



BNBM

2024

Environmental, Social and Governance (ESG) Report

Beijing New Building Materials Public Limited Company



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Introduction

The report describes the performance of Beijing New Building Materials Public Limited Company (hereinafter “BNBM”, “the Company” or “We”) in environmental, social and governance (ESG) and social responsibility fulfilment in 2024, to facilitate communication with stakeholders and respond to their demands. The Board of Directors of BNBM is fully responsible for the Company’s sustainable development, and the report has been reviewed and approved by the Board of Directors.

Reporting period

Unless otherwise specified, this report covers the period from 1 January 2024 to 31 December 2024 (hereinafter “this year” or “the Reporting Period”).

Reporting scope

The entity of this report is Beijing New Building Materials Public Limited Company. The report mainly covers ESG performance related to the Company’s core business, as well as related policies and management during the Reporting Period.

Reporting cycle

The Environmental, Social and Governance (ESG) Report of Beijing New Building Materials Public Limited Company is published on an annual basis.

Preparation basis

This report is prepared in accordance with the *Shenzhen Stock Exchange Guidelines No. 17 for Self-discipline Regulation of Listed Companies – Sustainability Report (Trial)*¹ and the SASAC’s *Study on ESG Special Report Compilation for Listed Companies Controlled by Central Enterprises*. It also refers to the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, the *Sustainability Reporting Standards (2022)* released by the Global Reporting Initiative (GRI), the Guidance on Social Responsibility by the International Organisation for Standardisation (ISO 26000: 2010), the National Standard GB/T36000 Guidance on Social Responsibility, and the United Nations’ Sustainable Development Goals (SDGs). The results of the materiality assessment conducted in accordance with the reporting principles in the above guidance and standards are also considered as the basis for information disclosure. This report is published in both Chinese and English. In case of any inconsistency between the two versions, the Chinese version shall prevail.

Information description

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

¹This year, the Company actively responded to the latest ESG information disclosure requirements set forth by the Shenzhen Stock Exchange and is committed to continuously improving the quality of its information disclosures in accordance with these standards.

Terms and definitions

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

“China”	The People’s Republic of China
“30.60”	General Secretary Xi Jinping proposed that “China will scale up its Intended Nationally Determined Contributions by adopting more vigorous policies and measures. We aim to have CO2 emissions peak before 2030 and achieve carbon neutrality before 2060.” at the General Debate of the 75th Session of the United Nations General Assembly, i.e., “carbon peaking and carbon neutrality”
“CNBM”	China National Building Material Group Co., Ltd.
“CNBM Company”	China National Building Material Company Limited
“Dragon Brand Company”	BNBM Dragon Brand Company
“Taishan Gypsum”	Taishan Gypsum Co., Ltd.
“Dream Brand New Materials”	Dream Brand New Materials Co., Ltd.
“BNBM Waterproof”	BNBM Waterproof Co., Ltd.
“BNBM Coating”	BNBM Coating Co., Ltd.
“BNBM Carpoly”	BNBM Carpoly Co., Ltd.
“International Company”	BNBM International Company.

Report access

The download links for the electronic version are listed below:

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

Cninfo: www.cninfo.com.cn

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

Chairman Statement



Chairman of BNBM

Steadfast in our mission, we set sail on a new journey with unwavering determination.

In 2024, BNBM continued to advance the implementation of its "One Body, Two Wings and Global Layout" strategy. Facing a complex and ever-changing market environment, we remained resolute, embraced challenges, and pursued steady progress. Through strategic initiatives and collaborative efforts, we achieved sustained growth in our three core businesses—gypsum board, waterproof materials, and coatings—ushering in a new era of "a solid one body with two wings soaring," and propelling the Company's high-quality development to new heights.

Strengthening foundations, we chart a new blueprint for high-quality development.

BNBM has consistently refined its modern corporate governance and deepened reform efforts, seizing opportunities amidst industry transformations. We accelerated the transition from "commercial to residential, urban to rural, base materials to surface materials, and products to services," speeding up our transformation into a consumer-oriented building materials manufacturing and service provider. Guided by value-driven operations, we are committed to making the Company stronger, better, and larger. In 2024, BNBM was included in the State-owned Assets Supervision and Administration Commission's (SASAC) "First Batch of Outstanding Achievements in Central Enterprises' Brand Leadership Initiative." The Company's brand value exceeded 118.5 billion yuan, and its market capitalization reached 51.209 billion yuan, setting new records.

Pursuing innovation and green development, we write a new chapter in sustainability.

With the mission of "Green Technology, Quality Life," BNBM actively cultivates new productive forces. The Company established the BNBM Science and Technology Committee, continuously developing green, low-carbon products and services that meet market demands. Through technological innovation and digital transformation, we are driving the building materials industry toward green and high-quality development. Upholding the philosophy of "Green Building Future," we actively identify climate opportunities and risks, striving to provide society with more climate-resilient building solutions. We are vigorously developing a circular economy, creating a green industrial chain across the entire lifecycle—from raw materials, production, and construction to application and recycling—ensuring that green innovation benefits the entire value chain and achieves synergistic ecological and economic benefits.

Putting people first, we build a new ecosystem of diversity and inclusion.

BNBM adheres to the safety development philosophy of "People First, Life First." Building on last year's successful pilot project for first-level work safety standardization, we are rapidly advancing the comprehensive construction of first-level work safety standardization across the Company. We are vigorously promoting the full implementation of intelligent safety systems, leveraging technology to enhance intrinsic safety and fortify the Company's safety foundation. Committed to a talent-driven strategy, we are improving our diversified talent development system and incentive mechanisms, fostering a work environment that values diversity, equality, fairness, and inclusivity. By high-quality co-building the "Belt and Road" initiative, we aim to share China's stories and actively practice the principles of extensive consultation, joint contribution, and shared benefits, contributing to the building of a global community with a shared future. The Company is also dedicated to public welfare, focusing on rural revitalization, educational support, and charitable donations, fulfilling our corporate social responsibilities and sharing the fruits of our development with society.

Riding the wave to new heights, boundless prospects lie ahead.

In the new year, BNBM will anchor itself to the goals of high-quality development, keeping in mind the "nation's priorities" and focusing on the "nation's essential materials." We will drive the development of new productive forces through technological innovation, empower the modern industrial system with green transformation, and deepen open cooperation with a global perspective. With courage and determination, we will forge ahead, striving to create a world-class demonstration enterprise with exceptional products, a distinguished brand, leading innovation, and modern governance.

Statement of the Board of Directors

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

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

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

This year, the Company has refined the sustainable development strategy. By implementing effective strategies, the Company aims to maintain a balance between its impact on the environment and society and the achievement of its business objectives and to promote sustainable development.

This report discloses the above environmental, social and governance related matters in detail, which has been reviewed and approved by the Board of Directors on March 21, 2025.



About us

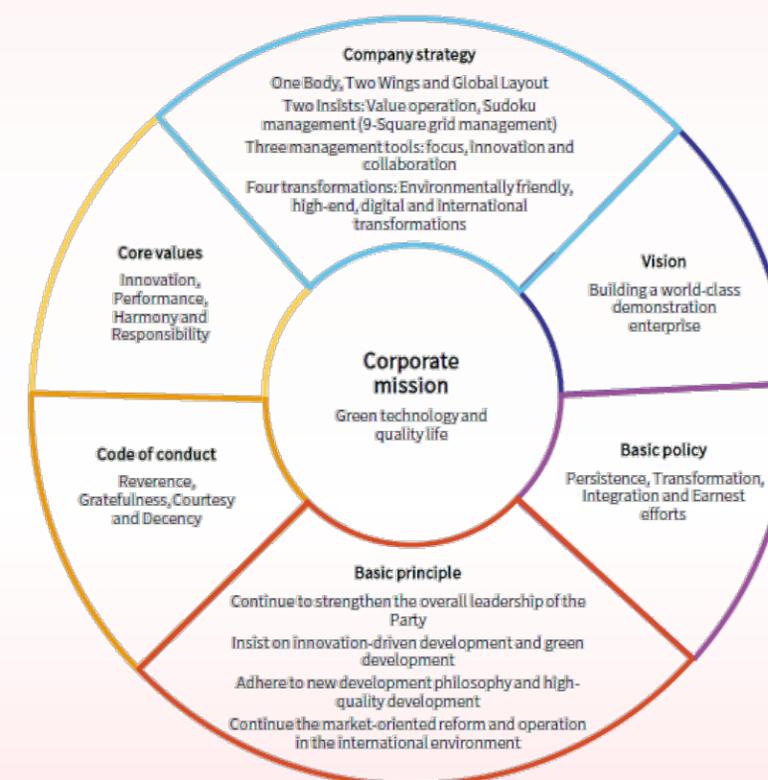
Company profile

Beijing New Building Materials Public Limited Company (BNBM) is the new green building materials platform of the China National Building Materials Group, which is one of the Fortune Global 500 enterprises. The Company was established in 1979 under the care of Comrade Deng Xiaoping, and listed in Shenzhen Stock Exchange (000786.SZ) in 1997. The Company has total assets of over RMB 30 billion, with annual sales revenue of more than RMB 22.4 billion and nearly 16 thousand employees. The Company has 119 industrial bases at home and abroad with gypsum board, waterproof material and coatings as the three core businesses. The production capacity of gypsum board exceeds 3.5 billion square metres, which is the world's largest gypsum board and steel stud industrial group. The waterproof material business scale ranks among the top three in the industry. In the coatings business, China Time-Honored Brand "Beacon" served national development. The Company has won the Outstanding Contribution Award to the Global Gypsum Industry twice and the Global Gypsum Company of the Year three times, and was awarded the "First Prize of National Enterprise Management Modernisation Innovation Achievement" "Manufacturing Single Champion Demonstration Enterprise" "China Green-Benefit Enterprise Best Model Award" , "National May 1 Labour Award" and other honours, as a national innovative enterprise. In 2016, the Company was awarded the China Grand Awards for Industry. In 2022, the Company was awarded the National Quality Award, which was recognized three years later.

Adhering to the principles of "mission-led and innovation-driven" values, BNBM fully exploits the dual role of technological innovation and brand building, and occupies the commanding heights of technology, brand, standards, quality, channels and resources. BNBM has national enterprise technology centre, academician expert workstation, post-doctoral research station, and owns 7,214 approved patents by the end of 2024. The Company has successfully created the world famous independent brands in the gypsum board industry - Dragon Brand and Taishan, and has a number of well-known brands such as "Yuwang", "Shuyang", "Dream Brand", "Lighthouse" and "Carpoly". The products are widely used in the Great Hall of the People, Olympic Games, World Expo venues and other major national projects, landmark buildings and modern household supplies. In 2024, the brand value reached new heights at RMB 118.596 billion, ranking 70th among China's 500 most valuable brands and again ranking among the top three building materials brands in Asia.

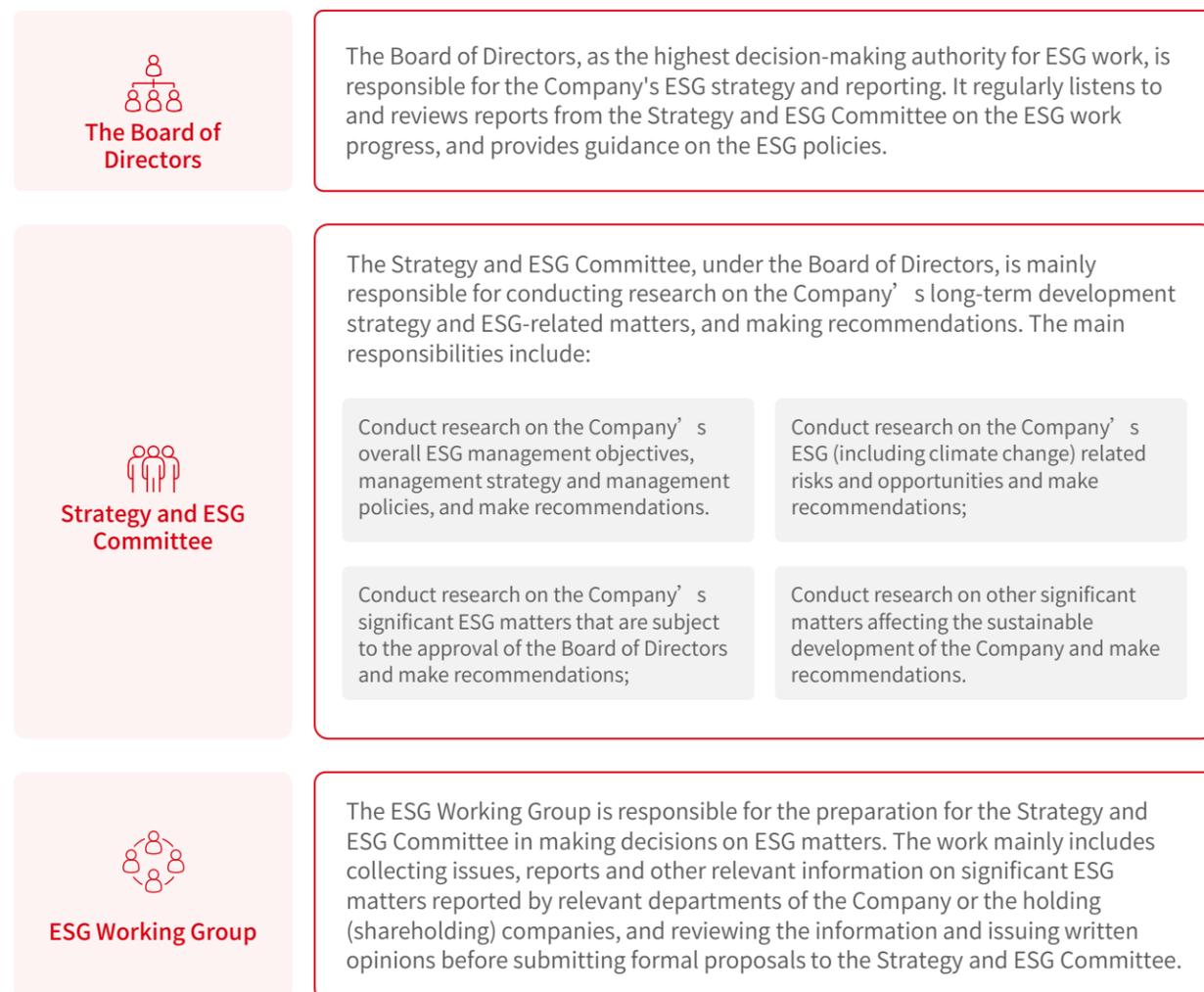
Committed to "Green Technology, Quality Life" , BNBM promotes the building, city and residential environment to be greening. BNBM also advocates circular economy, energy saving and prefabricated buildings, and creates a green building industry chain throughout the life cycle from raw materials, production, products, construction, application and recycling. BNBM implements the development strategy of "One Body, Two Wings and Global Layout" , strengthens, expands and optimises gypsum boards and gypsum boards +, and accelerates the development of waterproof material and coatings. Focusing on the four major regions of Southeast Asia, Central Asia, the Middle East, Europe and the Mediterranean Rim, the Company conducts regional operations and a global layout. The Company also speeds up the transformation into a comprehensive manufacturer of consumer building materials and service provider, encouraging four transformations from "commercial to residential, urban to rural, base materials to surface materials, and products to services" . The Company is striving to build a world-class demonstration enterprise featuring excellent products, outstanding brand, leading innovation and modern governance.

Corporate culture



Sustainable development governance structure

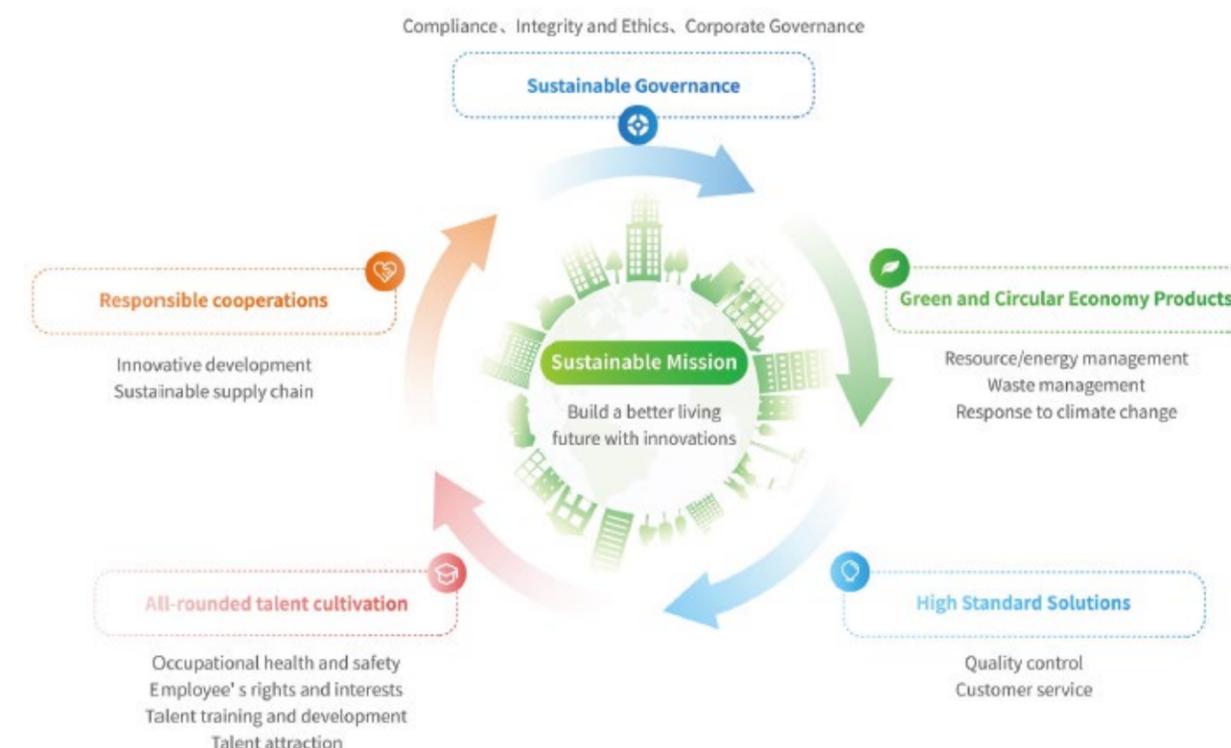
BNBM deeply understands and actively fulfils its social responsibility to achieve harmonious progress and common development with all segments of society. To better implement the sustainable development strategy, the Company has upgraded the functions of the Strategy and ESG Committee and the ESG Working Group this year. They strictly abide by the Working Rules of the Strategy and ESG Committee of the Board of Directors, and conscientiously implement the decision-making processes and rules of procedure for ESG matters to ensure all work is carried out in a standardised and orderly manner. The Company has organised directors to attend ESG related training, covering corporate governance, ESG development trends, and analysis of ESG disclosure, with a total of 23 participants during the Reporting Period, providing more specific guidance for the Company's sustainable development management.



Sustainable development strategy

BNBM integrates the ESG concept into the Company's business development and daily operations. To strengthen the Company's overall management of sustainable development, we released the BNB sustainable development strategy framework and five strategic segments in 2023. In 2024, with the strategic vision of sustainable development as our blueprint for action, we implemented a number of sustainable development initiatives and achieved good results. Meanwhile, we have tracked and monitored the key indicators and targets of the five strategic segments. Through regular evaluation and adjustment, we ensure that the relevant indicators are consistent with our objectives and overall plan, providing a strong guarantee that the Company is fully implementing the sustainability concept.

Sustainable development strategic framework



BNBM sustainable development strategic framework

Five strategic pillars

Sustainable governance

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



Green and circular economy products

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



High standard solutions

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



Responsible cooperations

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



All-rounded talent cultivation

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



Sustainable development management progress and key performance

Sustainable Development Strategy Section	UNSDGs	Core Initiatives	Key Performances and Highlights of Sustainable Development in 2024
Sustainable corporate governance	5 性别平等 16 和平、正义及强大机构	Continuously improve the modern enterprise system with Chinese characteristics to promote the high-quality development of the Company; attach importance to the gender diversity of the Board of Directors and the Board of Supervisors; constantly strengthen the building of Party conduct, and enhance the sense of integrity and self-discipline of employees and partners; firmly promote the application of the "1+N" internal control system, cultivate a sound compliance culture and ensure the Company's continuous development.	<ul style="list-style-type: none"> 1/3 of the Board are women and 100% of the main supervisors are women; Published the <i>Code of Business Ethics</i> and <i>Anti-Corruption Policy Statement</i> for all employees and partners; A total of 66,013 participants attended anti-corruption training, with 100% coverage of the Board and employees; Organised compliance training for domestic and overseas enterprises at all levels, both domestically and internationally, with a total of 12,600 participants.
Green and circular economy products	6 清洁能源 7 经济适用的清洁能源 11 工业、建筑及城市 12 负责任消费和生产 13 气候行动 14 海洋资源 15 陆地生物	Implement the development concept of "Greenway Builds a Better Future", steadily promote the Company's Carbon Peaking Action Plan, vigorously promote the usage of clean energy, and optimise energy use efficiency; continuously enhance the consumption capacity of industrial by-product gypsum of other industries, strengthen energy saving and emission reduction of products throughout their life cycle, promote the circular economy, and improve the performance of products in terms of environmental protection; continuously strengthen environmental protection in production and operation, accelerate the realisation of "near-zero emission" at each production base, and promote green production.	<ul style="list-style-type: none"> Carbon emissions per RMB 10,000 of gross industrial output value decreased by 12.50% year-on-year; Comprehensive energy consumption of RMB 10,000 of output value decreased by 12.30% year-on-year; The annual use of clean energy (biomass fuel, photovoltaic power generation, wind power, steam, etc.) accounted for 14.39%; 15.24 million tonnes of gypsum as a by-product of other industries were consumed throughout the year, increased by 2.90% year-on-year; 161 products of the Company acquired China Green Product Certification; 85 products acquired China Environmental Labelling Product Certification; Emission intensity of sulfur dioxide, nitrogen oxides and industrial particulate decreased by 29.88%, 16.57% and 32.01% year-on-year respectively, exceeding the set targets; A total of 33 enterprises have obtained the title of national "Green Factory", and 39 enterprises have acquired provincial "Green Factory".
High standard solutions	9 产业、创新和基础设施 11 工业、建筑及城市 12 负责任消费和生产	With technology-led development, standard operation, brand building, excellence in quality and superior services as the core, speed up the transformation into a comprehensive manufacturer of consumer building materials and service provider, pursue high-quality products and services; build an open innovation system based on internal and external collaboration, speed up the construction of the source of original technology, deepen digital development and application, accelerate key scientific research and achievement transformation and application, and promote technological progress in the industry.	<ul style="list-style-type: none"> 1 QC teams won the second prize in the Central Enterprise QC Group Achievement Presentation Competition; 99 enterprises achieved ISO9001 Quality Management System Certification; The satisfaction of the Company's distributors at all levels reached 9.23, maintaining above 9 for 5 consecutive years; Annual R&D investment reached RMB 1.058 billion, with an R&D investment intensity of 4.10%; A total of 5,253 valid patents have been accumulated, with 6 newly granted international patents; 15 companies obtained the certification of the integration management system of market-oriented and lean management; BNBM Carpoly was rated at the AAA level in the assessment of the integration management system of market-oriented and lean management.
All-rounded talent cultivation	3 良好健康、福祉 5 性别平等 8 体面工作和经济增长 10 减少不平等	Adhering to the safety culture of "Stressing safety for every staff and every affair", continuously improve the health and safety management system, orderly promote the construction of safety standard, strengthen safety risk rectification efficiency, effectively ensure the health and safety of employees; build a sound system to safeguard the rights and interests of employees, provide employees with a well-established career development path and a diversified training system, create a diversified training system and career development paths to strengthen our talent pool; implement the equity incentive policy and grow together with employees.	<ul style="list-style-type: none"> The annual investment in safety production was RMB 59.66 million; 93 enterprises across all levels have achieved safety production standardization; Completed the first domestic safety standard exclusively for the gypsum board industry - the <i>Specification for Production Safety of Gypsum Board</i>; 99 enterprises obtained the ISO45001 system certification; Released <i>BNBM 2024 Restricted Stock Incentive Plan (Draft)</i>; Employee satisfaction has increased for 7 consecutive years.
Responsible industry collaborations	1 和平、正义及强大机构 2 零饥饿 4 优质教育 17 促进可持续消费和生产	Integrate the concept of sustainable development into the management of cooperation with suppliers and distributors, and jointly create a friendly business environment; fully leverage international and domestic market resources, build a complete business network, steadily develop overseas business, maintain friendly cooperative relationships with the places of operation, and support the development of the local economy; actively promote rural revitalisation work, green building materials in rural area, and the harmonious development of the society.	<ul style="list-style-type: none"> Published the <i>Sustainable Supply Chain Management Policy</i>² and <i>Supplier Code of Conduct</i>³; The construction of 40 million square meters of paper-faced gypsum board project in Thailand and the preparation of 40 million square meters of paper-faced gypsum board project in Bosnia and Herzegovina were successfully carried out; A total of RMB 5.57 million was donated and spent on rural revitalisation, public welfare and charity activities.

²Sustainable Supply Chain Management Policy: <https://www.bnbm.com.cn/esgdt.html>

³Supplier Code of Conduct: <https://www.bnbm.com.cn/esgdt.html>

Sustainability awards



Selected into the “ESG China Excellent Practice Cases” by the China Enterprise Reform and Development Research Association.



Won the “Outstanding Practice Cases of Sustainable Development” by China Association for Public Companies



Won the Evergreen Award for Sustainable Development Green Excellence Case



Won the title of “China’s Top 10 Influential Brands in the Green Ecology Category”



Achieved an A in Sino-Securities ESG rating



Achieved an A in Wind rating and the industry's highest ESG overall score



Listed in Wind's Top 100 ESG Best Practices for Listed Companies in China 2024



Awarded the “Top Ten Practice Cases of Enterprise Integrity Construction” by the China Enterprise Confederation

Sustainable development issue analysis and materiality assessment

Stakeholders communication

Deeply aware of the importance of stakeholder engagement, BNBM has established diversified communication channels to fully respond to their expectations and demands, thereby assisting the Company in prioritising its sustainable development efforts and identifying the key directions for future sustainable development.

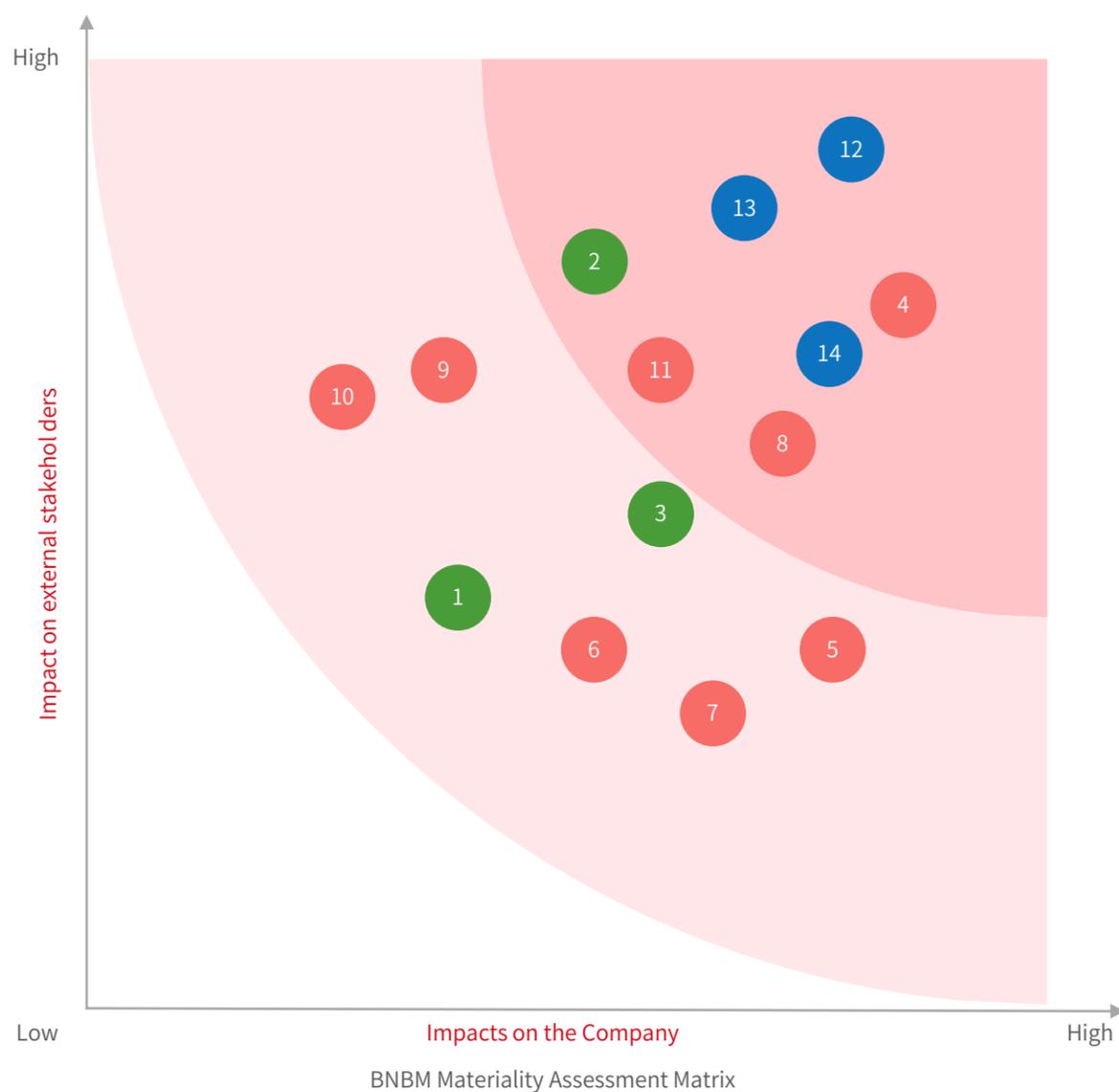
Stakeholders	Communication channels
 Key shareholders	<ul style="list-style-type: none"> Shareholders' meeting Press release/Announcement Annual/Interim performance conference Analyst meetings Roadshow Conferences and talks Company promotion day
 Potential investors and financial institutions	<ul style="list-style-type: none"> Investor conferences Press release/Announcement Annual/Interim performance conference Roadshow Company promotion day
 Government and regulatory authorities	<ul style="list-style-type: none"> Telephone/Email Conferences and talks Cooperation between local government and business projects Regular reporting

Stakeholders	Communication channels
 Employees	<ul style="list-style-type: none"> Enterprise platform Suggestion boxes and labour union Team-building activities Employee satisfaction surveys Employee conferences/seminars Employee performance review interviews
 Customers	<ul style="list-style-type: none"> Telephone/Email Conferences and talks Customer service hotline Customer satisfaction survey Social media
 Partners	<ul style="list-style-type: none"> Work inspection and supervision Supplier/Contractor conferences Telephone/Email Conferences and talks Supplier assessment
 Communities and the public	<ul style="list-style-type: none"> Charity activities Community communication and visits
 Industry Associations	<ul style="list-style-type: none"> Industry communication conference Industry promotion activities

Sustainable development issue analysis

BNBM identifies and analyses the materiality of sustainable development issues each year based on the business characteristics and the expectations of internal and external stakeholders. This year, through online questionnaire survey and expert consultation, we formed a final materiality matrix by “Impacts on the Company” and “Impact on external stakeholders”. Through the analysis, we have identified key issues including compliance, occupational health and safety, integrity and ethics, corporate governance, quality control, resource/energy management, and customer service.

