



2025

Environmental, Social and Governance Report

中国西部水泥有限公司
WEST CHINA CEMENT LIMITED

CONTENTS

About This Report	1
To Stakeholders	2
About West China Cement	3

APPENDIX

Appendix 1: Law and Regulations	73
Appendix 2: Key Performance Indicators	74
Appendix 3: ESG Content Index	76
READERS' COMMENTS AND FEEDBACK	81

01 ESG GOVERNANCE: STRENGTHENING GOVERNANCE FOUNDATIONS

Board Statement	9
ESG Governance Structure	10
Diversity	11
Materiality Assessment	11
Contributing to the SDGs	15
Business Ethics and Integrity Management	16

02 GREEN TRANSFORMATION: ADVANCING CLIMATE ACTION

Governance	21
Strategy	21
Climate Risk and Opportunity Management	21
Metrics and Targets	28
Energy Consumption	28
Greenhouse Gas (GHG) Emissions	29
Key Climate Actions	30

03 ECOLOGICAL ENVIRONMENT: PROTECTING NATURAL ECOSYSTEMS

Environmental Management System	35
Green Mines and Land Use	36
Ecological Protection	37
Water Resource Management	37
Wastewater, Waste Gas and Solid Waste Management	39
Packaging Materials	43
Green Culture Development	44

04 SOCIAL INCLUSION: CARING FOR EMPLOYEE WELL-BEING

Employment	47
Talent Development	48
Diversity, Equity and Inclusion	52
Occupational Health and Safety	54

05 RESPONSIBLE OPERATIONS: STRENGTHENING QUALITY AND TRUST

Responsible Supply Chain	61
Product Quality Management	64
Customer Relations and Service	66
Privacy Protection	66
Information and Data Security	67
Technology and Innovation	67

06 COMMUNITY JOINT DEVELOPMENT: DEEPENING COMMUNITY CONNECTIONS

Education Support	71
Social Welfare	72



ABOUT THIS REPORT

Reporting Guidelines

West China Cement Limited (hereinafter referred to as “West China Cement” or the “Company”) and its subsidiaries (collectively referred to as the “Group”, “we” or “us”) have prepared this Environmental, Social and Governance Report (the “Report” or the “ESG Report”) to disclose the Group’s sustainable development strategies, management approaches and performance in relation to key environmental, social and governance matters for the year 2025. This Report provides a comprehensive overview of the Group’s performance in sustainable development and aims to enhance the transparency of the Group’s ESG disclosures.

Reporting Scope and Boundary

This Report covers the financial year from 1 January 2025 to 31 December 2025 and includes all companies under the Group’s operational control, including Yaobai Special Cement Group Limited. (“Yaobai Group”) and Yaobai International Holdings Limited (“Yaobai International Group”). The organisational boundary and operational scope of this Report are determined based on the principle of operational control to ensure that the disclosed information accurately reflects the Group’s actual operating conditions and management performance during the reporting period.

Reporting Framework

This Report has been prepared in accordance with Appendix C2 “Environmental, Social and Governance Reporting Code” under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It follows the reporting principles of materiality, quantitative measurement, balance and consistency. In addition, the Report makes reference to the “Guidelines for Preparation of Corporate Social Responsibility Reports for Cement Industry” (T/CCAS 002-2018) issued by the China Cement Association, with a view to enhancing the relevance and comparability of the Report.

Reporting Language

This Report is prepared in both Chinese and English. In the event of any discrepancies between the two versions, the Chinese version shall prevail. The Report is available on the websites of West China Cement, Yaobai Group and The Stock Exchange of Hong Kong Limited.

Feedback

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TO STAKEHOLDERS

In 2025, West China Cement adhered to high-quality development as its core direction, advancing in parallel both stable operations and sustainable development. By continuously strengthening its foundational management and deepening green transformation, the Group achieved solid and meaningful progress across ESG dimensions, laying a firm foundation for its long-term sustainable growth.

Sustainable development is not only a key pathway for the Group to realise long-term value, but also a long-standing commitment to society and the environment. During the year, the Group further enhanced its ESG management system centred on green and low-carbon development, continuously improving its governance structure and operational mechanisms. ESG principles were deeply integrated into strategic planning, business decision-making and daily operations, driving the steady implementation of various initiatives.

On the environmental front, the Group continued to prioritise carbon reduction, efficiency improvement and resource circularity. It steadily advanced initiatives such as clean energy utilisation, waste heat power generation, alternative fuels and energy efficiency upgrades of production facilities, resulting in a continuous decline in carbon emission intensity and energy consumption levels. Among the Group’s 15 production lines in China, 13 have been equipped with waste heat recovery systems, each capable of reducing electricity consumption by approximately 32%. In 2025, total electricity generated from waste heat recovery reached 323 million kWh, reducing carbon dioxide emissions by approximately 268,000 tonnes and enhancing overall energy utilisation efficiency.

At the same time, the Group actively promoted green mine development and ecological restoration. Through systematic governance and intelligent management, it minimised the environmental impact of its operations. In 2025, the Group completed ecological restoration covering approximately 68,000 square metres of mined areas, with multiple mines being included in provincial-level “Green Mine” lists, supporting the coordinated development of resource utilisation and ecological conservation.

On the social front, employees remain the Group’s most valuable asset and a key driver of sustainable development. The Group places strong emphasis on occupational health and safety (OHS), continuously improving its safety management system and standardised operational procedures, and strengthening risk identification and hazard mitigation. During the reporting period, no major safety incidents occurred. The Group also values talent development and diversity, striving to create fair development opportunities for employees from diverse national, cultural and professional backgrounds. In addition, the Group actively engaged in community development and public welfare initiatives, contributing to society through education support, infrastructure improvement and charitable donations.

On the governance front, the Group continued to enhance corporate governance and compliance management, strengthening anti-corruption mechanisms, risk management and supply chain management systems. It also promoted the application of digital management tools to improve operational transparency and management efficiency, thereby providing strong support for the effective implementation of ESG strategies.

Looking ahead to 2026, while global economic and industry environments remain challenging, opportunities coexist with responsibilities. The Group will continue to uphold its green development philosophy, further integrate ESG into its corporate strategy, and, on the basis of stable operations, advance low-carbon transformation, strengthen safety management and support employee development. Together with its stakeholders, the Group aims to create positive and lasting impacts on the environment, society and the communities in which it operates.

Cao Jianshun
Chief Executive Officer

ABOUT WEST CHINA CEMENT

Company Profile

West China Cement Limited (Stock Code: 2233.HK) is a large-scale enterprise group integrating the production, research and development of cement and new building materials, as well as industrial investment. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited in August 2010 and is one of the leading cement producers in Western China.

Through its subsidiaries, the Company operates two major business platforms, namely Yaobai Special Cement Group Limited. and Yaobai International Holdings Limited, forming an industrial layout covering both domestic and overseas markets. The Group's businesses span the production and sale of clinker and cement products, the development of new building materials, and related industrial investments.



Stock Code:
2233.HK

Operations in China

Yaobai Group is headquartered in Xi'an, Shaanxi Province, the PRC, and has over 50 subsidiaries. Its operations cover multiple provinces, including Shaanxi, Sichuan and Guizhou. As one of the leading cement producers in Shaanxi Province, Yaobai Group has established a solid market position in the eastern and southern regions of the province. Its products are marketed under the "Yaobai" and "Yaobai Cement" brands and are widely used in infrastructure projects such as highways, bridges, railways and roads, as well as in residential and commercial construction.

Overseas Operations

Yaobai International Group is headquartered in Nairobi, Kenya, and was established in September 2019. It is a multinational enterprise group integrating cement sales, corporate management and industrial investment. The Group has over 20 subsidiaries, with operations spanning multiple African countries, serving as an important platform for the Group's international expansion and enhancement of its global operational capabilities.

Scale and Market Presence

As at 31 December 2025, the Group operated multiple modern New Suspension Preheater (NSP) cement production lines across China and overseas, forming a production system characterised by both scale and efficiency. In 2025, the Group ranked 23rd among global cement producers and 11th in clinker production capacity in China, making it one of the largest building materials enterprises in Western China. Supported by a well-established production system and sales logistics network, the Group's products are primarily sold in regions including Shaanxi, Sichuan and Guizhou in China, as well as overseas markets such as Africa and Central Asia.



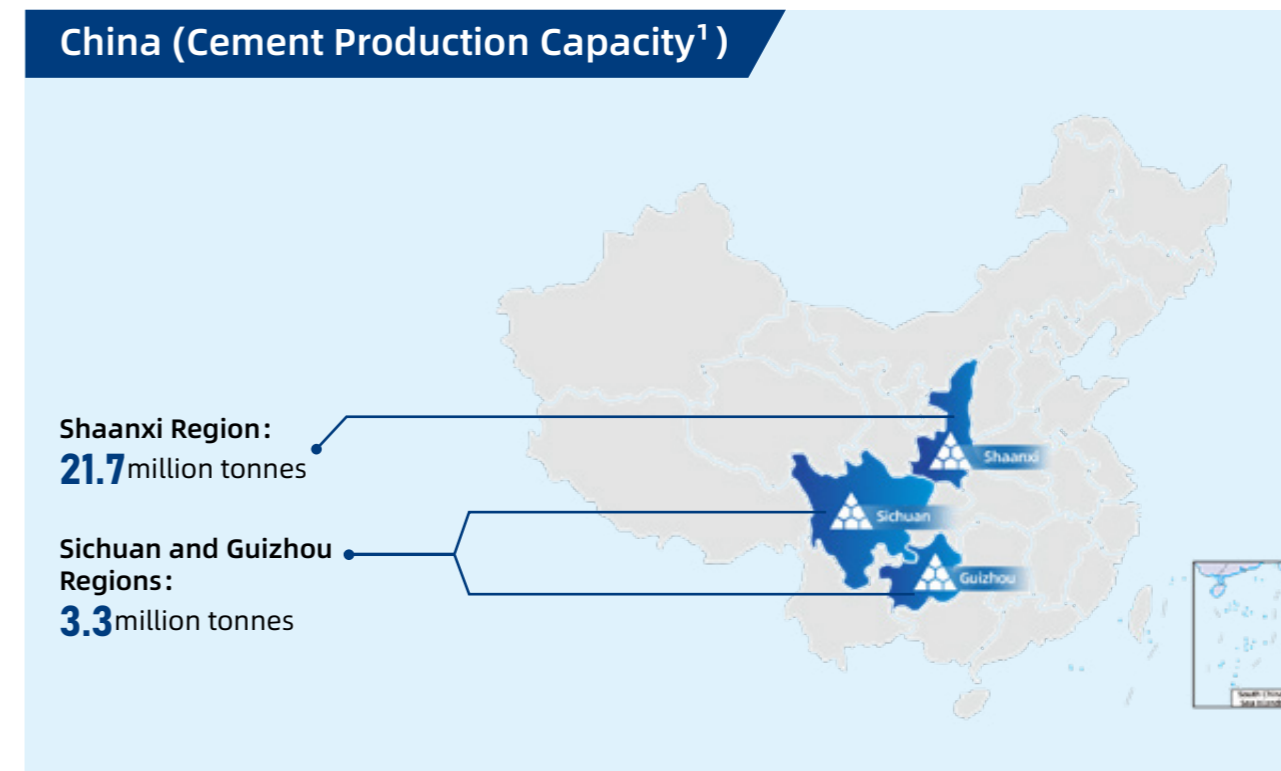
In 2025, the Group ranked **23rd** among global cement producers and **11th** in clinker production capacity in China

Operating Scale and Production Capacity Overview

In 2025, the Group maintained stable overall operations. During the year, Yaobai Group recorded total sales of clinker and cement (including Central Asia) of approximately 15.02 million tonnes, aggregate sales of approximately 6.65 million tonnes, and concrete sales of approximately 1.23 million cubic metres. Its products are widely applied in infrastructure construction and residential and commercial projects.

As at 31 December 2025, Yaobai Group had a total cement production capacity of approximately 25 million tonnes, while Yaobai International Group (including Central Asia capacity) had a total cement production capacity of approximately 13.5 million tonnes. Cement capacity is calculated based on the designed capacity of NSP production lines.

China (Cement Production Capacity¹)



¹ Cement production capacity is calculated based on the designed capacity of NSP production lines.

Sub-Saharan Africa (Cement Production Capacity²)

Ethiopia:

- National Cement Plant
- Lemi National Cement Plant

Great Lakes Region:

- DRC Lake Kivu Plant
- Rwanda Grinding Station
- CILU
- Tanzania Grinding Station

Mozambique:

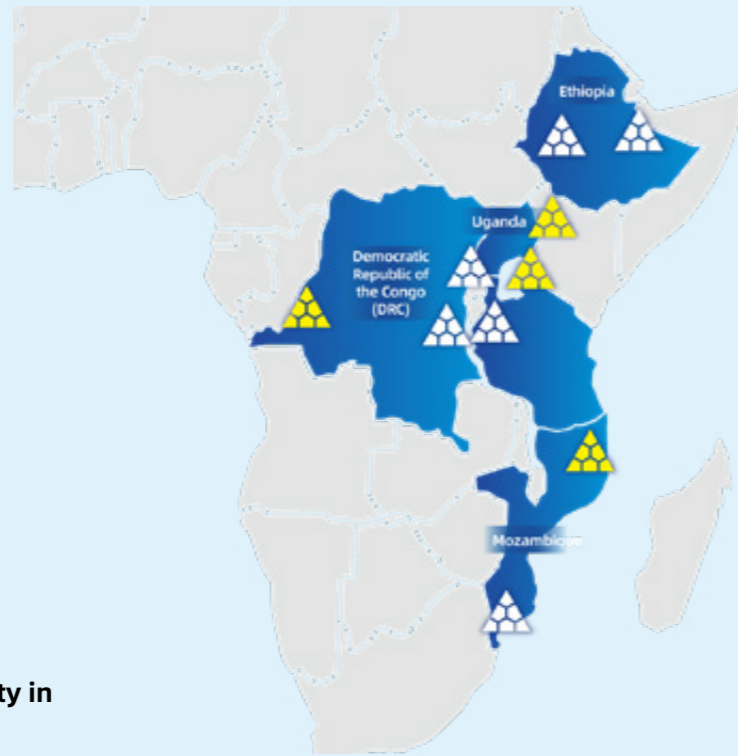
- Matola Cement Plant
- Nacala Cement Plant

Uganda:

- Moroto Cement Plant
- Tororo Grinding Plant

Total cement production capacity in

Africa: **11 million tonnes**



Central Asia (Cement Production Capacity³)

Uzbekistan: **2.5 million tonnes**

- Anji West China Cement Plant



² Cement production capacity is calculated based on the designed capacity of NSP production lines.
³ Cement production capacity is calculated based on the designed capacity of NSP production lines.

Value Creation

West China Cement Limited adheres to the philosophy of “driving development through innovation and shaping the future with quality”, and regards sustainable development as a cornerstone of long-term value creation. The Group continuously advances technological innovation, industrial upgrading and global expansion, striving to provide customers with safe, reliable and high-quality building materials products. At the same time, it promotes the coordinated development of the industrial chain, achieving a balanced outcome for the enterprise, society and the environment.

As a leading cement and building materials enterprise in Western China, the Group leverages its stable product quality and efficient supply chain management to support major infrastructure projects across multiple countries and regions, thereby contributing to regional economic and social development. In overseas markets, the Group adheres to a localisation strategy, actively creating employment opportunities and promoting local industrial capacity development, while fulfilling its corporate social responsibilities.

Looking ahead, the Group will continue to deepen its commitment to sustainable development by advancing green manufacturing, intelligent operations and robust corporate governance. It aims to enhance operational efficiency and resource utilisation, actively respond to climate change and social expectations, and create long-term, stable and shared value for its stakeholders.

2025 Major Honours

Category	Award Title	Awarding Institution
Comprehensive Strength	2025 Top 10 Enterprises in Special Cement (Single Product Category)	China Cement Association (CCA)
	2025 Top 20 Private Building Materials Enterprises by Strength	China Building Materials Enterprise Management Association (CBMEA)
	2025 China Cement Clinker Production Capacity TOP 20 Top 30 Cement Grinding Enterprises	China Cement Net China Cement Association (CCA)
Technological Innovation	National High-Tech Enterprise	Shaanxi Provincial Department of Industry and Information Technology
	Shaanxi Provincial Industrial Enterprise R&D Institution	Shaanxi Provincial Department of Industry and Information Technology
	Shaanxi Provincial Enterprise Technology Center	Shaanxi Provincial Department of Industry and Information Technology
	Shaanxi Building Materials Industry Technological Innovation Award	Shaanxi Building Materials Federation
Product Responsibility	Outstanding Unit in Quality Management of Cement Production in Shaanxi Province	Shaanxi Cement Association
	G-Class High-Sulfate-Resistant Oil Well Cement API Quality Management	American Petroleum Institute
	Grade A Enterprise for Environmental Protection and Integrity Xi'an "Integrity Promotes Commerce" Excellent Case Enterprise	Department of Ecological Environment of Guizhou Province Xi'an Municipal Bureau of Commerce
Sustainable Development	National Green Factory	Information Technology of the People's Republic of China
	Provincial Performance Leading Enterprise	Shaanxi Provincial Department of Ecology and Environment
	Advanced Taxpayer for Water Use Efficiency	Shaanxi Provincial Department of Water Resources
	Outstanding Private Enterprise for High-quality Industrial Development List of Green Mines at Shaanxi Provincial Level	Weinan Municipal People's Government Department of Natural Resources of Shaanxi Province

01

ESG GOVERNANCE: Strengthening Governance Foundations

As the highest decision-making body of the Group, the Board assumes overall responsibility for overseeing ESG strategies and governance performance. By enhancing transparency and accountability mechanisms, the Board promotes the integration of sustainable development principles into business decision-making, ensuring alignment with stakeholder expectations and further strengthening the Group's long-term value resilience.



Board Statement

The Board, as the highest governance body for the Group's risk management, is responsible for overseeing the identification, assessment and management of ESG and climate-related risks, and ensuring that sustainable development principles are effectively incorporated into daily operations and business decision-making. Through a robust governance structure and oversight mechanisms, the Board continuously strengthens the management of relevant risks and opportunities, supporting the Group's long-term and stable development.

To enhance overall risk management capabilities, the Group has established a comprehensive risk governance framework. The Audit Committee assists the Board in identifying, monitoring and managing various risks, including strategic, financial, operational, compliance and legal risks, and provides risk analysis and decision-making support. At the same time, the Group has incorporated ESG and climate-related risks into its overall risk management framework, prioritising risks based on their likelihood and potential impact, and formulating ESG objectives aligned with key business activities. Progress is reported regularly to the Board.

To further strengthen ESG risk management effectiveness, the Group has established an ESG Working Committee, which reports regularly to the Board on ESG performance, risk indicators and target achievement. The Committee is also responsible for identifying, monitoring and managing ESG and climate-related risks, and implementing targeted preventive and mitigation measures. In addition, the Group has established a systematic risk management mechanism, regularly reviewing the effectiveness and appropriateness of existing policies and measures, and continuously optimising relevant management systems.

During the reporting period, the Group conducted a total of 59 comprehensive internal control audits across all subsidiaries and carried out specialised audits on four key risk areas. These efforts effectively identified and rectified potential risk exposures, achieving comprehensive coverage of major risks and further strengthening the Group's risk management foundation.

