



中国建材

中材节能股份有限公司
Sinoma Energy Conservation Limited



2025

Sustainability (ESG) Report

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Opening Section

About This Report

Report Profile

This report is the 2025 Sustainability (ESG) Report published by Sinoma Energy Conservation Ltd. ("Sinoma EC," "the Company," or "we"). It showcases the ESG philosophy, practices, and major progress of Sinoma EC in 2025, aimed at strengthening communication and engagement with internal and external stakeholders.

Reporting Scope

- **Organizational Scope:** This report takes Sinoma Energy Conservation Ltd. as the main body and covers all member enterprises within the scope of the Company's consolidated financial statements.
- **Timeframe:** January 1, 2025, to December 31, 2025 (the "Reporting Period"). To enhance comparability and completeness, some content extends back to previous years where applicable.
- **Reporting Cycle:** This report is published annually, consistent with the financial year.

Reporting Standards

- *Sustainable Development Goals (SDGs)* from the United Nations 2030
- *GRI Sustainability Reporting Standards (2021 Edition) (GRI Standards 2021)* by the Global Reporting Initiative
- *ISO 26000:2010 Social responsibility* by the International Organization for Standardization
- *The Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* by the Shanghai Exchange
- *General Framework of the China Corporate Sustainable Development Report Guide (CASS-ESG 6.0)* by the Chinese Academy of Social Sciences

Reporting Principles

- **Materiality:** The Company identifies the material topics for the year by reviewing the results of the annual materiality assessment and compiles this report centered on these topics.
- **Quantifiability:** The Key Performance Indicators (KPIs) disclosed regarding historical data are measurable. Where feasible, information on the standards, methodologies, assumptions, calculation tools, and sources of conversion factors used for quantitative data is disclosed.
- **Balance:** This report provides an unbiased representation of the Company's performance during the Reporting Period, avoiding selections, omissions, or presentation formats that may inappropriately influence the decisions or judgments of readers.
- **Consistency:** Unless otherwise stated, the disclosure and statistical methodologies used in this report are consistent with those of previous years.

Information Sources

The information and data disclosed in this report are derived from internal formal documents, statistical reports, annual reports, and ESG practice cases of Sinoma Energy Conservation Ltd. The financial data involved in this report is sourced from the 2025 annual audit report. Unless otherwise specified, there is no discrepancy in the financial data calculated according to the aforementioned standards. Unless otherwise stated, all financial data in this report are denominated in RMB.

Confirmation and Approval

The Board of Directors and all directors of Sinoma EC guarantee that the contents of this report contain no false records, misleading statements, or material omissions, and they assume legal responsibility for the truthfulness, accuracy, and completeness of its contents.

Report Access

This report is available in Simplified Chinese and English, in both printed copy and electronic PDF formats. The electronic version (PDF) can be downloaded from the Shanghai Stock Exchange website (<https://www.sse.com.cn>) and the official website of Sinoma Energy Conservation Ltd. (<http://www.sinoma-ec.cn>). In case of any discrepancy between the Chinese and English versions, the Simplified Chinese version shall prevail. For a print copy, please contact us at 022-27788125.

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Message from the Chairman



Meng Qinglin

Secretary of the Party Committee and Chairman



2025 marks the concluding year of the Company's "14th Five-Year Plan" and a pivotal year to "Consolidate Foundations, Explore New Horizons, and Forge Ahead under Pressure." Facing a complex environment characterized by accelerated global green transformation and profound adjustments in the industry's competitive landscape, the Company has always kept the "Nation's Most Fundamental Interests" in mind. Committed to serving the national "Dual Carbon" strategy, we have stood at the forefront of the green revolution, driving development through innovation and leading the future with responsibility. We have successfully achieved the goals set for the "14th Five-Year Plan," laying a solid foundation for the new journey of the "15th Five-Year Plan."

Strengthening Foundations and Building a Solid Base for Development Through Excellence in Governance. The Company consistently improves the modern state-owned enterprise governance system with Chinese characteristics. By optimizing the "Three Meetings and One Management" power and responsibility mechanism, and deepening the synergy among compliance, risk control, and integrity governance, we have established a "Comprehensive Oversight and Prevention" system that integrates legal affairs, risk management, internal control, and compliance. We stimulate organizational vitality through deepened reforms and enhance management efficiency through institutional building, driving the modernization of the corporate governance system and capabilities to new heights, providing a strong institutional guarantee for the Company's steady and sustainable progress.