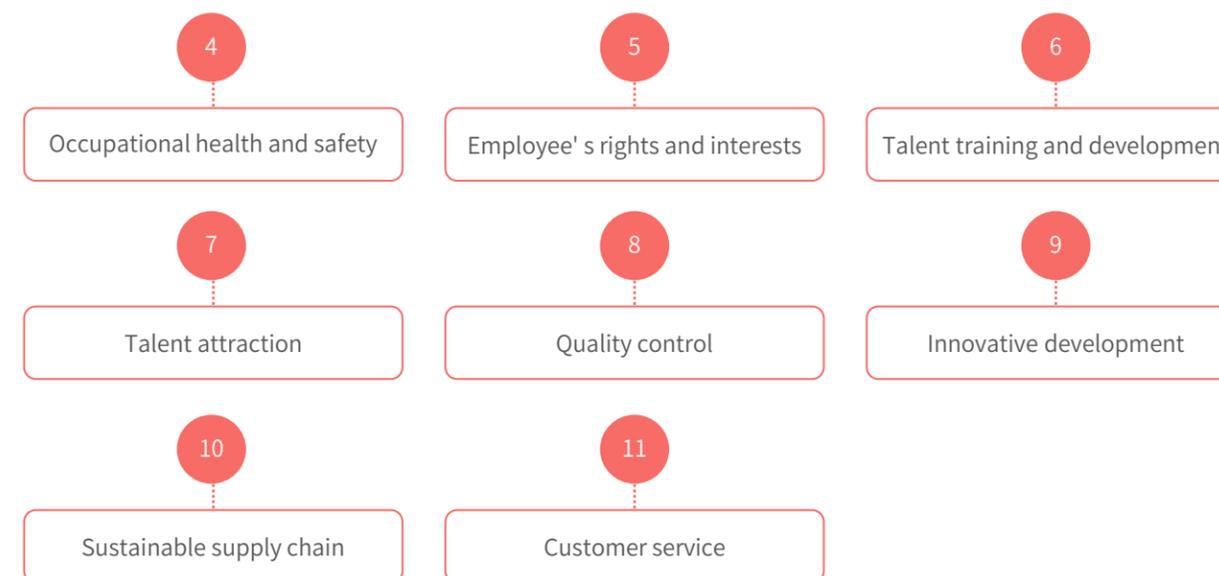
The Company’s Board of Directors and management team reviewed and approved the analysis of the material issues and provided recommendations for sustainable development based on the business conditions.



Environmental issues



Social issues



Governance and compliance issues



01

Sustainable corporate governance

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

Deepening corporate governance	023
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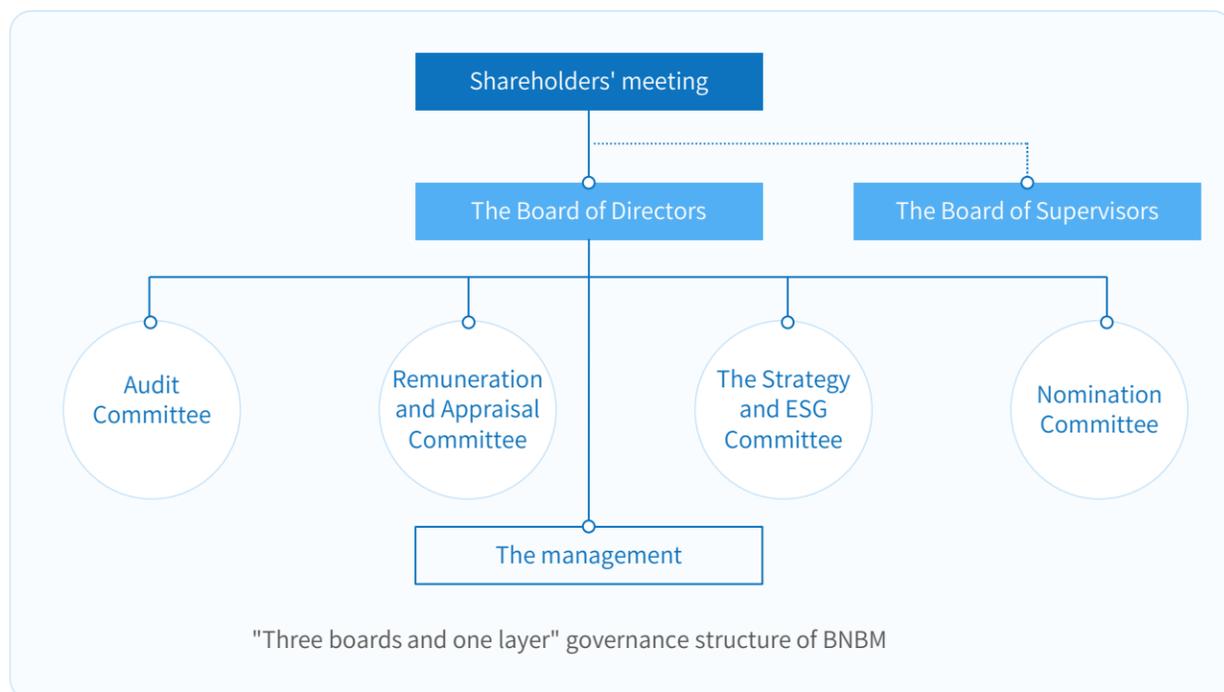


Deepening corporate governance

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

Consolidating the governance system

BNBM strictly complies with the *Company Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and other national laws regulations and specifications, regulations and regulatory documents. This year, the Company has formulated and published the *Board Diversity Policy Statement*⁴. The Group continued to standardize the governance mechanism of "three boards and one layer", deepened the management of "three boards", and consolidated the standardized operation mechanism with clear responsibilities and scientific and efficient functions. BNBM maintained the firm foundation for sustainable and high-quality development and promoted the smooth realization of strategic goals.



⁴ Board Diversity Policy Statement: <https://www.bnbm.com.cn/esgdt.html>

Shareholders' meetings

The Company held **1** general shareholders' meeting, and considered and approved **13** resolutions

Board of Directors

9 directors, including **3** women, held **8** board meetings and approved **48** resolutions.

The Board of Supervisors

3 supervisors, including **3** women, held **6** meetings of the Supervisory Committee and deliberated and approved **27** resolutions.

The management

There are **8** key senior managers, including **2** female.

Please refer to the Company's Articles of Association⁵ for more information on the construction of corporate governance structure.

⁵ Articles of Association of the Company: <https://www.szse.cn/disclosure/listed/bulletinDetail/index.html?8862d4c0-f49a-4984-b8d0-fa71cb34372f>

■ Adhering to the Party's leadership

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

Party building leads high-quality development

BNBM regards high-quality development as its top priority, practices 'Party building and operation', continues to deepen the 'seven grasps' project, creates '1+2+N' Party building brand system, and vigorously carries out 'Party building+' activities, effectively transform the advantages of party building into business development advantages, and constantly improve the core competitiveness of enterprises, with high-quality party building to lead high-quality development. The Company is committed to promoting the implementation of the strategy of "One Body, Two Wings and Global Layout", with the unremitting pursuit of making good products and satisfying the people's desire for a better life. In 2024, the Company was awarded the honorary title of "Advanced Collective of Central Enterprises". The case of "Dragon Brand Rise" integration of party building and operation was included in the SASAC's "Joint School Course for Central Enterprise Party Members", and "Mount Tai Climb" was awarded the top 10 brands of CNBM.



Party building leads brand building

Adhering to the leadership of party building, the Company actively carried out the corporate mission of "Green Technology, Quality Life" and told the Company's story well. In 2024, the Company focused on the 4 aspects of service, integration, innovation, and close-to-people, and made efforts to build 6 self-owned platforms, and innovatively promoted the Company's brand to become a social brand transition to consumption type. The total number of fans of the Company's platform was over 510,000, and 24 columns such as "New Stories of Golden Flower Blooming", "Dialogues with Ghina-Chic Product Distributors", "Column on the Progress of Party Discipline Study and Education" were opened, with the total number of views exceeding 8.85 million times.



This year, the Company held a variety of themed events to continuously expand the brand influence. Seizing the opportunity of "Dragon Brand" publicity in the Year of Dragon, we launched themed activities such as "Double Dragon Club at Drum Tower", "Strong Middle Axis Line" and "Imprint Beijing Middle Axis Line", to promote traditional culture while promoting the national goods. We also worked with our partners to build the "12 Years" public welfare design exhibition--Oriental Aesthetics, to present the entire brand and product range of the Company, and promote Chinese culture and brand to become a world trend with the power of modern design and the charm of national goods. In addition, we have established the headquarters of Yuyan Workshop to build a culture communication, brand display, an immersive interactive space for product sales and service leisure.



Party building leads to win-win cooperation

The Company earnestly implemented the general requirements for party building in the new era and further promoted the integrated development of party building and operation. This year, the Company signed a strategic cooperation agreement with its partners and carried out the activities of grassroots party organisations joint study and construction. The activities strengthened the exchange and interaction between BNBM and upstream and downstream enterprises in party building work, and jointly explored the integration and development path of ‘party building + business’, deepened mutual learning and mutual appreciation among enterprise party branches, and formed a positive interaction led by party building and seeking common development. We will continue to increase interconnection and interaction with our partners, turn the advantages of mutual promotion and advancement of party building into development advantages, give full play to their respective advantages, achieve resource sharing, mutual benefit and win-win situation, and promote common high-quality development with practical actions.



Party building leads cultural construction

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

Cultivating Integrity Construction

The Company continued to strengthen the construction of integrity culture in the new era, consistently implements the spirit of the eight provisions of the Central Committee and the implementation of the rules, thoroughly implements the responsibility system for the construction of honest and clean party politics, grasps the fundamental project of ‘not daring to corrupt, not being able to corrupt, and not wanting to corrupt’, deeply cultivates the culture of cleanliness and constantly improves the awareness of staff's cleanliness and self-discipline and their ability to resist and prevent corruption and change. The Company has also improved its ability to resist and prevent corruption and change.

Deepen the construction of integrity system

The Company strictly abides by laws and regulations related to anti-corruption and anti-corruption and party rules and regulations. The Group formulated and improved a series of internal policies and systems such as the BNBM Responsibility System for Party Conduct and Integrity Construction and the BNBM Rules on Implementing the Commitment System for Integrity of Leading Personnel to continuously promote anti-corruption and integrity. In 2024, the Company formulated and improved eight systems, including the Opinions of the BNBM Party Committee on Improving the Comprehensive and Strict Party System (Provisional) and the BNBM Measures for the Administration of Gift Funds. The Group promoted the⁶ consistency and coordination of the “big supervision” system.

The Company insists on integrating the building of party style and clean government into the central work⁷. The Discipline Inspection Commission carries out assistance and supervision functions as one.

This year

the Company signed the *Letter of Responsibility for the Building of Party Style and Integrity* with member enterprises across all levels, and linked the results of the assessment on the responsibility system for building party style and integrity with the⁸ performance of the Party Organization Secretary and the “two members” of the discipline inspection team, further stimulating the vitality of the supervision over integrity.

⁶ "Big supervision" refers to the profound integration of party supervision and enterprise management supervision. The Group studied the problem rectification approach, and formed a horizontal and horizontal joint and interactive comprehensive supervision system for vertical supervision chain and supervision departments classified by business.

⁷ "Double responsibilities" refers to the dual responsibilities of integrity building and operation management in a single position.

⁸ "Discipline Inspection" refers to the discipline inspection committee and the discipline inspectors, and is the frontline supervisory force of the grass-roots branches and enterprises.

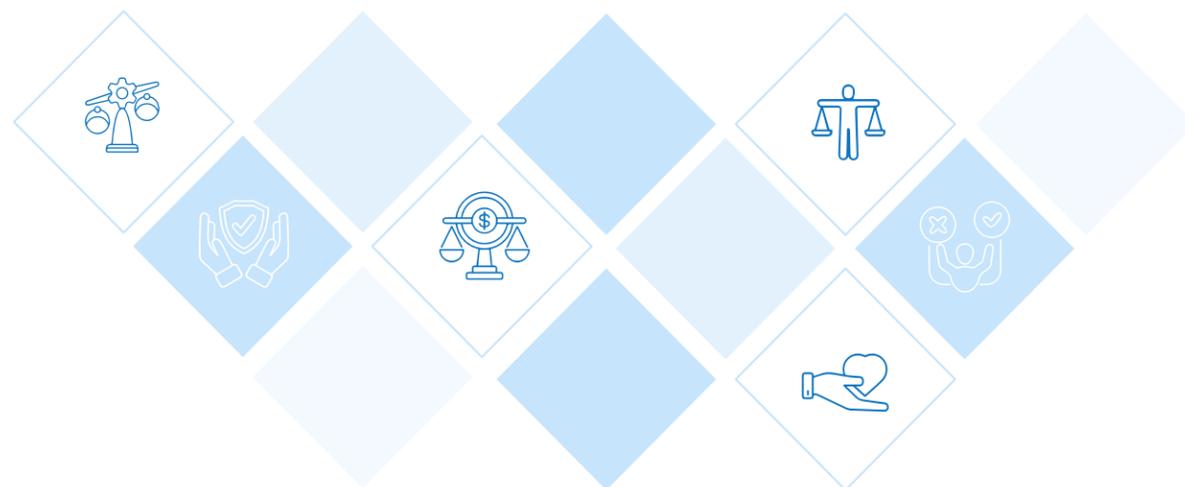


- Leading Group Meeting on Party Conduct and Integrity Building and Anti-Corruption Work



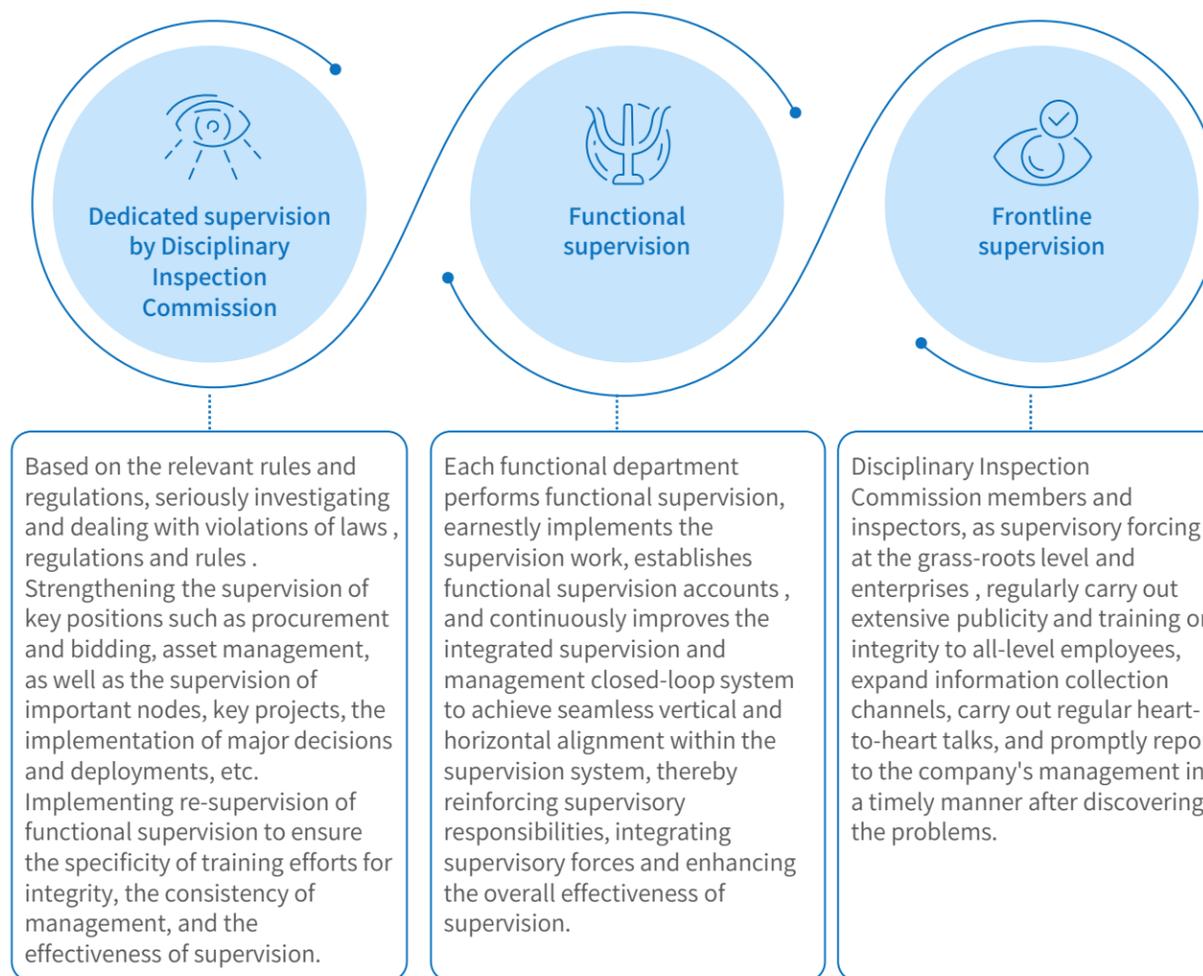
- Signing the letter of responsibility for building party style and integrity and the letter of commitment for integrity and self-discipline

In 2024, the Company formulated and publicly released the *Code of Business Ethics and Conduct*⁹ and the *Anti-Corruption Policy Statement* for all employees¹⁰, covering corruption, bribery, discrimination, information confidentiality, conflicts of interest, antitrust/anti-competitive behavior, money laundering and/or insider dealing, environmental, health and safety. The Company's Anti-Corruption Policy also applies to stakeholders who have business dealings with the Group. It is also known that bribery is disguised as donations and sponsorship, and bribery is carried out through political donations.



The Group strengthened the protection against corruption

Adhering to building a clean and honest operating environment, the Company has established a top-down three-level supervision system, which includes special supervision, functional supervision and first-line supervision by the Disciplinary Committee. Continuously strengthen risk identification, monitoring and prevention capabilities.



The three-tier supervision system of BNBM includes:

The Company includes the *Code of Business Ethics and Conduct* in the scope of employee performance assessment, and links employees' compliance with the Code to their remuneration. If any employee directly or indirectly breaches the requirements of the code, they will face disciplinary actions such as warnings, demerits, demotions, dismissals, termination of personnel or labor relations, depending on the severity of the violation. In addition, the Company reduced the remuneration of those in violation of the law in accordance with the *Detailed Rules for the Implementation of the Deduction of Remuneration of Heads of Group Companies Subject to Party and Government Discipline*, ensuring strict implementation of the standards.

⁹ Code of Business Ethics: <https://www.bnbm.com.cn/esgdt.html>

¹⁰ Anti-Corruption Policy Statement: <https://www.bnbm.com.cn/esgdt.html>

Clear reporting channels

The Company has established a smooth reporting channel for business ethics or suspected violations of the *Code of Business Ethics* (e.g., corruption, fraud, etc.). After receiving the report, the Company will set up an investigation team to investigate the problem leads and issue an investigation report based on the investigation results to ensure that the reported problem is effectively dealt with.

The Company strives to protect the safety of whistle-blowers and their content, and strictly implements *the Rules for Handling Whistle-blowing Complaints by Discipline Inspection and Supervision Authorities*. It is prohibited to attack whistle-blowers and witnesses in any form, to strictly observe the whistle-blowers' privacy and protect their legitimate rights and interests.

Integrity risk prevention and control

The Company continues to carry out integrity risk prevention and control, organizes segment companies to conduct integrity risk screening each year, and timely revises the *Manual for Prevention and Control of Integrity Risks*, conducts 1 integrity risk metrics monitoring each quarter. In 2024, the Company issued 5 disciplinary inspection proposals and 5 rectification notices, and revisited the implementation of the rectification work. The Company conducted closed-loop management of rectification and achieved 100% completion rate of rectification measures. At the same time, the Company carries out business ethics audits of its subsidiaries in accordance with the *BNBM Implementation Rules for Economic Responsibility Audits* on the 'implementation of responsibilities for the construction of a clean and honest Party and compliance with the provisions on clean practices in economic activities', as well as economic responsibility audits of its 57 subsidiaries and ensures that the relevant audits cover all operating sites at least once every three years.

In 2024, the Company had no corruption, bribery, conflicts of interest, negative events of money laundering or insider dealing.

Supplier anti-corruption management

Adhering to the principle of "cooperation with integrity, equality and mutual benefit and common development", the Company works with suppliers to create a clean and positive business environment. This year, we formulated and issued the *Supplier Code of Conduct*, which requires all suppliers to strictly fulfil their commitments in anti-corruption, anti-unfair competition and anti-conflict of interest. To prevent corrupt practices, the Company regularly reviews the procurement process of suppliers and checks the corruption of suppliers through public information channels to ensure that the supplier's behaviour complies with the requirements of the *Supplier Code of Conduct*. If we find that there is corruption or other violations of the supplier, we will blacklist the supplier in accordance with relevant policies, and terminate the cooperation immediately.



- In 2024, we held a seminar with suppliers on integrity and signed a letter of commitment to integrity

To deepen integrity awareness, in 2024

the Company carried out **14** special warnings in procurement and marketing, and held seminars with suppliers on integrity. We also signed an "Integrity Commitment" with all suppliers, conducted a questionnaire survey on integrity, and improved the awareness of integrity and self-discipline among suppliers, achieving **100%** coverage of anti-corruption management.

Deepen awareness promotion

The Company continued to deepen anti-corruption publicity and implemented the construction of a culture of integrity. In 2024, we established the "146" integrity culture system¹¹, nurturing a foundation of integrity and clean governance, comprehensively enhancing all employees' awareness of resisting corruption and preventing degeneration.

Build an integrity "firewall"

We strengthen ideological guidance. Through theoretical study, organized visits to warning education bases, and themed Party Day activities, we guide Party members and officials to cultivate a sense of reverence, maintain vigilance, and adhere to moral boundaries, thereby solidifying the ideological foundation of integrity and clean governance;

Establishing the "Guiding Beacon" for integrity

Through disciplinary Party lectures, knowledge quizzes on "Learning Regulations, Upholding Party Discipline, Setting an Example, and Promoting Development," Integrity Forums, and "I Tell Integrity Stories" activities, we strengthen training and learning and actively foster a positive culture of integrity and clean governance.

Driving "New Achievements"

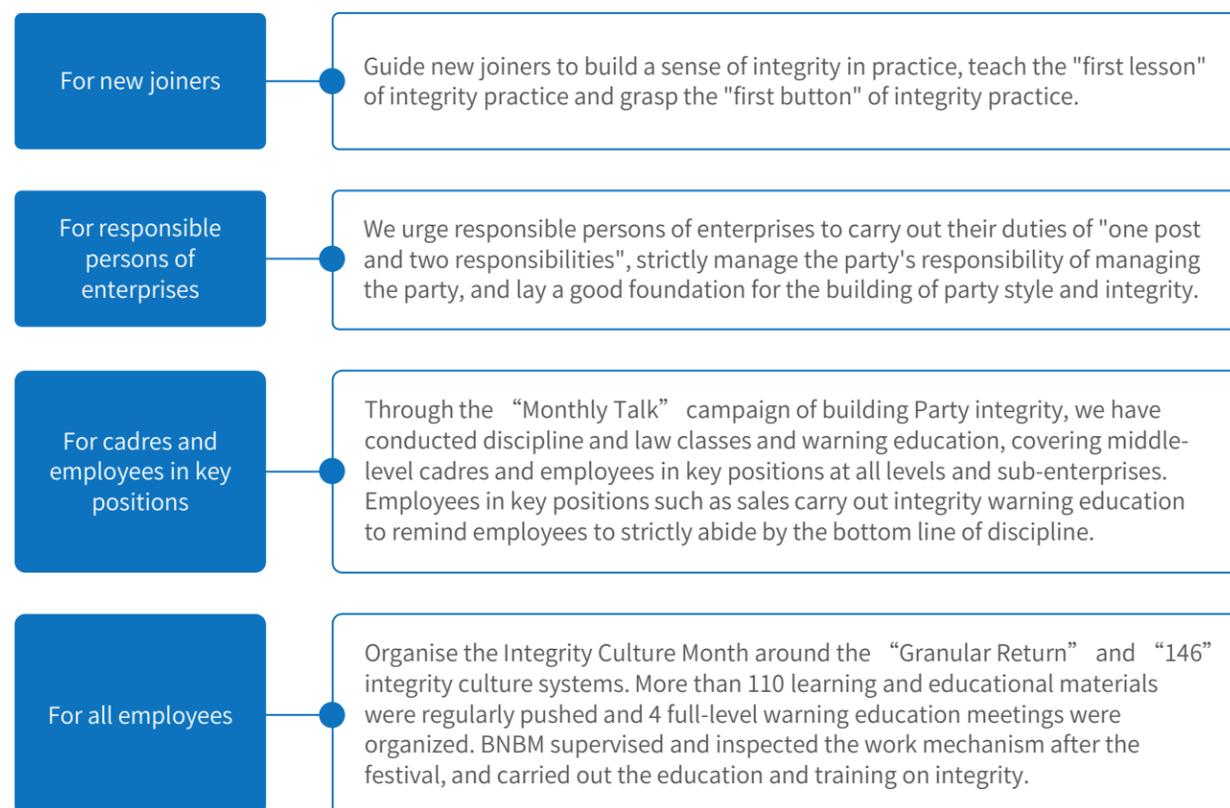
We focus on "Cultivating the Market for Greater Revenue," "Enhancing Value Through Precise Management," and "Preventing Risks Through Accurate Internal Controls." Continuously reinforce self-discipline and integrity to propel the Company's high-quality development.

Activating the "Integrity Momentum"

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

¹¹ The "146" integrity culture system refers to the integrity culture system, which consists of one goal, four core concepts and six implementation paths.

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



• Party discipline study and education Special Party course



• 2024 Awareness and development meeting of the month of corruption and culture

This year, the Company's project of "Deepening Integrity Culture Construction and Promoting High-quality Development of State-owned Enterprises" was awarded the Third Prize for Excellent Achievements in the Reform and Development of Chinese Enterprises in 2024.