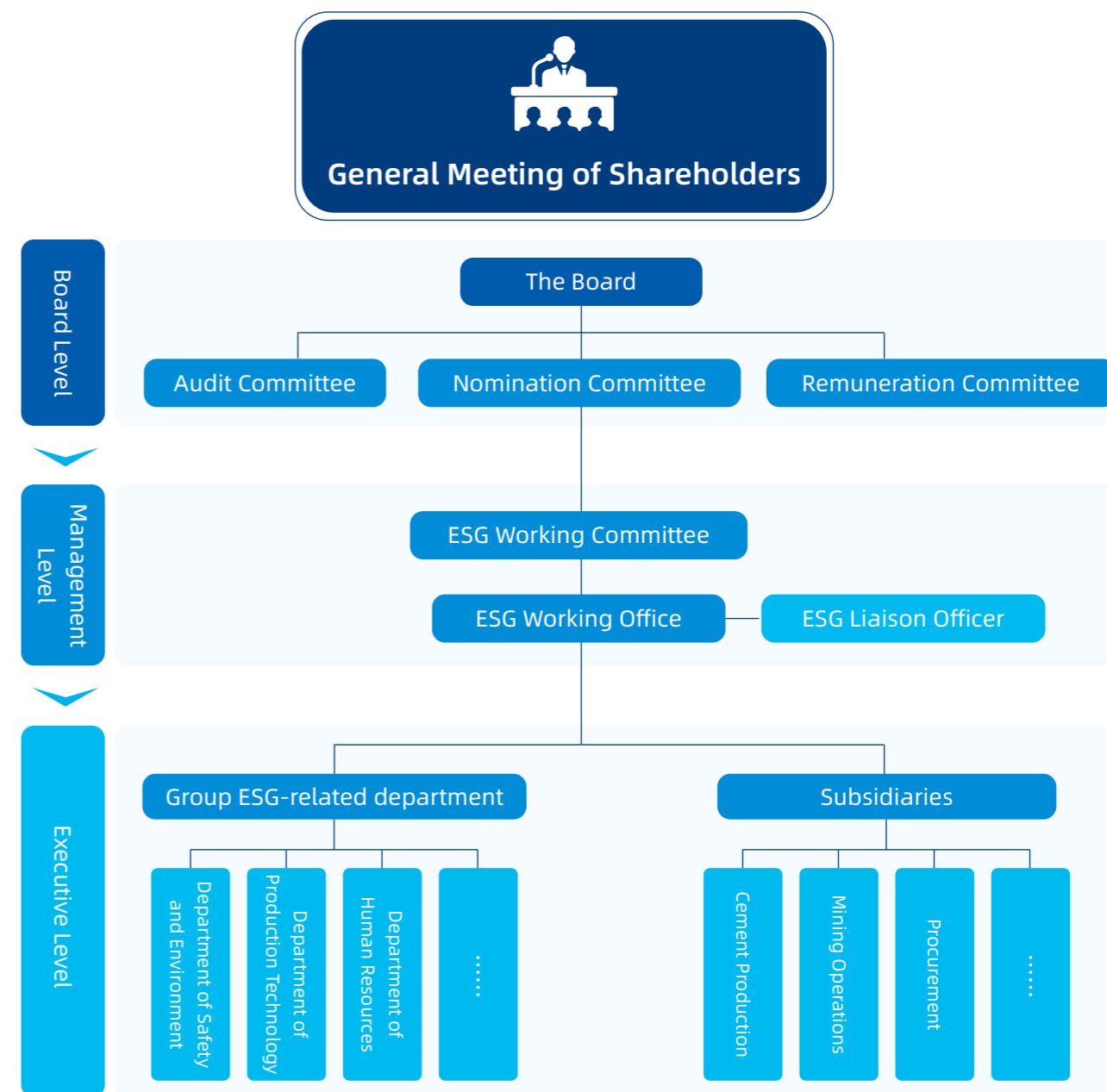


During the reporting period, the Group conducted a total of **59** comprehensive internal control audits across all subsidiaries and carried out specialised audits on **4** key risk areas.



ESG Governance Structure

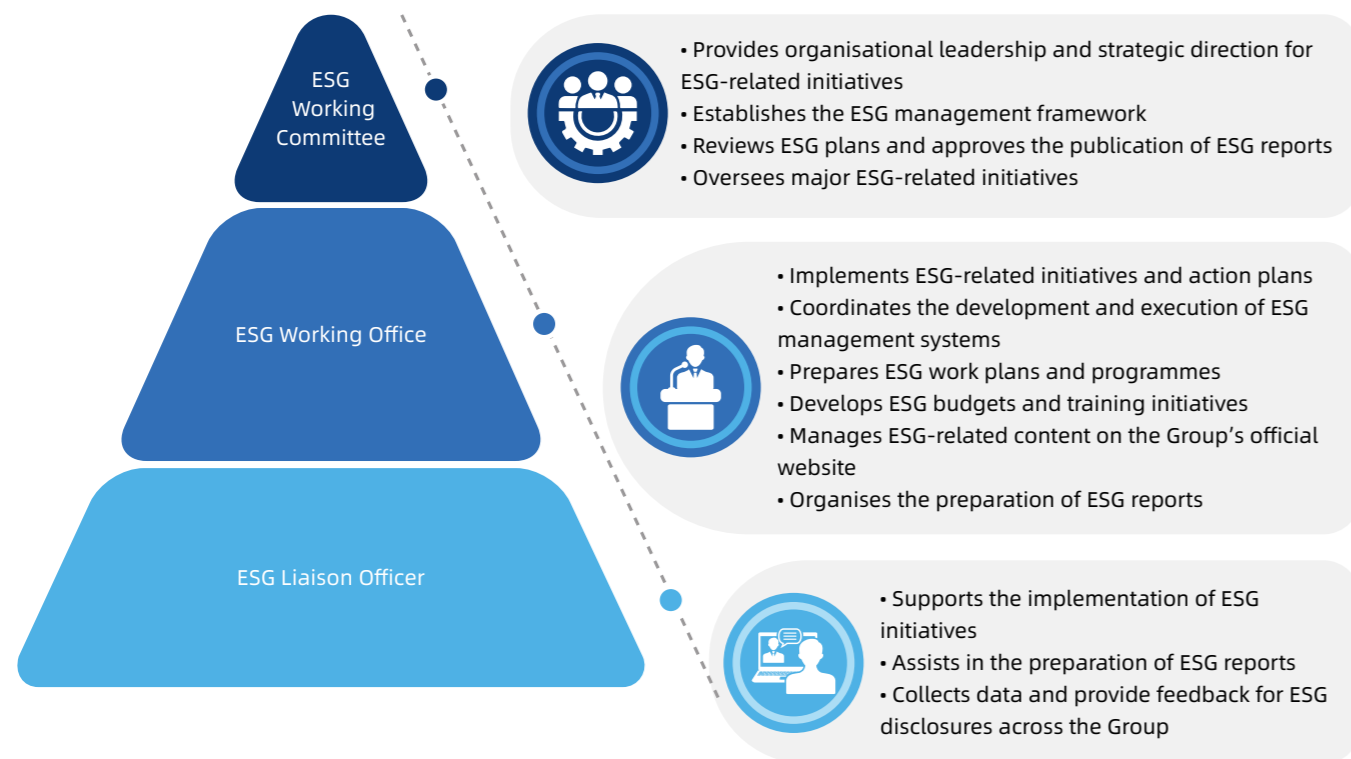
The Group has established a well-defined ESG governance framework, led by senior management through the ESG Working Committee, which serves as the highest coordination body for environmental and social responsibility management. The Committee reports directly to the Board on its work progress. The ESG Working Committee is responsible for formulating ESG-related strategies and policy directions, establishing and improving management systems, and regularly reviewing and monitoring the implementation of relevant measures, ensuring that ESG initiatives remain aligned with the Group's overall development objectives.



West China Cement Sustainable Governance Structure

To ensure the effective implementation of ESG initiatives, the Group has established an ESG Working Office and designated environmental and social responsibility coordinators within each business unit. These coordinators are responsible for communicating ESG strategies, collecting data, tracking implementation progress and gathering feedback, thereby forming a comprehensive ESG management network covering the Group and its subsidiaries.

Under this working mechanism, relevant ESG functional departments of the Group (including safety and environmental protection, production technology and human resources, among others), together with subsidiaries, collaborate based on their respective business nature and responsibilities to advance the implementation of ESG initiatives. Through cross-departmental coordination and continuous oversight, the Group is able to respond to industry developments and regulatory requirements, continuously refine its management systems, promote responsible practices, and actively carry out research and improvement efforts. This approach enhances ESG management capabilities and lays a solid foundation for the Group's sustainable development.



Diversity

The Board comprises members with diverse backgrounds, professional expertise and management experience, providing comprehensive and well-rounded perspectives to support the Group's strategic planning and sustainable development. The current Board members have an average tenure of over five years. Some Directors possess extensive experience in cement manufacturing and corporate management, particularly in areas such as production operations, sales management, safety and environmental protection, and human resources management. Other Directors bring strong expertise in economics and finance, capital markets, financial management and audit supervision. This diverse mix of professional backgrounds enables the Board to balance industry characteristics and governance requirements in decision-making and oversight, thereby enhancing decision quality and risk management capabilities.

The Group adheres to internationally recognised ESG governance principles and places strong emphasis on diversity in terms of gender, professional background and experience at the Board level. It continuously reviews the composition of the Board to support the Group's long-term development. During the reporting period, the Board included one female executive Director, contributing diverse perspectives and fostering an inclusive and balanced decision-making culture.





Materiality Assessment

Stakeholder Engagement

The Group attaches great importance to communication and engagement with various stakeholders. Through continuous and diversified communication channels, it proactively understands the expectations and concerns of employees, customers, suppliers, investors, government and regulatory authorities, business partners and the general public, and incorporates relevant feedback into corporate decision-making and sustainable development management.

The Group maintains regular communication with stakeholders through multiple channels, including results announcements, general meetings, dedicated reports, site visits, online meetings, surveys and interviews. These efforts enable the Group to convey its business developments and ESG philosophy effectively, while continuously enhancing communication effectiveness and responsiveness to address stakeholders' concerns and strengthen mutual trust and collaboration.

Stakeholder Groups	Key Concerns	Communication Channels
<p>Government / Regulatory Authorities</p>	<ul style="list-style-type: none"> • Compliance with laws and regulations • Tax compliance • Environmental compliance • Localisation initiatives • Contribution to local economic development 	<ul style="list-style-type: none"> • Government meetings • Government inspections • Information disclosure • Training sessions and seminars • Policy implementation
<p>Industry Authorities</p>	<ul style="list-style-type: none"> • Participation in industry standards formulation • Promotion of sustainable industry development • Advancement of technology and industrial upgrading 	<ul style="list-style-type: none"> • Performance reporting • Industry meetings • Information reporting
<p>Shareholders and Investors</p>	<ul style="list-style-type: none"> • Information transparency • Compliant operations • Financial performance • Corporate governance • Business ethics 	<ul style="list-style-type: none"> • General meetings • Corporate announcements • Results announcements • Information disclosure • Investor presentations

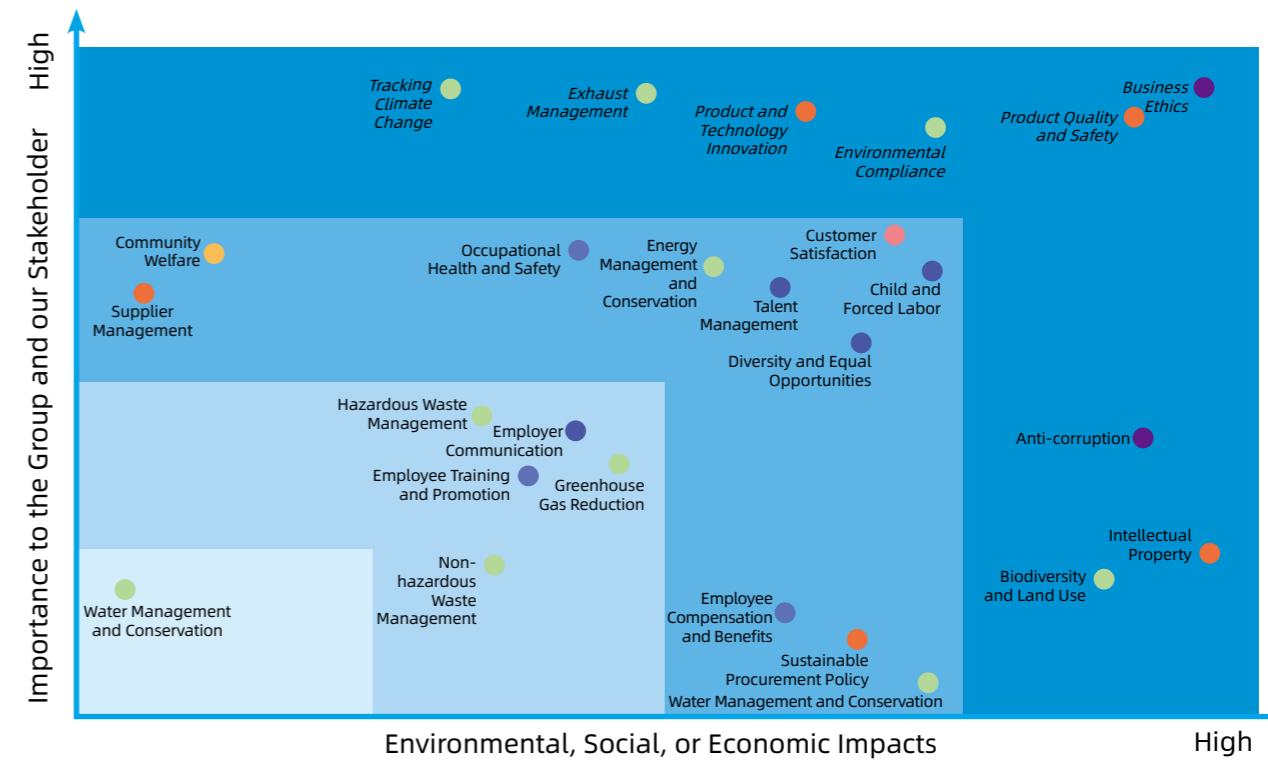
Stakeholder Groups	Key Concerns	Communication Channels
 Customers	<ul style="list-style-type: none"> • Protection of rights and interests • Business ethics • Customer satisfaction • Product quality and safety 	<ul style="list-style-type: none"> • Customer visits • Customer satisfaction surveys
 Suppliers	<ul style="list-style-type: none"> • Business ethics • Supplier management • Sustainable procurement policies 	<ul style="list-style-type: none"> • Regular communication meetings • Exchange and training • Supplier assessments
 Employees	<ul style="list-style-type: none"> • Labour rights and interests • Remuneration and benefits • Equal opportunities and development • OHS 	<ul style="list-style-type: none"> • Employee training • Trade unions • Employee representative meetings • Internal communication platforms
 Community and the Public	<ul style="list-style-type: none"> • Business ethics • Community engagement • Environmental compliance • Localisation initiatives • Product quality and safety 	<ul style="list-style-type: none"> • Community visits and engagement • Partnership initiatives • Public welfare activities

Materiality Assessment

The Group has made reference to the Environmental, Social and Governance Reporting Code issued by the Hong Kong Exchanges and Clearing Limited (HKEX), the Global Reporting Initiative (GRI) Standards, as well as industry best practices, to systematically identify sustainability topics that are material to its long-term development and have significant impacts on the environment and society.

The Group follows a four-step approach comprising “identification, prioritisation and validation, and review”. By incorporating the key concerns of various stakeholders, the Group evaluates the potential impact of each sustainability topic on its sustainable operations and long-term value creation, thereby identifying those topics that are of material significance to the Group.

To ensure the continuity and consistency of its sustainability strategy, the Group’s management reviewed the 26 previously identified sustainability topics, including 10 key material topics, and confirmed that these topics remain applicable during the reporting period. The Group’s materiality matrix is presented below.

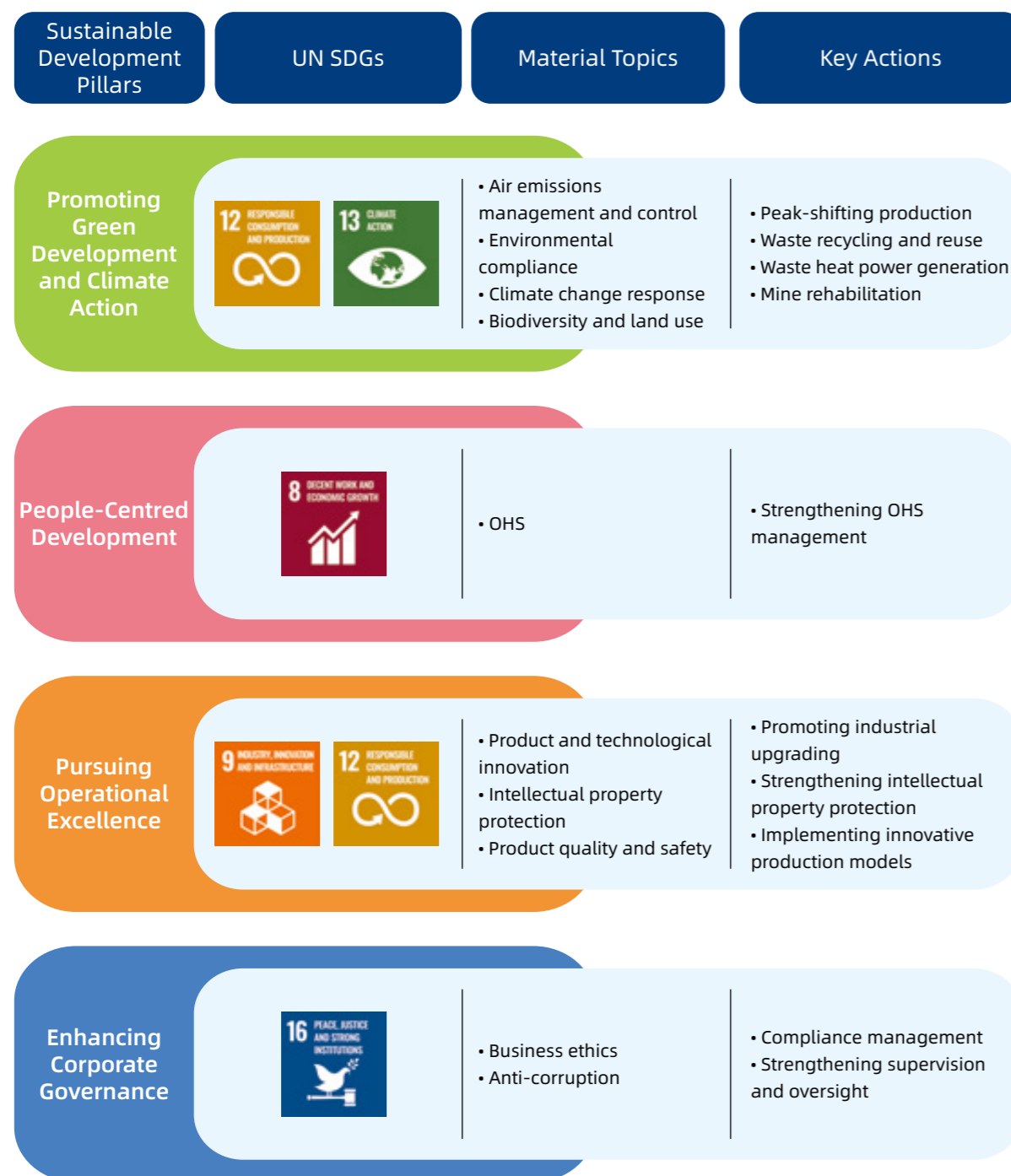


- Environment
- Employee
- Operations
- Governance
- Customer
- Community Engagement

Tier 4	Tier 3	Tier 2	Tier 1
<ul style="list-style-type: none"> ● Water Management and Conservation 	<ul style="list-style-type: none"> ● Non-hazardous Waste Management ● Hazardous Waste Management ● Greenhouse Gas Reduction ● Employee Training and Promotion ● Employer Communication ● Customer Satisfaction 	<ul style="list-style-type: none"> ● Energy Management and Conservation ● Wastewater Management ● Talent Management ● Child and Forced Labor ● Employee Compensation and Benefits ● Diversity and Equal Opportunities ● Supplier Management ● Sustainable Procurement Policy ● Community Welfare 	<ul style="list-style-type: none"> ● Exhaust Management ● Environmental Compliance ● Tracking Climate Change ● Biodiversity and Land Use ● Occupational Health and Safety ● Product and Technology Innovation ● Intellectual Property ● Product Quality and Safety ● Anti-corruption ● Business Ethics

Contributing to the SDGs

West China Cement Limited adheres to its core strategic values of “shared prosperity and win-win development”, and regards sustainable development as a fundamental pillar of its long-term operations. In alignment with its business characteristics and material topics, the Group has established four key pillars of sustainable development and progressively aligned its daily operations with the United Nations Sustainable Development Goals (SDGs). Through concrete actions addressing environmental, social and governance challenges, the Group strives to create corporate value while making meaningful contributions to sustainable development for society and the environment.