Green Leadership, Fulfilling Our Mission Through Industrial Practice. The Company deeply practices the philosophy that "Lucid Waters and Lush Mountains are Invaluable Assets," systematically building a green industrial ecosystem where the three main businesses- "Clean Energy, Engineering and Equipment, and Building Energy-Saving Materials"-develop in synergy. In the field of Clean Energy, we focus on integrated energy management of "Solar, Storage, Thermal,

and Biomass" and the large-scale application, with multiple landmark projects taking root and the growth pole of new energy business accelerating. In Engineering & Equipment, we delve into industrial energy conservation, waste-heat utilization, and solid waste resource recovery, serving global green development with energy-saving and carbon-reducing technical equipment. In the field of building energy-saving materials, we focus on green intelligent manufacturing, premium products, and brand development to create high-quality green building materials. Calcium silicate board products have been included in the Catalogue of Applicable Building Material Products for "Good House" Construction (2025).

Innovation-Driven: Forging Core Momentum Through Technological Self-Reliance. The Company upholds technological innovation as the primary driver of development, continuously increasing R&D investment in key areas such as energy conservation and carbon reduction technologies, new materials, and new energy equipment. A series of major achievements, including fourth-generation waste heat recovery power generation technology, polymer material recycling technology, and intelligent calcium silicate board production lines, have achieved industrial breakthroughs. We strengthen the international application of green and low-carbon technologies, exporting self-innovated technologies such as waste-to-energy and low-carbon building materials to countries along the "Belt and Road," contributing Chinese wisdom and solutions to global green transformation and continuously injecting strong momentum into the cultivation of new quality productive forces.

Open and Win-Win: Expanding Development Horizons with a Global Perspective. The Company upholds the principles of "Extensive Consultation, Joint Contribution, and Shared Benefits," deeply integrating into the global green industrial chain. Leveraging the synergistic advantages of R&D, manufacturing, engineering services, and investment, we have successfully expanded our business into emerging

markets such as Southeast Asia, Central Asia, the Middle East, Africa, and South America, establishing long-term strategic partnerships with leading enterprises in multiple countries. Through technology export, investment cooperation, and localized operations, we have not only achieved growth in commercial value but also actively fulfilled our social responsibility to improve local energy structures and promote livelihood development, with synchronized improvements in the resilience, quality, and brand reputation of our international development.

Acting with Integrity, Delivering on Social Expectations Through Responsible Value Creation. The Company always adheres to a people-oriented approach, placing employee growth at the core of corporate development and continuously improving the talent development and care system. We firmly establish the concept of safe development, consolidating long-term mechanisms for workplace safety. We actively fulfill our corporate social responsibilities, taking initiative in fields such as rural revitalization, community co-construction, and public philanthropy, ensuring that the fruits of corporate development benefit society more fairly and extensively, striving to shape the image of a respected industry leader.

As the call to action sounds and thousands of vessels race forward, action and diligence are the order of the day. Standing at the new starting point of the "15th Five-Year Plan," Sinoma EC will always take "Promoting Green Revolution, Lighting up a Low-Carbon Future" as its goal. With a higher stance, broader vision, and more practical measures, we will strive to build a world-class comprehensive green energy and environmental protection service provider with leading technology, excellent management, and an outstanding brand. We will join hands with all sectors of society to compose an even more splendid green chapter in the grand journey of serving national strategies and advancing global sustainable development



About Sinoma EC

Company Profile

Company Overview

Sinoma EC is an A-share main board listed company, specializing in the green energy and low-carbon industry (Stock Abbreviation: Sinoma EC; Stock Code: 603126). Adhering to the development philosophy of "Green and Low-Carbon, Value Creation," the Company focuses on its core business advantages to form a green industrial system centered on Clean Energy, Engineering and Equipment, and Building Energy-Saving Materials. With a global vision and deepened international market layout, we continuously cultivate new growth points for high-quality development, striving to become a world-class comprehensive green energy and environmental protection service provider.

Innovation-Driven, Building Technological High Ground. Relying on its National Enterprise Technology Center, the Company continuously promotes breakthroughs in key core technologies. It has accumulated over 500 authorized patents and led or participated in the formulation of 18 national standards, forming an independent intellectual property system covering key green and low-carbon fields, establishing an industry-leading position with solid R&D strength.