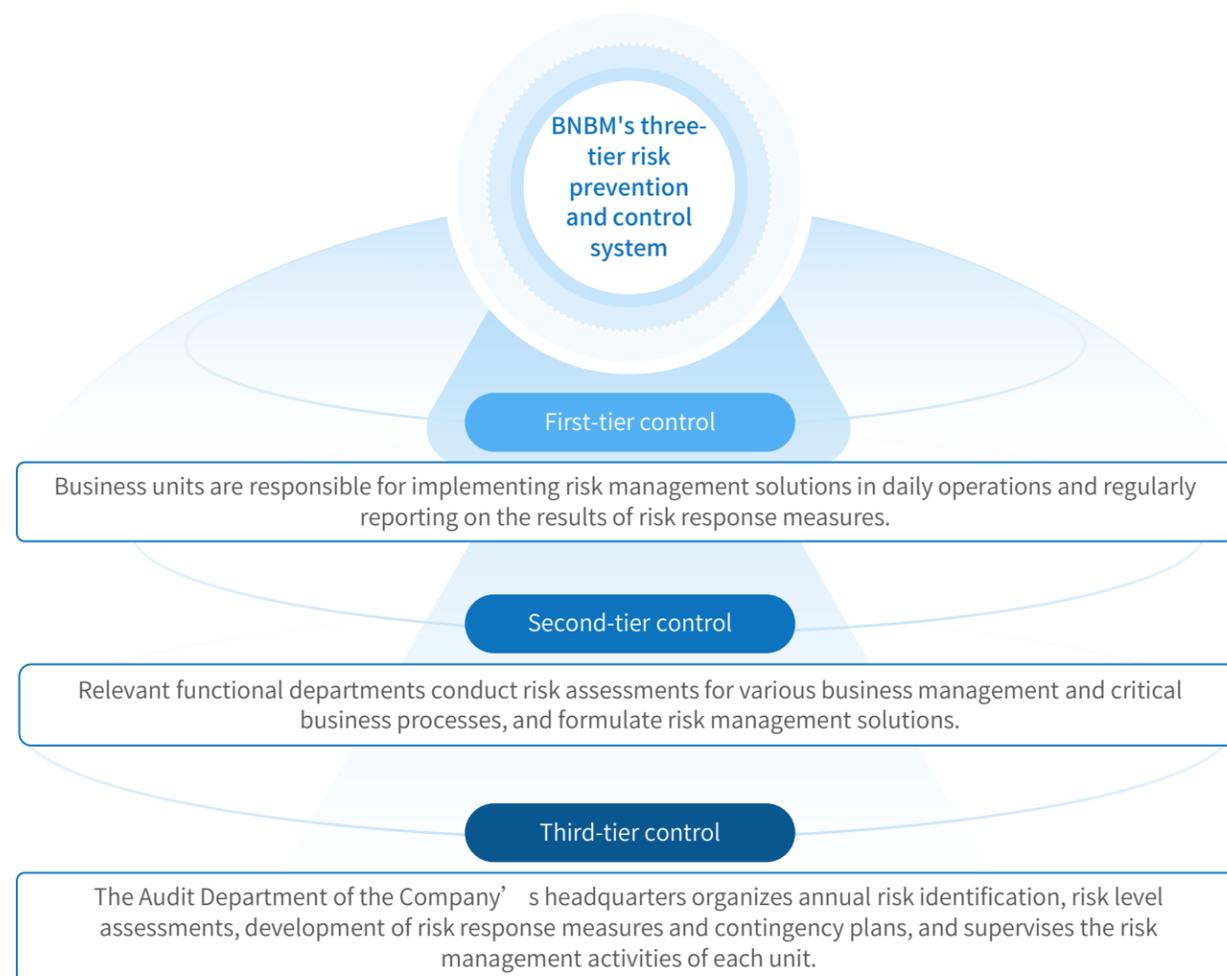
Performance of key integrity risk management in 2024



Implement risk prevention and control

The Company fully implements the national policies and policies, and integrates risk management into the top-level design. The Group formulated internal policies such as the *BNBM Comprehensive Risk Management System*, and established the internal control system and supervision system as the leader. The internal control system of "1+N" supported by various specific operating standards continuously improves risk prevention and control.

The Company has established a comprehensive risk management system, with the Board of Directors as the highest management decision-making body for risk management, a comprehensive risk management leading group headed by the Chairman of the Board of Directors with the joint participation of the operating and management teams, and a three-tier risk prevention and control system consisting of business units, the functional departments involved and the audit department for the comprehensive implementation of risk management.



The Company carries out risk identification and assessment at the beginning of each year, taking into account the characteristics of the industry in which it operates and the actual situation of its operations, in-depth analyses of the changes in macro policies, market environment and international operations that the Company may face, and systematically identifies various types of sources of risk and potential risk events, including those in the areas of finance, market, operations and compliance. We quantitatively rate each risk in terms of its likelihood of occurrence, degree of impact and potential consequences to determine the annual significant risks and form a comprehensive risk management report for management's consideration. After the management's consideration and approval, we will formulate risk response measures and plans based on the results of the risk assessment, establish a significant risk prevention and control responsibility account, and dynamically monitor changes in the risk situation in our daily production and operation management. At the same time, we carry out quarterly monitoring to analyse risk exposures and annual significant risk trends, formulate corresponding preventive and control measures based on quarterly risk characteristics, and effectively implement risk prevention and control initiatives to ensure controllable risks and promote the sustainable development of the Company.

In 2024, the Company steadily promoted the supervision of internal control system, regularly conducted internal audit on the effectiveness of internal control and risk management process, and issued self-evaluation report on internal control. We will sort out the deficiencies and deficiencies identified during the audit and urge rectification in a timely manner. In addition, we cooperate with professional external institutions to focus on medium and high risks and corporate strategies, and conduct external audits on the effectiveness of risk management processes.

During the year

The Company conducted **228** internal control audits covering all companies at all levels, both domestic and overseas.



Compliance operation

BNBM regards lawful and compliant operation as an important cornerstone for the Company's sustainable development. We strictly abide by the laws and regulations of the country and overseas operation sites, formulate internal systems such as the Measures for Compliance Management, continue to improve the operation mechanism of compliance management, implement the responsibility of compliance management, cultivate a good compliance culture, embed compliance requirements in all areas and links of operation and management, and provide solid guarantee for the Company's high-quality development. During the year, the Company signed **4,131** compliance undertakings with all employees in management positions and key positions, continuously enhancing employees' awareness of compliance operation and management in accordance with the law and continuously improving the Company's compliance systematic management level.

Compliance Management System

Improve the compliance management mechanism

The Company fully implements the "primary person responsible" mechanism for the construction of the rule of law. It has established a Compliance Management Committee with the Company's principal responsible person as the head of the leadership group and the Company's Chief Legal Counsel as the Chief Compliance Officer and head of the working group. The committee is responsible for organizing and coordinating compliance management efforts, continuously advancing the construction of the Company's compliance management system and major compliance matters, and providing guidance, supervision, and evaluation of the Company's compliance management work. In 2024, the Company's compliance management committees at all levels held **58** meetings, deliberating **121** topics, and effectively promoting the Company's overall compliance management.

Implement compliance management responsibilities

The Company attaches great importance to the construction of the rule of law, continuously strengthens the organic integration of business operation and compliance management, and gives full play to the synergy of the "three lines of defense" of compliance management to continuously improve the level of managing enterprises in accordance with the law. The Company has the business department as the first line of defense to implement compliance management requirements; the legal and compliance department as the second line of defense to guide and urge each business department to perform compliance management responsibilities; the audit and discipline department as the third line of defense, to verify and improve the effectiveness of the Company's compliance management system. We will work together to promote compliance management and effectively prevent and control possible compliance risks. At the same time, the Company has established a mechanism for reporting violations, and record it at the Company's headquarters.



Deepen compliance risk prevention and control

The Company continued to strengthen compliance management and legal supervision, and carried out compliance risk investigation in an all-round manner. We organize all-level sub-enterprises to sort out compliance management in key areas, formulate a list of compliance risks, and investigate compliance risks and violations on a quarterly basis. This year, in cooperation with external professional institutions, we conducted compliance evaluation and risk review of BNBM Carpoly and BNBM Waterproof. As the key representative of the Company's "Two Wings" strategy, the implementation of relevant work is of great importance to enhancing business synergy and implementing the Company's development strategy.

In order to further supervise and promote the construction of overseas business compliance management, we conducted 11 special risk checks on overseas-related businesses. The Group strictly prevents and controls overseas risks, and ensures the compliance and high quality of the Company's business operations. In 2024, the Company reviewed **648** rules and regulations at all levels and sub-enterprises, **51** major decisions, **44,440** major contracts, and compliance review rate reached **100%**.

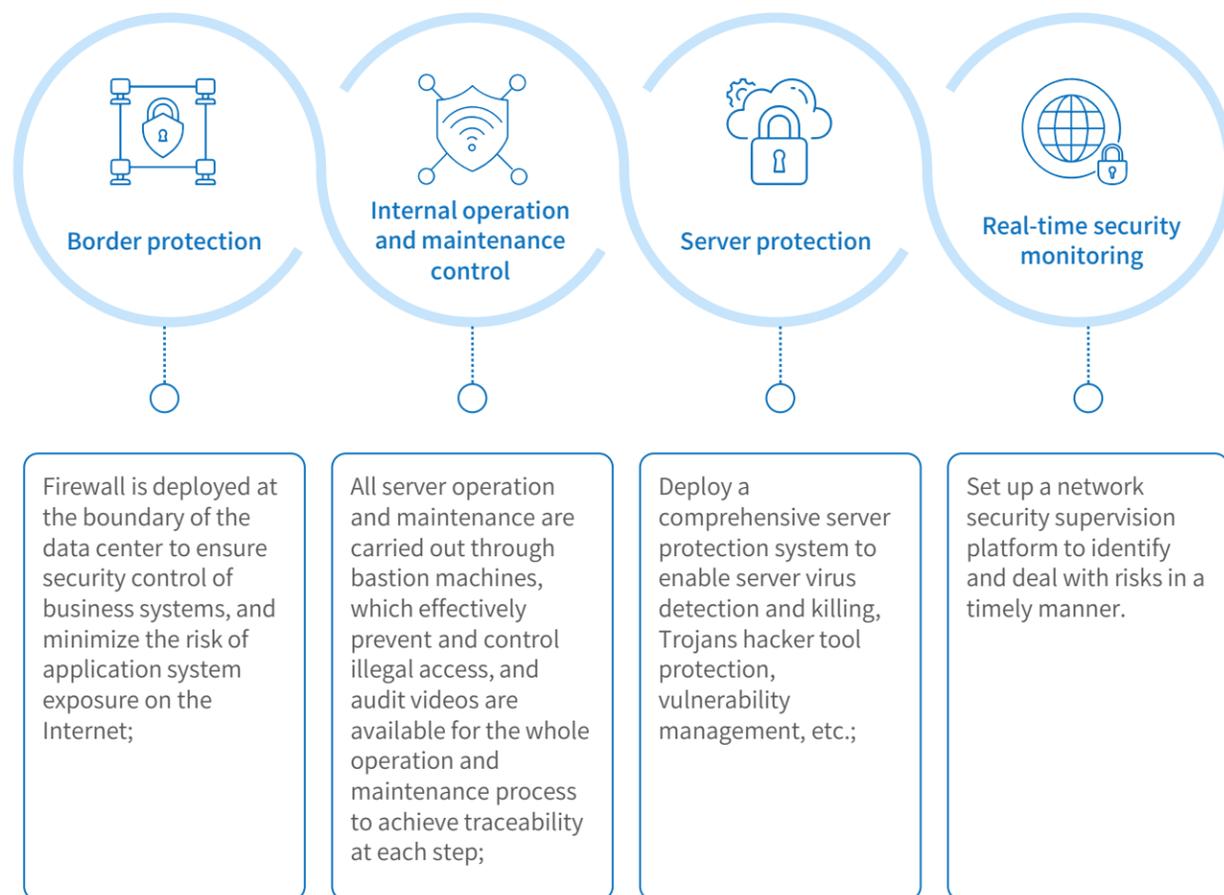
Cultivate a good compliance culture

The Company actively carries out compliance awareness promotion, and promotes the improvement of compliance management of its subsidiaries through the compliance risk monthly report. Topics include compliance management, copyright knowledge, new Company law, etc. In the current year, the total number of participants in relevant training reached **12,600**.

Protecting enterprise information security

The Company strictly abides by the *Law of the People's Republic of China on the Protection of State Secrets*, the *Interim Regulations on the Protection of Commercial Secrets of Central Enterprises*, and other laws and regulations, and has formulated the BNB Information Security Management Policy to carry out measures to safeguard information security in an orderly manner. Since 2021, the Company has been conducting grading filing and assessment on official websites and internal systems to obtain and maintain the second level of cybersecurity protection.

The Company set up a leading group on cybersecurity and informatisation, with the Chairman as the leader of the leading group, to actively lead senior management and all employees in information security protection. At the same time, the Company has set up a network security and informatisation working group to carry out daily network security management, focusing on the following protection measures:

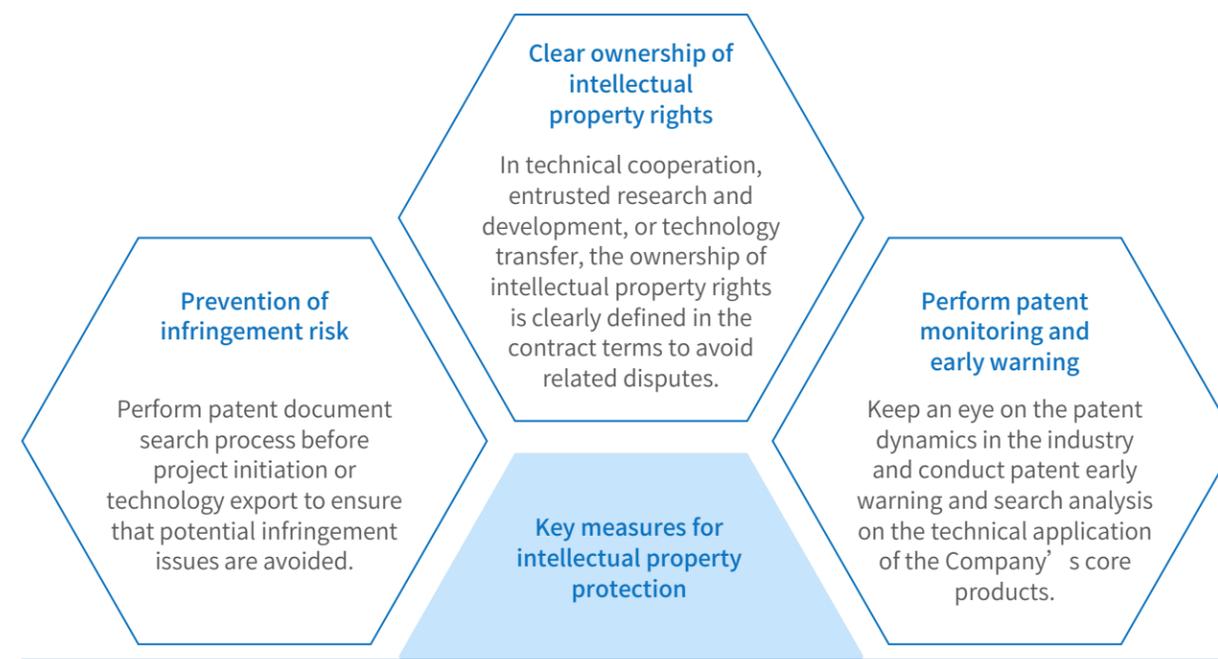


Intellectual Property Management

Adhering to the protection of intellectual property rights as the core element of encouraging employees to innovate, promoting economic development and ensuring fair competition, the Company strictly abides by the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other relevant laws and regulations. In addition, the Company formulated internal policies such as *the BNB Patent Administration Measures* to regulate the protection of intellectual property rights, so as to build a sound management system for intellectual property protection.

The Company actively arranges patent application work, works closely with technical experts and professional service institutions, and efficiently promotes the application of intellectual property rights through detailed technical separation and in-depth background research. In addition, the Company keeps up with the industry's technological development and holds regular technical seminars. We will accurately identify and target the protection needs of core technologies to effectively prevent the risk of infringement.

This year, in response to an infringement of a trademark against the Company, the Company fully fixed the evidences and filed trademark infringement lawsuits in a timely manner, and successfully stopped the infringement by legal means. The trademark protection and fraud case was successfully selected as a typical case of "Iron Fist" action in 2024 People's Livelihood Cases announced by the Beijing Municipal Administration for Market Regulation.



02

Green and Circular Economy Products

As a leading domestic enterprise in green building materials, BNBM is driven by its mission to achieve “Green Technology, Quality Life.” Upholding the development philosophy of “Greenway Builds a Better Future,” the Company actively implements low-carbon operation strategies, vigorously develops a circular economy, and focuses on creating green products to steadily enhance its core competitiveness in green development. We are committed to minimizing the environmental impact of production and operational activities, continuously improving resource efficiency, and fully advancing the realization of the “Carbon Peaking and Carbon Neutrality” goals. We aim to provide innovative solutions to the environmental challenges faced by society and collaborate with partners to create a new harmonious lifestyle between human and nature. In 2024, the Company’s revenue from green products amounted to more than RMB 17 billion.

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Advancing the “Carbon Peaking and Carbon Neutrality” strategy

To support the national "30.60" goals and further promote low-carbon development across the value chain, the Company formulated and released the *Carbon Peaking Action Plan of BNBM* in 2023. The plan sets a clear target to achieve carbon peaking by 2029 and solidly advance carbon peaking and carbon neutrality efforts.

Core Principles

The plan clearly takes "reducing carbon at the source based on reality", "development priority, equal emphasis on emission reduction", "innovation-driven, technology-led" and "active, steady and orderly promotion," as the four core principles, strengthening reduction at the source, strict process control, and optimizing end governance. Based on control of total volume, focusing on business structure optimisation, taking raw material fuel substitution and comprehensive utilisation of resources as the key, and low-carbon technology innovation as the driving force, the Company accelerate the production and application of green building materials.

Strategic Goals

To implement of energy conservation and emission reduction system measures, the work plan has formulated overall goals and characteristic goals based on the Company's development situation, and promoted all-round emission reduction from point to area.

Overall Goals

By 2025

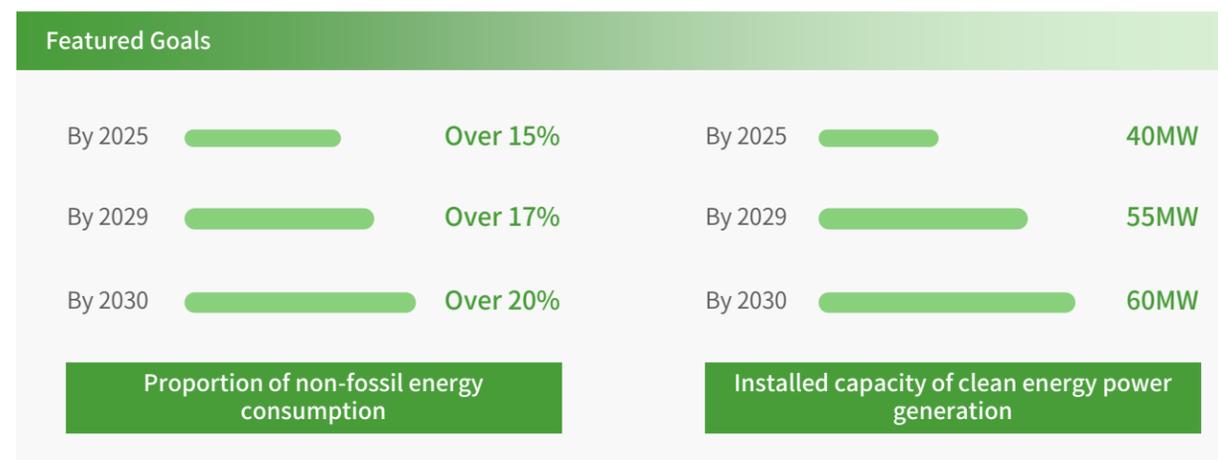
The Company’s energy consumption per RMB 10,000 of operating Income will be reduced by **16%** compared with 2020

Carbon dioxide emissions per RMB 10,000 of operating income will be reduced by **24%** compared with 2020

By 2030

The Company’s energy consumption per RMB 10,000 of operating Income will be reduced by **33%** compared with 2020

Carbon dioxide emissions per RMB 10,000 of operating Income will be reduced by **38%** compared with 2020.



Target Completion Status

We have identified three pillars for achieving carbon peaking: green and low-carbon energy transformation, efficient utilization of resources and energy, and vigorous promotion of the circular economy. Through ten key tasks, including comprehensive optimization of production and business layouts, advancement of green and low-carbon circular transformation, and strengthening of green and low-carbon supply management, we have steadily progressed toward the Company's carbon peaking and carbon neutrality goals. This year, we not only achieved our set targets but also exceeded them. Moving forward, we will continue to maintain our carbon reduction achievements and further explore potential for energy conservation and emission reduction.

	Energy and Carbon Reduction Goals	Achievements in 2024 ¹²
Overall Goals	By 2025, based on 2020 levels, the comprehensive energy consumption per 10,000 RMB of operating income will decrease by 16%.	This year, the comprehensive energy consumption per 10,000 RMB of operating income decreased by 45.10% compared to 2020.
	By 2025, based on 2020 levels, the carbon dioxide emissions per 10,000 RMB of operating income will decrease by 24%.	This year, the carbon dioxide emissions per 10,000 RMB of operating income decreased by 49.27% compared to 2020.
Featured Goals	By 2025, the proportion of non-fossil energy consumption will exceed 15%.	This year, the proportion of non-fossil energy consumption reached approximately 14.44%.
	By 2025, the installed capacity of clean energy power generation will reach 40 megawatts.	This year, the installed capacity of clean energy power generation reached 50.05 megawatts.

¹² This year, the Company completed the acquisition of Carpoly and included it in the data. As a result, some data fluctuations are relatively significant.

Practicing low-carbon production

BNBM actively responds to the national call for "Action of Central Enterprises for Energy Conservation and Carbon Reduction" by continuously promoting low-carbon technological upgrades, vigorously developing clean energy, and optimizing energy efficiency. The Company is committed to advancing its "Carbon Peaking and Carbon Neutrality" strategy through green manufacturing.

As of the end of the reporting period

The Company achieved a comprehensive energy consumption of **0.57** tons of standard coal per 10,000 RMB of output value, a year-on-year decrease of **12.30%**; The carbon dioxide emissions per 10,000 RMB of output value decreased by **12.50%**, year-on-year, exceeding the target.

The Company actively promotes the assessment mechanism energy conservation and emission reduction initiatives across all production bases by establishing an assessment system with the General Manager of each base as the primary responsible party. Energy conservation and carbon reduction, as well as ecological environmental protection indicators, have been incorporated into the performance evaluation scope of senior management. This year, to better understand the actual carbon emissions of affiliated enterprises and ensure the successful achievement of the "Carbon Peaking and Carbon Neutrality" strategic goals, we conducted carbon emission assessments for 8 affiliated enterprises. These assessments helped enterprises understand their carbon emission structures and develop targeted carbon reduction measures to ensure compliance with emission reduction targets. Additionally, the Company focuses on reducing carbon emissions throughout the product lifecycle, actively analysing product carbon footprints and exploring carbon reduction potential. This year, products such as Dragon Brand Company coatings, modified asphalt waterproof membranes, high-solid-content waterproof coatings, and polymer waterproof membranes obtained product carbon footprint certification.

Promoting the usage of clean energy

BNBM is intensifying efforts in the research and application of clean energy alternatives. To effectively implement the carbon peaking action plan, the Company has increased investment in clean energy replacement projects, promoting the integration of photovoltaic building systems and green energy applications while simultaneously advancing energy-saving and carbon-reduction technological upgrades. As of the end of the reporting period, the Company had 14 photovoltaic power generation projects, an increase of 5 compared to the same period in 2023. The cumulative photovoltaic power generation of enterprises at all levels reached 33,896,600 kilowatt-hours, a year-on-year increase of 28.84%. Additionally, the Company actively promoted natural gas as a substitute for coal, with the cumulative use of natural gas replacing coal equivalent to 129.60 thousand tons of standard coal, effectively reducing greenhouse gas emissions by approximately 347.70 thousand tons of carbon dioxide equivalent. Furthermore, the Company continues to research biomass fuel applications and rooftop heat collection technologies to facilitate the transition to low-carbon production.

In 2024, Taishan Gypsum has completed the coal-to-clean energy transformation for the first and second production lines in the Taihe Industrial Park, as well as the Changzhi and Heze branch plants.



Shaanxi BNBM has completed the biomass and natural gas heat source transformation project, with the proportion of non-fossil energy exceeding 50%. This initiative is expected to reduce carbon dioxide emissions by approximately 20,000 tons annually.

Reducing production energy consumption

BNBM continuously improves energy and resource use efficiency through process improvements and equipment upgrades. We adhere to optimizing production technology as a key approach, reducing energy consumption from the source, and contributing to the achievement of carbon reduction goals. In 2024, the Company's gypsum board products achieved a year-on-year decrease of 2.83% in coal consumption per unit and a 5.34% decrease in electricity consumption per unit. The comprehensive energy consumption per 10,000 RMB of output value for waterproof products decreased by 0.14%.

Enhancing Energy and Resource Utilization Efficiency through Green Intelligent Manufacturing

High-Quality Raw Material Preparation Technology

By developing technologies for controlling the crystal morphology of desulfurized gypsum and solidifying soluble chloride ions, we achieve high-quality resource utilization of industrial by-product gypsum. This reduces energy consumption in gypsum product production. It is estimated that a single production line with an annual capacity of 30 million square meters of gypsum board can reduce CO₂ emissions by approximately 630 tons per year.

Low-Carbon and Eco-Friendly Production Technology

We innovatively developed a "near-zero emission" process for producing gypsum boards using coal-fired heat sources, enabling clean and efficient utilization of coal heat. It is estimated that a single gypsum board production line can reduce CO₂ emissions by 887 tons annually. Additionally, by developing a low-nitrogen and energy-efficient natural gas heat source production process, a single production line with an annual capacity of 30 million square meters of gypsum board is expected to reduce CO₂ emissions by approximately 3,200 tons per year.

High-Speed Intelligent Manufacturing Technology

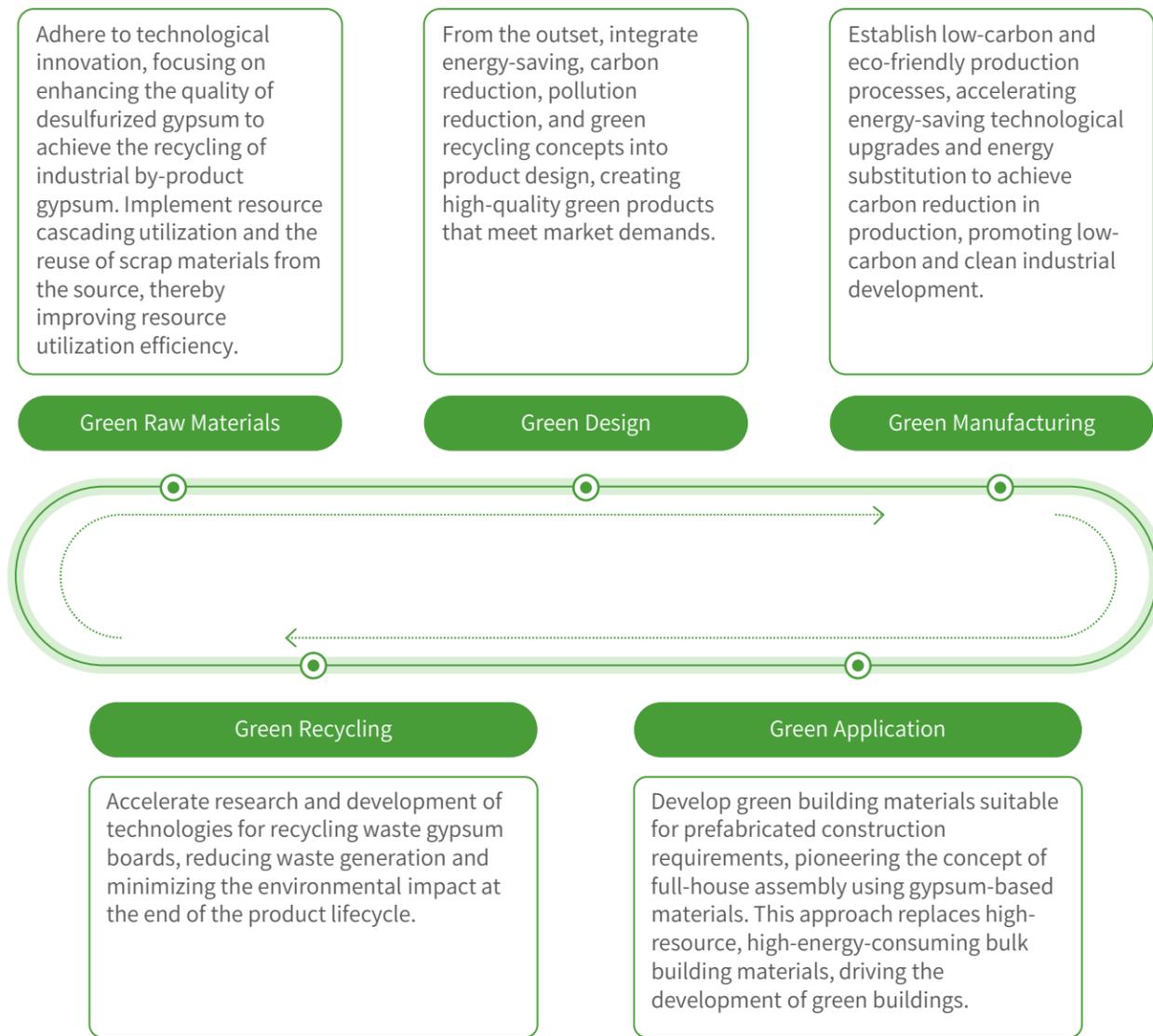
We have established a high-stability adaptive control system for gypsum board production with independent intellectual property rights, achieving millimeter-level precision control. Through intelligent production lines and independent R&D of key equipment, we enhance production line efficiency, continuously improve operational efficiency, and achieve cost reduction and efficiency improvement.

Furthermore, the Company's production bases focus on reducing energy consumption in operational processes. This year, Tianjin Beacon Coatings utilized a cooling tower system, intermittently operating cooling tower fans and refrigeration units based on seasonal, temperature, and production process requirements, cumulatively saving 35,000 kWh of electricity.