Business Ethics and Integrity Management

The Group remains committed to fostering and promoting a corporate culture of integrity and fairness, adopting a “zero-tolerance” approach towards any form of corruption or misconduct. It strives to establish a clean, upright and law-abiding operating environment through robust anti-corruption mechanisms and a rigorous compliance management system. We strictly comply with the laws and regulations of the jurisdictions in which we operate, including the "Anti-Unfair Competition Law of the People’s Republic of China", the "Anti-Money Laundering Law of the People’s Republic of China" and the "Criminal Law of the People’s Republic of China".

To further advance integrity management, the Group’s discipline inspection department conducted in-depth engagement across subsidiaries, delivering integrity risk prevention training to management personnel and employees in sensitive positions. Through case studies and scenario-based analysis, the training highlighted the risks and consequences of misconduct for both the enterprise and individuals, and proposed targeted preventive measures. During the year, the Group further refined the "Management Cadre Disciplinary Management Measures", clarifying supervision principles, organisational structure, workflows and disciplinary requirements, while establishing supporting whistleblowing and incentive mechanisms to reinforce institutional safeguards and execution effectiveness. Meanwhile, the Group compiled and issued the "Yaobai Group Work Style Development Casebook", which includes typical cases of violations by management personnel in previous years, serving as a warning and facilitating improvement through case-based learning.



▶ Anti-Corruption Supervision and Whistleblowing Mechanism

The Group has established a structured anti-corruption supervision and whistleblowing platform, requiring all subsidiaries to disclose relevant reporting channels and encouraging employees, customers, suppliers and contractors to report any violations or improper conduct. In accordance with the "Cadre Clean Self-Discipline Regulations" and the "Management Cadre Disciplinary Management Measures", the Group has clearly defined reporting procedures and investigation processes, and established a mechanism featuring hierarchical responsibility, centralised management and designated personnel for case handling. This ensures that all reports are handled in a timely, fair and effective manner. Verified violations are subject to disciplinary actions in accordance with laws and regulations, and case outcomes are formally communicated.

To further enhance the effectiveness of the whistleblowing mechanism, the Group continues to optimise reporting channels, including the introduction of "discipline inspection mailboxes" and "QR code-based reporting channels", ensuring smooth bottom-up communication and safeguarding the legitimate rights and interests of whistleblowers.

In 2025



the Group's anti-corruption supervision and whistleblowing platform received a total of **26** reports, including **8** leads relating to inspection and complaint cases. The Group conducted on-site investigations and provided targeted management improvement recommendations based on verified issues. All identified issues have been rectified, effectively enhancing the management standards and service quality of relevant units, while safeguarding the Group's brand reputation.

▶ Integrity Culture Development

To further implement the principle of "pragmatic execution and disciplined conduct", the Group continued to promote integrity culture development in 2025 and designated the year as the "Year of Work Style Enhancement". By integrating cultural guidance, institutional discipline and supervisory accountability, the Group advanced continuous improvement in the conduct and work style of its management personnel.



During the year, the Group systematically carried out work style enhancement and integrity culture initiatives across all subsidiaries. These included corporate culture practices, warning education for employees in sensitive positions, criticism and self-criticism sessions, special inspections, routine business reviews and on-duty performance inspections. These measures collectively strengthened the sense of responsibility and execution capability of management personnel.

At the same time, the Group actively conducted warning education and case analysis activities. Through the dissemination of typical disciplinary violation cases, viewing of educational materials and organised training sessions, employees were guided to identify risks against institutional requirements and rectify issues accordingly. These efforts helped foster a corporate culture that values integrity and rejects misconduct.

During the reporting period



training related to integrity culture and anti-corruption covered all management personnel across the Group. Training coverage for employees in key sensitive positions, including human resources, finance, sales, procurement, laboratory testing and logistics reached **100%**.

▶ Integrity in the Supply Chain

The Group upholds high standards of business ethics and systematically integrates anti-corruption requirements into supply chain management. Through institutional controls and process management, the Group seeks to prevent improper conduct and corruption risks in business operations.

In 2025, the Group focused on key business areas such as procurement, tendering, recruitment and cement sales, and introduced a blacklist management system. This system explicitly incorporates violations such as breach of trust, improper benefit transfers and commercial bribery into disciplinary scope, restricting relevant parties from participating in the Group's business activities and thereby mitigating operational risks at source.

The Group continues to require suppliers to sign the "Integrity Cooperation Agreements", and has also entered into the "Clean Cooperation Agreements" with major suppliers of bulk raw materials such as coal. These agreements, based on principles of integrity and compliance, clearly define the responsibilities of both parties in maintaining ethical conduct throughout the cooperation process. Through stringent institutional constraints and ongoing supervision, the Group further enhances transparency and fairness within the supply chain, strengthens mutual trust with suppliers, and ensures the integrity, stability and sustainable operation of the supply chain.

02

GREEN TRANSFORMATION: Advancing Climate Action

The Group is committed to proactively addressing climate change and continuously exploring innovative pathways to reduce its carbon footprint. It actively supports China's "dual carbon" goals of achieving peak carbon emissions by 2030 and carbon neutrality by 2060, driving green transformation and laying a solid foundation for long-term sustainable development.



Governance

Climate change is one of the most significant global challenges of the 21st century. The Group places a high level of importance on climate-related issues and has clearly defined the responsibilities of each department in climate governance, ensuring effective management of climate-related risks and supporting the transition towards low-carbon development and sustainable growth. The Board of Directors oversees climate-related risks and regularly convenes meetings to review climate risks and opportunities, reaching consensus on strategic responses and key actions. The ESG Working Committee is responsible for formulating the “3060” action roadmap and climate strategy, and for regularly reviewing progress in energy efficiency improvements and carbon reduction initiatives.

To enhance the effectiveness of climate governance, the Group continues to strengthen the climate-related competencies of both the Board and management. External professional advice and support are also sought where appropriate. In addition, the Group is progressively evaluating the incorporation of quantifiable climate and ESG performance indicators into remuneration and incentive mechanisms, in order to reinforce accountability and improve execution.

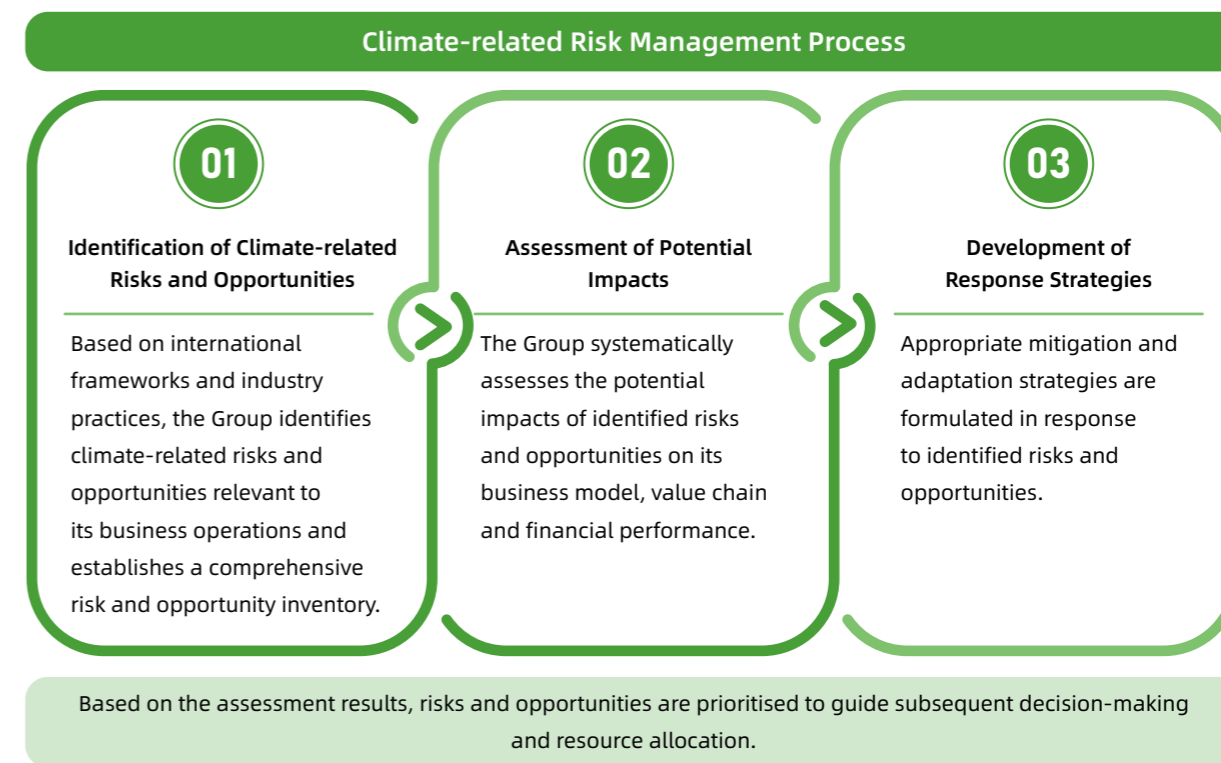
Strategy

Climate change presents both risks and opportunities to the Group’s business and operations. Key risks include extreme weather events and changes in precipitation patterns, which may impact assets, employees and production processes. At the same time, climate change also creates opportunities for innovation in production technologies and operational processes. The Group continues to advance the low-carbon transition, with a focus on aligning with China’s “14th Five-Year Plan” and the 2035 long-term vision. The Group is committed to pursuing high-quality development, prioritising ecological protection and promoting green growth. A “3060” action plan has been established, setting targets for improving energy efficiency and striving to achieve carbon neutrality by 2060.

Climate Risk and Opportunity Management

The Group has incorporated climate risk management⁴ into its overall enterprise risk management framework. With reference to international sustainability standards, including IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), the Group conducts regular identification, assessment and analysis of climate-related risks and opportunities to support timely and informed decision-making.

⁴ The climate risk management process remains in line with previous years.



Physical Risks

Risk Category	Risk Type	Description	Potential Financial Impact	Mitigation Measures
Acute Risks	Typhoons, Storms and Flooding	<ul style="list-style-type: none"> • Extreme weather events may lead to mine shutdowns and production line suspensions (e.g. flooding, power outages, emergency shutdowns), resulting in short-term declines in production capacity • Disruptions to roads, railways or ports may delay raw material transportation or increase logistics costs, affecting cement delivery • High temperatures or severe cold may reduce outdoor construction activity, leading to short-term declines in sales • Plants, equipment and inventories may be damaged or scrapped due to flooding or strong winds 	<ul style="list-style-type: none"> • Revenue reduction: decreased production capacity and weakened demand may result in short-term revenue decline • Cost increase: higher logistics costs due to transport rerouting, as well as increased downtime costs and repair expenses • Cash flow volatility: delayed customer payments due to shutdowns may extend receivable cycles and increase bad debt risk, putting pressure on operating cash flow 	<ul style="list-style-type: none"> • Strengthen emergency preparedness and monitoring systems for extreme weather; reinforce infrastructure and equip backup power supplies; enhance flood control and drainage systems; establish post-disaster recovery mechanisms • Develop alternative transportation plans and maintain emergency inventories of key raw materials • Establish emergency funds and obtain comprehensive insurance for fixed assets and inventories; enhance employee risk awareness and emergency response training

Risk Category	Risk Type	Description	Potential Financial Impact	Mitigation Measures
Chronic Risks	Changes in Precipitation Patterns	<ul style="list-style-type: none"> Irregular rainfall patterns and extreme precipitation may affect mining operations (e.g. slope stability, road access) and disrupt raw material transportation Uneven rainfall distribution may increase water scarcity risks in certain regions, affecting production water supply and cooling system efficiency 	<ul style="list-style-type: none"> Cost increase: higher logistics costs due to transport disruptions; increased investment in water resource acquisition, management and recycling Revenue volatility: water shortages may restrict production capacity, affecting delivery and revenue stability 	<ul style="list-style-type: none"> Optimise logistics routes and establish alternative transport plans; maintain emergency reserves of key raw materials Develop rainwater collection and centralised water recycling systems; adopt water-saving technologies and strengthen drainage system maintenance
	Rising Average Temperatures	<ul style="list-style-type: none"> Rising average temperatures may increase the number of high-temperature days, raising energy consumption in clinker calcination processes; may also intensify seasonal demand fluctuations, affecting sales and production scheduling 	<ul style="list-style-type: none"> Cost increase: higher energy consumption and energy costs; increased investment in energy-saving technologies and climate-resilient equipment upgrades Revenue volatility: demand fluctuations may reduce revenue stability 	<ul style="list-style-type: none"> Promote waste heat recovery and high-efficiency grinding technologies to reduce energy consumption during high-temperature periods Optimise production planning and inventory management to mitigate seasonal demand fluctuation
	Sea Level Rise	<ul style="list-style-type: none"> Coastal facilities may face risks such as seawater intrusion, soil salinisation and storm surges, posing challenges to flood control infrastructure and asset safety 	<ul style="list-style-type: none"> Increased capital expenditure: higher costs for maintenance and upgrades of protective infrastructure Asset impairment risk: extreme events may damage assets or disrupt operations 	<ul style="list-style-type: none"> Strengthen flood control, drainage and storm surge protection infrastructure; regularly assess and upgrade protection standards Enhance facility inspection, maintenance and post-disaster recovery capabilities

Transition Risks

Risk Category	Risk Type	Description	Potential Financial Impact	Mitigation Measures
Policy and Legal Risks	Enhanced Climate Disclosure Requirements	<ul style="list-style-type: none"> Stricter information disclosure requirements may increase compliance pressure Increased exposure to litigation risks due to non-compliance 	<ul style="list-style-type: none"> Increased operating costs: higher compliance, audit and legal expenses Potential litigation costs arising from regulatory breaches 	<ul style="list-style-type: none"> Accelerate the deployment of alternative fuels, carbon capture and other low-carbon technologies to reduce emission intensity and compliance costs Increase the share of clean energy sources such as photovoltaic power and waste heat recovery, while strictly controlling fossil fuel consumption
	Tightening Carbon Emissions Regulations	<ul style="list-style-type: none"> Inclusion of the cement industry in the national carbon trading market and tightening of emission quotas may increase compliance costs More stringent dual control on energy consumption and environmental emission standards may lead to production restrictions, technological upgrades or phase-out pressures for high energy-consuming or high-emission production lines Stricter capacity replacement policies and project approval requirements may reduce operational flexibility 	<ul style="list-style-type: none"> Increased compliance costs (e.g. carbon trading, environmental retrofitting and energy management), with potential penalties for exceeding emission limits Risk of asset impairment due to phase-out or restricted production of inefficient production lines, alongside increased capital expenditure for transition and upgrades Lagging deployment of low-carbon technologies may result in cost disadvantages and loss of market share 	<ul style="list-style-type: none"> Upgrade environmental protection facilities (e.g. dust removal and desulphurisation systems) in advance and promote mine ecological restoration Optimise compliance management of production capacity (including capacity replacement and phase-out of outdated production lines), establish dedicated transition funds and expand green financing channels



Risk Category	Risk Type	Description	Potential Financial Impact	Mitigation Measures
Market Risks	Changes in Customer Preferences	<ul style="list-style-type: none"> Downstream customers increasingly prioritise low-carbon products and services, raising requirements for suppliers' carbon reduction capabilities and product certification, potentially reducing cooperation willingness 	<ul style="list-style-type: none"> Failure to meet customers' low-carbon and green requirements may affect contract continuity and order stability, leading to customer loss and declining market share 	<ul style="list-style-type: none"> Deepen strategic collaboration and customised services, provide low-carbon products and carbon management support, and enhance customer loyalty and order stability
	Market Uncertainty	<ul style="list-style-type: none"> Adjustments in the real estate sector and the tightening of green standards may reshape demand structure Leading companies are accelerating low-carbon transformation, increasing industry concentration and intensifying market competition 	<ul style="list-style-type: none"> Revenue pressure: declining demand for traditional products Longer payback periods for low-carbon products, limiting short-term revenue growth and posing risks of market share loss 	<ul style="list-style-type: none"> Accelerate product upgrading and technological deployment; optimise regional and customer portfolio; shift towards green infrastructure and emerging markets to diversify demand risks
	Increase in Raw Material Costs	<ul style="list-style-type: none"> Changes in market supply and demand may drive up the prices of raw materials (e.g. energy) 	<ul style="list-style-type: none"> Increased production and procurement costs Reduced profitability: inability to fully pass on cost increases may significantly compress profit margins 	<ul style="list-style-type: none"> Develop climate-resilient products within production functions Promote the large-scale application of low-carbon technologies and process optimisation to reduce costs, improve energy efficiency and emissions performance, and balance short-term investment with long-term returns

Risk Category	Risk Type	Description	Potential Financial Impact	Mitigation Measures
Technology Risks	Lag in Low-carbon Technology Transition	<ul style="list-style-type: none"> Rapid iteration of low-carbon technologies (e.g. carbon capture, alternative fuels, hydrogen-based calcination) may outpace deployment capabilities, leading to technological gaps or bottlenecks and failure to meet emission reduction targets Insufficient progress in digitalisation and smart manufacturing may constrain improvements in energy efficiency and refined management Accelerated maturity of new technologies may replace existing solutions; incompatibility with existing equipment may result in complex retrofitting, long upgrade cycles and delayed implementation 	<ul style="list-style-type: none"> Increased R&D investment pressure: rising short-term expenditure on low-carbon and digital investments Asset impairment or disposal losses: early phase-out or retrofitting of inefficient equipment Cost and competitiveness pressure: high initial investment costs and constrained production capacity during transition may affect market share and profitability 	<ul style="list-style-type: none"> Focus on key low-carbon technology breakthroughs and introduce digital systems to enhance energy efficiency and emissions reduction Assess production line compatibility and implement phased retrofitting or retirement of inefficient equipment, prioritising adaptable production lines Achieve cost reductions through large-scale deployment and process optimisation; establish dedicated funds and regularly evaluate technology transition risks