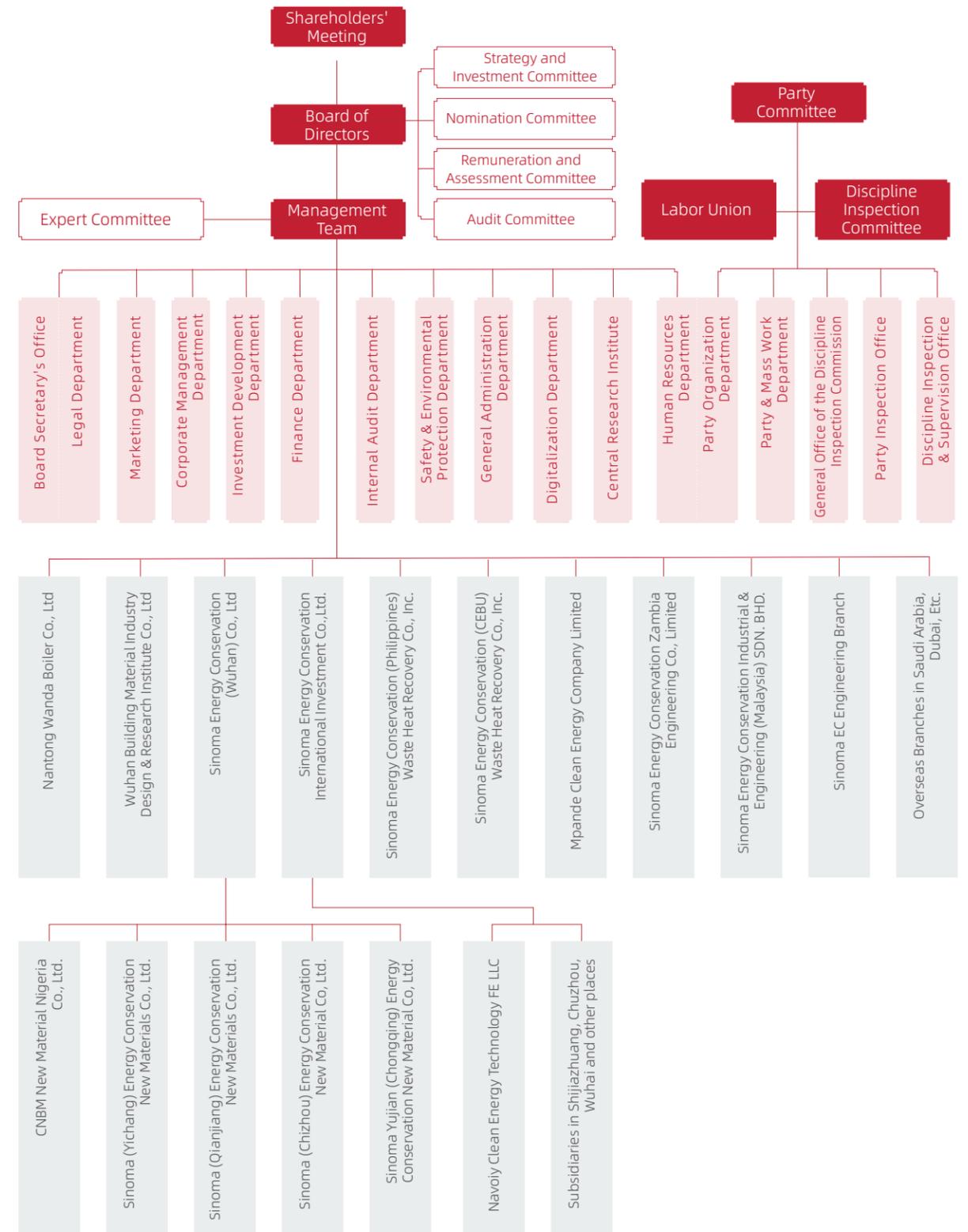
Integrated Services, Delivering System Solutions. The Company possesses full-chain service capabilities from R&D and design to equipment manufacturing and intelligent operation and maintenance. We provide full-process, one-stop integrated solutions for scenarios such as industrial parks, mining areas, and zero-carbon parks, supporting customers in energy efficiency improvement and green transformation through deep synergy.