Promoting circular economy

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

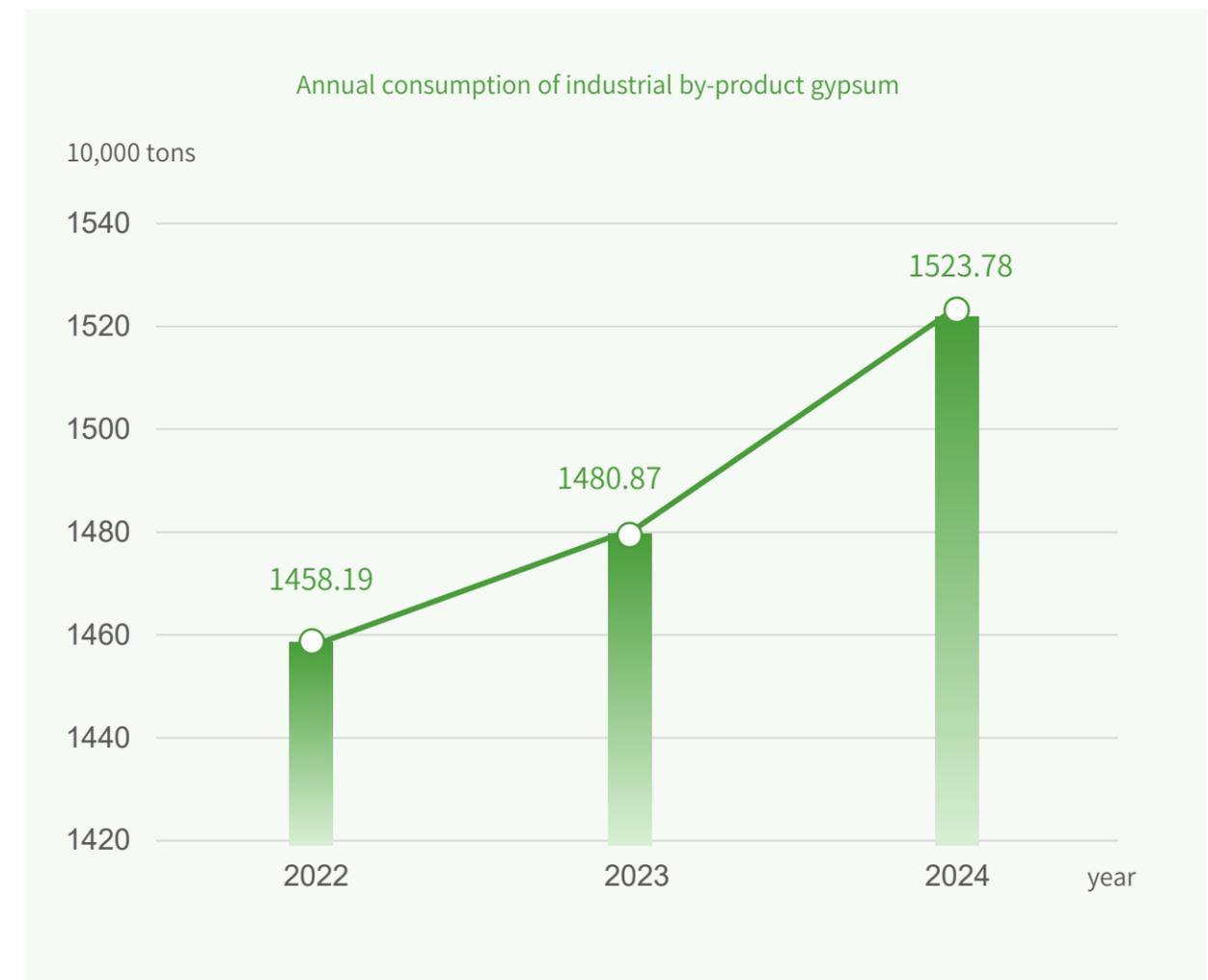
We are committed to integrating the concepts of green, low-carbon, and environmental protection into every stage of the product's entire life cycle:



Green raw materials

BNBM consistently drives the comprehensive utilization of resources through technological innovation, continuously overcoming technical bottlenecks. By improving the quality of desulfurized gypsum from the source and using high-quality raw materials for premium production, the company produces 100% of its gypsum boards using industrial by-product gypsum, achieving the recycling of industrial by-product gypsum.

In 2024, the Company utilized 15,237,800 tons of industrial by-product gypsum, an increase of 2.90% compared to the previous year.



Resource Utilization of Desulfurization Gypsum

BNBM vigorously develops green and low-carbon industries and supply chains, continuously advancing projects for the resource utilization of desulfurization gypsum solid waste. Nationwide, BNBM accounts for 60% of the consumption of desulfurization gypsum, making a significant contribution to the development of the circular economy in the industry:

- BNBM (Tianjin) Co., Ltd. utilizes desulfurization gypsum from large coal-fired power plants within a 10-kilometer radius, helping these plants consume nearly 300,000 tons of desulfurization gypsum annually.
- Ningbo BNBM Co., Ltd. consumes approximately 227,000 tons of desulfurization gypsum each year, transforming them into high-quality building materials.
- Taishan Gypsum has successfully developed technology to produce gypsum boards using 100% industrial by-product gypsum. This innovation enables the annual digestion of over 15 million tons of industrial by-product gypsum, reducing the land occupation for gypsum storage by more than 4,000 acres.

At the same time, the Company actively utilizes production waste heat, power plant waste heat, and production condensate for manufacturing activities, and reuses scrap materials for secondary production, achieving resource recycling. This year, the company replaced approximately 49,700 tons of standard coal by using waste heat steam from power plants.

Taishan Gypsum Selected as a Model "Zero-Waste Enterprise"

Taishan Gypsum has consistently explored the full-process management and innovative practices of transforming industrial solid waste into green building materials, with 5 enterprises acquiring the title of “no-waste enterprise” . In 2024, its "Resource Utilisation of Industrial Solid Waste in the Building Materials Industry: Zero-Waste Model" was selected as a model case for "Zero-Waste Enterprises." Taishan Gypsum recycles all major solid waste generated during production (gypsum board scraps and dust collector ash) as raw materials for the gypsum board production line. It also continues to recycle gypsum board scraps and discarded facing paper, reprocessing these materials through technical treatments and reusing them as raw materials to produce products that meet relevant standards, achieving efficient resource recycling.



• Coverage of Taishan Gypsum’s Selection

• Recycling of Waste Facing Paper

Water Resource Recycling Through Self-Built Sewage Treatment Stations

BNBM (Tianjin) Co., Ltd. has established its own sewage treatment station, integrating both domestic and production wastewater into the treatment system. The treated water meets production water standards, enabling water resource recycling. In 2024, the Company saved 10,000 tons of water and achieved the goal of zero wastewater discharge.

Patent Research on Waste and Recycled Materials

BNBM Waterproof has conducted extensive research on the utilization of waterproof membrane scraps and recycled materials, earning multiple patents and awards. The Company uses crushers or pelletizers to reprocess edge scraps and recycled materials from waterproof membranes, reusing them as raw materials in production. Through technical treatments, the Company ensures the products meet relevant standards, achieving resource recycling.

Green Design

BNBM consistently emphasizes low-carbon production, green application, and convenient recycling of materials from the initial stages of product design. By reducing carbon emissions in the production process and enhancing the environmental performance of products, the Company creates high-quality green products that meet national standards and market expectations. This year, multiple gypsum board and coating products from BNBM received green product certifications.

Multiple products of the Company have obtained green product certifications

As of the end of the reporting period, the Company’s 161 products such as Taishan Gypsum’s standard paper-faced gypsum boards, Dragon Brand Company’s gypsum boards, BNBM coatings have been awarded China Green Product Certification. Additionally, 85 products including Dream Brand New Materials' wall putty, Dragon Brand Company’s coatings, Tianjin Beacon's interior and exterior wall coatings have obtained China Environmental Label Product Certification.



• Multiple products of BNBM have obtained green product certifications

Green manufacturing

BNBM continuously develops low-carbon and environmentally friendly product manufacturing processes, achieving energy conservation and emission reduction in production, and promoting the low-carbon and clean development of the industry. The main measures we have taken include:

Developing a "near-zero emission" process technology for producing gypsum boards using coal-fired heat sources, and independently researching a "two-step precise calcination" process to achieve clean utilization of coal.

Developing "low-nitrogen energy-efficient natural gas heat source production process for gypsum boards" and other technologies to enhance the use of diversified energy sources.

Advancing the substitution technology of coal-fired heat sources in gypsum board production lines, accelerating the use of biomass fuels, waste heat steam, photovoltaic power generation, wind power, and other energy sources, significantly reducing greenhouse gas emissions. Some technologies have reached internationally leading levels.

For more details on low-carbon production and environmental protection initiatives and achievements, please refer to the sections "Advancing the "Carbon Peaking and Carbon Neutrality" strategy," "Practicing low-carbon production," and "Strengthening environmental management" in this report.

Green Application

With environmental protection, energy saving and sustainable development as its core concepts, BNBM has formulated green product research and development strategies and plans. In recent years, the Company has successfully developed a series of high-performance and multi-functional green building materials products, such as net aldehyde gypsum board with the function of adsorption and decomposition of formaldehyde, phase-change gypsum board that can realise the function of automatic adjustment of indoor temperature and other functions, and Luban universal board with the function of decorative decoration and applicable to the requirements of assembled buildings, etc. These products can replace the consumption of bulk building materials products such as cement that are high in resources and energy consumption, and continue to meet the functional demands of the modern living environment for health, environmental protection, comfort and et cetera.

Simultaneously, the Company actively promotes the development of green buildings through its products, pioneering the concept of full-house assembly using gypsum-based materials. It has developed a series of integrated gypsum-based structural, functional, and decorative components, establishing a prefabricated system solution. This provides customers with a one-stop green building solution from design and construction to operation and maintenance, enhancing construction efficiency and reducing environmental impact and resource consumption.



Key Applications and Advantages of Gypsum Boards in Green Buildings

Environmental Performance

No harmful substances or gases are emitted during use, and the production process is more energy-efficient and environmentally friendly.

Acoustic Performance

Effectively absorbs noise and reduces its transmission, well supporting the architectural needs of environments like hospitals, schools, and theaters.

Thermal Insulation Performance

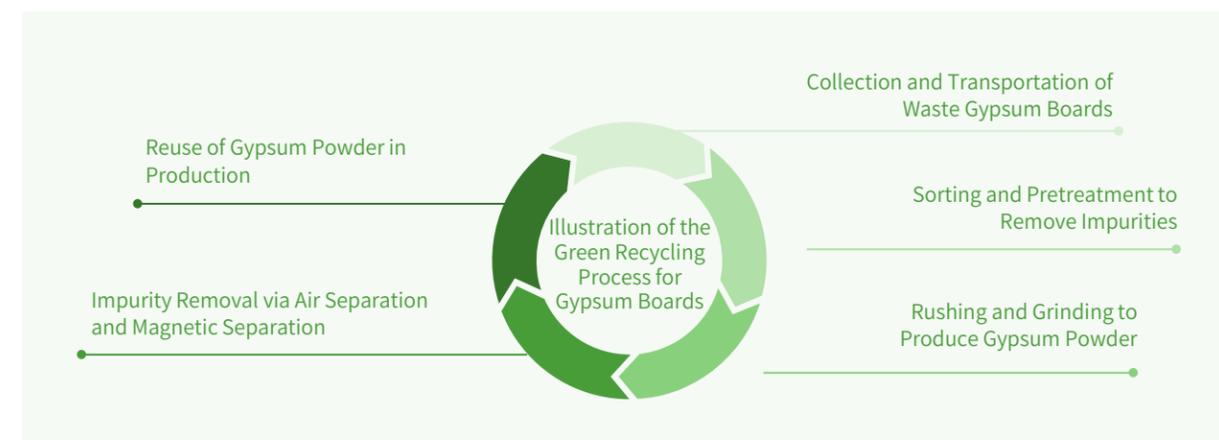
Effectively isolates heat transfer between indoors and outdoors, reducing energy loss.

Full-House assembly system creates a green, eco-friendly, and healthy living environment

BNBM's globally original Luban universal board full-house assembly system and Dragon brand paint have successfully created a green, eco-friendly, and move-in-ready office environment, gaining wide recognition from the industry. This system innovatively addresses the pain points of traditional materials, such as complex processes, long construction periods, excessive on-site waste, extended post-renovation ventilation time, and environmental concerns. By shortening construction timelines and improving the environment, it achieves "move-in-ready" status, realizing a "high-quality, low-cost, green" construction model.

Green recycling

continuously advances waste recycling and reuse initiatives. The Company persistently researches, develops, and stockpiles gypsum board recycling technologies to accelerate the regeneration of discarded building materials and mitigate the environmental impact during the end-of-life stage of its products.



Recycling and Reuse of Waste Gypsum Board



BNBM continues to advance the recycling of waste gypsum boards. In 2024, Zhaoqing BNBM Co., Ltd. recycled a total of 2,310 tons of waste gypsum boards, including approximately 15 tons of recycled gypsum boards and scraps from external markets.

- Recycling of waste gypsum board by BNBM Zhaoqing

Resource Utilization of Waste Paper

BNBM actively promotes the recycling and utilisation of waste paper. Its subsidiary, Taishan Gypsum Co., Ltd., has innovatively replaced the raw materials for gypsum board facing paper—originally wood pulp and straw pulp—with 100% waste paper. This initiative truly embodies the concept of "consuming waste and benefiting from waste," enabling the annual digestion of over 500,000 tons of waste paper. This effort effectively alleviates environmental pressure and protects land and forest resources.

Meanwhile, the company actively participates in circular economy-related forums and seminars, collaborating with industry and society to explore the application and development pathways of the circular economy concept.



- BNBM actively participates in the first Sino-US Circular Economy Cooperation Forum

Strengthening environmental management

BNBM strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and other laws and regulations related to energy conservation and environmental protection. This year, the Company formulated and released its *Environmental Policy Statement*¹³, continuously optimized its environmental management system, implemented diversified environmental protection measures, strengthened ecological and environmental supervision, and comprehensively promoted the progress of environmental governance.

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

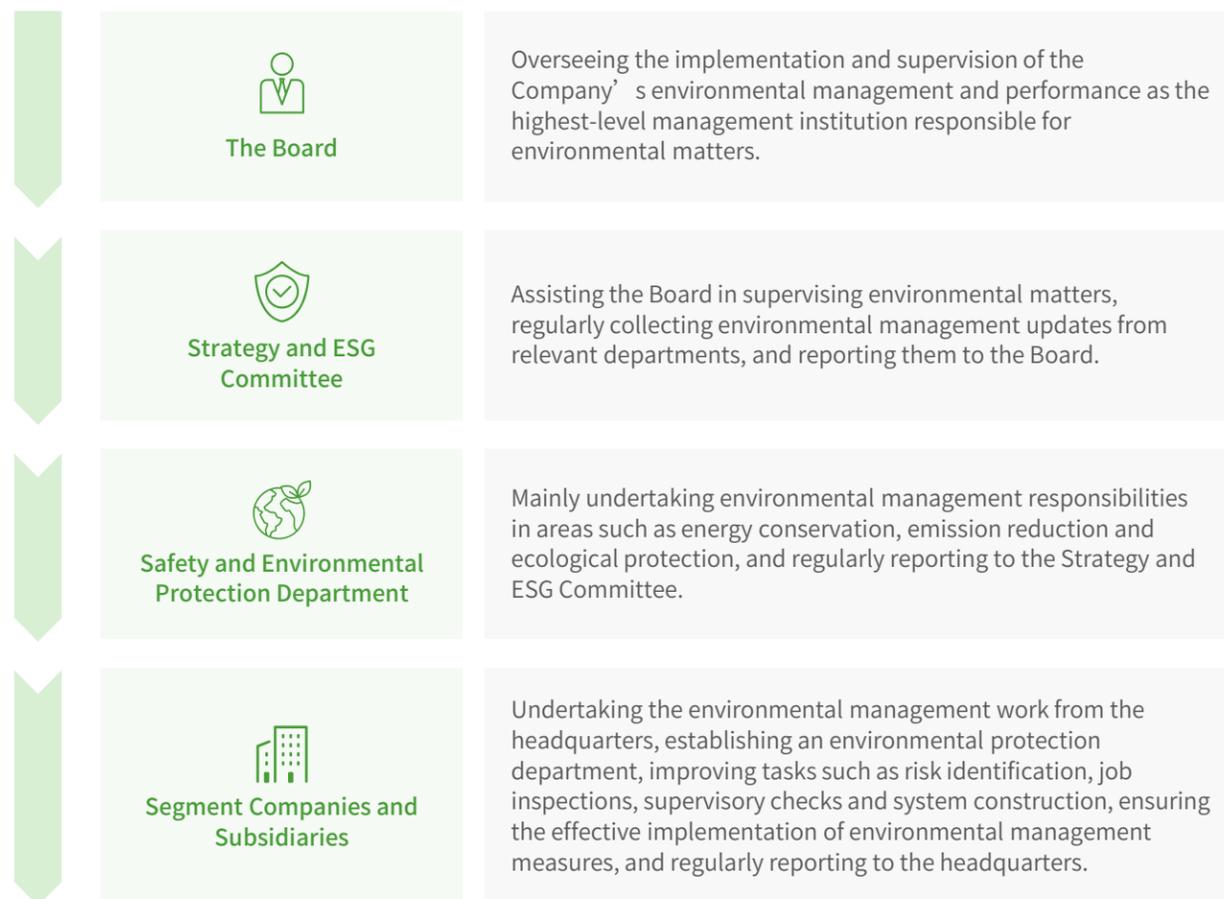
To strengthen the environmental management system, the Company actively promotes ISO 14001 Environmental Management System certification across its subsidiaries. All production bases of the Company conduct environmental management in accordance with the ISO 14001 Environmental Management System and establish internal standards to evaluate the management effectiveness of each production base. This year, all production and operation enterprises of the Company obtained ISO 14001 certification.

Previous Year's Targets	2024 Work Progress	
Sulfur dioxide (SO ₂) emission intensity < 20 mg/m ³	SO ₂ emission intensity: 0.26 kg/RMB 10,000 of industrial output, a 29.88% year-on-year decrease.	
Nitrogen oxides (NO _x) emission intensity < 30 mg/m ³	NO _x emission intensity: 0.54 kg/RMB 10,000 yuan of industrial output, a 16.57% year-on-year decrease.	
Industrial particulate matter emission intensity < 5 mg/m ³	Particulate matter emission intensity: 0.07 kg/RMB 10,000 of industrial output, a 32.01% year-on-year decrease.	

¹³ Environmental Policy Statement: <https://www.bnbm.com.cn/esgdt.html>

Enhancing the Environmental Management System

To effectively advance environmental management, the Company has established a comprehensive environmental management framework, including the Board of Directors, the Strategy and ESG Committee, the Safety and Environmental Protection Department and Member Enterprises. This framework creates a top-down management mechanism and builds a vertical management chain of "Headquarters – Business Units – Subsidiaries", ensuring the continuous implementation of environmental protection and ecological construction across all levels.



To continuously monitor environmental performance and effectively identify and prevent environmental risks, BNBM requires all subsidiaries to implement the PDCA (Plan-Do-Check-Act) cycle management mechanism. This approach aims to refine and optimize environmental risk management processes and outcomes. At the beginning of each year, each subsidiary formulates an environmental self-monitoring plan and strictly adheres to it by conducting environmental impact auditing at least once annually in collaboration with professional external agencies. This process involves identifying and evaluating environmental impact factors, including the emission of hazardous substances and waste, as well as identifying hazard sources and assessing associated risks. The monitoring plans and results must be disclosed in accordance with local environmental protection regulations and are integrated into the local ecology and environment bureau’s online monitoring system for real-time emission data tracking.

For identified environmental risks and potential hazards, subsidiaries are required to promptly develop targeted control strategies and corrective measures to prevent incidents. As of the end of the reporting period, subsidiaries identified and addressed 3,420 environmental hazards, with all issues rectified.

Additionally, guided by the headquarters’ principles, subsidiaries have established systems such as the *Management Measures for Environmental Emergencies* and the *Environmental Risk Hazard Investigation and Control Policy*. These systems are continuously improved based on the characteristics of each production base. Subsidiaries also regularly update their lists of significant environmental factors, conduct risk investigations and assessments, and organize comprehensive and specialized emergency drills. In 2024, BNBM did not experience any major environmental incidents.

Reducing production environmental impact

BNBM strictly adheres to national and local regulations and implements internal management systems such as the *BNBM Ecological Environmental Protection Management Policy* to standardize wastewater, exhaust gas, and waste management processes across its subsidiaries. This year, the Company further reduced pollutant emissions and the environmental impact of production through continued promotion of near zero emission techniques, clean energy replacement, intelligent exhaust gas management, et cetera. compliance rate for pollutant emissions was 100%.

In 2024, the Company achieved "near-zero emissions" across all levels of its 52 member enterprises, with 33 of them being awarded the national title of "Green Factory" and 39 receiving the provincial "Green Factory" designation.

Wastewater Management

The Company strictly complies with local wastewater discharge standards. Production bases install wastewater treatment facilities to preliminarily treat production wastewater and cooling water, which is then reused or discharged to municipal treatment plants after meeting standards. In 2024, the Company strengthened emergency wastewater management by constructing emergency pools at production bases. These pools timely collect rainwater to continuously refine the separation of rainwater and pollutant water, and ensure monitored, treated, and unified discharge.

Exhaust Gas Management

The Company maintains high standards for exhaust gas treatment, setting "near-zero emission" thresholds stricter than national and industry standards: <math><20 \text{ mg/m}^3</math> for SO_2 , <math><30 \text{ mg/m}^3</math> for NO_x , and <math><5 \text{ mg/m}^3</math> for particulate matter. These standards are gradually applied to gypsum board production lines. In 2024, subsidiaries improved exhaust gas management using intelligent methods tailored to their production processes. Gypsum board enterprises are implementing near-zero emission standards, while waterproof material companies are utilizing RTO (Regenerative Thermal Oxidizer) systems to mitigate the pollution of the atmospheric environment caused by organic waste gases.

BNBM Carpoly's RTO Treatment System Upgrade

This year, BNBM Carpoly upgraded its VOCs treatment process to "rotary adsorption + RCO (catalytic combustion)" and added an RTO system for high-concentration VOCs and a collection system for low-concentration emissions. This reduced the RCO system's load, lowering VOCs emissions to 6 mg/m^3 and cutting annual emissions by 9 tons of VOCs, 8 tons of NO_x , and 4 tons of SO_2 .



• BNBM Carpoly's RTO Treatment System

BNBM Waterproof Sichuan Base Achieves Grade A Performance Rating

This year, with the support of the government expert panel, the Sichuan base of BNBM Waterproof successfully passed the A-level performance construction and evaluation in the waterproofing materials industry through technological improvements and comprehensive pollution emission management measures. By implementing a full-process negative pressure extraction RTO incineration solution, the waste gas treatment rate was increased to 90%, significantly reducing pollutant emissions. Additionally, the company ensured comprehensive pollution emission management by identifying all waste gas generation points and taking targeted measures to guarantee low emission of pollutants throughout the production process. It also regulated the emission of waste gases from upstream and downstream transportation industries, driving the green transformation and development of the industry.

BNBM Carpoly's Unorganized Exhaust Gas Recovery Project



This year, Carpoly's Anhui plant upgraded its hazardous waste and water treatment areas to collect unorganized exhaust gases, reducing non-methane hydrocarbon emissions. In 2024, the water treatment system operated for 2,392 hours, reducing emissions by 227 kg of non-methane hydrocarbons, 62 kg of ammonia, and 4 kg of hydrogen sulfide.

• BNBM Carpoly's Unorganized Exhaust Gas Recovery

Waste management

The Company strictly complies with national laws and industry standards, strengthening hazardous waste management based on the *National Hazardous Waste List (2021 Edition)*, and continuously refining *Ecological Environmental Protection Management Policy* and other internal management policies. General industrial waste and hazardous waste are handled strictly to ensure efficient and compliant waste disposal. For general industrial waste, each production base of the Company has set up a general solid waste warehouse, classified management of general solid waste, classified storage, and regularly disposed waste. For hazardous waste, the waste generation department of each production base of the Company shall transfer the hazardous waste to the temporary storage room on the same day, and carry out separated storage according to the type of hazardous waste, strictly regulate the management of hazardous waste in and out of the warehouse network, carry out electronic and manual accounts registration, and entrust a professional third party to deal with the hazardous waste on a regular basis, to achieve the hazardous waste disposal in a compliant manner.

Enhancing Employee Awareness of Environmental Protection

To implement environmental measures and strengthen employee awareness, the Company conducted environmental training for 30,247 participants on topics such as solid waste classification, air pollution prevention, and emergency response plans.

Taishan Gypsum’s Environmental Training

In 2024, Taishan Gypsum organized training on solid and hazardous waste management, air pollution prevention, and environmental standardization, deepening employees’ environmental awareness.



• Taishan Gypsum organizes environmental training

BNBM Carpoly’s Energy Conservation Week



• BNBM Carpoly’s Energy Conservation Week Activity

Carpoly engaged 1,267 employees across 9 production bases in National Energy Conservation Week and Low-Carbon Day activities. This initiative deeply implemented the concept of ecological civilization and promoted the Company’s green and low-carbon development. The Company encouraged employees to practice green and low-carbon principles in their daily lives through measures such as saving electricity and reducing the use of disposable items. Additionally, the Company organized environmental public welfare activities to enhance employees’ sense of social responsibility.

Practicing Green Office Initiatives

The Company implemented the Office Resource Management Measures to encourage green office practices, including:



Feature: climate change risks and opportunities management

Climate change has become one of the core factors affecting the sustainable development of the Company. BNBM is well aware of the impact of climate change on its operations and society as a whole. It consistently monitors the risks and opportunities brought by climate change and is committed to providing society with more climate-resilient building solutions. This effort aligns with the Company's mission of "Green Technology, Quality Life," ensuring the practical implementation of its corporate responsibilities.

Governance

To better address the challenges posed by climate change, the Company has integrated climate change considerations into its sustainable development governance framework (see the "Sustainable Development Governance Framework" chapter of this report). The Board of Directors of BNBM serves as the highest decision-making body for "Carbon Peaking and Carbon Neutrality" and climate change-related initiatives. The Board's Strategy and ESG Committee oversees the Company's overall climate change efforts, including the management and review of strategies, policies, goals, and progress related to "Carbon Peaking and Carbon Neutrality" and climate change. The Board reviews updates from the Strategy and ESG Committee on "Carbon Peaking and Carbon Neutrality" progress and other ESG priorities, including climate change, at least once a year, providing guidance and recommendations.

The Company has established an ESG Working Group responsible for implementing the "Carbon Peaking and Carbon Neutrality" strategy, identifying climate change risks and opportunities, and guiding departments to take specific actions toward climate-related goals.

The Company links management performance to energy management, carbon emissions, and other climate-related metrics to ensure the effective implementation of "Carbon Peaking and Carbon Neutrality" and climate strategies. Additionally, it conducts annual training for the Board, management, and key personnel on topics such as "Carbon Peaking and Carbon Neutrality" and climate risks and opportunities, enhancing their understanding and capabilities in climate-related matters.

Strategy

This year, based on its "Carbon Peaking and Carbon Neutrality" strategy (see the "Advancing the Carbon Peaking and Carbon Neutrality" chapter of this report) and business operations, BNBM further identified and assessed the short-, medium-, and long-term impacts of climate risks and opportunities on its operations and financial performance. This process incorporated future climate change trends¹⁴, internal and external expert advice, and industry developments.

Climate-Related Risks

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

¹⁴ The Company refers to key climate change development trends, including research on China's "Carbon Peaking and Carbon Neutrality" policies and reports from the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS).

Risk Description and Potential Impact	Impact Period ¹⁵	Response Strategies
Transition Risks		
Policy and Legal <ul style="list-style-type: none"> As China advances its "30.60" goals, new policies supporting low-carbon transformation are being introduced nationwide, increasing compliance costs for high-emission economic activities. With the Company's business expanding overseas, the introduction or enhancement of climate-related laws and regulations globally may increase compliance costs. 	Medium term, Long term	<ul style="list-style-type: none"> Closely monitor low-carbon policy developments in operating regions and industries, accelerate corporate transformation, and firmly implement green, low-carbon development strategies and carbon peaking action plans.
Technology <ul style="list-style-type: none"> Under increasingly stringent carbon reduction policies, the Company needs continuous innovation in low-carbon processes and technological upgrades, potentially accelerating production technology replacement and increasing capital and operational expenditures. 	Short term, Medium term, Long term	<ul style="list-style-type: none"> Strengthen R&D capabilities, establish and effectively utilize "Carbon Peaking and Carbon Neutrality" R&D platforms, and promote the adoption of new energy-saving and carbon-reduction technologies and methods across factories.
Market <ul style="list-style-type: none"> Downstream value chains and customers are increasingly focusing on the low-carbon attributes of products and services, raising demands for the Company's main products. Failure to meet these demands may hinder market expansion or reduce revenue. 	Long term	<ul style="list-style-type: none"> Intensify R&D for green product technologies and production lines, accelerate the commercialization of green products, and expand market share for green products.
Reputation <ul style="list-style-type: none"> Stakeholders continue to monitor the Company's performance in green, low-carbon development and climate change response. Failure to meet expectations may harm the Company's reputation and market performance. 	Short term, Medium term, Long term	<ul style="list-style-type: none"> Gradually build a green building materials brand, enhance brand promotion, and elevate the Company's influence and sustainability image in the value chain.

¹⁵ In alignment with the national "Carbon Peaking and Carbon Neutrality" strategy and the Company's business development plans, the short term is defined as "reporting period to 2025", the medium term as 2025 to 2029 (consistent with the Company's carbon peaking action plan), and the long term as 2029 to 2060 (consistent with the national carbon neutrality strategy).

Risk Description and Potential Impact	Impact Period ¹⁵	Response Strategies
Physical Risks		
Acute Risks <ul style="list-style-type: none"> Increased frequency of natural disasters such as hurricanes and floods due to climate change may lead to water and power outages, facility damage, operational disruptions, equipment destruction, and employee safety threats, increasing operational and capital expenditures. Extreme weather may impact upstream value chain enterprises (e.g., gypsum producers, power companies), causing supply chain disruptions and price fluctuations for raw materials and energy, increasing production costs. 	Short term, Medium term, Long term	<ul style="list-style-type: none"> Develop emergency management measures for extreme weather, establish monitoring and early warning mechanisms, and conduct natural disaster drills at production bases to ensure sufficient emergency supplies. Monitor official warnings for natural disasters and extreme weather, assess impacts on subsidiaries, and coordinate resources for support. Investigate historical weather, hydrology, and geological hazards when building new plants to minimize impacts from extreme weather and chronic climate changes.
Chronic Risks <ul style="list-style-type: none"> Failure to control climate change may accelerate sea-level rise and widespread water shortages, potentially forcing relocations, shortening equipment lifespans, and disrupting operations, leading to reduced revenue and increased production costs. 	Long term	



Climate-related opportunities

BNBM is well aware of the necessity of low-carbon development for the Company and actively seizes market opportunities in green development, extensively deploying green products, which account for nearly 80% of its revenue. At the same time, we actively research and apply clean energy alternatives to reduce operating costs. The table below lists the Company's main climate-related opportunities and response measures.