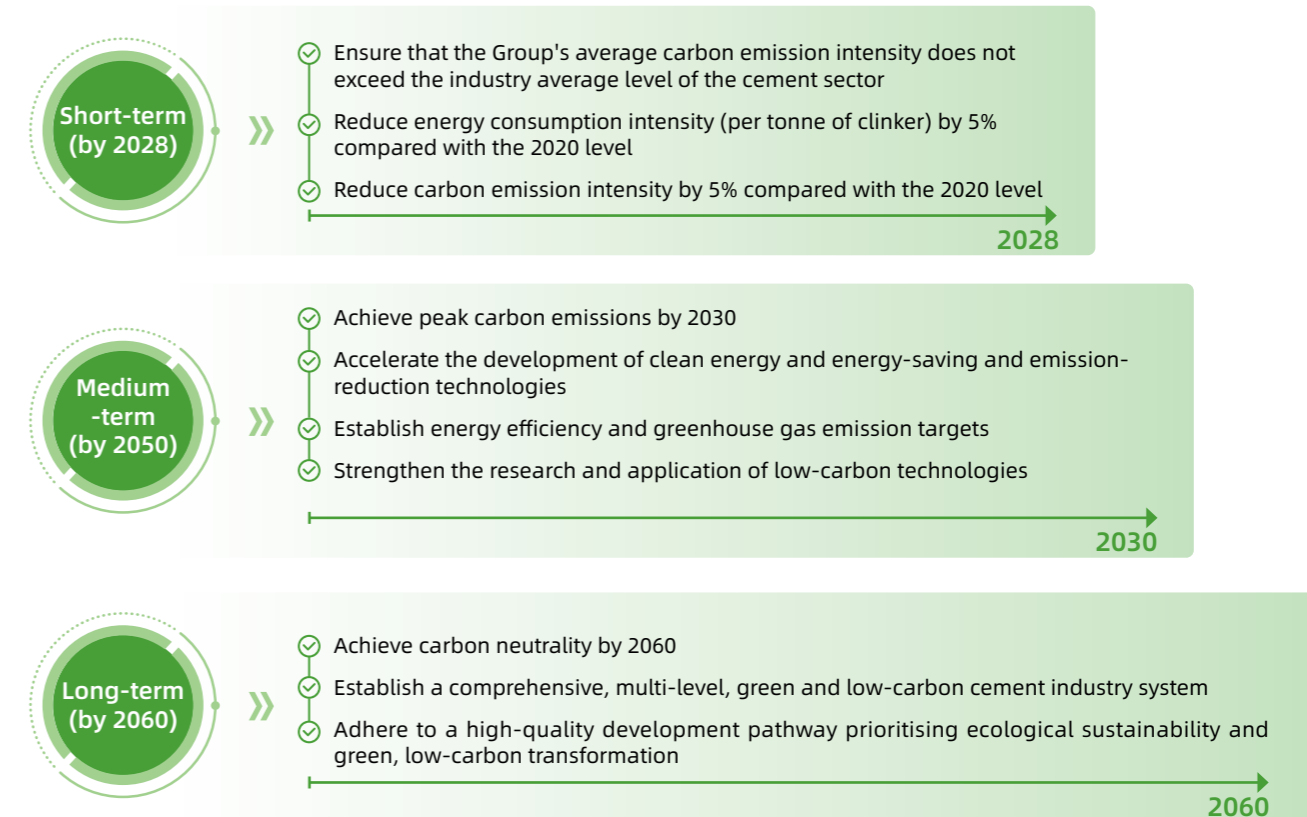


Opportunities

Opportunities Category	Opportunities Type	Description	Potential Financial Impact	Mitigation Measures
Products and Services	Development and Expansion of Low-carbon Products and Services	<ul style="list-style-type: none"> Increased demand for high-performance and low-carbon cement driven by infrastructure development and key engineering projects, with expanding penetration of green building-certified products Integration across aggregates, commercial concrete and new materials businesses enhances resource utilisation efficiency and expands overall returns Policy support and market differentiation create opportunities for region-specific customised products 	<ul style="list-style-type: none"> Revenue and margin enhancement: higher contribution from value-added products and integrated business models Cost optimisation: vertical integration and economies of scale reduce procurement and production costs Brand premium: green certifications and value-added services enhance customer loyalty and brand value 	<ul style="list-style-type: none"> Increase R&D investment in low-carbon products and accelerate the acquisition of green certifications to capture the high-end market Integrate aggregates, commercial concrete and related businesses (including in-house development and M&A) to improve resource efficiency and overall returns Capitalise on opportunities in infrastructure and urban renewal to develop differentiated products tailored to regional demand Accelerate the deployment of low-carbon technologies to reduce costs and enhance efficiency, supporting product premiumisation
	Adoption of New Technologies	<ul style="list-style-type: none"> Breakthroughs in low-carbon technologies (e.g. carbon capture, alternative fuels, hydrogen-based calcination) accelerate commercialisation Smart and digital management optimises production processes, improving energy efficiency while reducing labour and energy costs Maturity of industrial solid waste substitution technologies reduces reliance on limestone resources, broadens raw material sources and lowers environmental impact 	<ul style="list-style-type: none"> Cost optimisation: reduced operating expenses in electricity, coal and labour Revenue growth: increased share of high value-added products driven by low-carbon and alternative raw materials, improving margins Asset enhancement: digitalisation improves production efficiency and product quality, extending equipment lifespan 	<ul style="list-style-type: none"> Focus on key low-carbon technology breakthroughs and accelerate large-scale deployment Introduce AI-driven process control and IoT-based monitoring systems to enhance operational efficiency Increase the use of domestically sourced alternative raw materials Accelerate the commercialisation and scaling of technological innovations

Metrics and Targets

Amid the global transition towards climate action and decarbonisation, the Group remains committed to a high level of responsibility and mission in actively responding to carbon-related policies and advancing its green transformation in a steady manner. The “dual carbon (3060)” targets, peaking carbon emissions before 2030 and achieving carbon neutrality by 2060, provide clear direction for industries, including the cement sector, and facilitate the integration of low-carbon principles into corporate operations and management. The Group will continue to strengthen its climate actions by setting, reviewing and monitoring carbon reduction targets and progress, ensuring the effective implementation of its decarbonisation strategy.



Energy Consumption

Energy Target

Reduce energy intensity (clinker production process) by **5%** by 2028 compared with the 2020 baseline

To monitor energy consumption and carbon emissions, the Group regularly engages third-party institutions to conduct energy audits.

During the reporting period, the total energy consumption of Yaobai Group amounted to **101.06** hundred million kWh.

Energy Consumption	2024	2025	Change
Total Direct Energy Consumption (hundred million kWh)	99.11	93.01	-6.15%
- Coal Consumption (hundred million kWh)	99.11	93.01	-6.15%
Total Indirect Energy Consumption (hundred million kWh)	8.55	8.05	-5.85%
- Electricity Consumption (hundred million kWh)	8.39	7.88	-6.08%
Comprehensive Energy Consumption (hundred million kWh)	107.66	101.06	-6.13%
Energy Consumption Per Unit of Clinker (Clinker Process)	852.75	879.02	3.08%
Energy Consumption Per Unit of Operating Revenue ⁵	1.29	1.05	- 18.57%

Greenhouse Gas (GHG) Emissions



Emissions Reduction Target

Reduce carbon emission intensity by **5%** by 2028 compared with the 2020 baseline⁶

During the reporting period



the total GHG emissions of Yaobai Group amounted to **7,784,442.4** tonnes of CO₂e, representing a decrease of **24.52%** compared with 2024. In addition, the GHG emission intensity per tonne of clinker was **0.7992 tonnes CO₂e**, representing a year-on-year decrease of **7.22%**.

GHG Emissions ⁷	2024	2025	Change
Scope 1: Direct GHG emissions (tonnes CO ₂ e)	9,889,916.90	7,468,107.63	-24.49%
Scope 2: Indirect GHG emissions (tonnes CO ₂ e) ⁸	422,843.86	316,334.77	-25.19%
Total GHG emissions (tonnes CO ₂ e)	10,312,760.76	7,784,442.40	-24.52%
GHG emission intensity (tonnes CO ₂ e / tonne of clinker) ⁹	0.8613	0.80	-7.21%

⁵ Revenue of West China Cement in 2025 was RMB 9.621185 billion

⁶ In 2020, the average carbon emission intensity of Yaobai Group was 0.8596 tonnes CO₂e per tonne of clinker

⁷ The Group's GHG emissions accounting standards and emission factors are based on the "Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Enterprises in the Cement Industry" and the "Notice on Carbon Emission Factors for Power Generation in 2023" issued by the Ministry of Ecology and Environment of the PRC. The organisational boundary is defined based on operational control, and emissions for Scope 1 and Scope 2 are calculated using the formula: activity data × emission factor × GWP. Activity data are primarily sourced from internal records and utility providers (e.g. power companies), while emission factors and GWPs adopt the latest available national/regional grid factors and internationally recognised values. There were no material changes in methodology during the reporting period, except for updates to emission factors and GWPs.


⁸ Scope 2 GHG emissions are calculated using the location-based method.

⁹ In 2025, clinker production of Yaobai Group (excluding Central Asia operations) was 9.3347 million tonnes, compared with 12.0053 million tonnes in 2024.

Key Climate Actions

To steadily advance carbon neutrality targets and low-carbon transition, the Group has continued to enhance energy efficiency, optimise its energy structure, promote the use of alternative energy, expand the application of low-carbon technologies, and strengthen energy management. These efforts collectively reduce carbon emissions and energy consumption in cement production and support the industry's transition towards greener, lower-carbon and higher-quality development.

Yaobai Group



Process Optimisation and Equipment Upgrades

- Yaobai Group has continuously advanced the optimisation and upgrading of production equipment and processes. Through energy-saving retrofits and equipment upgrades, the Group has improved energy efficiency and reduced energy consumption per unit of product. During the reporting period, several production units completed multiple equipment improvement initiatives, effectively reducing energy consumption and maintenance costs, while enhancing operational stability and reliability.
- In addition, systematic improvements were implemented in production processes prone to faults, reducing operational risks and extending equipment service life, thereby further consolidating energy-saving and emission reduction outcomes.

Waste Heat Power Generation

- In 2025, Yaobai Group has **13** clinker production lines equipped with waste heat recovery power generation systems, with a total installed capacity of **84** MW. Through the recycling and utilisation of waste heat resources, Yaobai Group generated approximately **323** million kWh of electricity during the year, creating economic benefits of approximately RMB **126** million.
- On a like-for-like basis with thermal power generation, Yaobai Group's waste heat power generation projects have resulted in savings equivalent to approximately **98,600** tonnes of standard coal, reducing CO₂ emissions by approximately **268,000** tonnes, SO₂ emissions by approximately **2,300** tonnes and NO_x emissions by approximately **1,600** tonnes, thereby playing a positive role in improving energy efficiency and reducing environmental impact.

Photovoltaic Power Generation



- ✓ In 2025, the Group constructed distributed photovoltaic power systems with a total capacity of **5.8** MW across available spaces such as office buildings, workshops and storage yards, further increasing the proportion of renewable energy usage. Following commissioning, the systems generated approximately **4.2572** million kWh of electricity annually, with most of the electricity consumed on-site, effectively reducing reliance on externally purchased power.
- ✓ Based on equivalent thermal power generation calculations, Yaobai Group's photovoltaic power generation is estimated to save approximately **1,298** tonnes of standard coal annually, and correspondingly reduce emissions of approximately **3,534** tonnes of CO₂, **29.8** tonnes of SO₂, and **21.29** tonnes of NO_x, making a positive contribution to optimising the energy structure and reducing GHG.

Raw Material Substitution

- ✓ Yaobai Group has continued to promote the substitution of raw materials and fuels, actively exploring the resource utilisation of industrial waste. By using materials such as slag, coal gangue and pulverised coal ash to replace part of traditional raw materials and fuels, Yaobai Group reduces resource extraction and lowers carbon emissions.

During the reporting period, Yaobai Group utilised **163,000** tonnes of alternative fuels, achieving a substitution rate of **12.8%**, which is equivalent to reducing raw coal consumption by approximately **23,700** tonnes.



Energy Management



- ✓ Yaobai Group has continuously improved its energy management system by fully introducing an online energy monitoring system to track electricity, coal and other energy consumption data in real time across production processes. Metering devices have been installed at major energy-consuming equipment and key processes. Combined with data analysis, the Group regularly evaluates energy usage to provide a basis for energy-saving improvements.
- ✓ At the same time, Yaobai Group actively promotes certification of its energy management system and has established energy consumption management targets. Through regular energy assessments, the Group optimises production scheduling and equipment operating parameters based on evaluation results, thereby continuously improving energy utilisation efficiency.

► Yaobai International Group

Yaobai International Group focuses on key areas such as clean energy generation, energy storage technologies, alternative fuels, resource utilisation of waste, and energy-saving upgrades of production lines. Leveraging the development potential of green energy in Africa and aligning with the Group's overall development strategy, it continues to promote optimisation of the energy structure and transformation of production methods.

Photovoltaic Power Generation Technology



- ✓ In response to insufficient power supply and high electricity prices in certain African countries and regions (such as the Democratic Republic of the Congo), Yaobai International Group has developed photovoltaic power generation systems to gradually replace diesel power generation. This meets the electricity demand of its own operations and surrounding areas, while reducing energy costs and carbon emissions, improving power supply stability, and providing replicable clean energy solutions for local communities.
- ✓ Looking ahead, Yaobai International Group plans to continue promoting the construction of photovoltaic power generation projects by its subsidiaries and partners in the Democratic Republic of the Congo, expanding the scale of renewable energy utilisation, increasing the proportion of clean energy in the energy mix, and supporting local green transformation and sustainable development.

Alternative Fuels

- ✓ Yaobai International Group continues to utilise locally available combustible materials and biomass resources to replace high-cost imported coal. Through optimising fuel selection and combustion management, the Group enhances combustion efficiency and reduces reliance on fossil fuels. During the reporting period, alternative fuel projects maintained stable operation, effectively reducing atmospheric pollutant emissions and further improving the cleanliness of the energy structure.



Oxy-fuel Combustion Technology



- ✓ Yaobai International Group continuously evaluates the combustion conditions of clinker kilns, with a focus on production lines using low-quality coal and those located in high-altitude and low-oxygen regions. The Group is progressively exploring the adoption of oxy-fuel combustion technology to improve combustion efficiency, reduce coal consumption per unit of clinker, and lower carbon emissions. During the reporting period, relevant trials were carried out within China, validating key indicators including energy consumption, production output and emissions performance, thereby accumulating technical experience for subsequent large-scale application.

03

ECOLOGICAL ENVIRONMENT:

Protecting Natural Ecosystems

The Group takes responsible operational management as its foundation, integrates sustainable development principles into business decision-making, and systematically advances ecological protection and waste management initiatives. It continuously reduces the environmental impact of its operations while maintaining alignment with the Sustainable Development Goals.



Environmental Management System

West China Cement regards environmental management as a key foundation for ensuring compliant operations and supporting long-term sustainable development. Upholding the principle that “green mountains and clear waters are as valuable as mountains of gold and silver,” the Group systematically integrates environmental protection requirements into its governance framework and daily operations.

The Group implements a two-tier environmental management responsibility system of “Group - Subsidiary”. At the Group level, unified systems, management objectives and supervision mechanisms are established, while subsidiaries implement environmental management requirements across all production and operational processes in accordance with their business characteristics and local regulatory requirements, ensuring clear accountability and effective execution of environmental responsibilities.

At the institutional level, the Group has established a comprehensive environmental management system covering its major business operations. Within China, Yaobai Group implements the “Environmental Management System”, which covers key areas including pollution prevention and control, efficient resource utilisation, solid waste management, production and mining environmental management, and emergency response to environmental incidents. For overseas operations, the Group complies with environmental protection laws and regulations of relevant African countries and international environmental and social impact management requirements. It implements the “Yaobai International Environmental Management System”, and has established an environmental management committee led by the General Manager, taking overall responsibility for environmental management. Each department and production unit assumes corresponding environmental responsibilities in accordance with defined roles and duties.

Environmental Management Highlights

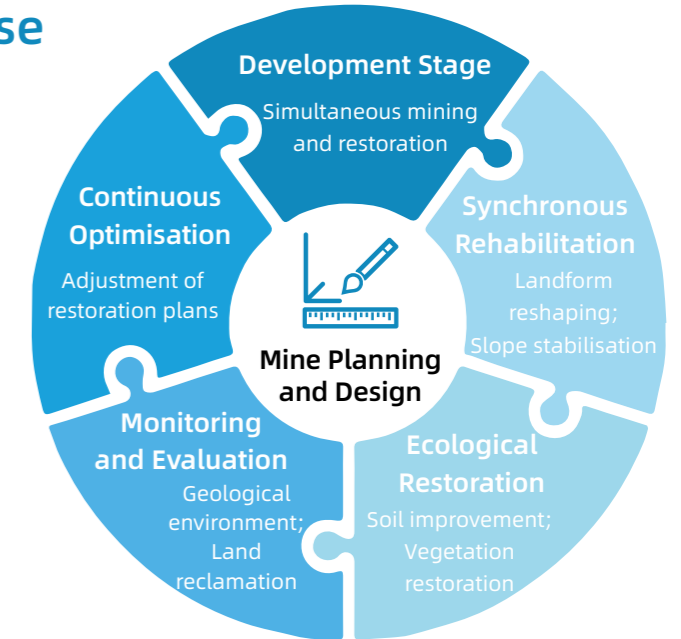
- 01 A total of **30 affiliated production enterprises** of the Group have obtained **ISO 14001 Environmental Management System certification**, covering cement production, building materials manufacturing and related supporting businesses.
- 02 Companies including Tongchuan, Danfeng and Mianxian successfully passed **Grade A or Grade B environmental performance assessments**, creating favourable conditions for obtaining performance-based incentives and ensuring stable production.
- 03 In 2025, the Group’s investment in environmental protection and pollution prevention amounted to approximately **RMB 190 million**.

Green Mines and Land Use

West China Cement recognises the potential impact of mining and industrial production activities on the ecological environment, and has incorporated mine ecological protection and restoration into its key sustainable development priorities. The Group adheres to the principle of “mining and restoration go hand in hand”, effectively fulfilling its primary responsibility for mine rehabilitation, and promotes the coordinated implementation of mining activities and ecological restoration through institutionalised management and engineering measures.

The Group adopts a comprehensive approach centred on natural restoration, supplemented by artificial intervention. Ecological restoration is advanced and integrated into mine planning, extraction and pit closure processes. Through measures such as landform reshaping, slope stabilisation, soil reconstruction and vegetation restoration, the Group promotes the gradual recovery of mine ecosystems and enhances the overall coordination and sustainability of restoration efforts.

In 2025, all mines of the Group completed annual mine rehabilitation plans in accordance with unified deployment. Through mine rehabilitation funds and related capital expenditures, the Group continuously advanced hazardous rock treatment, slope protection and vegetation restoration, while simultaneously carrying out monitoring of the geological environment and land reclamation.



Item	2025 Results
Mine rehabilitation area	approx. 68,000 m ²
Hazardous rock clearance	approx. 60,000 m ²
Mesh spraying (shotcrete)	approx. 30,000 m ²
Vegetation restoration (trees, shrubs, vines)	approx. 65,000 plants
Grass seed sowing	approx. 2,000 kg
Drainage ditch repair	approx. 8,500 m
Other supporting works	Platform retaining walls, geological environment and land reclamation monitoring, etc.

Ecological Protection

West China Cement regards ecological protection and biodiversity conservation as an integral part of environmental management and incorporates them into daily operations. The Group continues to focus on minimising the potential impact of its operations on surrounding ecosystems. Based on environmental impact assessments conducted in accordance with regulations, the Group has progressively improved biodiversity protection and risk management mechanisms, ensuring effective implementation of relevant requirements in actual operations.

In 2025, the Group continued to conduct biodiversity risk screening at major mines and plant areas, focusing on key ecological issues such as habitat protection, species disturbance and pollutant emissions, and implementing graded management based on risk levels. For identified high-priority risks, the Group proactively avoided ecologically sensitive areas during mine planning and operations, adjusted operational arrangements during specific species' breeding seasons, and reduced environmental disturbance by strengthening pollution control and constructing ecological corridors, thereby safeguarding the stability and continuity of regional ecosystems.

Biodiversity Management Stages		Key Content
Risk Identification	Covering mining and plant operations to identify potential biodiversity risks	
Risk Assessment	Analysing sources of risk and degree of impact	
Priority Ranking	Identifying high-priority risks for focused management	
Control Measures	Implementing avoidance, mitigation and ongoing monitoring measures	
Dynamic Review	Continuously optimising management arrangements in line with operational changes	

Water Resource Management



Water Saving Target

Reduction of water use intensity by **5%** by 2026 compared with 2020

The Group establishes water efficiency targets based on actual operational and resource usage conditions, and promotes the achievement of these targets through continuous improvement of management measures and operational efficiency. Upholding the principles of "rational water use and water conservation", the Group advances water-saving initiatives across multiple dimensions, including equipment, processes, management and monitoring.