Model Innovation, Achieving Full-Cycle Value Creation. The company has deepened its expertise in the integrated Investment-Construction-Operation (ICO) model, accumulating extensive practical experience across various business models including BOO, BOOT, and EMC. It has successfully implemented nearly 30 investment and operation projects, establishing a comprehensive model spanning from project design and construction to long-term operation. This approach ensures sustained growth in client value and delivers stable returns on assets.

Global Footprint, Fulfilling Green International Responsibility. As a committed participant of the "Belt and Road" Initiative, the Company's business covers more than 40 countries and regions worldwide. We have designed and constructed over 500 clean energy and energy-saving and carbon-reduction projects, and established institutions in key regions such as Southeast Asia, Central Asia, the Middle East, and Africa. We continue to support global energy transformation with Chinese technology and solutions, with our international operation capabilities and brand influence becoming increasingly prominent.



Governance Structure



Development Strategy

The Company closely follows the national "Dual-Carbon" strategy and the global green development strategy, focusing on developing new quality productivity. Adhering to the concept of "Based on Reality, Leveraging Advantages, Innovation-driven, and Green Development", the Company transforms these into core driving forces and new growth poles to promote high-quality development. The Company remains steadfast in following the path of green and low-carbon development, focusing on the three main businesses of "Clean Energy, Engineering and Equipment, and Building Energy-Saving Materials." Through full industry chain collaboration and global layout, we building a green, diversified, and synergistic clean energy service platform. We will continue to deepen the core capabilities of engineering and equipment, actively explore and layout related diversified new material fields, and fully build the Company into a world-class comprehensive green energy and environmental protection service provider.

Clean Energy

Based on both domestic and international markets, we build a market-oriented, specialized, and operation platform for clean energy. Relying on technical and resource advantages in WHR, geothermal energy, new energy, and energy storage, our business covers three major directions: clean energy power generation, industrial and commercial energy storage, and fossil fuel substitution. On the power supply side, we comprehensively utilize various energy sources such as waste heat, photovoltaics, wind power, and energy storage to provide integrated green power solutions for industrial and commercial customers, improving energy efficiency. On the alternative energy side, we actively promote the replacement of traditional fossil energy with biomass energy and hydrogen energy, helping customers achieve deep decarbonization. On the resource recycling side, we expand our solid waste resource utilization business around waste-to-oil conversion, red mud and coal gangue comprehensive utilization, promoting the development of a circular economy and forming a new pattern of coordinated development of clean energy and resource recycling.

Engineering and Equipment

We adhere to the development direction of "Technology-Led, Equipment-Supported, and Global Service". The engineering service business will continue to consolidate its leading advantages in fields such as efficient WHR power generation and green building materials. Through technological innovation and equipment R&D, we are deeply involved in energy-saving renovations of high-energy-consuming industries such as cement, steel, and chemicals, and are extending into new fields such as carbon materials, exporting Chinese standards and solutions. In terms of operation and maintenance services, we extend high-value-added services to provide equipment operation and maintenance, energy efficiency optimization, and digital "AI" services, offering customers system solutions covering the entire lifecycle. Our equipment manufacturing business is accelerating technological iteration and intelligent, service-oriented transformation, focusing on developing product series such as waste incineration power generation, waste heat power generation, biomass power generation boilers, solar thermal power generation, and energy storage equipment, building a new matrix of advanced and comprehensive environmental protection and energy equipment. By integrating resources across the entire chain of "R&D Design–Equipment Manufacturing–Engineering Installation–Operation and Maintenance Services," we promote an integrated service model of "Customized Equipment + Engineering Support + Long-term Operation and Maintenance," precisely matching the diverse needs of our customers.

Building Energy-Saving Materials

Following the development idea of "One Trunk, Two Branches, Multiple Leaves, and Global Layout," we will fully leverage the synergistic advantages of the Company's technology, equipment, and engineering services to continuously iterate and upgrade the product system. Drive the upgrade from single materials to systematic solutions. Leveraging overseas manufacturing bases and brand resources, actively connect with the differentiated needs of the global market, accelerate the layout of production capacity and supply chain collaboration in Southeast Asia, Africa, and key countries and regions along the Belt and Road Initiative, and promote the "Going Global" of the entire chain of technology, standards, equipment, and services. By building a global R&D, production, and sales system, continuously enhance international market competitiveness and brand influence, achieving a leap from product export to brand and standard export.