Opportunity Description and Potential Impact	Impact Period	Response Strategies
<p>Products and Services</p> <ul style="list-style-type: none"> Guided by the national "Carbon Peaking and Carbon Neutrality" strategy, green and low-carbon development in the construction industry will become the main direction for the industry and market. The Company's continuous development of green products and diversified low-carbon solutions that meet market demands may bring more market opportunities and revenue. 	Short term, Medium term, Long term	<ul style="list-style-type: none"> The Company continues to promote the greening of buildings, cities, and living environments, viewing the development of green and low-carbon building solutions as a significant market opportunity. It actively promotes the application of circular economy principles, building a green building industry chain across the entire lifecycle, and comprehensively enhancing the environmental attributes of its products. (See the "Promoting Circular Economy" chapter of this report.)
<p>Resilience</p> <ul style="list-style-type: none"> The increasing frequency of extreme weather events such as typhoons and heavy rains due to climate change raises the demand for higher building quality. The Company's accelerated development and promotion of diversified, high-quality building products can enhance building resilience, better meet future market demands, and bring more market opportunities and revenue. 	Medium term, Long term	<ul style="list-style-type: none"> The Company adheres to its "One Body, Two Wings and Global Layout" strategy, continuously developing high-quality products in its three core business areas of gypsum boards, waterproofing, and coatings. It enhances product characteristics such as corrosion resistance, durability, and water resistance, expanding product applicability and improving building resilience. (See the "Products and Applications" section of the Company's official website.¹⁶)
<p>Resource Efficiency</p> <ul style="list-style-type: none"> The Company's production and operations consume certain amounts of energy and water resources. Continuous energy-saving and environmental technology upgrades and substitutions can reduce resource usage and lower energy and natural resource procurement and usage costs. 	Short term, Medium term, Long term	<ul style="list-style-type: none"> The Company's production bases continuously implement energy-saving and environmental technology substitutions to improve production efficiency and reduce resource consumption. The Company has initiated the substitution of coal with clean energy sources such as biomass and natural gas, reducing operational and product carbon emissions. (See the "Practicing Low-Carbon Production" chapter of this report.)
<p>Energy Sources</p> <ul style="list-style-type: none"> With the gradual improvement of the national carbon emissions trading market, accelerating the reduction of the Company's carbon emissions and fully transitioning to clean energy lays a solid foundation for participating in carbon trading, potentially bringing additional revenue. 	Medium term, Long term	

¹⁶ The link to the "Products and Applications" section of BNBM's official website: <https://www.bnbm.com.cn/column/32/>

Risk Management

BNBM continuously monitors the impact of climate change on its operations and integrates climate-related risks into its overall risk management system. Based on actual business conditions, the Company conducts comprehensive risk identification annually, combining feedback from departments, industry analysis, and external expert advice to identify potential climate-related risks and opportunities. For identified risks and opportunities, the Company uses internal risk assessment tools to prioritize them based on their likelihood of occurrence and their financial and operational impact. Targeted response measures are then developed, and their implementation is regularly monitored. For details on the Company's risk management system, please refer to the "Implement Risk Prevention and Control" chapter of this report.

Metrics and Targets

Based on the analysis of climate-related risks and opportunities, BNBM has prioritized the establishment of energy conservation and emission reduction targets. These targets are regularly evaluated to effectively address climate transition risks and seize market opportunities in low-carbon development. For details on BNBM's energy conservation and emission reduction targets, please refer to the "Advancing the Carbon Peaking and Carbon Neutrality" chapter of this report.



03

High Standard Solutions

As a leading enterprise in the green building materials segment, BNBM closely follows the national strategy of promoting high-quality development. Through high-quality product services, an internally and externally linked innovation ecosystem, and digital and green low-carbon technological transformation, the Company continues to contribute to the high-quality economic and social development of the country.

Deliver optimal services	069
Promote technological innovation	075
Develop new productive force through green transition	078
Serve engineering projects with green concepts	081



绿色发展理念 建设环保型企业 引领行业高质量发展



Deliver optimal services

Ensuring product quality and improving product excellence are the foundation of BNBM's stable progress. The Company, centred on the philosophy of "first-class quality, first-class products, first-class service," is committed to achieving steady growth in operational efficiency and continuous improvement in development quality. At the same time, we provide users with healthier, safer, and higher-quality solutions, supporting their sustainable development and jointly creating a harmonious and progressive industry atmosphere.

Quality Management Framework

BNBM continues to strengthen its high-quality management system, constantly pursuing excellence in product and service quality, and has established a new competitive advantage in cooperation centred on technological leadership, standardized operations, brand building, quality excellence, and superior service.

In accordance with the *BNBM Product Quality Management System*, the Company has clarified a top-down quality management structure to ensure that employees at all levels can effectively participate in product quality management. The Company has formulated the *BNBM Management Plan for Quality Supervision*, conducting irregular quality management inspections and supervision of its affiliated business segment companies. Based on their business characteristics, the affiliated companies have developed internal management systems such as the *Quality Management Policy and Quality Supervision and Management Measures*, standardizing management methods for procurement, production, quality inspection, quality evaluation, and other stages, achieving full-process quality management of products. Additionally, we strictly regulate the use of raw materials, clearly stipulating and ensuring that all Company products do not contain or add harmful substances in accordance with industry standards, guaranteeing the safety and reliability of products during use.

This year, the Company actively advanced ISO9001 quality management system certification work. 95 of the Company's production bases have obtained ISO9001 quality management system certification.

Furthermore, the Company emphasizes continuously enhancing the quality awareness and responsibility of all segment companies. To strengthen refined quality management, the Company has established a quality compensation rate indicator, extending cost control requirements from internal production to quality cost management, reinforcing management requirements centred on quality to enhance consumer satisfaction and build a high-quality product image.

The Company also strengthens quality risk prevention and control for all levels of production units. The headquarters collects and summarizes production data for various products monthly, benchmarking and comparing data such as product qualification rates, product unit consumption, and product energy consumption, promptly monitoring the production quality of Company products. This year, the Company conducted quality work inspections and supervision on 32 production bases, identifying and rectifying 103 issues, with a rectification rate of 100%.

Quality Management Goals:

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



- 0 major quality incidents
- Gypsum board, waterproofing, and coating product qualification rates not less than **98%**
- 100%** pass rate in government product inspections
- 100%** product factory pass rate
- 0 external quality supervision penalties
- Customer quality complaint rate not exceeding **0.01%**

Process Innovation to Enhance Product Lifespan



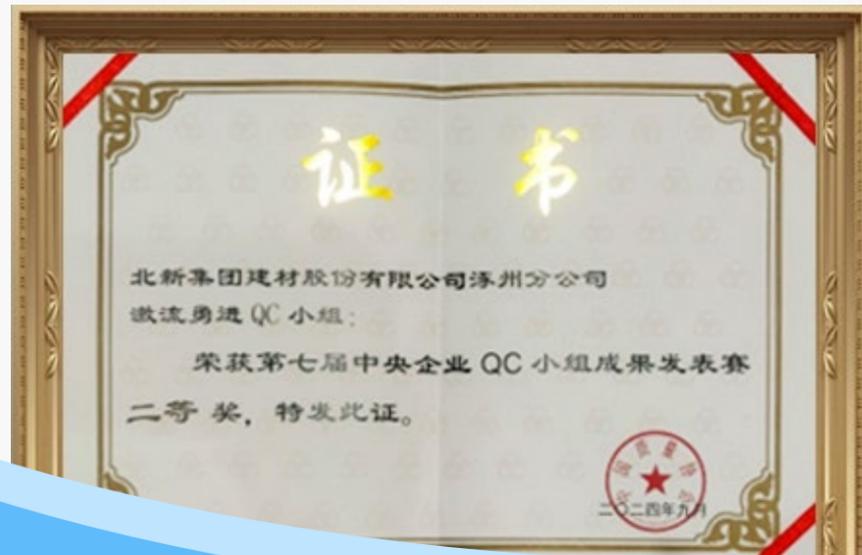
- Dragon Brand Company's China-Chic Gypsum Board

BNBM's Dragon Brand Company has successfully developed a "China-Chic" (China fad series) of gypsum boards with multifunctional properties such as moisture resistance, fire resistance, formaldehyde purification, and high strength. By using special production processes and formulations, the Company ensures these products maintain superior performance even in harsh environments like humidity and high temperatures, thereby enhancing product structural stability and lifespan.

Quality Management Awards:

This year, the Company actively participated in quality management award activities and achieved outstanding results.

- 1 QC team won the second prize in the Central Enterprise QC Group Achievement Presentation Competition;
- 6 QC achievements participated in the building materials industry quality management group selection, winning 1 first prize, 1 second prize, 2 third prizes, and 2 excellence awards.
- 5 QC achievements participated in the Beijing Association for Quality's QC Group Achievement Presentation, winning 2 second prizes and 3 third prizes.
- Awarded the group second prize in the final of the "National Building Materials Industry Employee Promotion of High-Quality Development (Quality Management Direction) Theme Competition" by the China Machinery, Metallurgy, and Building Materials Workers Technical Association.
- Awarded the "2024 China Lean Digital Innovation Improvement Competition Innovation Practice Award."
- The Company case "Deepening Benchmarking Management Practices to Achieve High-Quality Development" was selected for the China Quality Association's group standard application and enterprise standardization work case collection and published in the 12th issue of the "China Quality" magazine in 2024.



Excellence in Customer Service

BNBM adheres to the "Customer at the Highest" strategy, upholding the marketing philosophy of "Customer First, Win-Win Cooperation" and the service philosophy of "Putting the Customer's Heart at the Core." The Company consistently prioritizes understanding and meeting customer needs, continuously innovating products and service models to establish stable, long-lasting, and harmonious win-win customer relationships. This approach enhances customer satisfaction and loyalty, achieving mutual development for both customers and the Company.

Centred on customers, the Company integrates resources across the upstream and downstream of the industrial chain, building a new integrated industrial platform of "technical solutions + product integration + service consulting." This platform provides comprehensive solutions across the entire industrial chain, lifecycle, and system integration, fully advancing the transformation to the "Marketing 2.0" model. This year, the Company accelerated its transition to a comprehensive consumer building materials manufacturer and service provider, driving four transformations: "commercial to residential, urban to rural, base materials to surface materials, and products to services." This effort aims to create high-quality living environments and serve the needs of building a better life for the people.

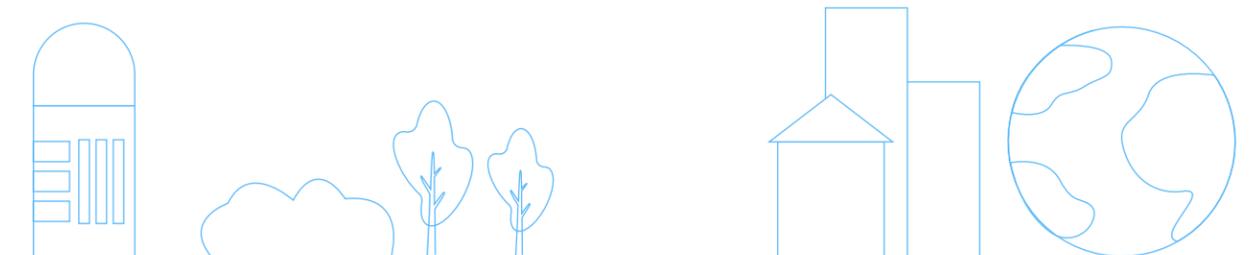
The Company has established internal management systems such as the *BNBM Dealer Management System* and the *BNBM Measures for Managing of Sales Service*, continuously standardizing customer service management processes. It has built an efficient nationwide customer service network, providing personalized and differentiated products and services, and offering "one-stop" customer service covering pre-sales, in-sales, and after-sales processes. To address diverse customer product needs, the Company has also established a demand management process for collecting and filtering requirements. Through third-party research, participation in industry exhibitions, and other methods, the Company understands and analyses customer and market needs, expectations, and preferences to identify target markets and customer groups.

Digital Platform Applications Driving Convenient Customer Service



In 2024, Dragon Brand Company fully advanced the construction of its e-commerce platform, achieving online and ecological marketing. At the same time, the Company continuously collected customer feedback for platform optimization, improving user-friendliness and customer service efficiency. This year, Dragon Brand Company achieved e-commerce order value of 5.77 billion yuan, with the online sales rate of products reaching 95%.

- BNBM e-commerce platform



Consumer Needs as the Core of Customer Service

Taishan Gypsum adheres to the customer service philosophy of "Quality Service Heavier than Mount Tai," insisting on designing, producing, and selling products based on consumers' real needs. This approach has earned consumers' high trust and recognition, successfully creating the corporate image that "one out of every two high-end gypsum boards sold in China is from Taishan." The Company continuously optimizes its marketing strategy and team, striving to establish long-term and stable connections with consumers.



Customer Complaint Management

The Company attaches great importance to customer complaints and has formulated and strictly implemented the BNBM Measures for Handling Customer Complaints, clearly defining the responsibilities of each department to ensure efficient handling of customer feedback. Additionally, the Company has established diversified customer communication channels, including online, email, phone, mail, and face-to-face feedback channels, ensuring smooth customer feedback pathways.

For complaints related to product quality, the Company's sales personnel will conduct on-site verification immediately upon receiving the complaint. If quality issues are confirmed, they will actively communicate with the customer to jointly discuss and implement solutions. For service-related complaints, the responsible personnel will promptly coordinate with relevant business departments to address and optimize service shortcomings. The Company also strictly stipulates response times and handling deadlines for each stage of complaints, clearly requiring a response within 48 hours of receiving a customer complaint to ensure timely attention and resolution. This year, the Company received 17 accountable complaints and achieved a 100% resolution rate, earning widespread customer recognition.

Customer Satisfaction Survey

To understand the current status and potential needs of customers regarding products and services, the Company has formulated the BNBM Measures for Customer Satisfaction Survey, conducting annual satisfaction surveys for all customers. To gain detailed insights into the needs of different customer groups, we determine key factors for measuring customer satisfaction based on customer segmentation. Survey questionnaire design and methods are tailored to the characteristics of each customer group, aiming to measure customer satisfaction from multiple dimensions to obtain more targeted information. In 2024, the average customer satisfaction score of the Company's full-level dealers reached 9.23, maintaining a score above 9 for five consecutive years. Each business segment of the Company summarizes and analyses the results of the customer satisfaction survey, forming a satisfaction survey report. Based on the analysis, improvement suggestions and recommendations are proposed, and corrective measures are organized and implemented to continuously enhance the Company's overall customer satisfaction level and improve customer loyalty.

Customer Privacy Protection

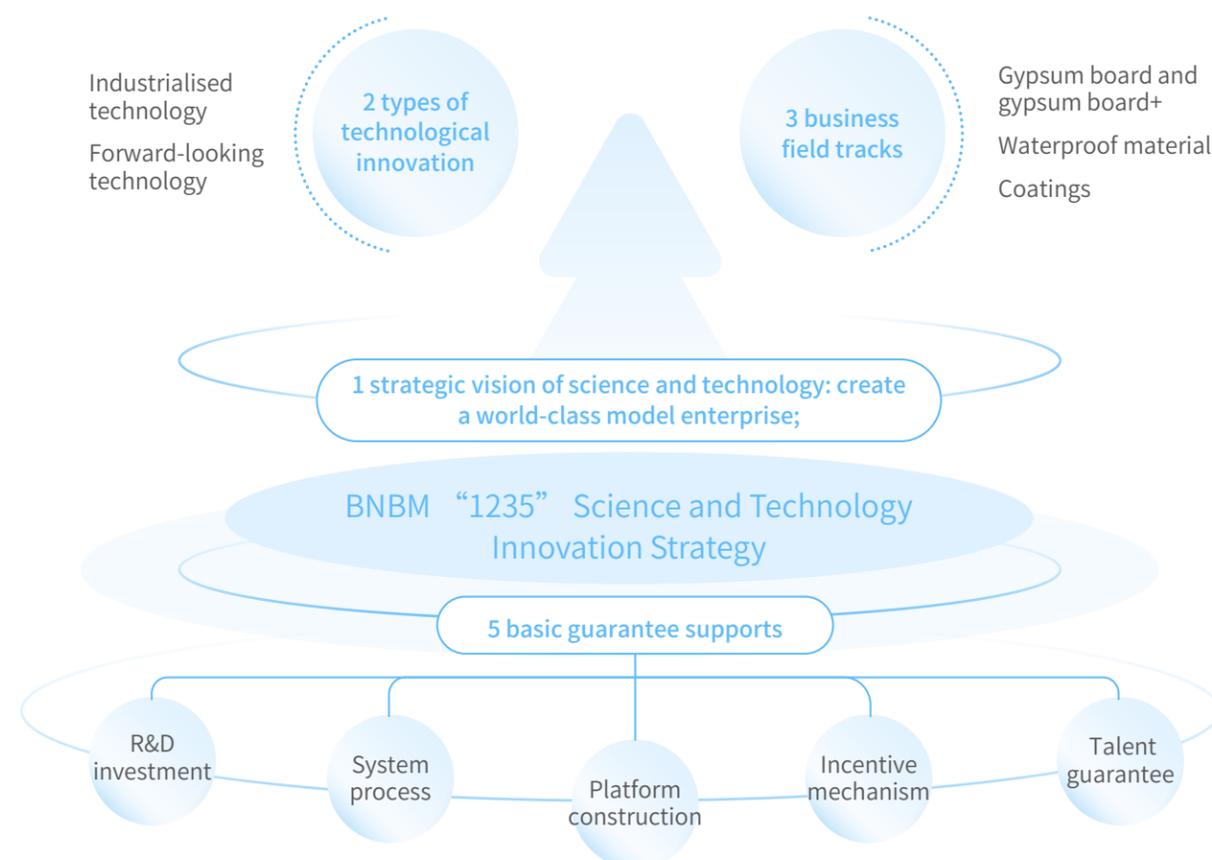
The Company effectively protects customer privacy rights and has established the *BNBM Measures for Managing Customer File* to ensure customer privacy information is not violated. The Company has built a series of protective mechanisms, with the information network security platform at its core, safeguarding customer privacy data throughout the entire product line transaction process. For customer files that have been established or updated, the Company prohibits any employee from modifying or deleting them without authorization. All personnel with access to customer files must strictly comply with confidentiality obligations and are not allowed to disclose customer information without authorization.



Promote technological innovation

BNBM, guided by the "One Body, Two Wings and Global Layout" strategy, focuses on the three core business areas of gypsum board, waterproofing, and coatings. The Company has built an internally and externally collaborative and open innovation system, driving sustainable development through technological innovation. It fully leverages technology, resources, and expertise to empower product innovation. The Company is committed to intensifying efforts in tackling key core technologies and national major scientific and technological projects, actively playing the role of the enterprise as the questioner, enhancing the overall efficiency of technological innovation, and promoting the output and transformation of scientific and technological achievements. In 2024, BNBM won the "Innovation Practice Award" at the 2024 China Lean Digital Innovation Improvement Competition.

The Company has formulated a series of policies, including the BNBM Major Science and Technology Plan Project Management Measures, standardizing job responsibilities, project management, and fund usage, and strengthening the Company's project-based research and development management model. This year, the Company established a Science and Technology Committee directly led by the chairman, responsible for implementing the Company's "1235" technological innovation strategy, organizing the Company's innovation system, and continuously improving the Company's articles of association and management measures to ensure targeted and goal-oriented advancement of R&D work. This year, the Company identified 43 key R&D directions aligned with the "One Body, Two Wings" strategy and carried out related R&D work in an orderly manner.



In 2024, the Company's annual R&D investment was RMB 1.058 billion, an increase of RMB 103 million over the same period last year, with an R&D investment intensity of 4.10%, and a total of 50 scientific and technological awards for projects in technology development, craftsmanship workmanship, and engineering technology.

The core scientific research performance of BNBM in 2024:

Undertake key R&D projects

The Company undertakes or participates in 8 major scientific research projects of the country, the industry and the Group, including 4 projects/subtopics of the 14th Five-Year Plan; 2 projects of the second batch of major scientific and technological research in the building materials industry; 2 projects under the Chinese building materials industry's "Technology Open Competition Mechanism" ; 2 projects of key core technology research of CNBM.

Accelerate the construction of property right system

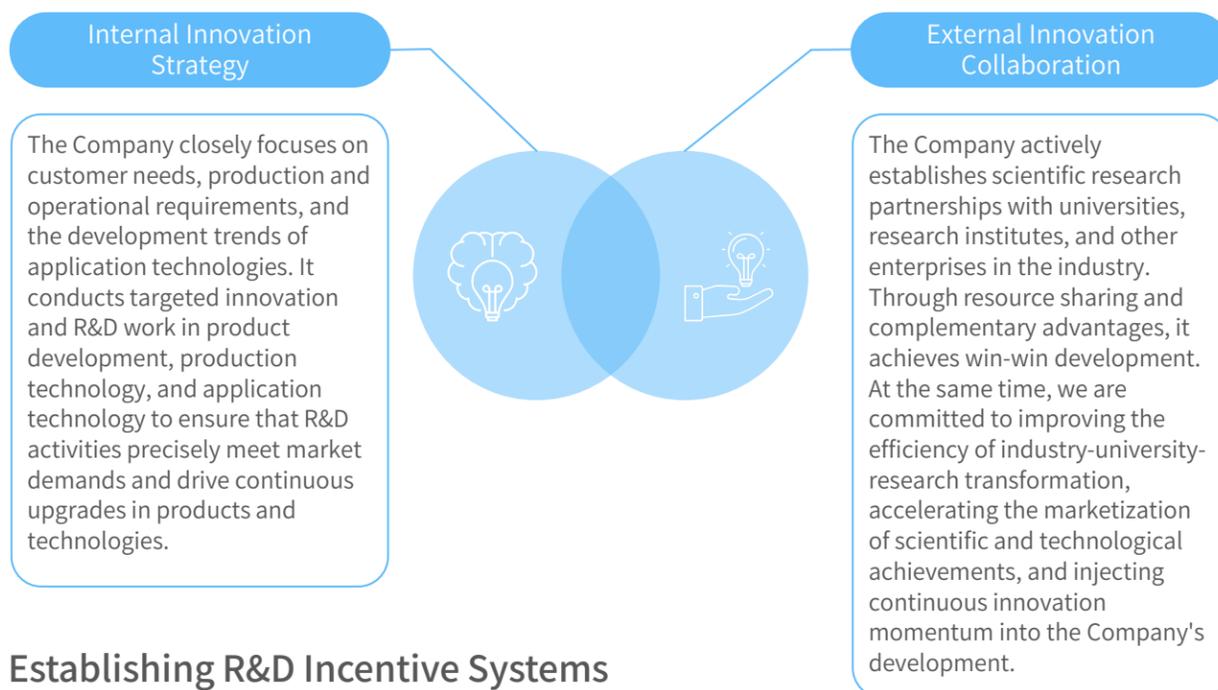
By the end of 2024, the total number of patents applied for is 9,985, and the total number of authorised patents is 7,214, with a total of 5,253 active patents; 160 international patents applied for, of which 6 have been authorised.

Optimize the construction of innovation platform

Passed the reassessment by the National Enterprise Technology Center; on the basis of the original scope of CNAS competence accreditation, the laboratory has completed the competence expansion of 87 testing items in the three major fields of gypsum and gypsum products, waterproof coatings and waterproofing roll-roofing materials, and successfully passed the CNAS reassessment.

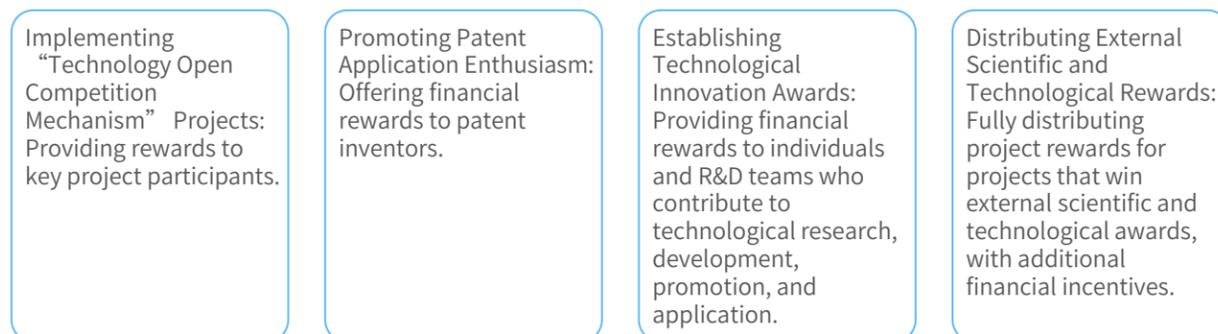
Strengthening the R&D Management System

The Company has built an internally and externally collaborative, open, and shared innovation system, continuously driving the improvement of technological innovation capabilities and promoting the deep integration and optimized allocation of innovation resources. This year, in collaboration with the China Building Materials Academy, we initiated a group standard project titled "Technical Regulations for Phase Change Energy Storage Insulation Systems for Walls," filling the gap in the application regulations for phase change energy storage insulation systems in the construction industry and promoting the commercialization and application of phase change building materials.



Establishing R&D Incentive Systems

The Company has formulated systems such as the *BNBM Measures for Managing the Declaration and Evaluation of Scientific and Technological Achievements* and *BNBM Patent Reward Measures for the Headquarters (Trial)*. By pooling superior resources, the Company continuously stimulates the enthusiasm and creativity of R&D personnel, driving breakthroughs in key core technologies and creating endogenous motivation for technological innovation:



Develop new productive force through green transition

The Company is committed to deepening digital development and has formulated the "1252" digital transformation framework. From multiple dimensions such as digital system construction and intelligent application development, the Company is fully advancing its digital transformation process. These efforts aim to accelerate the formation of new quality productive forces, injecting green momentum into the company's sustainable development.

This year, the Company focused on integrated business management, digital R&D and design, agile user services, and intelligent production operations. It continuously improved the level of production intelligence, further optimized and expanded the functionality of the group-level management platform, steadily enhanced the e-commerce platform, and advanced the construction of the financial shared services centre platform.

Integrated Business Management Optimizes Work Processes

The Company steadily advanced the construction of the shared digital financial platform, delivering 108 standard processes across 13 financial modules and forming 17 solution manuals, achieving full coverage across all levels and segments of the Company.

Digital Management System Promotes Efficient Operations

The Company continued to promote the application and optimization of the BNBM e-commerce platform system, achieving full online sales operations. The system was fully implemented across all levels of Dragon Brand Company, with 100% of Dragon Brand Company's bases now online. The e-commerce order rate of Dragon Brand Company reached 98.68%, with cumulative e-commerce platform orders amounting to 5.768 billion yuan, realizing "business sharing" and substantial cost reduction and efficiency improvement in frontline business operations.

Smart Factory Control System Enhances Digital Production Operations

The Company effectively advanced intelligent production construction and initiated an industry-first innovation project—the Smart Factory DCS Control System. It completed the DCS control system construction for production lines in Zhenjiang, Wuhan, and Huainan, significantly improving production control capabilities and system stability. This project provided the industry with the best domestically controlled solution, making a positive contribution to the industry's intelligent and digital transformation. Taishan Gypsum's Yichang factory introduced the APC advanced control system, achieving closed-loop control automatic adjustment and automatic control of key production parameters, further enhancing the production line's intelligence level. In terms of safety production, the Company completed the construction of intelligent safety production management systems for 77 factories, significantly improving safety management efficiency.

¹⁷ "1252," which refers to one strategy, two visions, five areas (digital construction areas), and two platforms. One strategy: One Body, Two Wings and Global Layout; Two visions: Business digitalization, digital value creation; Five digital construction areas: Product development digitalization, factory digitalization, marketing digitalization, supply chain digitalization, decision management digitalization; Two platforms: Business middle platform, data middle platform.

Digital R&D and Design Facilitates Lightweight Data Systems

Through digital R&D and design projects, the Company continuously optimized digital management efficiency. This year, the Company completed the construction of a BIM model database, including lightweight factory area models at the project level and lightweight equipment models at the workshop level. It also introduced BIM model lightweighting tools, achieving lightweight database management.

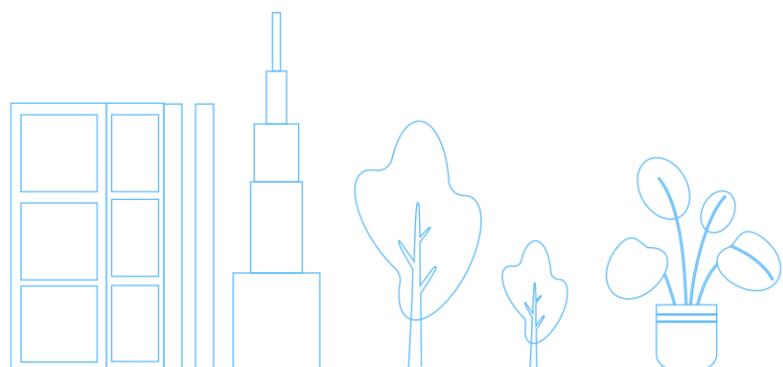
As of the end of the reporting period, the Company:

15 enterprises have obtained the national MIIT two-tier integration management system certification, with BNBM Carpoly achieving the AAA-level certification.

The penetration rate of digital R&D and design tools reached **85%**.

Completed intelligent transformation of **17** digital factories.