Water Recycling and Reuse	<ul style="list-style-type: none"> Establish closed-loop circulation systems for cooling equipment such as kilns and motors Promote the reuse of cooling water Ensure stable system operation through water quality monitoring and routine maintenance
Water-saving Equipment Upgrades	<ul style="list-style-type: none"> Prioritise the use of water-efficient equipment during equipment renewal and upgrades Install water-saving devices such as sensor taps in office and living areas Reduce non-production water consumption
Process Optimisation for Water Saving	<ul style="list-style-type: none"> Precisely control water allocation ratios in production Prioritise the adoption of dry-process production technologies Continuously reduce water consumption per unit of product
Water Quota Management	<ul style="list-style-type: none"> Establish water usage quotas and accountability mechanisms for each process Promote implementation of water-saving requirements through performance assessment systems Dynamically adjust water usage arrangements based on actual production conditions
Water Quality and Consumption Monitoring	<ul style="list-style-type: none"> Establish water usage monitoring mechanisms Monitor water consumption and water quality in real time Conduct early warnings through data analysis and promptly adjust management measures

During the reporting period, the Group continued to enhance the treatment and reuse of production wastewater.

In 2025, total water consumption of Yaobai Group's clinker production lines amounted to approximately **2.4007** million tonnes, with recycled water volume reaching approximately **640,000** tonnes.

Water Consumption	2024	2025	YoY Change
Total water consumption (tonnes)	2,736,700	2,400,688	-12.28%
Water consumption intensity per unit of clinker (tonne of water consumption/tonne of clinker)	0.21	0.21	-
Water consumption intensity per unit of operating revenue (tonne of water consumption/RMB hundred million revenues)	32,794.68	24,952.10	-23.91%

Wastewater, Waste Gas and Solid Waste Management

Wastewater Management



Wastewater Discharge Target

Zero discharge of production and domestic wastewater

Under the management objective of zero industrial wastewater discharge, the Group strictly implements the "Regulations on Pollutant Discharge Permit Management" and, in accordance with the "Yaobai Group Environmental Protection Management System", requires production units within its operations to treat wastewater through sewage treatment facilities before reuse in production or other suitable applications, thereby achieving zero external discharge. At the same time, the Group strengthens inspection and maintenance of facilities, strictly controls hazardous substance leakage, and minimises potential impacts on soil and groundwater.

For overseas operations, industrial water is primarily reused through circulating cooling systems, while domestic wastewater is collected and treated in compliance with local requirements and properly disposed of through external arrangements. Part of the reclaimed water is reused for irrigation, dust suppression and other purposes, thereby reducing freshwater consumption and achieving zero wastewater discharge.

Exhaust Emissions Management



Exhaust Emissions Management Targets

Short-term target: Full implementation of the "Ultra-low Emission Standards for Air Pollutants in the Cement Industry"

Long-term (2030) target: Continuous reduction in comprehensive energy consumption per unit of product and intensity of major pollutant emissions





The Group continues to strengthen air emissions management, strictly complies with environmental laws, regulations and emission standards in the regions where it operates, and systematically advances pollution prevention and control through parallel implementation of technological upgrades and management optimisation.

In terms of pollution prevention and control technologies, the Group has continued to deepen the implementation of desulfurisation, denitrification and dust removal measures. The independently developed cement kiln flue gas DDN® deep denitrification technology has been operating stably across multiple production bases, effectively reducing NOx emissions. In 2025, in response to the national ultra-low emission policy¹⁰ for the cement industry, the Group invested approximately RMB 200 million to promote the phased implementation of ultra-low emission technology upgrades across multiple production units.

¹⁰ Ultra-low emission standards: particulate matter ≤ 10 mg/m³, nitrogen oxides ≤ 50 mg/m³, sulfur dioxide ≤ 35 mg/m³.

By optimising flue gas treatment processes and enhancing the efficiency of pollution control facilities, the Group ensures that, under the benchmark oxygen content of 10%, emissions of particulate matter, sulfur dioxide and nitrogen oxides from cement kilns and waste heat utilisation systems consistently comply with relevant regulatory limits. The Group also continues to formulate and review phased emission reduction targets, systematically advancing pollution control and green low-carbon transition.

In addition, the Group continues to promote the management of fugitive emissions and clean production practices. Taking into account both domestic and overseas operational conditions, the Group reduces dust emissions in production and logistics processes through process optimisation and facility upgrades. Key measures include:

Management Direction	Key Measures	Management Objectives
 Technical Emission Reduction	<ul style="list-style-type: none"> • Application of DDN® deep denitrification technology • Continuous optimisation of desulfurisation and dust removal processes 	Reduce NOx and gaseous pollutant emissions
 Ultra-low Emission Upgrades	<ul style="list-style-type: none"> • Promote ultra-low emission technology upgrades across production lines • Enhance efficiency of pollution control facilities 	Achieve stable ultra-low emission levels for major pollutants
 Fugitive Emission Control	<ul style="list-style-type: none"> • Enclosed storage and sealed transportation • Deployment of high-efficiency dust removal equipment • Strengthened dust control during material loading and unloading 	Reduce risk of dust dispersion
 Overseas Emission Reduction Measures	<ul style="list-style-type: none"> • Installation of mist spraying and dust suppression systems • Construction of enclosed transportation corridors and dust control facilities • Adoption of energy-saving and emission-reduction designs in new production lines 	Reduce dust emissions during logistics and loading/unloading processes

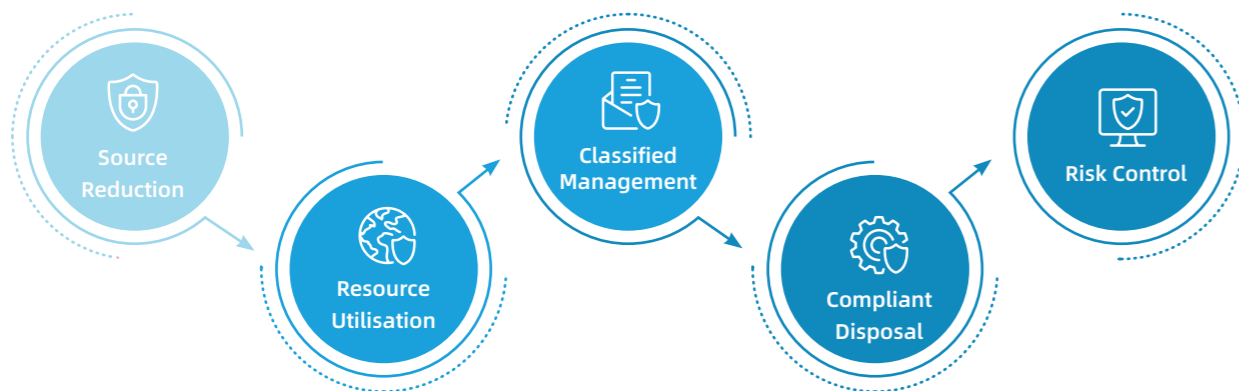
In 2025, the Group continued to improve its emissions monitoring system. Continuous Emissions Monitoring Systems (CEMS) have been installed at kiln heads and kiln tails of clinker production lines within China, enabling real-time monitoring of major pollutants and integration into regulatory platforms, achieving 100% online monitoring coverage. At the same time, the Group is progressively advancing the construction of monitoring facilities for coal mills and cement mill emission outlets, and plans to install ammonia slip monitoring equipment to further enhance the accuracy of emissions supervision.

Exhaust Emissions	2024	2025	Change
SO ₂ emissions (tonnes)	282.00	258.91	-8.19%
SO ₂ emissions intensity (kg/tonne of clinker)	0.02	0.027	35%
NO _x emissions (tonnes)	4,249.82	3,038.42	-28.50%
NO _x emissions intensity (kg/tonne of clinker)	0.348	0.322	-7.47%
Particulate emissions (tonnes)	234.11	262.63	12.18%
Particulate emissions intensity (kg/tonne of clinker)	0.019	0.027	42.11%

Waste Management



West China Cement has consistently regarded waste management as a key component in promoting resource recycling and reducing environmental impact. Leveraging the cement industry's capability to co-process a wide range of alternative raw materials, the Group has established a full lifecycle management model covering source reduction, process management and compliant disposal, with a view to improving resource utilisation efficiency and reducing waste generation.



During the reporting period



the Group continued to improve its waste management systems and operational procedures, promoting compliant disposal of hazardous waste and efficient recycling and utilisation of non-hazardous waste. The Group also ensured that all generated waste was entrusted to qualified third-party entities for compliant disposal.

Resource Recycling and Utilisation

Leveraging the cement production process's capacity to absorb alternative raw materials, the Group converts various industrial by-products into production resources. Through process optimisation and raw material substitution arrangements, the Group recycles and utilises materials such as fly ash, slag powder, tailings and metallurgical slag, thereby effectively reducing waste discharge while enhancing the efficiency of resource recycling.

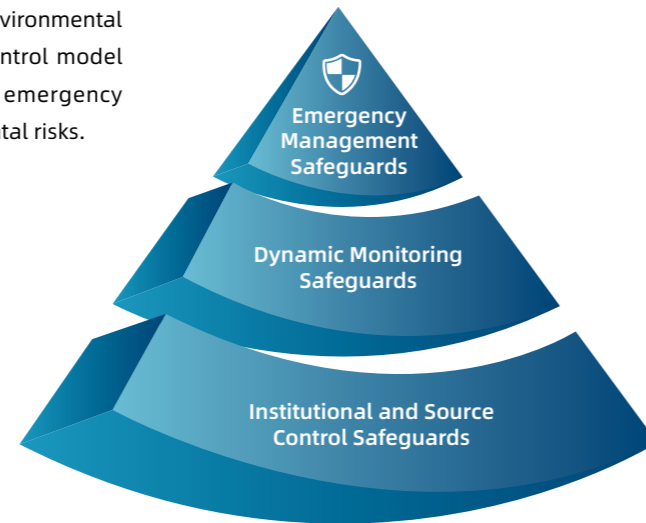
For overseas operations, each subsidiary implements internal reuse and external compliant disposal of waste based on local conditions, thereby reducing environmental risks. Certain mines have achieved zero discharge of solid waste through optimised raw material allocation.

Hazardous Waste Management

In respect of hazardous waste management, the Group has established classification management and closed-loop monitoring mechanisms to ensure that all stages—from generation and temporary storage to final disposal—comply with regulatory requirements. Specific process management arrangements are as follows:

Management Direction	Key Measures
Classification Management	Implement classification management in accordance with the "National Catalogue of Hazardous Wastes", and formulate annual storage and disposal plans Conduct standardised classification and labelling in accordance with the standards of the Ministry of Ecology and Environment
Ledger Management and Control	Establish hazardous waste management ledgers to record waste types, quantities, flows and disposal status
Emergency Management	Formulate hazardous waste emergency response plans to enhance capabilities in responding to environmental incidents
Outsourced Disposal Management	Entrust qualified entities for disposal of waste that cannot be treated internally, and standardise handover and transportation processes
Temporary Storage Facility Management	Construct hazardous waste storage facilities that comply with the "three prevention" requirements

The Group incorporates waste management into its overall environmental risk prevention and control system. Through a three-tier control model integrating institutional control, dynamic monitoring and emergency management, the Group reduces compliance and environmental risks.



Waste Emission	2024	2025	Change
Total amount of hazardous waste generated (tonnes)	120.64	142.25	17.92%
Hazardous waste generated per unit of operating revenue (tonnes/RMB hundred million revenues)	1.45	1.48	2.07%
Total amount of non-hazardous waste generated ¹¹ (tonnes)	310.93	440.20	41.58%
Non-hazardous waste generated per unit of operating revenue (tonnes/RMB hundred million revenues)	5.40	4.58	-15.19%

▶ Co-processing of Solid Waste

Leveraging the characteristics of cement production processes, the Group continues to promote co-processing technologies for solid waste, converting certain general solid waste and hazardous waste into alternative raw materials or fuels. This reduces disposal pressure while lowering dependence on natural resources and energy. By utilising the high-temperature incineration and stable solidification properties of cement kilns, the Group is able to safely treat solid waste containing hazardous components such as heavy metals, thereby progressively achieving the management objectives of harmless treatment, waste reduction, and resource recovery, while promoting the development of a regional circular economy.

In 2025, Yaobai Group co-processed **73,971.38** tonnes of solid waste through cement kilns and entrusted qualified third-party institutions to carry out compliant disposal of **142.25** tonnes of hazardous waste.

■ Packaging Materials

The Group places great emphasis on the impact of packaging materials on product quality and resource utilisation efficiency. Through continuous optimisation of packaging design and production processes, the Group enhances material efficiency while ensuring product protection performance. With the application of automation and intelligent equipment, the Group further

improves the stability and precision of packaging operations, ensuring the safety and integrity of cement products during transportation and storage.

In terms of packaging technology, the Group optimises bag structure design to reduce the impact of seam joints and paper edges on product quality, while strengthening production monitoring and quality management to enhance the consistency and reliability of packaging materials. At the same time, the Group progressively promotes the recycling and reuse of packaging materials, including waste plastic bags and textile packaging materials, thereby reducing solid waste generation. The Group also continues to monitor developments in bio-based and biodegradable packaging materials, assessing their application potential to reduce environmental impact.

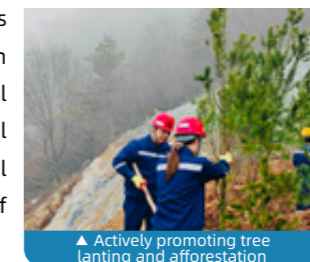
Packaging Materials	2024	2025	Change
Total packaging material consumption (tonnes)	7,200	8,172	13.5%
Cement packaging hundred thousand tonnes material consumption per ton (kg/tonnes)	1.40	1.40	-
Packaging material consumption per unit of operating revenue (tonnes/RMB hundred million revenues)	86.28	84.94	-1.56%

■ Green Culture Development

The Group regards green development as a fundamental pillar for its long-term growth. Upholding the ecological philosophy that “green mountains and clear waters are as valuable as mountains of gold and silver”, and in accordance with the “Green Management Principle” and relevant environmental management systems, the Group continuously promotes the integration of green culture into its daily operations, thereby enhancing overall environmental management standards.

In terms of environmental development at plant sites, the Group continues to optimise the greening layout of its plants and mining areas and promotes the construction of garden-style facilities. Through regularly organising employees to participate in activities such as tree planting and afforestation, the Group gradually improves the ecological environment of its plants, creating a clean, orderly and comfortable working environment.

In terms of employee engagement, the Group continues to conduct environmental management training through both online and on-site sessions. The training covers local regulatory requirements, interpretation of environmental impact assessment reports and daily operational control requirements, and promotes the implementation of environmental management systems across all units.



▲ Actively promoting tree planting and afforestation



▲ Seedling Cultivation Initiative

During the reporting period



the Group organised a total of **10** environmental protection-related training sessions, covering **3,460** participant attendances, further enhancing employees’ awareness of green development and environmental protection, as well as their level of engagement.

¹¹ Non-hazardous waste generated by the Group includes domestic waste and kitchen waste.

04

SOCIAL INCLUSION:

Caring for Employee Well-being

Guided by the core value of “People-Oriented” , the Group integrates employee development, talent training, and OHS into its management system. It continuously enhances employee well-being and organisational capabilities, striving to achieve long-term, synergistic growth for both the enterprise and its employees.

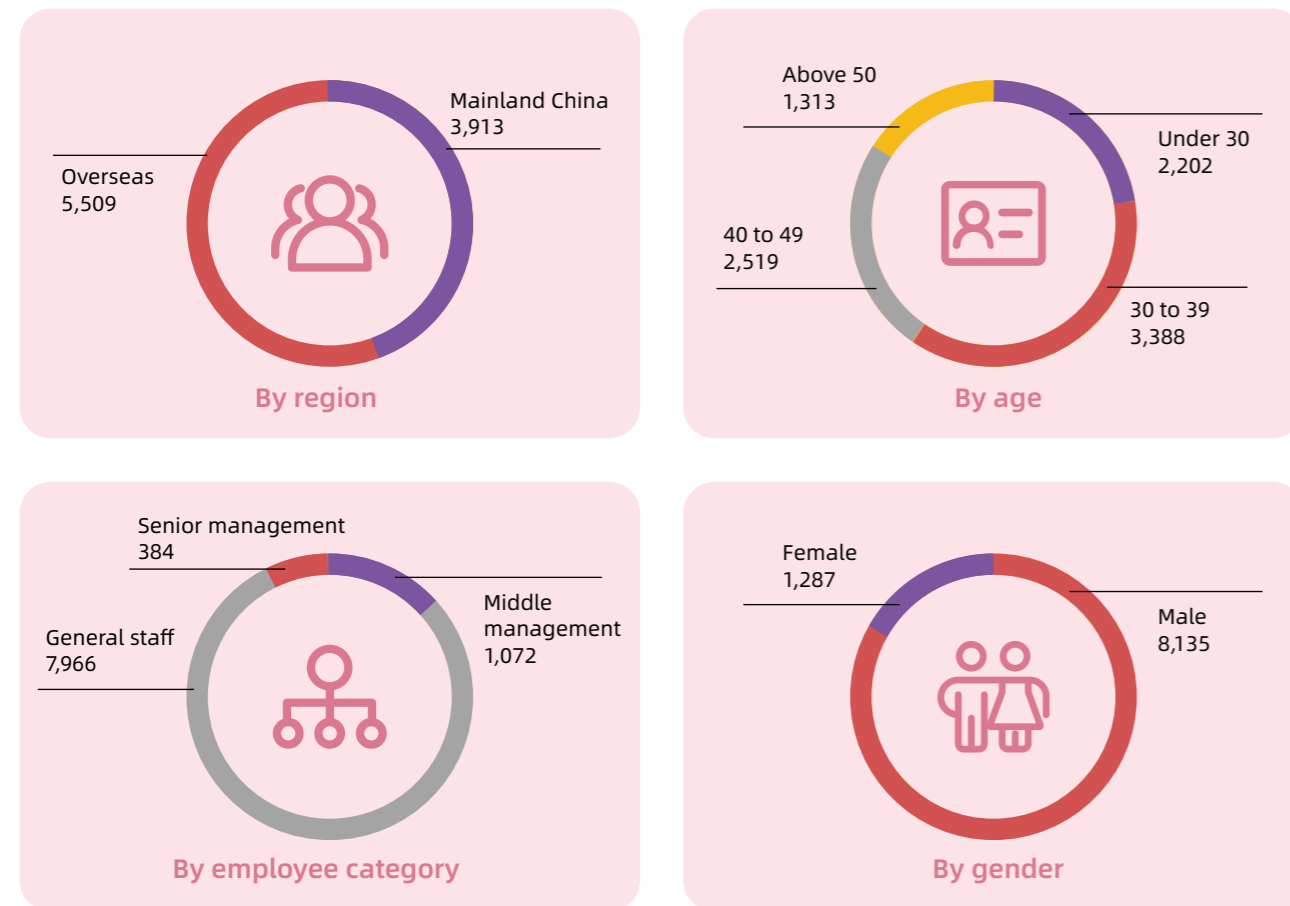


Employment

Workforce Composition

The Group strictly complies with labour protection laws and labour contract regulations in the People’s Republic of China and other relevant countries. It has established the “Employee Handbook” and “Human Resources Management Policy” as the core framework for employment management. These documents clearly set out provisions on remuneration structure, benefits standards, leave management, and the prohibition of forced labour, and are communicated to all employees.