Main Businesses

The Company focuses on "Green and Low-Carbon" development, advancing both strategic emerging industries and traditional industries. It continuously increase the transformation and upgrading of traditional industries while strategically positioning future emerging industries to provide lasting momentum for high-quality development.

Main Business	Core Activities	Key Entities
<p>Clean Energy</p>	<p>Focus on the development and efficient utilization of diversified clean energy such as solar, geothermal, and biomass energy; actively layout energy storage system integration and integrated energy management services.</p>	<p>Sinoma EC International Investment Co., Ltd. Navoiy Clean Energy Technology FE LLC Mpande Clean Energy Company Limited Sinoma Energy Conservation Zambia Engineering Co., Limited Sinoma Industrial Energy Storage Tech (Tianjin) Co., Ltd.</p>
<p>Engineering and Equipment</p>	<p>Focus on the efficient utilization of waste-heat and pressure, low-carbon recycling of solid waste, and deep cultivation in the R&D and manufacturing of efficient low-carbon thermal energy equipment and new building material equipment.</p>	<p>Nantong Wanda Boiler Co., Ltd Wuhan Building Material Industry Design & Research Institute Co., Ltd. Sinoma EC Engineering Branch Sinoma Energy Conservation Industrial & Engineering (Malaysia) SDN.BHD.</p>
<p>Building Energy-Saving Materials</p>	<p>Focus on the development of calcium silicate board series products characterized by green and low-carbon properties, safety, environmental protection, fireproofing, moisture-proofing, corrosion resistance, and high adaptability.</p>	<p>Sinoma Energy Conservation (Wuhan) Co., Ltd. CNBM New Material Nigeria Co., Ltd. Sinoma (Yichang) Energy Conservation New Materials Co., Ltd. Sinoma (Qianjiang) Energy Conservation New Materials Co., Ltd. Sinoma (Chizhou) Energy Conservation New Material Co, Ltd. Sinoma Yujian (Chongqing) Energy Conservation New Material Co, Ltd.</p>

Cultural Philosophy

The Company practices the core values of "Innovation, Performance, Harmony, and Responsibility", integrating the concept of "Green and Low-Carbon" into its corporate strategy. We stand united with the nation, aligned with nature, in step with the world, and alongside our customers, consciously shouldering social responsibility, keeping it close to heart, and translating it into action. We strive to give back to society through high-quality development outcomes, working together to create a brighter future!



Annual Honors

During the Reporting Period, the Company continued to achieve positive results in green and low-carbon development, technological innovation, operation management, and brand building. Its comprehensive strength and industry influence have steadily increased, earning numerous honors and recognition from government authorities, industry associations, and all sectors of society, fully demonstrating the Company's stable performance in promoting high-quality development.



Key Business Awards

Listed Company Awards

Sinoma Wuhan was officially recognized as a Hubei Provincial "Enterprise Technology Center". The Sinoma Yujian Industrial R&D and Manufacturing Base Project and the Guangxi Guigang New Building Materials Project were awarded the First Prize and Second Prize respectively for Outstanding Engineering Design in the building materials engineering industry.

Wanda Power was honored with the title of "2025 Enterprise with Outstanding Contributions to High-quality Development."



2025 Best Practice Cases for Listed Company Boards

2025 Best Practice for Listed Company Board Office

Best Practice in 2024 Annual Report Performance Briefing

The Company's "The latest generation of cement kiln waste-heat recovery technology" was selected as an "Enterprise New Quality Productivity Development Excellence Case" for 2025 by the China Enterprise Reform and Development Society, and was included in the MIIT's Recommended Catalogue of Recommended Energy-Saving Technologies and Equipment (2025).

The Company's Chuzhou United Project Department won the title of Advanced Collective in the national "Ankang Cup" competition.

The Pakistan D.G. Khan Waste Heat Power Plant Retrofit Project Kenya Sponge Iron Waste Heat Recovery and Dolomite Carbon Reutilization Project of the Company were selected as "2025 Exemplary Cases of International Cooperation in Industrial Green and Low-Carbon Development" by the Center for International Economic and Technical Cooperation (CIETC) of the Ministry of Industry and Information Technology (MIIT).



Board of Directors of Chinese Listed Companies—The "Golden Round Table" Award

The Second Prize for 2025 Excellent Achievements in China's Enterprise Reform and Development

Highlights Performance

◆ Solid Action to Strengthen the Foundation for Development



- The Board of Directors consists of **8** members, including **3** independent directors, representing **37.5%** of the Board.
- **9** board meetings and **14** special committee meetings were held throughout the year.
- **15** legal and compliance training sessions were conducted, covering **395** person-times.
- **11** anti-corruption special training sessions were held, covering **530** employee person-times and **30** board member person-times.