72.5% of key equipment is equipped with automatic inspection and alarm functions.



Gypsum board industrial innovation—pioneering the application of a domestically developed and independently controllable DCS intelligent production line control system

BNBM successfully implemented a DCS intelligent production line control system upgrade, addressing challenges such as aging systems and reduced stability in production lines at its Zhenjiang, Huainan, and Wuhan factories. This project established an industry-leading, domestically developed and independently controllable solution, enhancing system integration and compatibility, thereby laying a solid foundation for the intelligent and digital transformation of the gypsum board industry.

Leap in production control capabilities

Through advanced control methods such as integrated configuration, real-time fault monitoring, process alarms, and system permission management, the Company achieved centralized control of the entire plant's systems. This resulted in a 20% improvement in production automation and a significant reduction in equipment failure rates.

Dual guarantee of network reliability and stability

A "dual-redundant ring network" was constructed to ensure secure and stable data transmission, boosting overall production network capacity by 100% and providing robust support for seamless production line operations.

Comprehensive upgrade of electrical drive systems

The electrical drive systems underwent a full upgrade, improving transmission efficiency and control performance. This optimization reduced energy consumption by 15% through high-efficiency energy conversion and transmission.



Serve engineering projects with green concepts

As a leading enterprise in green building materials, BNBM actively responds to the national call for high-quality development, resolutely advancing technological innovation and efficiently integrating low-carbon technologies. By driving the green transformation of the industry, the Company effectively fosters new productive force. Collaborating with value chain partners, we jointly provide users with green and low-carbon service solutions, supporting the construction of national large-scale engineering projects and continuously contributing to the country's high-quality development.

Green Building Materials Support the Construction of the Asian Winter Games

As an advocate for green materials, BNBM extensively participated in the construction and renovation of venues for the 2024 Harbin Asian Winter Games. The Company provided green and environmentally friendly materials such as Dragon Brand Company's flame-retardant boards, along with technical support that met green and low-carbon requirements, contributing to the sustainable development of the event. Green products from BNBM were used in facilities such as the Harbin International Convention and Exhibition Sports Center, athlete training centers, international hotels, and the athletes' village, showcasing the Company's solid industrial strength and contributing to the steady progress of urban development.



• Harbin International Convention and Exhibition Sports Center

BNBM Waterproof Supports the Construction of Chongqing Jiangbei Airport Terminal

In the construction of the new terminal project at Chongqing Jiangbei International Airport, "BNBM Waterproof," a subsidiary of "BNBM," was primarily involved in the waterproofing construction of the underpass tunnel, integrated utility tunnels, runway, command center roof, and supporting project roofs, as well as the roofs of some auxiliary buildings, garage slabs, and culvert slabs. The Company provided over 70,000 square meters of materials, including elastomer-modified asphalt waterproofing membranes, cross-linked reactive self-adhesive waterproofing membranes, reactive adhesive cross-film wet-laid waterproofing membranes, and root-resistant SBS-modified asphalt waterproofing membranes.



• Chongqing Jiangbei International Airport

Integrated Drainage and Storage System Promotes Resource Recycling and Sponge City Solutions

In 2024, "BNBM Waterproof" completed the integrated drainage and storage system solution project for the Huazhong University of Science and Technology's Junshan Campus, helping it become a sponge campus. The integrated drainage and storage system organizes excess water from polymer protective drainage (storage) profiled sheets into drainage channels, which then flow to inspection wells. The collected water in the inspection wells is reused in a recycling system. While ensuring drainage functionality, the system meets the oxygen supply needs of plant roots and rainwater recycling requirements, promoting water resource recycling and accelerating the construction of "sponge cities."

04

All-rounded Talent Cultivation

BNBM regards its employees as the foundation of its efficient operations. By continuously building a comprehensive safety production management system and strictly controlling safety risks, the Company ensures the health and safety of both its own employees and outsourced workers. BNBM is committed to creating a comfortable and growth-oriented work environment for its employees. On the basis of strictly safeguarding employee rights, the Company offers competitive compensation, mid-to-long-term incentive mechanisms, a robust talent training system, and diverse welfare benefits. Together with its employees, BNBM grows sustainably, continuously attracting and retaining top talent.

Strengthening intrinsic safety 085

Safeguarding employees' rights and interests 095

Supporting employee development 101

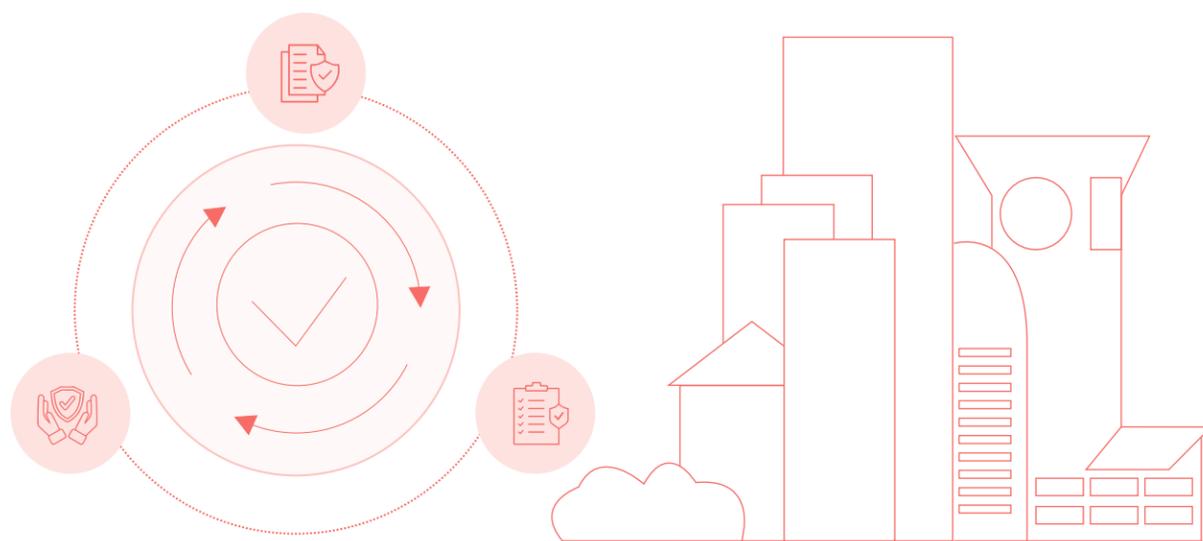


Strengthening intrinsic safety

BNBM consistently upholds the safety production philosophy of "focusing on employee health and safety, creating excellent working and community environments, achieving zero accidents, and building an inherently safe enterprise." The Company is dedicated to fostering a safety culture across all levels of the organization where "everyone values safety in every matter." Adhering to the safety production principle that "all risks are controllable, and all accidents are preventable, BNBM relies on four core pillars—guidance, service, supervision, and management—to continuously enhance safety governance at all levels, providing a solid foundation for the Company's sustained, stable, and high-quality development.

In compliance with relevant laws and regulations such as the Production Safety Law of the People's Republic of China and the Occupational Disease Prevention and Control Law of the People's Republic of China, BNBM has established a series of internal policies, including the *BNBM Policy for Production Safety Management*, the *BNBM Occupational Health Management System*, and the *BNBM Production Safety Responsibility Policy*. These policies define health and safety management processes and build a comprehensive production safety management system. This year, the Company compiled and released the *Occupational Health and Safety Policy Statement*¹⁸, establishing a safety management system from top-level design to implementation, with a particular focus on preventing and managing overseas safety risks to ensure the safety of employees abroad. Additionally, for merged and acquired enterprises, the Company developed the Safety and Environmental Protection Management Integration Manual for Reorganization Projects, standardizing management processes and improving safety and environmental protection levels across project enterprises.

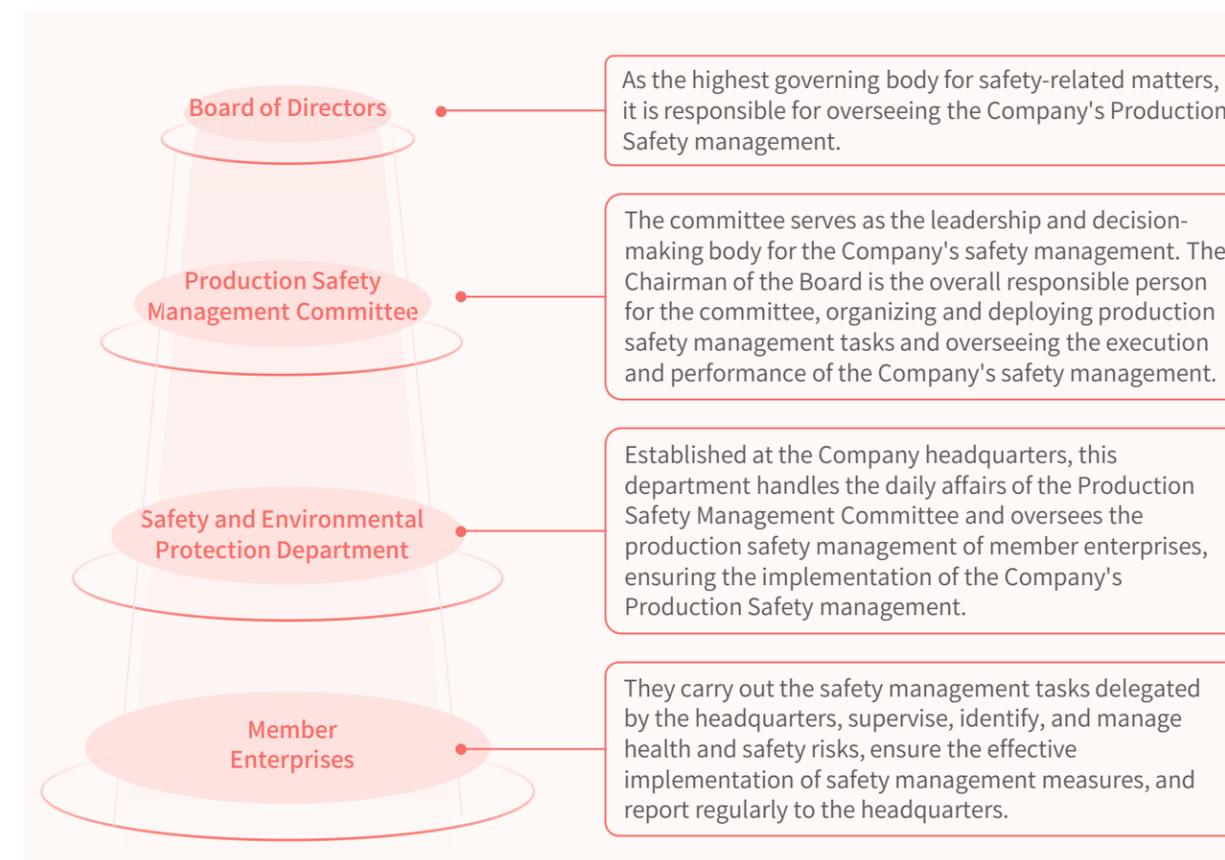
This year, all operating member enterprises of the Company have adopted ISO 45001 occupational health and safety management systems for their management practices and acquired ISO 45001 occupational health and safety management systems certifications.



¹⁸ Occupational Health and Safety Policy Statement: <https://www.bnbm.com.cn/esgdt.html>

Production Safety Management System

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



To effectively implement the production safety responsibility system, the Company headquarters signs production safety responsibility agreements with segment companies, clarifying the safety responsibilities of the headquarters and production bases. By defining key safety assessment targets, indicators, and performance evaluation methods, the Company ensures the fulfilment of safety and environmental responsibilities at all levels, driving the achievement of safety goals. The Company links management compensation to safety management performance, and in the event of serious safety violations, management compensation will be adjusted accordingly, serving as an important means to strengthen the intrinsic motivation for health and safety management.

Core Production Safety Goals

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



- 0 fatal accidents due to primary responsibility, with a severe injury rate of less than **0.5‰**.
- **0** fire or explosion incidents.
- **100%** qualification rate for periodic inspections of special equipment.
- **100%** monitoring rate for occupational hazard factors, **100%** occupational health examination rate for positions exposed to harmful factors, and 0 occupational disease cases.
- **100%** rectification rate for safety hazards.
- **100%** provision rate of personal protective equipment.
- **100%** completion rate of pre-job three-level education for employees, **100%** certification rate for special operations personnel, and **100%** safety training rate for key personnel.

Continuously Promoting Safety Standardization

BNBM actively implements the *BNBM Safety Production Standardisation Enhancement Action Plan* and vigorously promotes safety standardization among its member enterprises. The Company continues to adopt a classification management approach for member enterprises, combining self-assessment, segment recommendations, and on-site expert reviews to enhance the overall safety management level of member enterprises. This year, 93 enterprises across all levels achieved production safety standardization, including 1 at the first level, 73 at the second level, and 19 at the third level. Additionally, 104 enterprises established a dual prevention and control mechanism for hazards. Furthermore, the Company completed the compilation of the industry's first dedicated safety standard for the gypsum board industry, Safety Specifications for Gypsum Board Production, promoting standardized development of production safety in the industry.

Intelligent Safety System

In response to the national strategy of "promoting safety through technology," the Company has launched the construction of an intelligent safety system across all production bases. This system integrates four modules: safety operations, video AI, facial recognition, and personnel positioning. Through algorithms, it enables automatic identification of hazardous phenomena and violations, full coverage of key areas with video surveillance, layer-by-layer design of safety management processes, and digitalization of safety records, comprehensively supporting the Company in achieving production safety. This year, the Company organized 77 member enterprises to implement the intelligent safety system, systematically driving the intelligent safety transformation of these enterprises.

All-staff Participation on Innovative Safety Management Activities

The Company has been actively engaged in initiatives to enhance the safety awareness of its frontline employees. By establishing management mechanisms such as "Be a Safety Officer for a Day" and "Snap a Photo of Safety Hazards," the Company encourages its staff to report and oversee safety management practices. Some subsidiaries have conducted activities such as "all-staff participation in safety culture building" and "safety knowledge competitions" to proactively learn safety knowledge, enhance safety awareness, and engage in safety practices. Simultaneously, the Company encourages employees to propose improvements to daily safety management processes and rewards and recognizes those who provide effective suggestions.

BNBM Carpoly organizes Company-wide improvement proposal activity

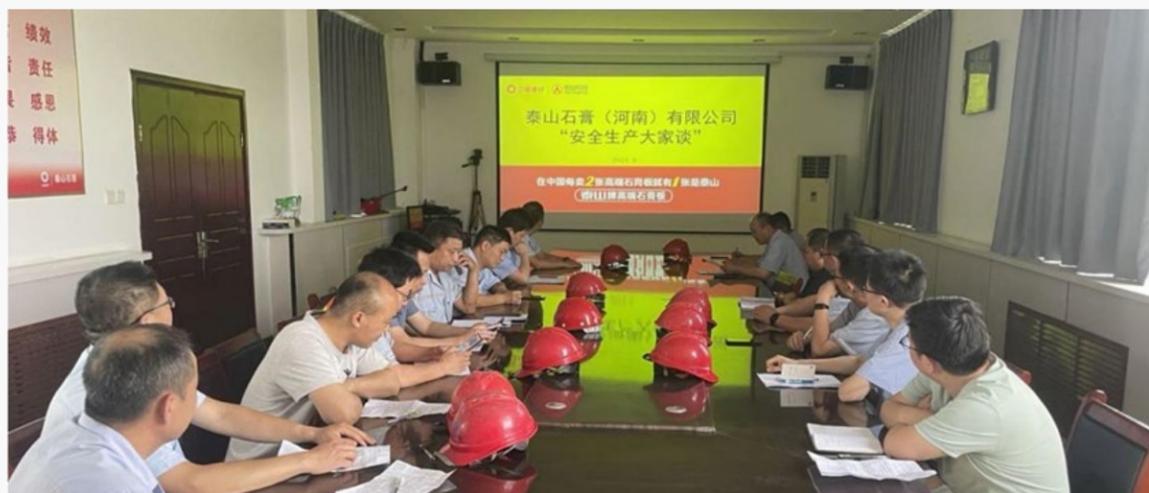


To drive improvements in safety, quality, and efficiency, BNBM Carpoly organized a Company-wide improvement proposal activity this year. The activity attracted participation from 648 employees, collecting a total of 3,253 proposals. Among these, 139 proposals were recognized as outstanding. The Company rewarded and commended employees who provided effective suggestions, further solidifying its safety culture development.

- Outstanding Proposal Awardees

Taishan Gypsum launches "Let's Talk About Production Safety" activity

To foster an atmosphere of all-staff participation in safety management and safety culture building, Taishan Gypsum organized 189 sessions of the "Let's Talk About Production Safety" activity across all levels of the Company this year. Employees were encouraged to contribute ideas for production safety, share safety experiences and lessons, and propose specific safety suggestions and ideas, comprehensively enhancing the safety awareness of all employees.



• "Let's Talk About Production Safety" activity

Ensuring the Safety of Outsourced Employees

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

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

Production Safety Risk Prevention and Control

BNBM has established a top-down safety risk control mechanism, with the headquarters responsible for identifying the highest-level risks and monitoring them. Business segment companies and production bases, based on their operational needs, carry out health and safety risk prevention and control work in line with their operations.

The Company adheres to regulations such as the *BNBM Measures for Managing the Production and Operation Sites, Equipment and Facilities Safety with Major Risk Factors* and the *BNBM Measures for the Identification and Evaluation of Environmental Factors and Risk Factors*, actively promoting the construction of health and safety risk prevention mechanisms. The headquarters supervises subordinate enterprises in conducting risk graded control and hazard identification and rectification.

The headquarters regularly conducts health and safety audits, identifies major risks in the production system, and refines the *List of Major Risk Factors of the Production System and Control Measures* and the *Guidelines for the Identification and Evaluation of Major Risk Factors and Important Environmental Factors of the Production System*, helping subsidiaries achieve more effective safety risk management.

This year, the Company organized special inspections and rectifications for phenomena such as "factories within factories," "parks within parks," and "office building rentals," conducting hazard inspections and comprehensive rectifications for tenants to effectively prevent safety risks.

Production Safety Audits

BNBM has formulated the *BNBM Measures for Managing Production Safety and Ecological and Environmental Protection Inspection*, defining the audit functions and inspection content for the headquarter and business segment companies, and implementing an annual safety inspection plan. This year, the Company focused on risk control in key areas, conducting special inspections of overseas enterprises, construction projects, hazardous chemicals, and tenant management, and organized cross-segment inspections among different business segments to promote inter-segment learning and exchange, enhancing the level of safety and environmental inspections.

Audit Functions at Different Levels

Headquarters:

Conducts regular inspections of business segment companies, subsidiaries, and project construction units through on-site inspections, remote video inspections, and cross-segment inspections, as well as routine unscheduled spot checks.

Business Segment Companies:

Conduct an annual safety management system inspection of all production bases under their jurisdiction, perform safety measures inspections at least once a month, and carry out routine inspections and special inspections.



This year, the Company identified a total of 28,331 potential safety and environmental issues through its inspections, achieving a 100% rectification rate for all identified hazards.

Promotion of Production Safety Awareness

BNBM continues to carry out various production safety awareness promotion activities, such as "Production Safety Month," safety emergency drills, and safety education and training, to enhance employees' production safety awareness and advocate a safety culture. This year, the Company held 3 Production Safety committee meetings and 7 Company-wide safety and environmental meetings.

"Production Safety Month" Activities

The Company further enhanced Company-wide safety awareness and promoted comprehensive improvements in safety management through diverse "Production Safety Month" activities:



BNBM enterprises at various levels organizes various "Production Safety Month" activities

To solidly advance the three-year campaign for fundamental improvements in work safety, in 2024, subsidiaries of BNBM organized a series of diverse and content-rich "Production Safety Month" events centered around the theme "Everyone Talks Safety, Everyone Knows Emergency – Clear Pathways for Life." These activities included "All-Employee Safety Pledges," "All-Employee Emergency Drills," "Safety Knowledge and Skills Competitions," "Safety Warning Education," and "Comprehensive Safety Inspections." Some enterprises innovatively introduced special activities such as "Team Leader Safety Speeches," "Safety Consultation and Awareness Day," and "Safety Letters to Families."



• "Production Safety Month" activities of BNBM enterprises

Dragon Brand Company conducts a series of production safety training sessions

In 2024, Dragon Brand Company adopted a combination of online and offline training methods to organize production safety-related training activities across all levels of the enterprise. Dragon Brand Company conducted a total of 25 production safety training sessions, covering 767 participants; it also urged subsidiaries to carry out 929 production safety training sessions and emergency drills, covering 22,387 participants. Through these enterprise-wide production safety training initiatives, the Company continuously improved employees' safety skills and management personnel's capabilities in identifying, eliminating, and preventing hazards, as well as preventing accidents, thereby strengthening the safety awareness of all employees.



• Production safety trainings

Safety Emergency Drills

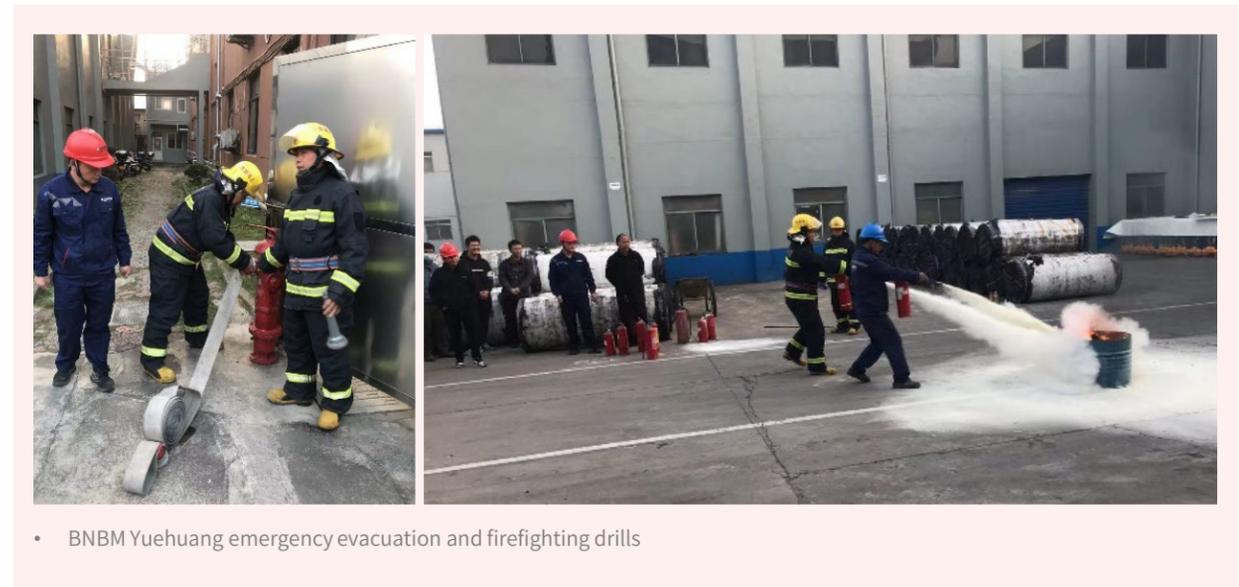
The Company formulated the BNBM Measures for Managing Response Plans for Major Safety and Environmental Protection Accidents, clarifying the management requirements for the establishment of emergency response organizational structures, the responsibilities of the organizations and their members, the development of emergency response plans, and the conduct of emergency drills. In 2024, subsidiaries at all levels of the Company conducted a total of 996 emergency drills.



• The Company headquarters conducted a fire emergency evacuation drill and established a volunteer firefighter team



• Subsidiaries of BNBM Coatings organizes emergency drills on responding to flood, fire, and electric shocks



• BNBM Yuehuang emergency evacuation and firefighting drills

Safety Education and Training

The Company actively conducts safety education and training, disseminating knowledge on identified key safety issues to enhance employees' safety awareness. This year, the Company carried out the following safety training activities:



Organized six instructors to deliver five specialized training sessions, including *Caring for Employee Health and Building Inherent Safety*, at the Company's leadership training program, with a total of over 450 participants.



Hired third-party experts and used an online platform to organize safety production qualification certification and retraining for 39 key personnel and safety managers. 147 key management personnel and 507 safety management personnel of the Company's subsidiaries acquired the certification.



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

Safeguarding employees' rights and interests

BNBM adheres to the development philosophy of "people-oriented" and strives to create a diverse, equal, and harmonious work environment. The Company continuously improves the construction of the employee rights protection system, builds efficient and smooth communication bridges, and lays a solid talent foundation for the sustainable development of the enterprise.

The Company strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. Based on the actual operations and characteristics of the enterprise, the Company has established a comprehensive employee management system and norms to ensure that every employee is treated fairly and justly. This year, the Company released the *Human Rights Policy Statement*¹⁹, clearly stating that the Company prohibits forced or compulsory labor, the use of child labor, and discrimination, supports employees' freedom of association, and strives to create a fair and favorable working environment for employees.

Implementing Rights Protection

Recruitment and Termination

In accordance with relevant laws and regulations, the Company has established internal systems such as the *Recruitment Management System of BNBM Headquarters*, the *Employee Handbook of BNBM* ("*Employee Handbook*"), and the *BNBM Management Measures for New Talents*, building fair and transparent processes for employment, recruitment, and termination. During recruitment, the Company insists on using scientific and systematic methods and tools for talent selection and equal employment, eliminating discrimination based on nationality, ethnicity, origin, gender, age, physical characteristics, hobbies, and religious beliefs. During this reporting period, no incidents of employment discrimination occurred.

The Company strictly prohibits the recruitment of child labour and forced labour. In accordance with laws and regulations such as the *Law on the Protection of Minors of the People's Republic of China* and the *Regulations on the Prohibition of Child Labor*, as well as the *Company's Recruitment Management System*, the Company explicitly prohibits the employment of child labour and forced labour. New employees are required to submit authentic and valid documents, including identity information, before joining the Company, preventing the hiring of child labour at the source. The Company signs labour contracts with employees based on the principles of equality and voluntariness, ensuring that all employees are voluntarily employed. At the same time, the Company strictly monitors third-party employment practices. Any illegal employment practices, including the use of child labour or forced labour, will be severely punished immediately, maintaining a work environment free of child labour and forced labour. During this reporting period, no incidents of child labour or forced labour occurred.

Additionally, the Company actively promotes the economic development of its operating locations during recruitment. In recent years, with the continuous advancement of the Company's global layout, the Company has deeply explored and understood the cultural background, workplace practices, labour legal frameworks, and local talent market dynamics of overseas bases, formulating recruitment strategies that align with local conditions to maximize the absorption of local talent and promote local employment.

¹⁹ Human Rights Policy Statement: <https://www.bnbm.com.cn/esgdt.html>

Compensation and Performance

The Company has established management measures such as the *BNBM Headquarters Measures for Managing Job Rank and Remuneration*, the *BNBM Headquarters Measures for Managing Performance*, and the *BNBM Headquarters Management Measures for Employee Treatment and Business Expenses (Trial)*, setting up a combined application method for job levels, compensation systems, and performance evaluation results, providing employees with detailed compensation and performance evaluation norms. At the same time, to ensure that compensation levels align with the Company's strategic positioning and remain ahead of the market average, the Company regularly participates in market compensation surveys, promptly understands the compensation levels of the market and peer companies and adjusts and optimizes the compensation framework in a timely and reasonable manner.

The Company implements a Company-wide annual quantitative evaluation mechanism, signing the *Annual Organizational Performance Target Responsibility Letter* with managers at all levels (department heads at the headquarters and mid-level leaders of segment companies) and the *Personal Performance Responsibility Letter* with all employees at the headquarters to clarify annual work goals and directions, while helping employees understand their tasks and enhancing the fairness and justice of performance evaluations.

The Company is experimenting an excess profit-sharing incentive policy, building a community of interests between the Company and employees, inviting subsidiaries to pilot medium- and long-term incentive mechanisms and share their implementation experiences, deepening employees' understanding of incentive work, and laying the foundation for expanding the coverage of the Company's future incentive policies. This year, the Company officially released the *BNBM 2024 Restricted Stock Incentive Plan (Draft)*²⁰, implementing equity incentives for Company directors, senior management, and core personnel, and clarifying the principles of equity incentives. The Company is also actively promoting the implementation of medium- and long-term incentive plans. This year, the first distribution of excess profit-sharing for Dragon Brand Coatings (Beijing) Co., Ltd. has been implemented, striving to maximize the incentive effect on a broader scale and attract and retain key talent.

At the same time, the Company has incorporated ESG-related indicators into the compensation and performance evaluation system for senior management. To effectively promote energy conservation and emission reduction at production bases, the Company has implemented an energy conservation and environmental protection evaluation system, clearly designating the general managers of each base as the first responsible persons. This system directly links key indicators of energy conservation, carbon reduction, and ecological environmental protection to the business performance evaluation of senior management, ensuring that the responsibility for energy conservation and emission reduction is effectively transmitted and implemented from top to bottom. In the event of serious environmental issues, the performance evaluation results of management will be directly affected, strengthening the emphasis and execution of energy conservation and emission reduction work. In the field of production safety, the Company has taken measures to link management compensation with safety management performance. In the event of serious safety violations, the compensation and performance of relevant management personnel will be directly affected, effectively promoting the comprehensive advancement of the production safety responsibility system.

²⁰ BNBM 2024 Restricted Stock Incentive Plan (Draft): <https://www.szse.cn/disclosure/listed/bulletinDetail/index.html?1297ab16-f655-4301-b0fd-3d2dd9d16319>

Fair and Transparent Promotions

This year, the Company further optimized the internal job level management system, clearly defining the conditions for promotion, demotion, and exit for employees at each job level. To ensure fair and transparent promotions, the Company adopts a competitive recruitment system, publicly releasing information on vacant positions at all levels, and employees who meet the conditions can apply. After the competition, if there are objections to the hiring results, employees can provide feedback through suggestion boxes, phone calls, or emails during the announcement period. The Company has established five promotion channels: management, functional, technical, marketing, and production, and supports the conversion between channels to ensure that all types of talent have clear and suitable promotion paths.