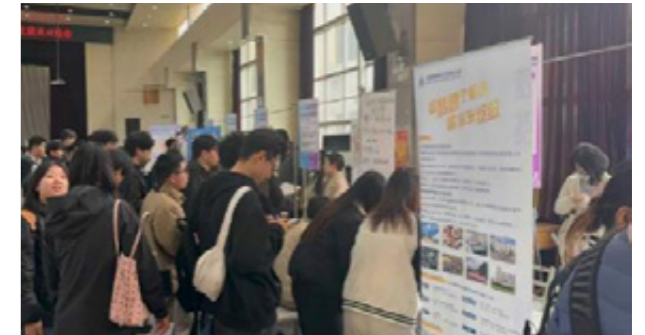
As at the end of the reporting period, West China Cement Limited had a total workforce of 9,422 employees, of which employees in overseas regions¹² accounted for 58.47%. All employees were full-time staff. In line with our overseas localisation management approach, we are committed to creating more employment opportunities for local communities.



Recruitment and Dismissal

In alignment with its corporate strategy and business development needs, the Group regularly conducts human resources demand analyses to forecast future position requirements and professional skill needs, and carries out recruitment and talent development initiatives accordingly. To ensure a sustainable talent pipeline and maintain competitiveness, the

Group has established a talent reserve pool, focusing on the cultivation and tracking of high-potential employees. It has also developed partnerships with higher education institutions and training organisations, securing outstanding talent in advance through industry-academia collaboration and targeted training programmes. In 2025, the Group recruited a total of 65 graduate trainees into its talent reserve. It also continued to maintain industry-academia cooperation agreements with Xi’an International Studies University, Xingzhi College of Xi’an University of Finance and Economics, and Xi’an Fanyi University.



▲ Campus Recruitment Fair

The Group ensures that all dismissal procedures comply with applicable legal requirements and internal policies. Throughout the dismissal process, affected employees are treated with the utmost respect, with full consideration given to their rights and entitlements. Necessary support is also provided during the transition period. During the year, the Group’s senior management team and overall workforce remained relatively stable. A total of 833 employees left the Group, representing an employee turnover rate of 8.84%.

Labour Standards

The Group firmly opposes child labour, forced labour, harassment, and abuse. It has established stringent recruitment screening mechanisms and conducts regular reviews of recruitment procedures and employment records to ensure compliance with all applicable labour laws and regulations. At the same time, the Group has clearly stipulated in its “Recruitment and Employment Management Policy” that, in the event of any inadvertent employment of child labour or the existence of forced labour, the Group will immediately cease the relevant work arrangements, settle remuneration in accordance with applicable laws and regulations, and implement appropriate remedial measures, including proper placement arrangements. An internal investigation will be initiated, and responsible personnel will be subject to disciplinary action. Where appropriate, such cases will be reported to the relevant authorities. During the reporting period, no such incidents were identified.

The Group is committed to safeguarding the lawful rights and interests of both domestic and international employees. In its policies covering recruitment, training, promotion, remuneration, termination, working hours, leave, and employee benefits, the Group adheres to the principle of equal employment and does not tolerate discrimination on the basis of age, gender, marital and family status, pregnancy, disability, race, colour, nationality, religion, or any other factors unrelated to job requirements. The Group adopts a zero-tolerance approach to any form of discrimination or harassment, ensuring the protection of the lawful rights and interests of all employees.

Talent Development

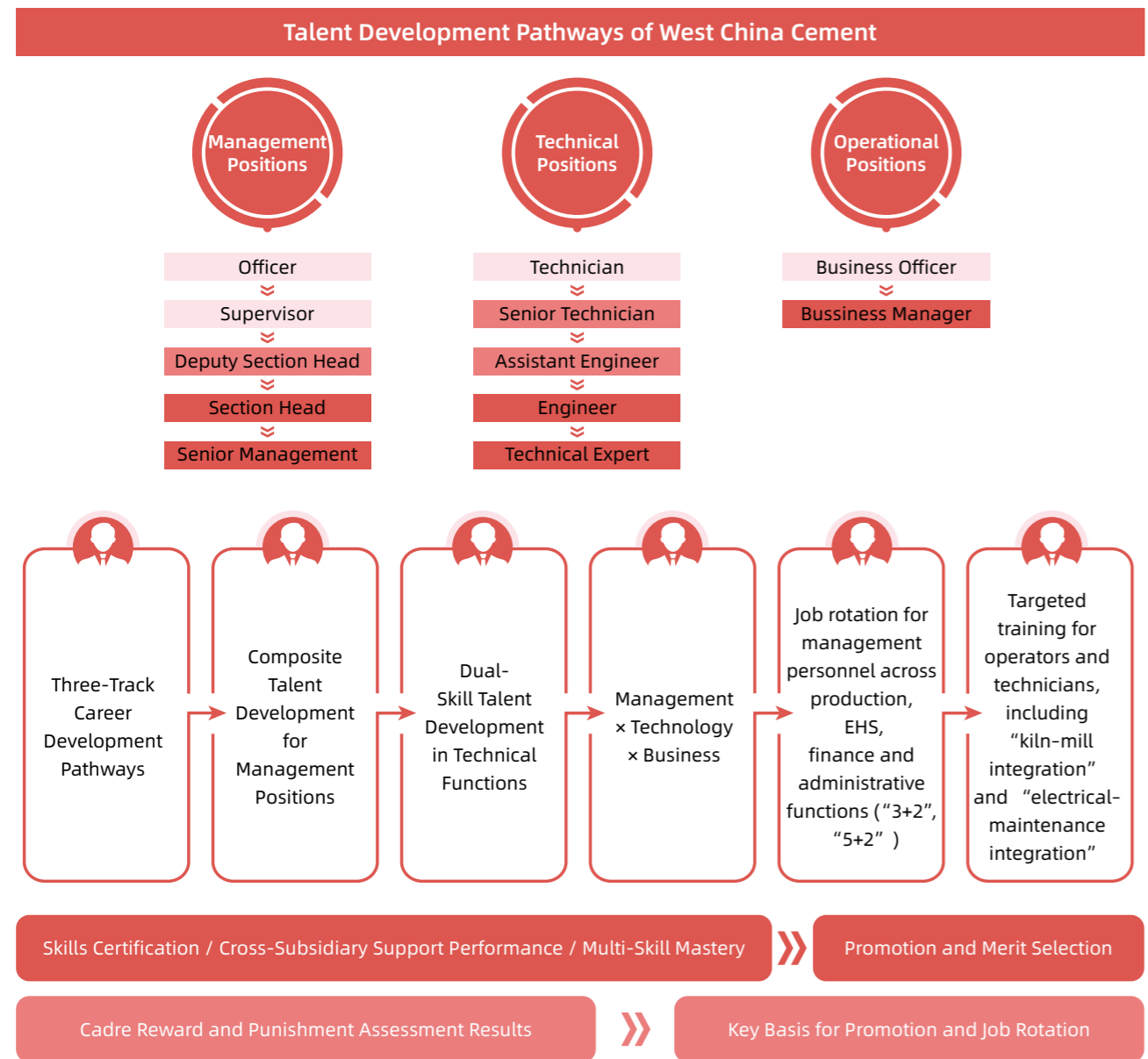
The Group firmly believes that talent is the core driver of sustainable development. Guided by the “People-Oriented” philosophy, it is committed to fostering a diverse, inclusive, and supportive workplace environment that promotes the mutual growth of employees and the enterprise. The Group continuously improves its talent development system, facilitates clear career development pathways, and provides multi-tiered training programmes to enhance professional skills and overall competencies. At the same time, it advances a human resources system aligned with international standards, strengthens internal talent identification and succession pipeline development, and encourages employees to enhance their ability to identify and resolve problems through practical experience.

¹² Overseas employees include both Chinese and foreign nationals

Promotion Pathways

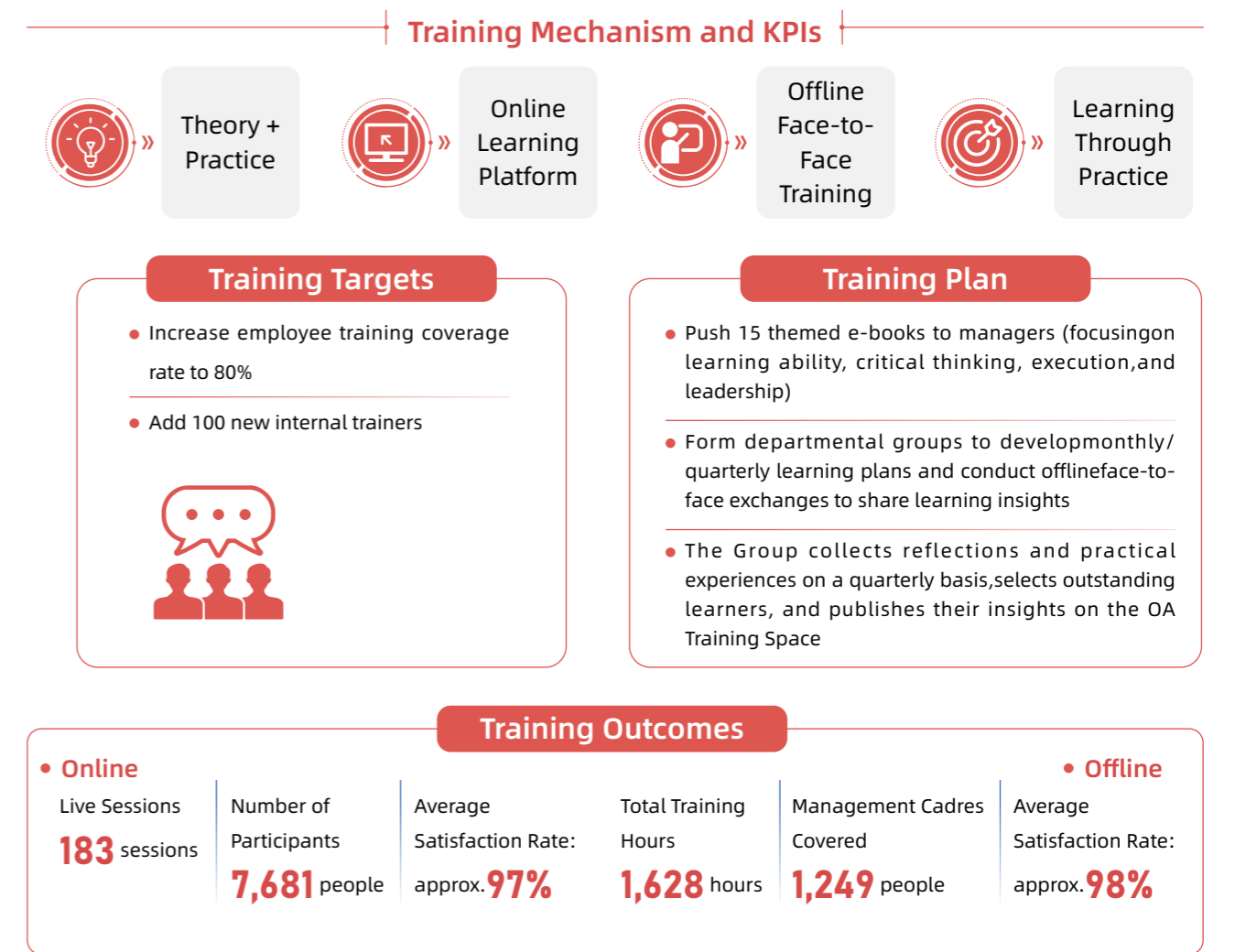
The Group has established a systematic talent management system centred on three career development pathways: management, technical, and business. Each pathway features clearly defined promotion tiers and competency standards. The Group's promotion mechanism takes into comprehensive consideration multiple factors, including employees' work performance, professional capabilities, teamwork, experience, and years of service, thereby avoiding reliance on any single criterion in determining promotion eligibility. Clear development pathways are designed for employees at different levels, encouraging them to select career tracks that align with their expertise and personal attributes.

In addition, the Human Resources Department conducts talent reviews twice annually. By integrating functional analyses across departments (such as technical research and development, marketing, and supply chain), the Group formulates succession plans for key positions and establishes a human resources reserve framework to support business expansion and the development of a robust talent pipeline. Job rotation for management personnel across production, EHS, finance and administrative functions ("3+2" , "5+2")



Employee Development and Training

The Group has established a structured talent pipeline development and training framework. Training is delivered through an integrated approach combining theoretical learning with practical application, with a focus on enhancing training coverage and strengthening the internal trainer team. Leveraging online learning platforms, the Group provides diversified training through curated learning programmes, live-streaming sessions, and recommended self-directed courses, complemented by in-person training. These initiatives support the continuous enhancement of employees' knowledge and skills and foster a positive learning culture. In addition, a "learning through practice" approach is adopted to identify and develop reserve trainers, further strengthening the internal training system.



During the year, the Group organised weekly online training sessions through third-party live-streaming platforms, covering topics such as EHS, production technology, finance, and administrative management. The Group's learning system also focused on managerial personnel at supervisor level and above across subsidiaries, delivering in-person training programmes on topics including "team development and talent cultivation" and "internal training skills". These programmes were closely aligned with practical management needs, supporting the enhancement of leadership and talent development capabilities. Details of the training programmes and outcomes are presented in the figure below.

During the reporting period



a total of **60** units organised themed training activities, with an average of **2.3** training sessions conducted per month.



▲ Online staff training



Case Study

Supply Chain Management Trainee Programme (Logistics Track)

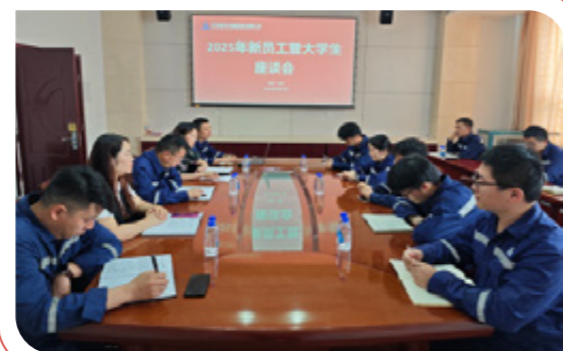
In 2025, the Group launched a dedicated management trainee programme for the supply chain function, featuring a “group-level rotation plus departmental placement” model. With the support of business mentors, trainees complete a six-month structured training programme aimed at developing composite business capabilities. In parallel, under the composite talent development initiative for management positions, production personnel are required to periodically follow sales teams to gain market insights. This provides an internal training pathway to enhance supply chain personnel’s understanding of front-end market dynamics.

▶ Graduate Trainee Development

The Group places strong emphasis on the development of young talent. For newly recruited university graduates, it has established structured onboarding training, engagement sessions, and a mentorship system to support their integration and ongoing development.



Graduate Onboarding Training



Graduate Engagement Session



Graduate Welcome Session



Mentorship Programme Signing Ceremony

▶ Talent Reserve Risk Management

The Group has incorporated the risk of insufficient talent pipeline for key positions into its risk management framework. Through regular talent reviews and attrition analysis, high-risk positions are identified and continuously monitored. In response to identified risks, the Group has implemented a range of mitigation measures, including succession planning, cross-functional training (such as dual-skill talent development), campus recruitment pipelines, and key talent retention initiatives, to reduce the potential impact of talent gaps on business continuity. In addition, a group-wide shared workforce mechanism serves as a buffer to address short-term and regional talent shortages.

▣ Diversity, Equity and Inclusion

▶ Diversity and Inclusion

The Group is committed to fostering a diverse and inclusive workplace and places strong emphasis on the protection of female employees’ rights and interests. It upholds principles of fairness and non-discrimination in recruitment, promotion, and career development, and strictly implements its remuneration policies to ensure equal pay for equal work. The Group complies with applicable laws and regulations in providing maternity leave, nursing leave, and other statutory entitlements for female employees. In addition, employees are entitled to benefits including sick leave, personal leave, marriage leave, paid annual leave, and statutory public holidays. Appropriate employee care measures are also provided where necessary.

The Group regularly organises employee care activities, including International Women’s Day initiatives, to enhance employees’ sense of belonging and well-being and to support work-life balance. The Group also respects local holiday arrangements and promotes cultural diversity. Through measures such as the provision of canteen facilities catering to different cultural and dietary needs, the Group safeguards the rights and interests of local employees and provides equal development opportunities for employees from diverse backgrounds, fostering an inclusive and diverse workplace.

In addition, the Group actively leverages employment support policies for key groups, providing job opportunities for individuals from disadvantaged backgrounds, including those lifted out of poverty and veterans, thereby promoting workforce diversity. Looking ahead, the Group will progressively introduce diversity and inclusion awareness training and continue to address the development needs of employees across different age groups.

Employee Benefits and Rights

The Group strictly complies with labour and social welfare laws and regulations and is committed to providing comprehensive employee benefits and protection. The remuneration management provisions under the Human Resources Management Policy clearly set out the employee benefits framework, ensuring that employees are entitled to both statutory and non-statutory benefits in accordance with applicable laws. These benefits cover areas including remuneration, health protection, leave arrangements, and employee activities.

In accordance with the law, the Group makes contributions to social insurance for employees, including pension, unemployment, work-related injury, medical, and maternity insurance, as well as the housing provident fund, ensuring that wages are paid in full and on time, with no instances of arrears. The Group dynamically adjusts salary levels based on employees' job responsibilities, performance, and market conditions to enhance employee motivation and sense of belonging.

During the reporting period



the Group achieved a **100%** social insurance coverage rate for employees.

In addition to basic compensation, the Group arranges annual occupational health examinations for employees in compliance with occupational disease prevention regulations, continuously safeguarding their physical and mental well-being.

In addition to statutory benefits provided in accordance with applicable laws, the Group supports employees in accessing skills enhancement subsidies and encourages the continuous development of their professional capabilities. During the reporting period, the Group further refined its remuneration and benefits practices, establishing a remuneration system closely aligned with employees' skill levels and performance.

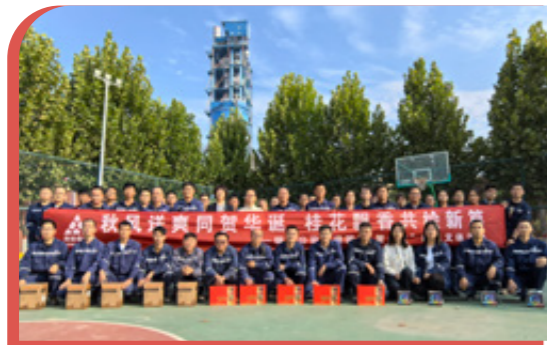
Holiday Care Initiatives



New Year's Eve Party



Labour Day Events



National Day Celebrations



International Women's Day Event

Supporting Employees in Need

Guided by a culture of "uniting strength, mutual assistance, and win-win cooperation", the Group has established a structured employee care and assistance mechanism to support employees facing difficulties and improve their well-being. Dedicated support channels are in place, with regular outreach to employees and their families in need, including visits and holiday care initiatives to understand their circumstances and provide appropriate assistance.

Through the Group's Employee Mutual Aid Fund, financial and emotional support is provided to employees and their families affected by serious illness, accidents, or other exceptional hardships, helping them navigate challenging situations. In 2025, the fund disbursed over RMB 500,000, benefiting 47 employee families. In addition, the Group actively provides employment opportunities and skills training to local communities in the regions where it operates, contributing to community development and poverty alleviation.

Employee Communication

The Group continuously improves its communication and coordination mechanisms to promote democratic management. We have developed and implemented the West Cement Communication and Coordination Management Regulations, which clarify the communication responsibilities of all parties and ensure that internal communication channels remain open and orderly.

The Group places strong emphasis on employee feedback and engagement. It has established grievance and whistleblowing channels, including dedicated hotlines and email accounts, and collects employee views through multiple channels such as employee surveys, staff representative meetings, and collaborative office platforms. When formulating policies and systems that affect employees' interests, the Group actively seeks input from employees at all levels to ensure that decision-making processes are collaborative and inclusive and that employee needs are adequately addressed.