◆ Pursuing Green to Protect Ecological Beauty



- Fresh water consumption per RMB **10,000** output value decreased by **51.36%** year-on-year.
- Total comprehensive energy consumption decreased by **1.52%** year-on-year.
- Total Greenhouse Gas (GHG) emissions decreased by **15.16%** year-on-year.
- Comprehensive energy consumption per unit of calcium silicate board substrate dropped to **75.01** kgce/m³ (reaching National Grade I standard).
- **100%** compliance rate for exhaust gas and wastewater discharge, with **"zero"** environmental complaints throughout the year.



◆ Empowerment through Smart Innovation and Win-Win Cooperation



- R&D investment reached RMB **117** million; accumulated over **500** authorized patents, including over **80** invention patents; led or participated in the formulation of **18** national standards.
- Wanda Power built an **automated welding** system, forming several industry-leading digital practice achievements; Sinoma Chizhou launched the first **digital factory** and built the first digital production MES control platform in the domestic calcium silicate board industry.
- Adhering to open cooperation and mutual benefit, we established long-term and stable strategic partnerships with **22** global core major customers, including Uzkiyosanoat (Uzbekistan State Joint Stock Company), Siam Cement Group (SCG), Everbright Environment, and China Electrical Equipment Group Co., Ltd. (CEEG).
- Highly recognizing customer service levels. Wanda Power was honored as an **"Excellent Supplier"** by Grandblue Environment.
- A total of **1,824** suppliers have been incorporated into the management system. During the Reporting Period, qualification reviews were completed for **121** new suppliers, and qualification change reviews were conducted for **136** suppliers.
- **11** member enterprises have obtained ISO 9001 or equivalent external quality management system certifications.
- Strengthen strategic synergy with units within the Group, establishing a mechanism for **"Demand Consultation, Resource Sharing, and Win-Win Interests"** to form a combined force for overseas expansion.

◆ People-oriented to Build a Better Society Together



- With a total workforce of **1,813** employees, the company organized **755** training sessions throughout the year, totaling **157,669** training hours and reaching **26,487** participants.
- Workplace safety investments reached RMB **13** million, achieving **100%** completion rate for hazard rectifications. **No** serious or fatal workplace safety accidents occurred, and no safety penalties were incurred.

Sustainability Governance

Board Statement

The Board of Directors is the highest coordinating and decision-making body for the Company's ESG work. It bears overall responsibility for ESG-related matters, including formulating the Company's environmental, social, and governance policies, strategies, and targets; assessing and determining ESG-related risks and opportunities; promoting the establishment of appropriate and effective risk management and internal control systems; approving disclosures in sustainability reports; and ensuring the Company maintains suitable and effective management and internal control systems.