Promoting Diversity and Equality

BNBM continues to create a diverse, equal, and healthy workplace environment, continuously improving relevant policies and systems to ensure that the Company's operations adhere to the principles of fairness, justice, and transparency.

As at the end of the reporting period,

- Female employees: the number of female employees of the Company reached **19.44%**, a steady increase from last year
- Ethnic minority employees: the number of ethnic minority employees reached **870**, an increase of **90** over the same period last year

The Company is committed to safeguarding the rights and welfare of female employees, and has taken a series of initiatives to make every female employee feel respected and cherished, and jointly create a warm and harmonious working atmosphere. The Company regularly organises group building activities for female employees, holds seminars, invites female employees to share their opinions and suggestions, and builds an open and inclusive communication environment. To care for the physical and mental health of female employees in all aspects, the Company has purchased additional insurance for female employees, including special disease insurance, maternity insurance and other additional insurance, added female-specific checkups in the routine physical examination, and set up a mother and baby room in the work area. In addition, to celebrate International Women's Day, the Company carefully planned recreational activities such as "learning to make Chinese knots with non-genetic inheritors" and flower arranging, and on Mother's Day, the Company organised a Mother's Day punch card, such as "Painting with heart and thanksgiving for mother's love". On Mother's Day, the Company organised activities such as "Drawing with Heart, Gratitude for Mother's Love" and "Mother's Day Clock Punching" to enrich the spare time life of female employees.

"Learning to Make Chinese Knots from Intangible Cultural Heritage Inheritors" Activity

During International Women's Day, BNBM organized the "Learning to Make Chinese Knots from Intangible Cultural Heritage Inheritors" activity, specially inviting an intangible cultural heritage inheritor to teach the double-line knot weaving method, passing on the beauty of traditional Chinese culture. At the event, female management representatives extended warm holiday wishes to all female employees, expressing hope that everyone will actively promote traditional Chinese culture and contribute their strength to the Company's high-quality development and the global advancement of Chinese enterprises and culture.



- "Learning to Make Chinese Knots from Intangible Cultural Heritage Inheritors" Activity

"Caring for Women, Honouring the Goddess" - Award Ceremony for Female Employee Representatives Receiving the "Pingyi County March 8th Red Banner Group" Honor

On the occasion of International Women's Day, to express gratitude for the hard work and dedication of all female employees and further inspire their enthusiasm for their jobs and their drive for progress, Dream Brand New Materials of BNBM, awarded female employee representatives the "Pingyi County March 8th Red Banner Group" honor and distributed holiday gifts. This initiative encourages female employees to continue leveraging their strengths and characteristics to contribute to the Company's high-quality development.



• Award Ceremony for Female Employee Representatives Receiving the "Pingyi County March 8th Red Banner Group" Honor

Ensuring Smooth Communication Channels

BNBM is committed to building an efficient, smooth, and open communication platform for employees. The Company's Employee Handbook clearly defines the core principles of every employee's right to know, participate, express, and supervise. The Company actively promotes a culture of sincere and transparent communication, encouraging candid and friendly exchanges among employees and between different levels of the organization, fostering a harmonious and collaborative work environment. Effective communication facilitates information flow and work progress.

To safeguard employee rights, the Company has established an employee union, achieving a 100% membership rate across all levels. The Company encourages employees to provide rationalized suggestions and has set up an employee representative assembly mechanism, convening it annually to review the BNBM Collective Contract and report on the Company's production and operations to employee representatives, collecting their opinions and suggestions. After the meeting, the union representatives, on behalf of all unionized employees, sign the BNBM Collective Contract with the Company. Business departments promptly address and respond to issues raised by employees during the meeting, ensuring the implementation of employee feedback.

In addition, the Company provides employees with diverse channels for information communication. Employees can provide feedback and suggestions through various means such as the General Manager's mailbox, the OA electronic office system, the company's internal information sharing network, the factory newsletter, official social media accounts, and grievance channels. The relevant departments of the company actively take action to strengthen communication with employees, responding to and addressing the various opinions, suggestions, and issues raised by employees promptly. This year, the Company efficiently responded to and resolved over 30 suggestions and opinions put forward by employees.

The Company conducts employee satisfaction surveys covering all employees, collecting feedback through questionnaires, interviews, and other methods. As of the end of 2024, the Company has conducted satisfaction surveys and evaluations for seven consecutive years, with results showing a year-on-year upward trend.

This year

Overall employee satisfaction increased by **1.45%** compared to 2023.



Supporting employee development

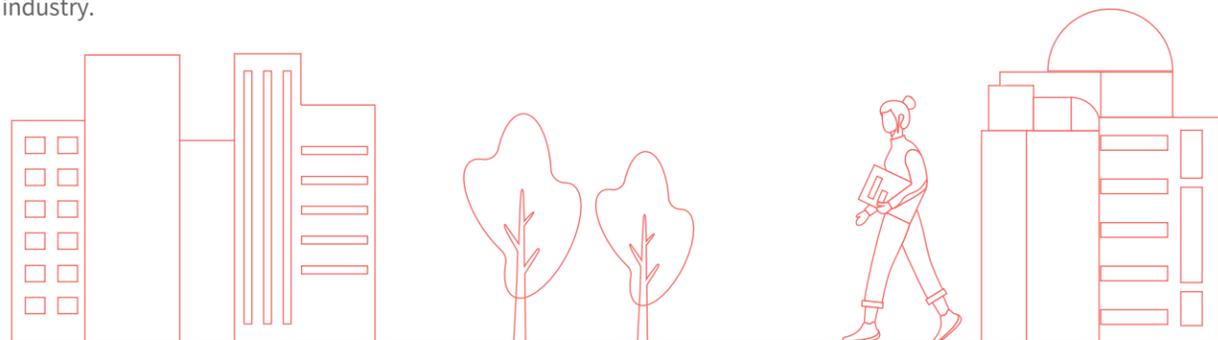
The Company considers promoting the comprehensive development of employees as its responsibility, with talent appreciation as its core philosophy, creating a diversified training system and career development paths. In 2024, the Company launched a talent assessment project, conducting comprehensive talent evaluations through interviews, assessments, and modelling to provide a thorough, objective, and fair evaluation of core talent. This successfully identified and cultivated five talent teams in operations, production, technology, marketing, and functions. This year, the Company established the *Key Talent Pool Management Measures (Trial)*, which includes over 550 high-potential talents, while also strengthening international talent reserves with the *International Talent Pool Management Measures (Trial)*, which includes over 150 international talents.

Strengthening Talent Attraction

In the face of a rapidly changing market environment, the Company regards talent development as one of its core strategies. This year, the Company deeply implemented the "Talent Fostering Enterprise" strategy, focusing on attracting young talent and sustainable development talent.

To strengthen the Company's new talent and align with international standards, the Company launched the "New Talents" Hundred-Person Plan, aiming to cultivate international talent with new knowledge structures, strong innovation capabilities, high comprehension, strong responsibility, and outstanding comprehensive abilities, all with a global perspective. In 2024, 58 individuals joined BNBM through the "New Talents" plan, providing strong talent support for the Company's strategic development. The Company formulated relevant management measures, tailoring development plans for each new talent, assigning mentors, teaching assistants, and counselors, and providing comprehensive support in knowledge, professional skills, mental health, and daily life. The Company adopted a combination of "progressive tracking and follow-up training," "mentorship system," and "rotation practice" to establish a dynamic tracking mechanism, closely monitoring the growth of each new talent to ensure efficient and continuously optimized training.

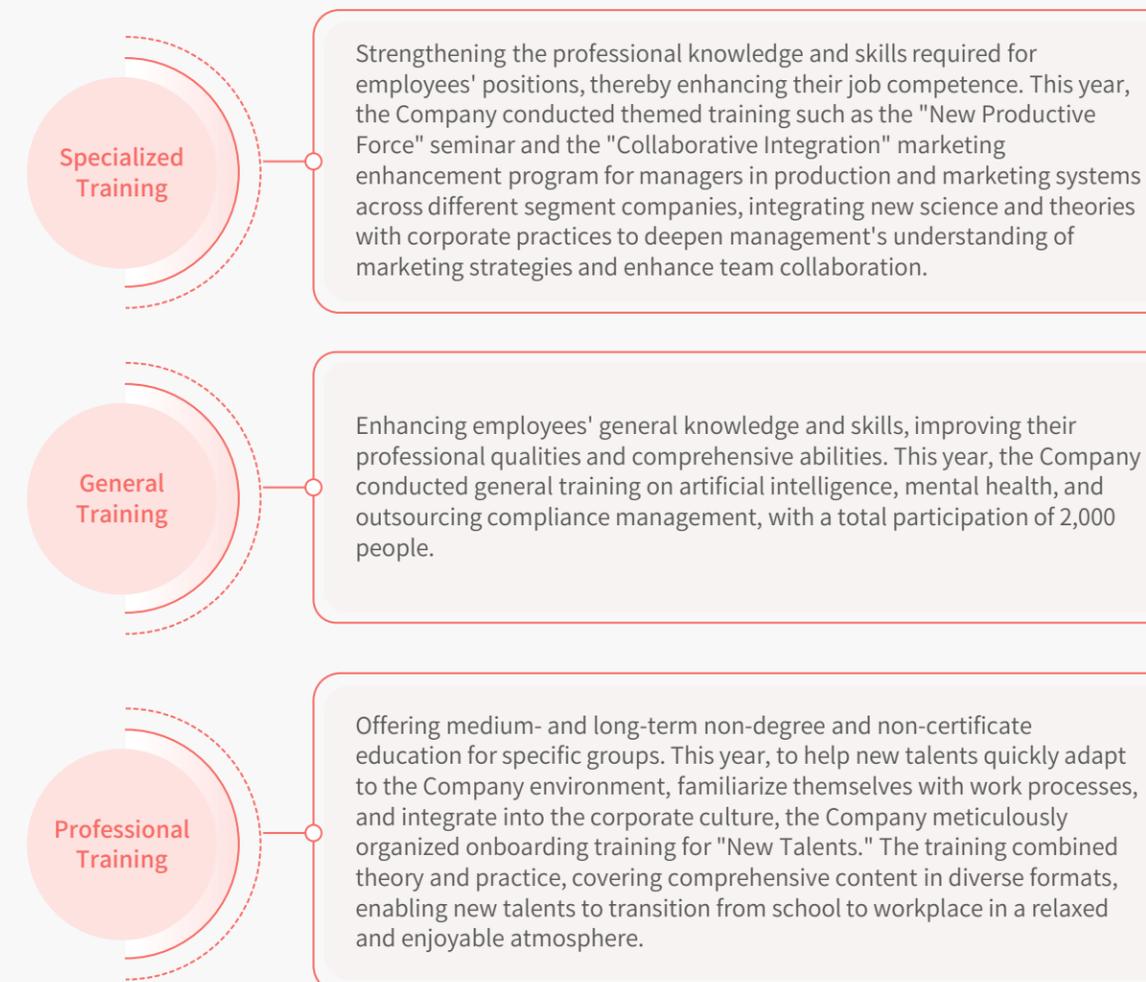
Additionally, in the context of the rapid development of the "Carbon Peaking and Carbon Neutrality" and sustainability concepts, the Company places great emphasis on attracting talent with matching professional skills. By continuously monitoring "Carbon Peaking and Carbon Neutrality" industry job fairs and forums, the Company stays informed about industry trends, accurately identifies candidates with relevant professional backgrounds, and builds a talent resource pool, continuously providing backup strength for advancing the green building materials industry.



Strengthening Talent Development

BNBM continues to improve its employee training system, advancing precise training at different levels and establishing a variety of training courses.

The Company's main training course types include:



The Company also established an online learning platform, introducing a wide range of course resources covering basic, professional, and leadership skills, as well as Company-specific internal training courses, promoting lifelong learning and practical ability enhancement among employees.



• BNBM online learning platform

Leadership Training Program Strengthens Leadership Team Capability Building



• BNBM & Sinoma Science & Technology leadership training class

BNBM successfully held a leadership training program in collaboration with Sinoma Science & Technology. The training invited an external expert team to teach over 40 elite participants, including leadership teams and business segment leaders from both companies. The core focus of the training was on business leadership models and business transformation management strategies. It delved into multiple aspects, from organizational construction and talent development to cultural atmosphere building, thoroughly analysing how to efficiently translate strategic decoding into strategic execution. Participants learned how to overcome resistance to change within the organization, drive innovation, and explored ways to ensure the sustainability and effectiveness of transformations to achieve expected goals.

Conducting Middle and Young Cadre Training Program to Deepen Talent Reserves

This year, the Company held two sessions of the Middle and Young Cadre Training Program, totalling 52 days, with 71 participants. The program was structured around six teaching modules: strengthening ideals and beliefs, enhancing political capabilities, scientific judgment and decision-making, maintaining innovative vitality, cultivating leadership character, and refining job performance skills. It included cutting-edge courses such as *Innovation Trends – The Connotation and Development Path of New Productive Force*, *Corporate Strategic Management and Business Model Innovation in the Digital Age*, *The AI Revolution Triggered by ChatGPT and Its Impact on Various Industries*, *Deep Integration of the Internet, Big Data, Artificial Intelligence, and the Real Economy*, and *Digital Technologies and Corporate Innovation that Transform Enterprises and Competitive Landscapes*. By adopting diverse teaching methods and building a multi-dimensional interactive communication system, the program helped middle and young cadre trainees master business management knowledge and tools, becoming versatile talents with international competitiveness, thereby assisting the Company in comprehensively enhancing its core competitiveness and opening up new prospects for high-quality development.



• 3rd and 4th sessions of the middle and young cadre training program

Hosting the "Collaborative Integration" Marketing Enhancement Program to Promote Industrial Integration and Development



• "Collaborative Integration" Marketing Enhancement Program

This year, the Company held the "Collaborative Integration" Marketing Enhancement Program, covering core personnel from six business segment companies. The program focused on industrial collaborative development, exploring new cooperation models, business propositions, and marketing innovations. Participants gained deep insights in their professional fields while making substantial progress in team collaboration and industrial synergy. They witnessed the deep integration of three major businesses—gypsum board, waterproof materials, and coatings—strengthening internal connections and accelerating the construction of a collaborative and efficient marketing ecosystem.

Focusing on Employee Care

BNBM is always committed to moving forward hand in hand with its employees, placing great emphasis on their physical and mental well-being. By planning a variety of employee activities, the Company continuously enhances employees' sense of happiness and organizational belonging. The Company actively promotes the "Warmth Project," ensuring timely care and support for retired employees, key business personnel, overseas assignees, and their families, fostering a warm and harmonious corporate atmosphere. In 2024, companies at all levels organized employee participation in warmth-giving activities, with a total of 22,868 participants, encouraging Company-wide participation in corporate culture building.

In terms of employee benefits, the Company is dedicated to providing diversified and high-quality safeguards. The Company has established an enterprise annuity plan to secure and enhance employees' welfare levels after retirement, motivating their labour enthusiasm, and establishing a long-term talent incentive mechanism. The Company also organizes annual employee welfare health check-ups to help employees comprehensively understand their physical condition and prevent and treat diseases in a timely manner. Additionally, the Company provides non-compensation benefits such as free shuttle buses, dormitory as living place, insurance such as supplementary medical insurance, free meals and extreme weather flexible working mode, which cover all employees who are needed, ensuring employees' sense of belonging.

BNBM "Unity" music festival

In August 2024, BNBM successfully held the "Unity" music festival to celebrate the Company's 45th anniversary. During the concert, employees and their families actively participated, using songs to tell the touching story of "Why 'BNBM'." Nearly 30 performances showcased the voice of China, highlighting the charm of the Company's culture. The event blended traditional culture with modern industrial spirit, attracting leadership, over 300 employees and their families, and partners to attend in person, while more than 20,000 viewers participated online. This activity demonstrated BNBM's care and emphasis on the spiritual well-being of its employees, strengthened their sense of belonging, and fostered a harmonious and cohesive corporate culture.



• BNBM "Unity" music festival

BNBM "Enterprise Super League" Series of Events

In 2024, BNBM hosted a diverse series of "enterprise super league" events aimed at boosting employee vitality and enhancing their quality of life through sports activities. The headquarters organized events including table tennis, tug-of-war, and basketball, attracting the active participation of over 600 employees. BNBM Carpoly set up traditional events (three-person basketball, table tennis, and badminton), knowledge competitions, colour-mixing contests, a cooking competition, and team-based activities such as collaborative challenges, five disciplines, precise warehousing, and nine-grid management, drawing the participation of more than 1,300 employees. This series of "Enterprise Super League" events not only improved employees' physical fitness but also strengthened friendships and cohesion among them, showcasing BNBM's commitment to the comprehensive development of its employees. It also advanced corporate culture building and deepened team cohesion.



• BNBM headquarter Enterprise Super League



• BNBM Carpoly Enterprise Super League

Dream New Materials "Children's Day" Parent-Child Activity



• Dream New Materials "Children's Day" Parent-Child Activity

This year, Dream Brand New Material organized the "Celebrate Children's Day • Parent-Child Dream Park Tour" activity. The activity site was carefully set up with fun games, including lasso, parent-child ping-pong relay race, chair-grabbing battle, and hand-painted fan. These games allow children to play happily and enjoy themselves, enabling employees and their children to embark on a journey of childhood experiences. This initiative helps rediscover the simple joys of early years and continuously enhances employees' sense of achievement, belonging, and identification.

05

Responsible Industry Collaboration

BNBM continuously enhances its supply chain management system. We aim to build stable, efficient, and mutually beneficial sustainable development partnerships. To achieve this, we incorporate ESG concepts into the entire supplier lifecycle management process, creating an eco-friendly, high-quality, and responsible supply chain. We also closely monitor the impact of our operations on surrounding areas. We strive to deepen our understanding of the local community through various means. Furthermore, we actively participate in charitable and community-oriented activities in fields like education, culture, and sports, giving back to society and demonstrating our corporate social responsibility.



Promote win-win cooperation

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Co-creating social value

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Promote win-win cooperation

BNBM adheres to the principles of "Integrity-Driven Partnerships, Mutual benefit, and Common Development." We strive to strengthen our reputation as a responsible enterprise and build trusting, mutually beneficial, and long-term stable relationships with business partners. The Company continuously enhances partners' sustainable development capabilities and awareness, promoting collaborative development and win-win cooperation.

Enhance sustainable supply chains

The Company is committed to optimizing supply chain efficacy and collaborating with suppliers to deliver premium products and services. This year, we developed and issued *Supplier Code of Conduct and Sustainable Supply Chain Management Policy* that apply to all suppliers, integrating ESG principles into supplier management processes. All suppliers are required to maintain strict compliance with commitments encompassing employee rights protection, environmental stewardship, and risk mitigation protocols. A dynamic supplier evaluation mechanism has been implemented to achieve win-win cooperation and advance sustainable development objectives.

Supplier lifecycle management

Admission Phase

According to *Supplier Management Measures*, we conduct comprehensive ESG-aligned assessments of suppliers' compliance credentials, environmental management systems, occupational health/safety protocols, and product quality through document reviews, on-site audits, virtual assessments, and product trial evaluations. Verify alignment with corporate *Supplier Code of Conduct and Sustainable Supply Chain Management Policy*.

Audit suppliers' quality management systems, requiring zero non-compliance records in national, industrial, corporate group, or local government quality inspections over the past three years. Prioritize suppliers with certifications such as ISO 45001, ISO 9001, and ISO 14001. Qualified suppliers demonstrating superior performance receive preferential selection status.

Implement rigorous procurement process monitoring and auditing to eliminate violations (e.g., bribery, fraudulent practices, unfair competition). For those suppliers breaching the code of conduct, a "one-strike rule" applies, disqualifying them from admission and cooperation.

Engagement Phase

Execute *Integrity Pledge Agreements* and *Confidentiality and Anti-Corruption Cooperation Agreements* with suppliers. Deliver integrity compliance training to define mutual ethical standards and operational protocols, ensuring confidential business information protection and fostering ethical collaboration.

Conduct periodic audits of suppliers' adherence to anti-corruption regulations. These evaluations reinforce compliance across the supply chain, uphold ethical business practices, and safeguard operational transparency.

Audit and Monitoring Phase

Conduct at least one performance evaluations for all suppliers each year, incorporating ESG-related metrics and contractual compliance assessments. Update the qualified supplier roster based on evaluation outcomes to enable dynamic catalog management. Identify suppliers with elevated sustainability risks (e.g., excessive energy consumption, occupational health/safety concerns, or integrity violations). Require such suppliers to develop corrective action plans and monitor subsequent remediation effectiveness.

Exit Phase

Terminate partnerships with suppliers failing to meet minimum standards post-remediation efforts.

If a supplier engages in illegal or seriously non-compliant behavior, we will impose temporary or permanent procurement bans across all corporate entities based on the severity of misconduct and resultant organizational impact according to the *Supplier Blacklist Management Implementation Guidelines*. For suppliers committing egregious violations, revoke partnership status and add to the supplier blacklist.

In 2024, we further enhanced the use of our company's online procurement platform, continuously improving the centralization, standardization, and transparency of our procurement operations.

Supplier Collaborative Development

BNBM rigorously implements its green procurement strategy, prioritizing low-carbon principles, clean energy adoption, and minimal environmental impact in purchasing decisions. We systematically select environmentally responsible suppliers under equivalent competitive conditions while advocating for sustainable packaging solutions, waste reduction initiatives and protect the environment across our supply chain.

Through legally binding safety and environmental agreements with suppliers, we enforce compliance with national regulations and internal ESG governance standards. These contracts explicitly mandate supplier adherence to operational requirements encompassing energy conservation, water preservation, environmental protection, circular practices, low-carbon operations, and renewable resource utilization. Suppliers are contractually obligated to implement resource optimization, emission reduction, and ecological impact mitigation measures that safeguard both environmental integrity and public health.

This year, we actively carried out supplier strategic cooperation and ESG communication activities. Through supplier conferences, technical exchanges, and seminars, we shared information with suppliers on industrial policies, market conditions, production and inventory situations, and quality feedback. We also engaged with them on equipment upgrades, technological innovation, and process improvements, conveying our ESG philosophy and encouraging the use of eco-friendly materials. Moreover, we guided suppliers in conducting routine safety inspections, safety training sessions, and emergency drills. We strengthened their integrity - building education and facilitated knowledge exchanges on laws, regulations, and social environments. These efforts aimed to enhance suppliers' capabilities and overall management standards, creating continuous value for them.

In 2024, we conducted joint training and capability enhancement programs with 1,709 suppliers, advancing mutual development through shared operational excellence.

Taishan Gypsum "Chain-Driven Win-Win, Re-create Glory" Supplier Strategic Cooperation and Development Conference



- Chain-Driven Win-Win, Re-create Glory" Supplier Strategic Cooperation and Development Conference

In July 2024, Taishan Gypsum's "Chain-Driven Win-Win, Re-create Glory" Supplier Strategic Cooperation and Development Conference was grandly held in Tai'an. 230 suppliers and 416 partners from all over the country attended the event. The conference proposed that in the future, Taishan Gypsum will work hand in hand with its supplier partners to build a more transparent, fair, and mutually beneficial cooperative ecosystem. It will continue to improve the supply chain ecosystem construction and development, jointly move towards a low-carbon future, and contribute to the high-quality development of the industry.

BNBM Dragon Brand Company' s ESG-Themed Exchange with Suppliers



- Conducted ESG exchanges with suppliers

In 2024, BNBM Dragon Brand Company's procurement and production team engaged in ESG-themed exchanges with its suppliers. They discussed ESG metrics alignment and carbon footprint tracking, and shared experiences and observations on green, low-carbon processes and digital management systems. This collaboration aimed to boost renewable raw materials usage and clean production standards, enhancing environmental management across the product lifecycle.

Carpoly Collaborates with a Professional Third Party on SVOC Regulation Exchange



- "SVOC Regulation Progress & Solutions" special exchange

In March 2024, BNBM Carpoly invited a professional third party as a supplier for a special exchange on "SVOC Regulation Progress & Solutions". This meeting aimed to prepare technically for the upcoming SVOC regulations. A total of 21 engineers from the company's Full Decoration Technology Department and Engineering Paint Technology Department attended the meeting in two sessions. They had in-depth discussions on SVOC regulatory requirements, differences between domestic and foreign regulations, and relevant solutions. Through technical cooperation with suppliers, the company can jointly respond to regulatory changes and promote sustainable development.

Promote overseas collaboration and development

BNBM continuously improves its international business collaboration model, oriented towards international markets, leveraging both international and domestic market connectivity to optimize resource allocation. The Company prioritizes gypsum board products and technologies, employing capital, technological, and managerial exports to drive overseas investment. It focuses on building overseas marketing networks, operational mechanisms, and organizational structures to boost market expansion, increase market share, and strengthen brand building. BNBM pursues innovation through independent research and development, as well as introduction, absorption, and re-innovation, to expand its core technological capabilities in gypsum board. It also strategically plans its global layout, cultivates international talent, and accumulates overseas management experience to enhance its international standing and make international business a new growth driver.

To boost cultural exchanges and business, we've strengthened overseas brand building and innovated promotion strategies. Central Asia BNBM has established a social media presence, partnered with local universities and media, and organized events to showcase Chinese culture and foster employee integration. We've also enhanced our storytelling efforts to highlight BNBM's overseas endeavors, corporate culture, and create a positive international reputation, advancing our brand's social impact.

While expanding overseas, BNBM actively fulfills its corporate responsibility by collaborating with local governments, communities, and organizations. We participate in cultural, educational, and health initiatives and promote local economic growth and social progress through mutually beneficial partnerships, ensuring the company and society develop together.

BNBM International Project Construction Progress

Completed and commissioned projects

- 15 million sqm per year gypsum board project in Tanzania.
- 40 million sqm per year gypsum board line, plus **3000**-ton annual light steel keel and **4** million sqm decorative gypsum board projects in Uzbekistan.

Ongoing projects

- 40 million sqm per year gypsum board, **3000**-ton annual light steel keel, and **4** million sqm decorative gypsum board projects in Thailand.
- 40 million sqm per year gypsum board project in Bosnia and Herzegovina.

- In 2024, BNBM Tanzania contributed building materials to key institutions in the Coastal Province, including the Immigration Department, Fire Rescue Bureau, Zegereni Junior Secondary School, and Tanzania Police Academy.



- BNBM Tanzania contributed building materials to local secondary schools and the Tanzania Police Academy

- In 2024, Central Asia BNBM donated much-needed items like formula milk, diapers, and batteries to a local orphanage to ensure stable winter power supply.



- Central Asia BNBM donated daily necessities to a local orphanage

- During the 8.28 Corporate Culture Festival, the Company invited 4 Tanzanian employees to participate in domestic activities and visit company bases for learning. This engagement initiative enhanced cross-border collaboration while boosting overseas staff's organizational pride, workplace satisfaction, and sense of belonging.



- Tanzanian-Chinese employee exchange activities

Co-creating social value

BNBM always keeps corporate social responsibility in mind and integrates this concept into its development and daily operations. It leverages its business and resource advantages to actively engage in philanthropic initiatives, carry out diverse volunteer activities, and share its development fruits with the society. This is to inject the "BNBM Power" into promoting social progress, enhancing people's wellbeing, and realizing people's aspirations for a better life.

2024

the Company donated and invested a total of **5.57** RMB million in rural revitalization and philanthropy.



Advancing Rural Revitalization

BNBM actively implements the country's key decisions and deployments on rural revitalization. It integrates social responsibility into its corporate mission and drives all-round rural revitalization. Focused on the mission of "green technology and high-quality living", BNBM vigorously promotes activities like "bringing green building materials to the countryside" and "matching good materials with good houses and new rural areas". It delivers green building materials and quality services to villagers, enhancing their living standards. BNBM firmly fulfils its responsibility as a state-owned enterprise, taking practical actions to help solve people's livelihood issues.

BNBM's Key Achievements in Rural Revitalization Support

BNBM has steadfastly supported Xinjiang and Tibet through 4 production bases, over 100 million yuan in investment, and hiring 200 local employees, easing employment issues and boosting livelihoods and unity.

BNBM has bolstered revolutionary base areas by setting up factories in places like Guang'an (Sichuan), Jinggangshan (Jiangxi), and Fuping County (Shanxi), such as BNBM (Shanxi) Co. and Jinggangshan BNBM Co., promoting their revitalization and carrying on revolutionary spirit.

BNBM's green building materials campaign has promoted eco-friendly products like gypsum boards and lightweight steel frames for rural construction, reaching over 4,000 county-level and township-level channels and advancing new-type urbanization.

BNBM has actively aided disaster-affected regions through donations, volunteer services, and participating in reconstruction. During the Zhuozhou flood, Dragon Brand Co. sold building materials at cost price, helping severely affected families rebuild their houses within a week, supplying over 45,000 sqm of gypsum boards and over 5,000 buckets of paint.

BNBM steadfastly upholds its responsibilities as a state-owned enterprise by advancing consumption-based poverty alleviation initiatives.

BNBM remains unwavering in its responsibilities as a central state-owned enterprise, actively aligning with national rural revitalization strategies. Leveraging consumption-based poverty alleviation as a key mechanism, the Company supports rural development. Since 2021, BNBM has substantially procured agricultural products from designated regions through “Hebao Dan”, the e-commerce platform of China National Building Materials Group. As of the reporting period, cumulative spending on poverty alleviation initiatives has exceeded RMB 10 million, establishing stable income streams for local farmers and effectively stimulating rural economic growth.



Dream brand New Materials strengthens its foothold in county and township markets, advancing rural revitalization through localized operations.