In addition, to safeguard the quality of employee catering, the Group conducts quarterly satisfaction surveys on its staff canteens. Feedback on catering services, hygiene management, and food quality is collected through questionnaires, and targeted improvement measures are developed based on the results, supporting the continuous enhancement of the dining experience and employee satisfaction.

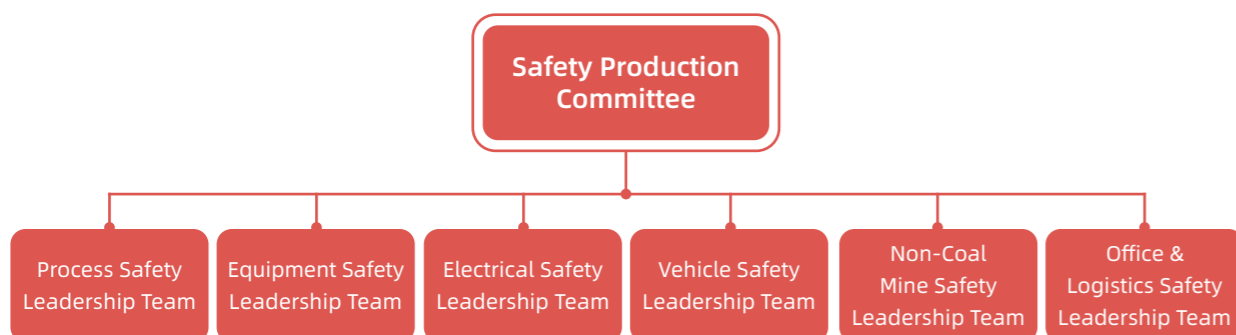
Occupational Health and Safety

The Group has always regarded occupational health and employee safety as the core and fundamental principle of its corporate development, strictly adhering to the management philosophy of "people-oriented, safety-driven development" and establishing a comprehensive OHS management system. The Group strictly complies with relevant laws and regulations, including the "Work Safety Law of the People's Republic of China" and "the Law on the Prevention and Control of Occupational Diseases", as well as the safety management requirements of the countries where our overseas projects are located, ensuring that our operational activities meet applicable standards.

At the same time, the Group has developed and implemented a number of internal management policies, including the "Safety Management System", providing employees with clear operational guidelines and emergency response plans, and promoting the standardisation and institutionalisation of safety management measures. The Group also incorporates OHS performance into the management performance appraisal system. At the beginning of each year, safety responsibility agreements are signed at all levels, and monthly assessment mechanisms are implemented to link the achievement of safety targets with the remuneration of management personnel. These measures strengthen accountability and support the continuous improvement of OHS management.

The Group has established a Safety Production Committee, chaired by the Chief Executive Officer, along with six specialised safety leadership teams, forming a systematic and professional safety management framework to ensure the effective implementation of safety management objectives. As the highest safety management body of the Group, the Safety Production Committee is responsible for coordinating, formulating, and guiding the Group’s safety production strategy, while promoting collaboration between departments and specialist teams.

In response to safety risks in different areas, the six specialised safety leadership teams regularly conduct targeted hazard inspections, technical training, and risk control assessments, producing analytical and summary reports to ensure that safety management measures are targeted and comprehensive, continuously enhancing the Group’s safety management standards.



▲ Safety Management Organisational Structure of West China Cement

The Group has recorded zero work-related fatalities over the past three years, reflecting its ongoing commitment to a **zero-fatality** target.

Category	2023	2024	2025
Number of Work-related Fatalities	0	0	0
Days of Work Lost Due to Injuries	1,617	1,364	898

Strengthening the Environmental, Health and Safety (EHS) Governance Framework

To further strengthen EHS governance, Yaobai International Group established an Environmental, Health and Safety Management Committee in 2025. The Committee is led by the management of Yaobai International Group and is responsible for overseeing environmental protection, occupational health, and safety management. The Committee Office is located within the Safety and Environmental Protection Department of Yaobai International Group and is responsible for day-to-day coordination and management, ensuring the effective implementation of EHS measures.

► **Occupational Health Management Measures**

The Group upholds the core values of “Employee Life Safety” and “Health First” . During the project planning, construction, and operation phases, we integrate safety and occupational health protection facilities into the design and management system, ensuring that these measures operate in tandem with production equipment and remain in good working condition. For work areas involving occupational hazard factors, the Group conducts regular occupational hazard assessments and workplace environment evaluations, continuously improving protective measures.

For operational units, the Group continues to increase investment in occupational health protection facilities, gradually phasing out technologies, processes, and equipment that have significant adverse effects on employee health, while providing employees with personal protective equipment that meets relevant standards. Additionally, all subsidiaries are equipped with medical rooms and necessary medical resources, regularly conducting health and infectious disease prevention training, and improving canteen and dormitory environments to enhance the safety and hygiene of employees’ working and living conditions.

Infectious Disease Prevention and Control

The Group systematically advances infectious disease prevention and control efforts in accordance with the Occupational Health and Safety Management System, clarifying the management responsibilities of each unit in the prevention and control of infectious diseases such as malaria and dengue fever. In response to the operational characteristics of the African region, it regularly collects and disseminates local epidemic information, urging all units to implement preventive measures in advance.

Health Monitoring and Occupational Disease Prevention

The Group has established a health monitoring mechanism covering employees’ full occupational cycle, organising pre-employment, in-service, and post-employment occupational health examinations, with a focus on occupational disease risks such as pneumoconiosis and hearing impairment. For employees with occupational contraindications or suspected occupational diseases, the Group promptly adjusts their positions and provide appropriate reassignment.

During the reporting period



the Group arranged a total of **2,367** participants for occupational health examinations.

Psychological Health Support

The Group places great emphasis on employee mental well-being. Through internal platforms, it regularly shares mental health awareness content to help employees identify common psychological issues and develop self-regulation skills. In response to working conditions such as high noise levels, dust exposure, and shift work, the Group has established occupational health rest areas and organises recreational activities and team-building initiatives. These measures support the ongoing monitoring of frontline employees’ physical and mental well-being and foster a positive and healthy working environment.



Health Education for Employees



Mental Health Training

Workplace Safety

The Group focuses on standardised and regulated operating procedures as the core of continuously enhancing safety management. For key positions and critical operational processes, we have developed and implemented operating standards, regularly carrying out “Three Violations” governance and “Four No Harms” awareness campaigns. We have also established the “35 Serious Violation Behaviours” and strengthened employees’ awareness of operational regulations through rigorous supervision, inspection, and assessment mechanisms.

In terms of safety management of relevant parties, the Group implements unified management for contractors and suppliers. At the time of contract signing, “Safety and Environmental Protection Agreements” is executed simultaneously. Through qualification reviews, pre-entry training, on-site inspections, and completion acceptance measures, we ensure full-process safety control. In 2025, the Group further revised the “Contractor Safety Management System”, clarifying management processes and assessment standards, focusing on reviewing their safety and occupational health management systems, and incorporating contractor safety performance into the annual safety target responsibility agreements.

The Group integrates contractor safety and occupational health education and training, work behaviour management, operational process control, and accident responsibility assessment into a unified management system. Relevant parties are strictly required to comply with personal protection and work behaviour standards, with violations subject to corrective action or removal in accordance with regulations.

During the reporting period



the Group identified a total of **15** contractor violations, resulting in penalties totalling RMB **12,000** in accordance with applicable laws and regulations.

Safety Standardisation Development

The Group regularly commissions third-party professional organisations to conduct risk assessments of its production units, establishing a dual-prevention mechanism centred on risk-based classification and control, as well as the identification and rectification of potential hazards, thereby creating a closed-loop management system to ensure the stable operation of safe production.

At the same time, the Group has established a regular, multi-tiered occupational health and safety audit mechanism, coordinated by the Environmental, Health and Safety Management Committee and implemented by the Safety and Environmental Protection Department. Through monthly on-site inspections and routine video spot checks, the Group achieved full safety oversight of all subsidiary companies, continuously driving the implementation of safety responsibilities and the effective operation of the management system.

In 2025, a total of 18 subsidiaries of Yaobai Group obtained certification for the GB/T 45001-2020 and ISO 45001:2018 Occupational Health and Safety Management Systems.

Safety Education, Training and Culture Development

The Group integrates safety culture into operations and production management, continuously conducting OHS training to enhance employee safety awareness. In accordance with regulatory requirements, it implements three-tier safety education for new, transferred, and returning employees, ensuring that employees possess the necessary OHS knowledge through safety commitment statements and assessment mechanisms.

The Group continuously organises emergency drills, emergency skills competitions, and occupational health themed activities to enhance employees’ emergency response capabilities and health literacy. At the same time, it provides OHS training sessions for management personnel and frontline employees, covering topics such as occupational hazard identification, protective measures, and prevention requirements. By leveraging external professional resources, the Group promotes health knowledge dissemination and early intervention.



Work Safety Month Campaign



Safety and Emergency Drill

In 2025, Yaobai Group delivered over 28,496 attendances in various safety training programmes and conducted more than 100 emergency response drills. In addition, Yaobai International Group delivered approximately 61,000 attendances in safety training. Through diversified and interactive training approaches, these initiatives enhanced employees’ safety awareness and risk prevention capabilities, further strengthening the foundation for safeguarding employee safety and stable operations.

05

RESPONSIBLE OPERATIONS:

Strengthening Quality and Trust

Guided by the philosophy of responsible operations, the Group focuses on customer needs and product quality and safety. By collaborating with suppliers, customers, and partners, and leveraging technological and digital transformation, we continuously optimise business chain management and promote the long-term sustainable development of the value chain.



Responsible Supply Chain

The Group adheres to the principle of “mutual benefit, collaboration, and shared success” throughout the procurement process. By building a digitalised and transparent supply chain system, it ensures the creation of long-term value together with our partners. In 2025, the Group further advanced the standardisation and resilience of the supply chain, achieving a strategic transformation from traditional procurement to an intelligent supply chain. As of the end of the reporting period, Yaobai Group had a total of 583 suppliers, all from China, of which more than 347 have established long-term partnerships with us. Meanwhile, Yaobai International Group had a total of 1,633 suppliers, of which 716 are long-term cooperative suppliers.

During the reporting period, the Group continued to implement its Materials Procurement Management System, ensuring that suppliers meet the Group’s standards in areas including ethics, safety, and environmental performance. The Group also optimised procurement processes across the full cycle. From a digitalisation perspective, enhancements were made to procurement planning requirements within the BIP system to prevent duplicate purchasing. From an internal control perspective, procurement authorities were refined and approval procedures for warehouse requisitions were standardised. Through enhanced management across planning, price comparison, and requisition processes, the Group ensures that procurement activities remain transparent, orderly, and sustainable.

Supplier Selection

The Group has established a standardised supplier onboarding process. In addition to basic qualifications, the Group places particular emphasis on assessing suppliers’ financial management practices, tax compliance records, and technical capabilities. Under comparable conditions, preference is given to suppliers holding ISO certifications in quality, occupational health and safety, and environmental management systems. To uphold business integrity, the Group has implemented a strict exclusion policy, under which suppliers with a record of bribery within the industry are prohibited from entering the Group’s supply system for a period of five years.

The Group implements a dynamic supplier evaluation and assessment mechanism, covering three key dimensions: onboarding review, ongoing monitoring, and annual evaluation, to ensure that suppliers continue to meet the Group’s requirements for quality and social responsibility. All suppliers are subject to rigorous credit assessment. Documentation reviews cover supplier profiles, financial statements, tax records, and product quality inspection reports. For key materials, on-site assessments are conducted, focusing on production scale, process flows, technical capabilities, and quality control measures. The results are documented in written reports, and supplier due diligence files are established accordingly.



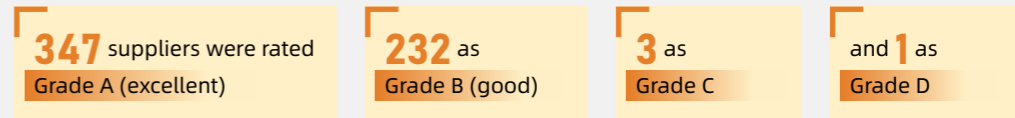
▲ Supplier Evaluation Process

During the reporting period



Yaobai Group completed audits and comprehensive evaluations of a total of **583** suppliers (including recyclers), comprising **167** raw fuel material suppliers and **416** spare parts suppliers.

Based on the evaluation results,

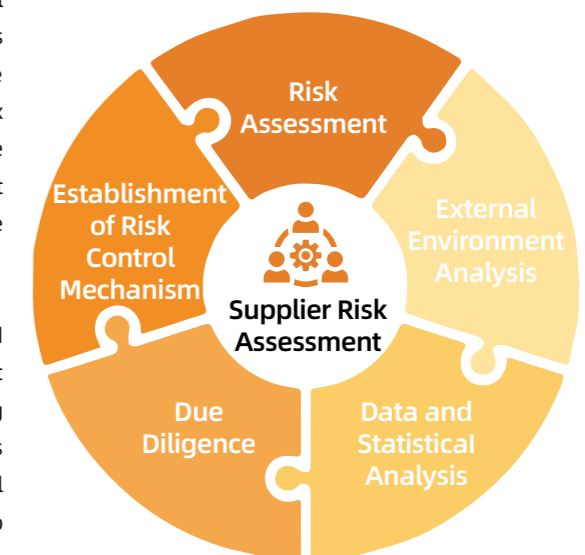


In accordance with the “Supplier Evaluation and Assessment Measures”, Grade C suppliers were included in the alternative supplier pool for 2025, while the Grade D supplier was placed on the elimination list and excluded from future cooperation starting from 2026. The evaluation covered all suppliers engaged during the year and is used to support the ongoing optimisation of the supplier base.

Supplier Risk Assessment

The Group continuously improves its supply chain risk control system. Through a risk assessment mechanism, it conducts comprehensive evaluations of suppliers based on corporate creditworthiness, financial strength, service and pricing, tax compliance, and environmental compliance. At the same time, the Group closely monitors changes in policies, regulations, and market conditions, dynamically adjusting the supplier structure to mitigate operational risks.

At the operational level, the Group conducts data analysis and document reviews to verify suppliers’ environmental impact assessment materials and regulatory records, while implementing rigorous due diligence and on-site inspections for new suppliers to ensure they meet relevant compliance and environmental requirements. Through regular reviews and assessments, the Group continues to expand diversified supplier sources, enhancing the resilience and security of the supply chain from the outset.



► Supplier Collaboration

The Group is committed to building efficient and collaborative supply partnerships through technological empowerment and digitalisation. In terms of technology and quality empowerment, it has established a dynamic data feedback mechanism for bulk raw fuel materials, regularly providing suppliers with on-site testing data to help them accurately monitor quality fluctuations and make targeted production adjustments.

During the “Quality Month” held in 2025, the Group invited technical personnel from Shaanxi Baotashan Paint Co., Ltd. to conduct specialised training and exchange sessions. Through in-depth discussions on product composition, production processes, and application under different operating conditions, clear alignment was achieved on quality specifications and cost-effectiveness, supporting effective quality control and helping mitigate potential operational risks.

The Group continues to advance the digitalisation of its procurement and supply chain management by integrating the BIP financial shared services system with its procurement cloud platform. This integration covers key processes including procurement planning, sourcing and price comparison, electronic contracting, and inventory management, enhancing coordination efficiency and management transparency.

In terms of system development, the Group adheres to the principle of “upgrade before sharing, standardise before optimisation”, upgrading the former “Youyun Procurement” platform to the BIP Procurement Cloud System, integrating finance, treasury, supply chain, and procurement modules. The system was officially launched in 2025.



► Product Quality Management

The Group remains steadfast in its commitment to upholding the Product Quality Law of the People’s Republic of China and other applicable product quality regulations. We have established “stable components, stable strength, and stable performance” as our quality management objectives, implementing stringent internal control measures to ensure the highest standards. Additionally, the Group has formulated and implemented various management policies, including the “Information Management Policy”, “Process Quality Management Policy”, “Sales Management Policy”, and “Customer Complaint Management Policy”, thereby establishing a comprehensive quality management system and production process management system. This system covers the entire product lifecycle, from raw material procurement and production process control to product management, product sales, product shipment inspection, and after-sales technical services.



As at the end of the Reporting Period

a total of **28** cement production enterprises of the Group had obtained certification under the Quality Management System (**ISO 9001**)

The Group’s products maintained stable performance indicators and were well recognised by customers.

The Group has established clear procedures for addressing product quality issues, ensuring that prompt and effective recall actions can be taken where necessary. For product quality or safety concerns, a strict recall protocol is in place, including on-site inspections, documentation and photographic records, submission of recall requests, and proper labelling and segregation of recalled products. In 2025, the Group recorded no product recalls or complaints related to safety or health issues.

The Group adheres to principles of integrity in its marketing practices, ensuring that all advertising content is truthful, accurate, and objective, and does not mislead customers. It continues to implement its Sales Management Policy and regularly conducts responsible marketing training for frontline personnel, including sales staff and weighbridge operators across its subsidiaries. Training covers areas such as communication and service capabilities, interpretation of marketing policies, accurate product information, and customer data protection, supporting consistent service standards and reinforcing brand integrity.

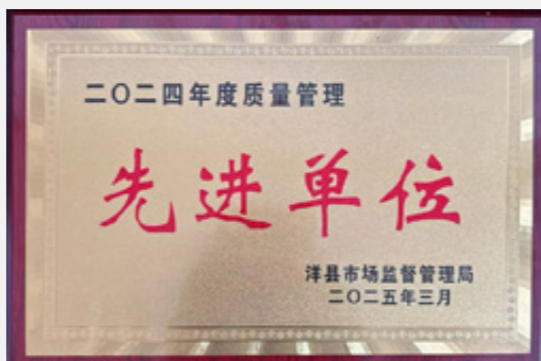
Industry Awards and Recognition



Pucheng Company Wins Special Prize at the 20th "Yumeng Environmental Protection Cup" National Cement Quality Index Testing & Comparison



Pucheng Company and Xunyang Company were honoured as "Regional Cement Quality Benchmark"



Yangxian Company was recognised as an Advanced Unit in Quality Management for 2024



Yaowangshan Company and Xunyang Company were honoured as "2025 Top Ten Enterprises in Special Cement Category"



Customer Relations and Service

The Group adheres to the philosophy of "Customer Demand-oriented and Service First", developing differentiated service and sales solutions tailored to various customer needs, continuously enhancing service quality and brand image. In 2025, the Group advanced initiatives to improve customer satisfaction, conducting monthly service training for customer-facing personnel such as sales and weighbridge staff, covering all business personnel and promoting the standardisation of service practices.

The Group has established a complaint handling mechanism characterised by "multi-channel access, prompt response, and closed-loop management", with optimised processes at key touchpoints such as loading and weighbridge operations, supported by enhanced oversight. The number of related complaints decreased by approximately 50% year-on-year. The Group also systematically collects after-sales feedback through market research, customer interviews, and feedback channels, and conducts regular satisfaction analysis to support continuous improvement in service performance.

During the reporting period



Yaobai Group achieved a **100%** customer complaint resolution rate, with product and service satisfaction exceeding **98%**.

There were **no non-compliance incidents** related to product labelling or marketing promotions during the year, and **no product recalls** occurred due to safety or health reasons.

Privacy Protection

The Group strictly complies with laws and regulations, including the Personal Information Protection Law of the People's Republic of China, placing customer data protection at the core of its corporate social responsibility. It has also established a protection system based on the principles of "compliance as the foundation, processes as the framework, and technology as the shield". The Group has embedded the "minimum necessity" principle for data collection, tiered authorisation rules, and leakage accountability requirements into our business processes, ensuring that all operations remain within the bounds of legal compliance.

In 2025, the Group established a closed-loop management mechanism for the full lifecycle of customer information, implementing strict controls from entry and storage to destruction. Critical operations are subject to a dual-person review system, and external data sharing requires prior review by the legal and finance departments to strictly control data flow boundaries.

