Water Risk Areas (%)	/
Waste Management	Waste Generated (t)	10,555.34
	Percentage of Hazardous Waste (%)	18.15
	Percentage of Waste Recycled (%)	87.96
The Impact of Biodiversity	Environmental Management Policies and Measures for Activity Sites	Refer to the Green Mine Construction Section
	Land Area Affected by Disturbance (Hectares) and Area Restored Percentage (%)	23.73
Employee Health and Safety	Incident Frequency Rate (IFR) for Full-time Employees and Dispatched Workers	1.56
	Near-Miss Frequency Rate (NMFR) for Full-time Employees and Dispatched Workers (%)	0.73
	Number of Confirmed Pneumoconiosis Cases	0
Product Innovation	Percentage of Products Eligible for Sustainable Building Design and Construction Certifications	/
	Sales Revenue and Market Share of Innovative Products (With Reduced Water, Energy, and/or Material Impact)	/
Pricing integrity and Transparency	Total Monetary Losses Due to Legal Proceedings Related to Cartel Activities, Pricing, and Antitrust Practices	0



Independent Assurance Statement

To: Stakeholders of Asia Cement (China) Holdings Corporation

China Quality Certification Centre Co., Ltd. (CQC), commissioned by Asia Cement (China) Holdings Corporation (hereinafter referred to as Asia Cement (China)), conducted the independent assurance of Asia Cement (China) Holdings Corporation 2025 Environmental, Social and Governance (ESG) Report (hereinafter referred to as the ESG report).

Asia Cement (China) was responsible for collecting, summarizing, analyzing, and disclosing the information and data mentioned in the ESG report. CQC implemented report verification within the scope specified in the agreement with Asia Cement (China).

This statement was based on the assurance activities conducted on the ESG report prepared by Asia Cement (China) in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") and Appendix D Climate-related Disclosures of the Rules Governing the Listing of Securities (the "Listing Rules") issued by the Stock Exchange of Hong Kong Limited, with reference to the Global Reporting Initiative (GRI) Standards, the United Nations' SDG Compass: The Guide for Business Action on the SDGs, cement industry standards released by the Global Cement and Concrete Association (GCCA), and building materials industry standards released by the Sustainability Accounting Standards Board (SASB). Asia Cement (China) is responsible for the authenticity, accuracy, and completeness of the report content.

Scope of Assurance

The key ESG performance data and information disclosed in the 2025 Environmental, Social and Governance (ESG) Report of Asia Cement (China) Holdings Corporation

Basis for Assurance

AA1000 Assurance Standard v3, Type 2, Moderate Assurance

Assurance Methods

The methods used in this assurance include but are not limited to:

- Report review;
- Interviews;
- Verification of documents, records, certificates, invoices, and other materials;
- Reliable information sources verification;
- Verification against disclosure basis;
- Recalculation/estimation; and
- Confirmation of statistical, calculation/estimation processes.

Limitations

1. This assurance was conducted using sampling methods based on quantitative and qualitative risk analysis and the sampling scope was limited to the data and information selected in the ESG report, not fully tracing or independently recalculating all raw data of Asia Cement (China).

2. This assurance only covered interviews and/or document review with Asia Cement (China), and did not involve external stakeholders.

3. The data and information audited/verified by a third party in the ESG report were not subject to repeated verification during this assurance process.

4. Some of the data and information in the ESG report cannot be compared and verified through independent sources.

This assurance statement does not include:

1. Activities outside the scope of information disclosure were not included in this assurance.
2. The statement regarding the position, viewpoints, goals, future development directions, and commitments of Asia Cement (China) was not included in this assurance.

Statement on Independence and Verification Capability

China Quality Certification Centre Co., Ltd. (CQC) is a third-party certification body with independent legal status, possessing professional qualifications and experience in providing in this assurance process, and possesses the technical capabilities and industry-specific knowledge required to conduct ESG/ESG report assurance, in compliance with the requirements of AA1000 Assurance Standard v3 for an assurance provider. The assurance team is composed of experienced AA1000 Practicing Certified Sustainability Assurance Practitioners (PCSAP), CCAA (China Certification and Accreditation Association) registered quality, environment, energy, occupational health and safety, compliance, anti-bribery and other management system auditors and APSCA (Association of Professional Social Compliance Auditors) registered auditors and ISO 14064 greenhouse gas verifiers.

CQC ensured that there were no conflicts of interest with Asia Cement (China) and its stakeholders during the assurance process of this report. All information in the ESG report was provided by Asia Cement (China). CQC and the personnel conducting this assurance of the ESG report were not involved in the preparation process of the ESG report.

Assurance Conclusions

The ESG report reflects the ESG performance of Asia Cement (China) in 2025, which meets the requirements of the AA1000 Assurance Standard v3 and the four AA1000AP principles:

Inclusivity: Asia Cement (China) has identified both internal and external stakeholders, including employees, shareholders and investors, customers and partners, suppliers and contractors, government bodies and supervisory authorities, non-governmental organizations, industry associations and peer companies, community and public media. In the report preparation process, the expectations and needs of stakeholders have been considered.

Materiality: Asia Cement (China) has managed its sustainability practices through four steps, namely sustainability topic identification, stakeholder engagement, sustainability impact assessment, and material topic management, and has developed the materiality matrix for the year.

Responsiveness: Asia Cement (China) has established a governance structure, policies, management systems and communication mechanism with stakeholders, enabling it to take timely and effective actions in response to the material issues of Asia Cement (China) and its stakeholders.

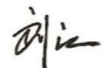
Impact: Through quantitative or qualitative methods, or a combination of both, Asia Cement (China) has disclosed the main impacts on itself and its stakeholders in terms of ESG, and has demonstrated a high level of responsibility to both the Company and its stakeholders.

Specific performance information: Based on the process and results of this assurance, we have not found any deficiencies in the reliability and quality of key data and information in the ESG report.

Recommendations

The specific opinions regarding the assurance of this report have been communicated to the management of Asia Cement (China) in written form, and will not be further elaborated in this section.



President of CQC: 
 April 16, 2026
 Beijing, China

Note: In case of any inconsistency or discrepancy, the Chinese version of this assurance statement shall prevail, while the English translation is used for reference only.

Reader Feedback Form

Dear Readers,

Hello! Thank you for reading the Asia Cement (China) 2025 Environmental, Social and Governance (ESG) Report. If you have any comments or suggestions while reading this report, please do not hesitate to share them with us. Your feedback will help us further enhance our sustainability management!

1. For Asia Cement (China), your identity is

- Government Investor Employee Customer
 Supplier/Contractor Partner Peer Community and Public
 Media Non-Governmental Organization Other (Please Specify)

2. Your overall evaluation of this report

- Excellent Good Average Below Average Poor

3. Do you consider the structure of this report reasonable?

- Very Reasonable Reasonable Average Somewhat Unreasonable Unreasonable

4. To what extent were the topics you care about disclosed in this report?

- Very comprehensive Relatively comprehensive Partially covered
 Minimally covered Not covered

5. What other information of concern do you believe is not covered in this report?

6. Do you have any additional comments or suggestions regarding this report?

Disclaimer

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