As BNBM’s core gypsum board industry platform, Dream brand New Materials has deepened its presence in county and township markets for years. The company conducts rigorous market research and analysis to understand local demand, consumption patterns, and competitive dynamics. Guided by a cost-performance principle, Dream brand prioritizes addressing consumer pain points through product innovation while expanding market coverage via optimized distribution networks. This positions the company to evolve into both a green building materials system solutions provider and a specialized rural development service partner. Dream brand is committed to delivering state-owned enterprise quality at affordable prices, enabling rural communities to access eco-friendly construction materials and premium services. By integrating green building solutions with its responsibilities as a central state-owned enterprise, the company pioneers new pathways for rural revitalization and contributes to the development of sustainable and beautiful countryside landscapes.



• Dream brand New Materials strengthens its foothold in county and township markets

“Unity” music festival Diaowo Town Station

BNBM continues to prioritize rural cultural revitalization, exemplified by its "Culture to Villages" campaign. The “Unity” music festival in Diaowo Town attracted nearly 700 residents, enriching local cultural life through a unique "industry-culture-music innovation" format. This event established a dynamic platform for product experiences, cultural exchange, and community engagement, allowing participants to connect with the values and warmth of Chinese industrial brands. By integrating economic and cultural development, BNBM has injected fresh vitality into rural revitalization, fostering sustainable progress in both cultural and economic spheres.



• “Unity” music festival in Diaowo Town Station

BNBM Education Support · Building Dreams Toward Innovation

BNBM Waterproof is committed to aligning its corporate growth with the consolidation of poverty alleviation achievements and the advancement of rural revitalization. Through targeted actions, the company translates the vision of comprehensive rural revitalization into tangible progress. By implementing education support programs in local township schools, BNBM Waterproof strengthens rural education infrastructure, improves student development and learning environments, and inspires academic excellence to cultivate future contributors to society.



• “BNBM Education Support · Building Dreams Toward Innovation” Donation Initiative at Xiejia Primary and Middle Schools

Engaging in philanthropic activities

BNBM remains true to its founding mission by fulfilling its public welfare responsibilities and exemplifying corporate citizenship. The company implements diverse philanthropic initiatives and charitable programs to advance social harmony and progress.

"Imprints of the Beijing Central Axis" Cultural Series Activities

BNBM remains steadfast in its mission as a state-owned enterprise, championing the cultural legacy of Beijing's Central Axis and promoting confidence in Chinese brands. In 2024, the Company launched the "Imprints of the Beijing Central Axis" Cultural Series, utilizing eco-friendly, high-quality gypsum boards, coatings, and home products to curate exhibitions, interactive experiences, and cultural engagements. These initiatives showcase the appeal of domestic products and trendy goods through innovative, interactive, and empathetic approaches. By narrating the story of China's cultural heritage, the Beijing Central Axis, and brand innovation, BNBM strengthens societal commitment to preserving this UNESCO-nominated historical corridor. These efforts reinvigorate traditional culture with contemporary relevance, fostering collective responsibility for safeguarding cultural assets while aligning national pride with modern sustainability goals.



• "Imprints of the Beijing Central Axis" cultural activities

BNBM Supports Ningxia Public Welfare Forest Building



• BNBM Participates in Public Welfare Forest Building Activity

On October 12, 2024, the China Real Estate Association's public welfare forest building activity was held at the Baijitan Ma'an Shan Base in Yinchuan, Ningxia. BNBM actively supported the construction of the "China Real Estate Association Public Welfare Forest" and donated public welfare funds. This practical action fulfilled its "Green Technology, Quality Life" corporate mission and supported the nation's ecological civilization building.

"Benevolent Building" Colorful Classroom Public Welfare Teaching Support Action

In August 2024, a six-member BNBM volunteer team traveled to Yongshan County Ethnic Primary School in Zhaotong City, Yunnan Province, to conduct the week-long "Benevolent Building Rainbow Classroom Public Welfare Teaching Support". The volunteers leveraged their professional expertise to design tailored curriculum modules including patriotic education, science experiments, arts, safety education, and mathematical thinking aligning content with students' interests. Through diversified teaching methods, they stimulated children's curiosity for learning while fostering independent thinking and exploratory spirit. This initiative aimed to deliver care to mountainous area children and ignite the spark of dreams in young minds.



• "Benevolent Building" Colorful Classroom Public Welfare Teaching Support Action

BNBM Carpoly Supports Rural Sports Education Development

BNBM Carpoly has actively supported national poverty reduction policies. Since 2022, it has sponsored the "Cunxiao Cup" basketball league and cheerleading competition in Daliangshan, Sichuan. In 2024, BNBM Carpoly invested 200,000 yuan to sponsor 23 teams from eight public welfare primary schools in the area. The event engaged 230 students, promoting local sports education and broadening the horizons of mountainous-area children.



• BNBM Carpoly: The 7th "Cunxiao Cup" Basketball League and Cheerleading Competition

ESG key performance indicators^{21 22}

General information

Indicator	Unit	2024	2023
Revenue	RMB 10,000	2,582,112.44	2,242,589.56
Output value (current price)	RMB 10,000	2,491,542.29	2,116,621.25

Environmental KIPs

Indicator	Unit	2024	2023
Energy²³			
Total energy consumption	10,000 tce	142.56	137.66
Comprehensive energy consumption per RMB 10,000 of revenue	tce/RMB 10,000	0.55	0.61
Comprehensive energy consumption per RMB 10,000 of output value	tce/RMB 10,000	0.57	0.65
Total direct energy consumption ²⁴	10,000 tce	121.74	121.43
Clean energy consumption (Biomass fuel, solar and wind energy and heat recovery steam)	10,000 tce	20.52	21.44

²¹ The coverage of the following KPIs is the same as that of the consolidated statements. In case of any discrepancies between the total number and the sum of the data and ratios disclosed herein, it is due to rounding.

²² During the reporting year, the Company completed the acquisition of BNBM Carpoly and integrated it into the consolidated data reporting scope. As a result, certain metrics exhibit notable variations compared to prior periods, primarily due to the inclusion of the newly acquired entity's operational data.

²³ This year, the Company adjusted and refined the statistical scope of indirect energy, reclassifying the categories for purchased electricity, purchased heat, and purchased steam, among other indirect energy sources. As a result, the total direct energy consumption, total indirect energy consumption, direct greenhouse gas emissions (Scope 1), and indirect greenhouse gas emissions (Scope 2) for 2023 have been restated.

²⁴ Direct energy consumption covers non-renewable energy sources such as coal, natural gas, liquefied petroleum gas, petrol and diesel, as well as self-generated electricity using renewable energy sources. The result is calculated in accordance with the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

Indicator	Unit	2024	2023
Biomass fuel consumption	10,000 tonnes	29.78	36.73
Total indirect energy consumption ²⁵	10,000 tce	20.82	16.23
Purchased green electricity ²⁶	tce	813.56	10.34
GHG emissions			
Total GHG emissions ²⁷	10,000 tCO ₂ e	349.79	346.61
Direct GHG emissions (Scope 1)	10,000 tCO ₂ e	256.06	286.08
Indirect GHG emissions (Scope 2)	10,000 tCO ₂ e	93.73	60.53
GHG Emissions per RMB 10,000 of revenue	10,000 tCO ₂ e/RMB 10,000	0.00014	0.00015
GHG Emissions per RMB 10,000 thousand of output value	10,000 tCO ₂ e/RMB 10,000	0.00014	0.00016

²⁵ Indirect energy consumption covers purchased electricity and purchased heat. The result is calculated in accordance with the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

²⁶ Purchased green electricity refers to the electricity purchased through contracts with renewable energy power producers.

²⁷ The calculation of GHG-related emissions has referred to the Notice on the Key Work Related to the Management of Enterprise Greenhouse Gas Emission Reporting in 2022, the General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (GB/T 32150-2015), as well as other national and international standards.

Indicator	Unit	2024	2023
Water			
Total water consumption	10,000 tonnes	1,182.26	1,180.66
Water consumption per RMB million of revenue	10,000 tonnes/RMB million	0.046	0.053
Water consumption per RMB million of output value	10,000 tonnes/RMB million	0.047	0.056
Fresh water consumption	10,000 tonnes	1,146.32	1,167.78
Recycled water consumption ²⁸	10,000 tonnes	365.72	293.54
Wastewater			
Total industrial wastewater discharge	10,000 tonnes	299.31	324.45
Chemical oxygen demand (COD)	Tonnes	109.53	108.81
Ammonia nitrogen	Tonnes	5.29	4.56
Waste gas			
Total emissions of nitrogen oxides	Tonnes	1,336.12	1360.46
Total emissions of sulphur dioxides	Tonnes	649.46	786.89
Total emissions of industrial particulate matters	Tonnes	178.20	222.67
Total emissions of volatile organic compounds (VOCs)	Tonnes	46.15	1.70
Waste			
General waste generated	10,000 tonnes	21.93	13.95
General waste generated per RMB 10,000 of revenue	tonnes/RMB 10,000	0.085	0.062
Hazardous waste generated	tonnes	3,023.29	360
Hazardous waste generated per RMB 10,000 of revenue	tonnes/RMB 10,000	0.00117	0.000161

²⁸ Recycled water consumption = the amount of water per cycle x the number of cycles.

Indicator	Unit	2024	2023
Comprehensive utilisation rate of general waste	%	100	100
Industrial waste consumption	10,000 tonnes	1,523.78	1,480.87
Others			
Environmental protection expenditure ²⁹	RMB 10,000	30,759.03	22,558.62
Cumulated number of products with China green product certificates	Case	161	48
R&D cost of green products ³⁰	RMB 10,000	85,409.26	90,213.72
Revenue from green products ³¹	RMB 10,000	1,723,608.95	1,713,184.59

Social KPIs

Employee-related indicators

Primary indicator	Secondary indicator	Unit	2024	2023
Employees				
Total employees as of the end of the Reporting Period		Person	15,790	12,786
By gender	Male	Person	12,721	10,448
	Female	Person	3,069	2,338
By ethnicity	Han employees	Person	14,920	12,006
	Minority employees	Person	870	780

²⁹ Environmental protection expenditure includes the expenditures for environmental protection and ecological restoration.

^{30, 31} The green products including gypsum board, waterproof material and waterproof coating.

Primary indicator	Secondary indicator	Unit	2024	2023
By position level	Senior employees	Person	164	147
	Female employees at senior level	Person	8	8
	Middle-level employees	Person	564	472
	Female employees at middle level	Person	69	86
By age	General employees	Person	15,062	12,167
	Under 30 years old	Person	2,656	2,151
	30-50 years old	Person	11,771	9,531
	Over 50 years old	Person	1,363	1,104
Disabled employees		Person	87	56
New employees during the Reporting Period		Person	1,671	1,026
Employee turnover rate				
	Total turnover rate ³²	%	11.82	12.07
	Turnover rate (voluntary resignation)	%	9.74	10.07
By gender	Male	%	11.86	11.92
	Female	%	11.63	12.75
By ethnicity	Han employees	%	11.82	12.04
	Minority employees	%	11.72	12.56
By position level	Senior employees	%	0.61	0.00
	Middle-level employees	%	8.69	8.07

³² Employee turnover rate = Employee turnover rate for FY2023 = number of employees turned over / number of employees on board at the end of the period

Primary indicator	Secondary indicator	Unit	2024	2023
By position level	General employees	%	12.06	12.37
	Under 30 years old	%	20.86	27.94
By age	30-50 years old	%	9.92	8.58
	Over 50 years old	%	10.56	11.23
Development and training				
	Total participants in training	Person-times	153,029	153,602
	Coverage	%	82.73	93.16
	Average training hours of employees	Hours/person	80.31	81.95
By gender	Male	Hours/person	80.31	82.11
	Female	Hours/person	80.31	81.23
By ethnicity	Han employees	Hours/person	80.25	81.93
	Minority employees	Hours/person	81.30	82.15
By position level	Senior employees	Hours/person	142.58	145
	Middle-level employees	Hours/person	153.84	182.37
	General employees	Hours/person	76.24	77.29
By age	Under 30 years old	Hours/person	85.42	84.96
	30-50 years old	Hours/person	79.45	82.12
	Over 50 years old	Hours/person	77.76	74.53

Primary indicator	Secondary indicator	Unit	2024	2023
Health and safety				
Work-related deaths		Person	0	0
	Regular employees	Person	0	0
	Contractors	Person	0	0
Death rate per 1,000 employees		%	0	0
Lost days due to work injury		Day	0	0
LTIFR per million hours of employees		%	0	0
LTIFR per million hours of contractors		%	0	0
Work safety accidents		Case	0	0
Participants in health and safety training		Person-times	165,965	115,035
Work safety investment		RMB 10,000	5,966.26	2,422.05
Social insurance coverage of dispatched workers		%	100	100
Others				
Total employees participating in satisfaction surveys		Person	8,691	7,486
Coverage of employees participating in satisfaction surveys		%	55.04	58.55
Employee satisfaction ³³		%	85.84	84.39
Total employees in the labour union as of the end of the Reporting Period		Person	15,790	12,786
Proportion of employees in the labour union as of the end of the Reporting Period		%	100	100

³³ Employee satisfaction surveys cover all levels of employees.

Primary indicator	Secondary indicator	Unit	2024	2023
Proportion of employees with collective contract		%	100	100
Average number of days of paid annual leave per employee		Day/person	10.25	10.25

Supply chain-related indicators

Primary indicator	Secondary indicator	Unit	2024	2023
Suppliers with long-term cooperation		-	4,271	3,525
Suppliers screened and controlled based on environmental and social risks		-	2,376	2,841
	Suppliers assessed as having significant negative impact	-	0	0
	Suppliers assessed as having significant negative impact and having rectified	-	0	0
	Suppliers assessed as having significant negative impact and whose cooperation was terminated	-	0	0
Proportion of suppliers screened and controlled based on environmental and social risks		%	65.24	80.60
Suppliers who passed the certification for quality, occupational health and safety, environment protection, or energy management		-	3,263	1,210
Suppliers participating in training and capacity enhancements		-	1,709	1,045

Product/Service-related indicators

Indicator	Unit	2024	2023
Total customer complaints	Case	17	34
Complaint resolution rate	%	100	100
Total customers participating in satisfaction surveys	Case	7,152	4,598
Proportion of customers participating in satisfaction surveys	%	23.95	23
Customers surveyed as satisfied	Case	6,800	4,552

Social contribution-related indicators

Indicator	Unit	2024	2023
Public welfare donations	RMB 10,000	557.09	524.47
Number of volunteers	Person	50	46
Voluntary service hours	Hour	720	356

Governance KPIs

Business ethics-related indicators

Indicator	Unit	2024	2023
Total anti-corruption training conducted during the year	Session	2,694	145
Total participants of anti-corruption training during the year	Person	66,013	26,379

Indicator	Unit	2024	2023
Coverage of directors participating in training	%	100	100
Coverage of regular employees participating in training	%	100	100
Total compliance training conducted during the year	Session	12	19
Total participants of compliance training during the year	Person	12,600	8,400
Total ESG training during the year	Session	6	6
Total duration of ESG training during the year	Hour	24	18
Total participants of ESG training during the year	Person	716	120

Innovation and R&D-related indicators

Indicator	Unit	2024	2023
Annual R&D investment	RMB 100 million	10.58	9.52
Patents applied for during the year	-	870	704
Patents for inventions	-	485	362
Patents granted during the year	-	530	606
Patents for inventions	-	212	227
Cumulative valid patents	-	5,253	4,852
Patents for inventions	-	1,616	1,204
Cumulative software copyrights registered	-	38	34
Provincial and ministerial awards in science and technology	-	11	5
Standards for which BNBM participated in preparation or revision	-	285	195

■ ■ Future Outlook

Reaching the summit, we aim to expand new horizons. BNBM will remain mindful of the "nation's priorities" and focus on the "nation's essential materials," staying true to our mission of "Green Technology, Quality Life." Guided by our core values of "Innovation, Performance, Harmony, and Responsibility," we will share the BNBM story and strive to propel the Company's high-quality development to new heights.

In the new year, we will continue to drive development through innovation. We will fully promote innovative practices across multiple dimensions, including "strategic-led innovation, technology and business expansion innovation, functional empowerment innovation, and international acceleration innovation," vigorously advancing the development of new products, businesses, and models.

In the new year, we will deepen integration and synergy to foster development. We will strengthen comprehensive integration within the "One Body" and between the "One Body" and the "Two Wings," enhance collaboration across sectors, promote industrial integration, advance regional coordinated progress, and deepen the integration of the industrial and innovation chains. We are committed to driving synergy and integration to greater depth and practical outcomes.

In the new year, we will strengthen Party building to propel development, effectively transforming Party-building advantages into corporate development strengths. We will focus on implementing the Company's "One Body, Two Wings and Global Layout" strategy, adhere to green manufacturing, and build a green building industry chain across the entire lifecycle. We will relentlessly pursue the creation of high-quality products to meet the people's aspirations for a better life, accelerating our journey to become a world-class demonstration enterprise.



Appendix

Index table of indicators

Index of Reference of ESG Indicators System for ESG Reports of Listed Companies Controlled by Central Enterprises

Disclosure			Chapter, page number or other descriptions
Environmental			
Primary indicators	Secondary indicators	Tertiary indicators	
Resource consumption	Water	E1.1.1 Fresh water usage	ESG key performance indicators; Green and Circular Economy Products- Promoting circular economy
		E1.1.2 Circulating water consumption	
		E1.1.3 Percentage of recycled water usage	
		E1.1.4 Intensity of water consumption	
Resource consumption	Materials	E1.2.1 Consumption of non-renewable materials	ESG key performance indicators; Green and Circular Economy Products- Strengthening environmental management
		E1.2.2 Consumption of toxic and hazardous materials	
		E1.2.3 Intensity of material consumption	
Resource consumption	Energy	E1.3.1 Fossil energy consumption	ESG key performance indicators; Green and Circular Economy Products- Strengthening environmental management
		E1.3.2 Non-fossil energy consumption	
		E1.3.3 Proportion of non-fossil energy use	
		E1.3.4 Total energy consumption	
		E1.3.5 Energy intensity	
Resource consumption	Packaging materials	E1.4.1 Packaging material usage	ESG key performance indicators
		E1.4.2 Packaging material lightweight reduction	

Disclosure			Chapter, page number or other descriptions
Environmental			
Primary indicators	Secondary indicators	Tertiary indicators	
Prevention and control of pollution	Wastewater	E.2.1.1 Wastewater discharge compliance	ESG key performance indicators; Green and Circular Economy Products- Strengthening environmental management
		E.2.1.2 Wastewater management and abatement measures	
		E.2.1.3 Wastewater discharge	
		E.2.1.4 Wastewater pollutant emissions	
		E.2.1.5 Wastewater Pollutant Discharge Concentration	
Prevention and control of pollution	Waste gas	E.2.2.1 Waste gas emission compliance	ESG key performance indicators; Green and Circular Economy Products- Strengthening environmental management
		E.2.2.2 Emissions of waste gas pollutants	
		E.2.2.3 Waste gas pollutant emission concentration	
Prevention and control of pollution	Solid waste	E.2.3.1 Legal compliance for solid waste disposal	ESG key performance indicators; Green and Circular Economy Products- Strengthening environmental management
		E.2.3.2 General industrial solid waste management	
		E.2.3.3 General industrial solid waste disposal	
		E.2.3.4 Hazardous waste management	
		E.2.3.5 Hazardous waste disposal volume	
Climate change	GHG emissions	E.3.1.1 Sources and types of greenhouse gases	ESG key performance indicators; Green and Circular Economy Products- Advancing the “Carbon Peaking and Carbon Neutrality” strategy; Practicing low-carbon production
		E.3.1.2 Greenhouse gas emissions management	
		E3.1.3 Scope I emissions	
		E3.1.4 Scope II emissions	
		E3.1.6 Greenhouse gas emission intensity	

Disclosure			Chapter, page number or other descriptions	
Environmental				
Primary indicators	Secondary indicators	Tertiary indicators		
Climate change	Emission reduction management	E3.2.1 Greenhouse gas emission intensity	Green and Circular Economy Products- Advancing the “Carbon Peaking and Carbon Neutrality” strategy; Practicing low-carbon production	
		E3.2.2 Greenhouse gas emission reductions		
	Climate risk management	E.3.4.1 Climate risk management	Green and Circular Economy Products- Feature: climate change risks and opportunities management	
Resource and environmental management systems and measures	Low-carbon development goal setting and strategic measures	E.5.1.1 Low-carbon development goal-setting and strategic measures	Green and Circular Economy Products- Advancing the “Carbon Peaking and Carbon Neutrality” strategy	
		E.5.2.1 Water use management		
	Resource management measures	E.5.2.2 Material Use Management	Green and Circular Economy Products- Practicing low-carbon production; Promoting circular economy	
		E.5.2.3 Energy use and energy conservation management		
		E.5.3.1 Energy saving and carbon reduction monitoring, statistical reporting and assessment system		
	Green actions and measures	Energy saving and carbon reduction statistics monitoring and assessment / reward / punishment systems	E.5.4.1 cleaner production	Green and Circular Economy Products
			E.5.4.2 Green technologies and recycling	
		E.5.4.3 Green Building Retrofits		
		E.5.4.4 Green office and operations		
		E.5.4.5 Green procurement and green supply chain management		
Green/low-carbon certifications	E.5.5.1 Environmental Management System Certification	Green and Circular Economy Products- Promoting circular economy; Strengthening environmental management		
	E.5.5.2 Green Low Carbon Enterprise Certification			
	E.5.5.3 Certification of Green and Low Carbon Products and Services			

Disclosure			Chapter, page number or other descriptions	
Environmental				
Primary indicators	Secondary indicators	Tertiary indicators		
Resource and environmental management systems and measures	Environmental compliance	E.5.6.1 Emergency Response Plan for Environmental Emergencies	ESG key performance indicators; Green and Circular Economy Products- Strengthening environmental management	
		E.5.6.2 Violations in the field of the environment		
Social				
Employees' rights and interests	Recruitment and employment	S1.1.1 Corporate Recruitment Policy and Implementation	ESG key performance indicators; All-rounded Talent Cultivation- Safeguarding employees' rights and interests	
		S1.1.2 Employee Structure		
		S1.1.3 Avoidance of child or forced labor		
	Employee remuneration and benefits	Employee remuneration and benefits	S1.2.1 Compensation Philosophy and Policy	ESG key performance indicators; All-rounded Talent Cultivation- Safeguarding employees' rights and interests
			S1.2.2 Working hours and rest and vacation	
			S1.2.3 Security of remuneration and benefits	
			S1.2.4 Democratic management of employees	
	Health and safety	Health and safety	S1.3.1 Employee Occupational Health and Safety Management	ESG key performance indicators; All-rounded Talent Cultivation- Strengthening intrinsic safety
			S1.3.2 Employee Safety Risk Prevention and Control	
			S1.3.3 Responding to Safety Accidents and Workplace Injuries	
S1.3.4 Employee Care and Support				
Employee development and training	Employee development and training	S1.4.1 Employee Incentive and Promotion Policy	ESG key performance indicators; All-rounded Talent Cultivation- Safeguarding employees' rights and interests; Supporting employee development	
		S1.4.2 Employee Education and Training		
		S1.4.3 Employee Career Planning and Job Change Support		
Employee satisfaction	Employee satisfaction	S1.5.1 Employee Satisfaction Survey	ESG key performance indicators; All-rounded Talent Cultivation- Safeguarding employees' rights and interests; Supporting employee development	
		S1.5.3 Employee turnover		

Disclosure			Chapter, page number or other descriptions
Social			
Primary indicators	Secondary indicators	Tertiary indicators	
Product and service management	Product safety and quality	S2.1.1 Policies and measures for standardised manufacturing Management	ESG key performance indicators; All-rounded Talent Cultivation-Strengthening intrinsic safety; High Standard Solutions- Deliver optimal services
		S2.1.2 Quality management	
Product and service management	Customer service and rights	S2.1.4 Negative events for products or services	ESG key performance indicators; High Standard Solutions- Deliver optimal services
		S2.2.1 Customer satisfaction	
Product and service management	Customer service and rights	S2.2.2 Customer complaints and responses	ESG key performance indicators; High Standard Solutions- Deliver optimal services
		S2.2.3 Customer information and privacy protection	
Product and service management	Innovative development	S2.3.1 R&D and innovation management systems	ESG key performance indicators; High Standard Solutions- Deliver optimal services; Promote technological innovation; Sustainable corporate governance- Compliance operation
		S2.3.2 R&D investment	
Product and service management	Innovative development	S2.3.3 Achievements in Innovation	ESG key performance indicators; High Standard Solutions- Deliver optimal services; Promote technological innovation; Sustainable corporate governance- Compliance operation
		S2.3.4 Protection of intellectual property	
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		S3.1.2 Number and distribution of suppliers	
Supply chain safety and management	Supply chain management	S3.2.1 Policies and measures in supply chain management	ESG key performance indicators; Responsible Cooperations- Promote win-win cooperation
		S3.2.2 Supply chain security assurance and contingency plans	
Supply chain safety and management	Supply chain management	S3.2.3 Significant risks and impacts (supply chain)	ESG key performance indicators; Responsible Cooperations- Promote win-win cooperation
Contribution to society	Prosperity with the community	S4.2.1 Policies and measures in local community building	ESG key performance indicators; Responsible Cooperations- Promote win-win cooperation; Co-creating social value
		S4.2.2 Contribution and impact on local communities	
Contribution to society	Social welfare activities	S4.3.1 Policies and measures to participate in social welfare activities	ESG key performance indicators; Responsible Cooperations-Co-creating social value
		S4.3.2 Investment and performance in social welfare activities	

Disclosure			Chapter, page number or other descriptions
Social			
Primary indicators	Secondary indicators	Tertiary indicators	
Contribution to society	Response to national strategies	S4.4.1 Industrial transformation	ESG key performance indicators; Responsible Cooperations- Promote win-win cooperation; Co-creating social value
		S4.4.2 Rural revitalisation and regional coordinated development	
Contribution to society	Response to national strategies	S4.4.3 The Belt and Road and overseas responsibility fulfillment	ESG key performance indicators; Responsible Cooperations- Promote win-win cooperation; Co-creating social value
		S4.4.4 Industry characteristics and performance of other social responsibilities	
Governance			
Governance strategy and organisational structure	Governance strategy and process	G1.1.1 Governance strategy formulation	Sustainable development governance structure; Sustainable development strategy; Sustainable corporate governance- Deepening corporate governance; Adhering to the Party' s leadership
		G1.1.2 Governance policy supervision process	
Governance strategy and organisational structure	Governance strategy and process	G1.1.3 Approval and review process of governance policy	Sustainable development governance structure; Sustainable development strategy; Sustainable corporate governance- Deepening corporate governance; Adhering to the Party' s leadership
		G1.1.4 Party building leads	
Governance strategy and organisational structure	Organisational structure and functions	G1.2.1 Ownership Responsibilities	ESG key performance indicators; Sustainable corporate governance- Deepening corporate governance
		G1.2.2 Organizational structure and functions of the Board of Directors, the Board of Supervisors and the Management	
Governance strategy and organisational structure	Organisational structure and functions	G1.2.3 Appointment procedures and composition of the Board of Directors, the Board of Supervisors and the Management	ESG key performance indicators; Sustainable corporate governance- Deepening corporate governance
Governance strategy and organisational structure	Remuneration management	G1.3.3 Reasonableness of management remuneration	All-rounded Talent Cultivation- Safeguarding employees' rights and interests; Supporting employee development
Standardised governance	Internal control	G2.1.1 Internal Audit	Sustainable corporate governance- Implement risk prevention and control; Compliance operation
		G2.1.2 Structure, mechanism and process of internal control	
Standardised governance	Integrity building	G2.2.1 Regulations and norms of integrity construction	Sustainable corporate governance- Cultivating Integrity Construction
		G2.2.2 Effectiveness of integrity construction measures	

Disclosure			Chapter, page number or other descriptions
Social			
Primary indicators	Secondary indicators	Tertiary indicators	
Standardised governance	Fair competition	G2.3.1 Regulations and norms of fair competition	Sustainable corporate governance- Cultivating Integrity Construction
		G2.3.2 Effectiveness of fair competition measures	
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		G3.1.2 Investor Communication	
	Shareholders' equity	G3.2.1 Shareholders' Meeting (General Meeting)	Sustainable development issue analysis and materiality assessment- Stakeholders communication
		G3.2.2 Shareholder Communication	
G3.2.3 Shareholders' right to know and participate in decision-making			
Transparency in Information disclosure	Information disclosure policy	G4.1.2 Non-Financial information disclosure	Sustainable development issue analysis and materiality assessment- Stakeholders communication
	Quality of information disclosure	G4.2.1 Regular monitoring, auditing, and evaluation of all disclosed information compliance and risk management	Sustainable development governance structure
Compliance operation and risk management	Compliance operation	G5.1.1 Compliance operation system	Sustainable corporate governance- Compliance operation
		G5.1.2 Status of compliance system development	
		G5.1.3 Specific process of compliance review	
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Feedback

Dear readers,

Thank you for reading this report. To improve the ESG management and better meet your expectations, we expect your valuable feedback and suggestions.

Please fill in the following information, which will be kept confidential:

Name: _____ Unit/Occupation: _____
 Tel: _____ Email: _____
 Address: _____ Postcode: _____

Closed questions

- Are you satisfied with this report as a whole?
 Yes No Neutral
- Is all the information you are concerned about available in this report?
 Yes No Neutral
- Do you think this report faith fully presents BNBM’ s ESG work as well as the impact on stakeholders?
 Yes No Neutral
- Can you easily locate the information you are concerned about in this report?
 Yes No Neutral
- Are you satisfied with the layout and design of this report?
 Yes No Neutral

Open questions

- Which aspect of this report are you most satisfied with
- What do you want to know more about BNBM?
- Do you have any suggestions for our future ESG work/social responsibilities and ESG reporting?



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