In addition, the Group leverages encrypted data transmission and a dynamic access control system to monitor abnormal access activities in real time, effectively preventing unauthorised access and misuse of data. During the reporting period, the Group did not experience any information security breaches.

Information and Data Security

The Group has established a three-tier information security management framework of “unified leadership, tiered management, and full employee participation”, clearly defining the responsibilities of decision-making, management, and execution levels, forming a security assurance mechanism that covers the entire process. In 2025, the Group issued and implemented a revised version of the “Information Management Policy”, focusing on enhancing authorisation management and data operations and maintenance requirements, ensuring that information security aligns with the Group’s strategic development.

Technical Reinforcement

- Strengthened core system security by enhancing infrastructure safeguards and implementing multi-factor authentication (MFA) across key systems, including finance and supply chain, to reduce unauthorised access and account misuse risks.

Disaster Recovery System

- Optimised data backup strategy with a dual-layer mechanism of “real-time local backup and off-site disaster recovery”, ensuring data resilience and enabling rapid recovery under extreme scenarios.

Regular Training

- Conducted six company-wide training sessions covering senior management and key personnel, focusing on phishing identification and data protection, to enhance employee awareness and proper handling of sensitive information.

Technology and Innovation

The Group is committed to driving transformation and upgrading through research and development (R&D), continuously increasing investment, building a specialised team, and equipping it with advanced industry-standard facilities. It also actively collaborates with leading domestic universities and research institutions to advance technological leadership and facilitate the commercialisation of research outcomes.

► Intellectual Property Rights

To strengthen the protection and utilisation of intellectual property rights, the Group strictly implements the Intellectual Property Management System, incorporating trademarks, patents, and software copyrights into its management scope, thereby fostering technological innovation and the development of proprietary intellectual property. Additionally, the Group provides regular intellectual property training for employees, encouraging all staff to actively participate in innovation and intellectual creation, continuously enhancing market competitiveness.

In 2025, the Group focused on its core cement business while extending along the upstream and downstream value chain, successfully advancing 21 key R&D projects, including “new low-density early-strength cement”, “anti-carbonation cement”, and “LC3 (Limestone Calcined Clay Cement) produced from calcined coal gangue.” Among these, green high-performance light-transmitting concrete technology has achieved significant energy-saving results, increasing indoor daylighting coefficient by up to 30%. During the year, the Group also participated in the development of 1 industry standard, further enhancing its technological influence within the industry.

As of the end of the reporting period



the Group held a total of **384** valid patents, including **35** invention patents and **349** utility model patents. In 2025, the Group obtained **8** new national invention patents and **19** new utility model patents.

► Digitalisation

In 2025, the Group deepened the principle of “upgrade before sharing, standardise before optimisation”, fully rolling out the Financial Shared Service Centre project. Through iterative upgrades to the financial and supply chain systems, the Group achieved deep integration with logistics, “One-Card” system, and OA system, establishing an end-to-end collaborative framework connecting business flows, capital flows, and information flows. The standardised and automated operations of the financial shared services centre have effectively addressed data silos and supported the transformation of finance from a transactional function to a value-creating function, laying a solid foundation for the Group’s digital and intelligent transformation.

The Group continues to optimise its production digital management and control platform. In 2025, the QR code-based inspection function within the equipment management module was upgraded and implemented in selected units, improving on-site data management processes and enhancing operational efficiency. During the year, total platform visits reached approximately 720,000, with an average of 2,000 daily visits.

► Intelligent Exploration

In response to the trend of digital empowerment driving the green transformation of industry, the Group actively advances the development of intelligent systems in production and environmental protection. In 2025, the Group prioritised the rollout of the “Expert Control System”, which has now been implemented at 7 domestic companies. Through advanced control strategies and refined operations, this system effectively reduced coal consumption and mill power consumption, providing intelligent support for efficient and low-carbon cement production. Additionally, the Group’s self-developed “Cement Ultra-Low Emission Environmental Control Platform” has been deployed at 13 companies, leveraging GIS and big data technologies to aggregate multi-source data, helping the Group achieve precise compliance in environmental management.

In terms of smart mine development, the digital mine system was successfully expanded to the Yaowangshan, Taibaishan, and Shangluo Laohugou mines in 2025. During the year, the Group piloted the construction of a “Transparent Geological Model” for mining planning simulation and introduced an “Intelligent AI Monitoring System” for 24-hour surveillance of critical areas, enabling precise identification of safety hazards and real-time alerts and achieving rapid response and closed-loop risk management.

06

COMMUNITY JOINT DEVELOPMENT:

Deepening Community Connections

The Group upholds the philosophy of shared development, actively integrating into the communities where it operates. Through sustained and well-organised philanthropic contributions and community engagement, we support educational development and the community, striving to create a sustainable and positive impact on society.



Education Support

Education is a core driver of social progress and future innovation. The Group has always prioritised supporting education as a primary measure of fulfilling its social responsibility. In 2025, we adopted a three-in-one model of "foundation platform, government co-construction, and brand public welfare" to effectively promote educational equity and improve educational quality.

Government-Enterprise Collaboration for Targeted Assistance

Yaobai Group signed a joint education agreement with the People's Government of Pucheng County, Shaanxi Province, where the company originated, and established a dedicated education fund to provide long-term and stable support for the development of local basic education, promoting the equitable sharing of high-quality educational resources.



Specialised Education Alliance Development

2025 marked the 7th year of operation for the Shaanxi Yaobai Education Assistance Foundation. During the year, the Foundation invested approximately RMB 1.65 million to focus on the "Yaobai-Yaoshan" Basic Education Alliance special initiative, comprehensively enhancing the quality of regional basic education.

"Golden Autumn School Aid" Brand Initiative

In the autumn semester of 2025, Yaobai Group carried out the "Golden Autumn School Aid" initiative as scheduled. During the year, RMB 520,000 was invested to provide targeted assistance to 126 students in need. To date, the cumulative investment in this initiative has reached RMB 3 million, benefiting 1,200 students in need.



In the future, the Group will continue to deepen our investment in the education sector, expand the reach of our public welfare initiatives, and explore diverse models of education support. Through concrete actions, it will uphold the philosophy of sustainable development and contribute to building a more equitable and higher-quality education environment.

Social Welfare

The Group adheres to the principle of "rooted in the community, benefiting the local area", maintaining communication with communities through multiple channels. In 2025, we continued to utilise existing community engagement mechanisms to ensure timely understanding of residents' concerns. In terms of environmental protection and resource sharing, member companies of the Group actively participated in community infrastructure maintenance and environmental greening activities, taking concrete actions to uphold the philosophy of sustainable development and jointly build a harmonious community.

In 2025, Yaobai Group took the lead in coordinating and carrying out 33 batches of donation activities across areas such as education revitalisation, industrial development, and organisational empowerment, with a cumulative investment of approximately RMB 5.5108 million in public welfare funds, benefiting a total of 7,000 individuals.

Yaobai International Group has long been rooted in Africa, actively fulfilling its corporate social responsibilities and making local community development an integral part of its sustainable development efforts. In response to the actual needs of African countries, the Group continues to carry out public welfare initiatives in areas such as education support, community development, medical assistance, and livelihood improvement. Through diversified philanthropic contributions, the Group gives back to society and promotes the shared growth and prosperity of the enterprise and local communities.

In 2025, Yaobai International Group made cumulative public welfare donations exceeding USD 395,000 across its operating regions in Africa, continuously contributing to local community development and the enhancement of social well-being.



Angola Company Organised a Series of "Children's Day" Charity Activities



Dugongo Cements, SA Collaborated with FCB Bank to Organise a Special "African International Children's Day" Activity



Tanzania Company Made a Charitable Donation to Support Educational Development in Kigoma - Manarache Primary and Secondary School



Great Lakes Cement SAS Donated Medical Supplies to Kabimba Community Hospital

APPENDIX

Appendix 1: Law and Regulations

Aspects	Applicable Laws and Regulations	Compliance Status
Environmental Management	“Environmental Protection Law of the People’s Republic of China” “Air Pollution Prevention and Control Law” “Solid Waste Pollution Prevention and Control Law” “Water Law of the People’s Republic of China” “Water Pollution Prevention and Control Law of the People’s Republic of China” “Noise Pollution Control Law of the People’s Republic of China” “14th Five-Year Plan for Environmental Impact Assessment and Pollution Permit Work Implementation Plan”	During the year, the Group has not violated any laws or regulations regarding emissions and greenhouse gas emissions, pollution to water and land, and the production of hazardous or non-hazardous waste that have had a significant impact on the Group.
	“The Labour Law of the People’s Republic of China” “The Labour Contract Law of the People’s Republic of China” “Employment Promotion Law of the People’s Republic of China” “Minor Protection Law of the People’s Republic of China”	During the year, the Group is not aware of any legal or regulatory issues related to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, anti-discrimination, and other treatment and benefits, including those preventing child labour and forced labour, that have had a significant impact on the Group.
	“Work Safety Law of the People’s Republic of China” “Fire Protection Law of the People’s Republic of China” “Implementation Measures for the Safety Production Permit of Non-Coal Mines”	During the year, the Group has not experienced any serious work injuries or work-related deaths.
	“The Work Safety Law of the People’s Republic of China” “The Standard for Safety Production Assessment of Cement Enterprises” “The Occupational Disease Prevention and Control Law of the People’s Republic of China”	During the year, the Group is not aware of any violations related to providing a safe working environment and protecting employees from occupational hazards that have had a significant impact on the Group.
	“Product Quality Law of the People’s Republic of China”	During the year, regarding the Group’s products and services related to health and safety, advertising, labelling, privacy matters, and remedial measures, our group has not discovered any illegal incidents that have had a significant impact on the Group.
Anti-Corruption	“The Anti-Unfair Competition Law of the People’s Republic of China” “The Anti-Money Laundering Law of the People’s Republic of China” “The Criminal Law of the People’s Republic of China”	During the year, the Group has not discovered any legal or regulatory actions related to bribery, extortion, fraud, or money laundering that have had a significant impact on the Group.

Appendix 2: Key Performance Indicators

Environmental KPIs	Unit	2024	2025
Resource Consumption			
Direct energy consumption	hundred million kWh	99.11	93.01
Total coal consumption	hundred million kWh	99.11	93.01
Indirect energy consumption	hundred million kWh	8.55	8.05
Total electrical energy consumption	hundred million kWh	8.55	7.88
Comprehensive energy consumption	hundred million kWh	107.66	101.06
Energy consumption per unit of clinker (Clinker process)	kWh/tonne of clinker	852.75	879.02
Energy consumption per unit of operating revenue	hundred million kWh/RMB 100 million	1.29	1.05
Total water consumption	tonne	2,736,700	2,400,688
Water consumption per tonne of clinker production (clinker process)	tonnes of water consumption/tonne of clinker	0.21	0.21
Water consumption per unit of business income	tonnes of water consumption RMB hundred million revenues	32,794.68	24,952.10
Consumption of cement packaging bags	tonne	7,200	8,172
Unit tonnage consumption of cement packaging materials	kg/tonne	1.4	1.4
Cement packaging bags consumed per unit of business income	tonnes/RMB hundred million revenues	86.28	84.94
Direct greenhouse gas emissions (Scope 1)	tonne of CO ₂ equivalent	9,889,916.90	7,468,107.63
Indirect greenhouse gas emissions (Scope 2)	tonne of CO ₂ equivalent	422,843.86	316,334.77
Total greenhouse gas emissions (Scope 1 + Scope 2)	tonne of CO ₂ equivalent	10,312,760.76	7,784,442.4
Greenhouse gas emissions per unit of clinker produced (clinker process)	tonne of CO ₂ equivalent/tonne of clinker	0.8614	0.8
Total SO₂ emissions	tonne	282.00	258.91
SO ₂ emission Intensity	kg/tonne of clinker	0.02	0.03
Total NO_x emissions	tonne	4,249.82	3038.42
NO _x emission Intensity	kg/tonne of clinker	0.348	0.322
Total particulate matter emissions	tonne	234.11	262.63
Particulate matter emission Intensity	kg/tonne of clinker	0.019	0.027
Total hazardous waste	tonne	120.64	142.25
Hazardous waste generated per unit of operating revenue	tonne of hazardous waste/RMB hundred million revenues	1.45	1.48
Total non-hazardous waste	tonne	310.93	440.20
Non-hazardous waste generated per unit of operating revenue	tonne of nonhazardous waste/RMB hundred million revenues	5.40	4.58

Social KPIs		Unit	2024	2025
Total Number of Employees		person	9,504	9,422
By Gender	Male	person	8,182	8,135
	Female	person	1,322	1,287
By Rank	Senior management	person	364	384
	Middle management	person	956	1,072
	General employee	person	8,184	7,966
By Age	Under 30	person	2,576	2,202
	30-39	person	3,465	3,388
	40-49	person	2,278	2,519
By Region	Over 50	person	1,185	1,313
	Mainland China	person	4,454	3,913
	Overseas	person	5,050	5,509
By Length of Service	Less than 2 years	person	3,547	3,484
	3-5 years	person	2,019	1,732
	6-9 years	person	1,338	1,569
	More than 10 years	person	2,600	2,637
By Educational Level	Bachelor's degree and higher	person	1,912	2,430
	College degree	person	1,746	1,424
	Lower than college degree	person	5,846	5,568
Employee Turnover Rate		%	5.91	
By Gender	Male	%	5.76	8.75%
	Female	%	6.88	9.40%
By Age ¹³	Under 29	%	18.24	13.08%
	30-39	%	9.04	8.83%
	40-49	%	5.54	6.27%
	Over 50	%	5.31	6.70%
Lost days due to work injury		day	1,364	898
Training KPIs				
Total Number of Employees Trained		person	9,504	9,198
Total Training Hours		hour	121,347	97,872
Percentage of Employees Trained		%	95	97.62
By Gender	Male	%	95	97.62
	Female	%	95	97.62
By Rank	Senior management	%	95	97.62
	Middle management	%	95	97.62
	General employee	%	95	97.62
Average Training Hours per Employee		hour	12.46	7.17
By Gender	Male	hour	12.46	7.17
	Female	hour	12.46	7.17
By Rank	Senior management	hour	12.46	4.88
	Middle management	hour	12.46	11.41
	General employee	hour	12.46	12.00
Other Operating Data				
Number of Major Partner Suppliers		unit	2,215	2,216
By Region	Mainland China	unit	2,209	2,202
	Overseas	unit	6	14
Percentage of Products Recalled for Safety and Health Reasons		%	0	0
Handing Rate of Complaints About Services and Products		%	100	100
Number of Corruption Litigation Cases		case	0	0
Investment In Public Welfare		ten thousand yuan (RMB)	660.00	551.08

¹³ The statistical scope of the relevant data for Yaobai International Group in this section covers only the turnover rate of Chinese national employees and does not include foreign national employees.

Appendix 3: ESG Content Index

Indicators	HKEX ESG Reporting Code Requirements	Section/Remarks
Governance Structure		
General Disclosure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Governance: Strengthening Governance Foundations -Board Statement -ESG Governance Structure
Reporting Principles		
General Disclosure	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About the Report
Reporting Boundary		
General Disclosure	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Appendix 1: Law and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Appendix 2: Key Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 2: Key Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 2: Key Performance Indicators

Indicators	HKEX ESG Reporting Code Requirements	Section/Remarks
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Ecological Environment: Protecting Natural Ecosystems - Waste Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Ecological Environment: Protecting Natural Ecosystems - Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Transformation: Advancing Climate Action -Key Climate Actions Ecological Environment: Protecting Natural Ecosystems -Water Resource Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix 2: Key Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix 2: Key Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Transformation: Advancing Climate Action -Key Climate Actions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Ecological Environment: Protecting Natural Ecosystems -Water Resource Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Ecological Environment: Protecting Natural Ecosystems -Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	Ecological Environment: Protecting Natural Ecosystems -Green Mines and Land Use -Ecological Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Environment: Protecting Natural Ecosystems -Green Mines and Land Use -Ecological Protection
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social Inclusion: Caring for Employee Well-being-employment Appendix 1: Law and Regulations
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Social Inclusion: Caring for Employee Well-being -Employment Appendix 2: Key Performance Indicators

Indicators	HKEX ESG Reporting Code Requirements	Section/Remarks
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Inclusion: Caring for Employee Well-being -Employment Appendix 2: Key Performance Indicators
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social Inclusion: Caring for Employee Well-being -Occupational Health and Safety Appendix 1: Law and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Inclusion: Caring for Employee Well-being -Occupational Health and Safety Appendix 2: Key Performance Indicators
KPI B2.2	Lost days due to work injury.	Social Inclusion: Caring for Employee Well-being -Occupational Health and Safety Appendix 2: Key Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social Inclusion: Caring for Employee Well-being -Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social Inclusion: Caring for Employee Well-being -Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 2: Key Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix 2: Key Performance Indicators
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social Inclusion: Caring for Employee Well-being -Employment Appendix 1: Law and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Inclusion: Caring for Employee Well-being -Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social Inclusion: Caring for Employee Well-being -Employment
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Operations: Strengthening Quality and Trust -Responsible Supply Chain

Indicators	HKEX ESG Reporting Code Requirements	Section/Remarks
KPI B5.1	Number of suppliers by geographical region.	Responsible Operations: Strengthening Quality and Trust -Responsible Supply Chain Appendix 2: Key Performance Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Operations: Strengthening Quality and Trust -Responsible Supply Chain Appendix 2: Key Performance Indicators
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Operations: Strengthening Quality and Trust -Responsible Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Operations: Strengthening Quality and Trust -Responsible Supply Chain
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Operations: Strengthening Quality and Trust -Product Quality Management -Customer Relations and Service Appendix 1: Law and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Responsible Operations: Strengthening Quality and Trust -Product Quality Management -Customer Relations and Service
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Responsible Operations: Strengthening Quality and Trust -Product Quality Management -Customer Relations and Service Appendix 2: Key Performance Indicators
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Operations: Strengthening Quality and Trust -Technology and Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	Responsible Operations: Strengthening Quality and Trust -Product Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Responsible Operations: Strengthening Quality and Trust -Customer Relations and Service -Privacy Protection
Aspect B7: Anticorruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	ESG Governance: Strengthening Governance Foundations -Business Ethics and Integrity Management Appendix 1: Law and Regulations

Indicators	HKEX ESG Reporting Code Requirements	Section/Remarks
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	ESG Governance: Strengthening Governance Foundations -Business Ethics and Integrity Management Appendix 2: Key Performance Indicators
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	ESG Governance: Strengthening Governance Foundations -Business Ethics and Integrity Management
KPI B7.3	Description of anti-corruption training provided to directors and staff	ESG Governance: Strengthening Governance Foundations -Business Ethics and Integrity Management
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Joint Development: Deepening Community Connections -Education Support -Social Welfare
KPI B8.1	Focus areas of contribution.	Community Joint Development: Deepening Community Connections -Education Support -Social Welfare
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Joint Development: Deepening Community Connections -Education Support -Social Welfare

READERS' COMMENTS AND FEEDBACK

Dear Reader,

Thank you for reading the 2025 Environmental, Social, and Governance (ESG) Report of West China Cement Limited. We sincerely welcome your feedback on both our ESG initiatives and this report itself. Your comments and suggestions will play a vital role in helping us continuously improve our ESG management practices and enhance the quality of our disclosures. Please feel free to complete the feedback form below and return it to us by post or email. We greatly appreciate your input!

West China Cement Limited
April 2026

Contact Us

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Your evaluation of the report: (Please tick "√" at the corresponding place)

Which stakeholder group do you belong to?

Employee Client Government Public Partner Public Welfare Organization Others

Your overall evaluation of the Report:

	Very Good	Good	Average	Poor	Very Poor
Report Content	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Textual Expression	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Design and Layout	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Your evaluation of the significant economic, social, and environmental impacts of West China Cement embodied in the Report is:

Very Good Good General Poor

Have you obtained the information you wish to know in the Report:

Yes No

Do you find the report's layout and structure easy to read?

Yes No



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