ESG Governance System

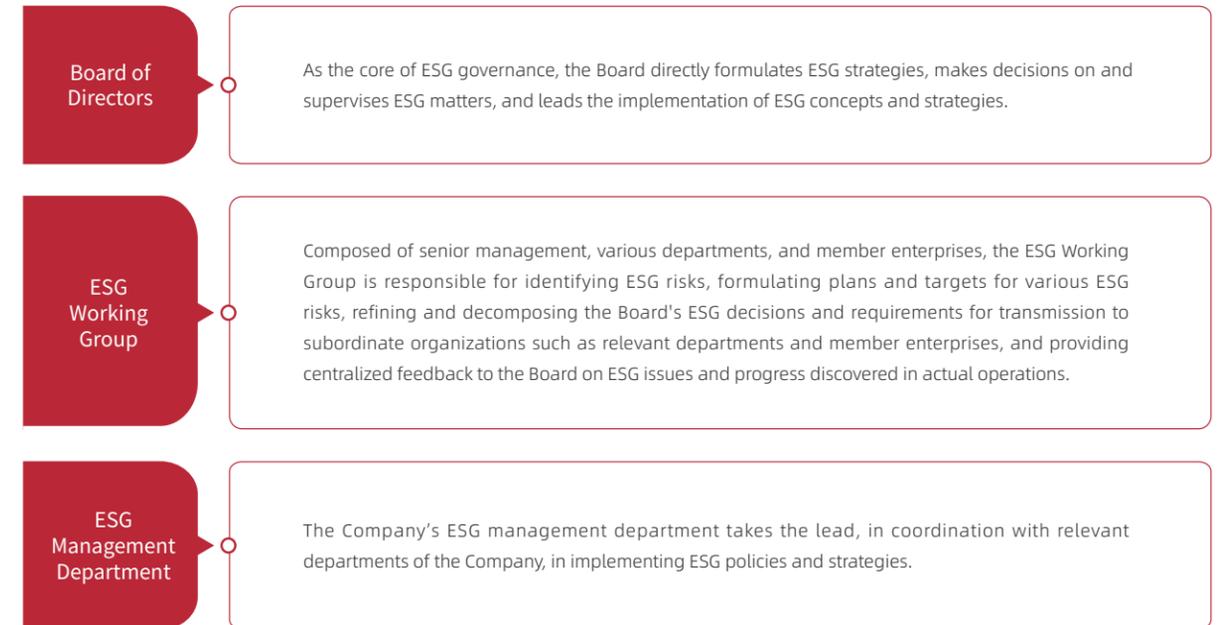
The Company continuously promotes the construction of its ESG management system to systematically build a sustainability management framework covering Environmental, Social, and Governance aspects. Leveraging its core strengths in energy conservation and carbon reduction, the Company integrates ESG concepts into development strategies, major decision-making, and business layouts. By strengthening technological innovation, green development, and responsible operations, the Company continues to create a sustainable development model with core competitiveness.

Strategic Directions

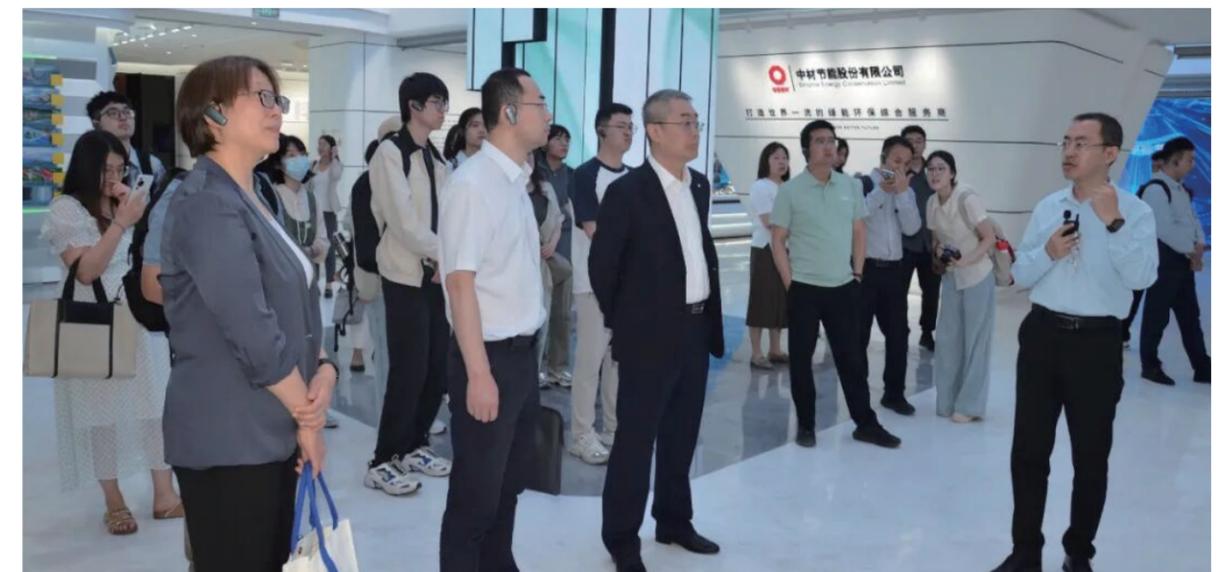
- 
Leading with Sustainable Governance
 - Guiding strategic development through ESG, empowering long-term value creation.
 - Improving modern governance systems, enhancing overall management efficiency.
 - Analyzing external environment changes, strengthening corporate development resilience.
 - Advancing business development quality, safeguarding stakeholder rights and interests.
- 
Green Development as the Core
 - Support global carbon neutrality goals, promoting green and low-carbon transformation.
 - Focusing on full-process carbon reduction, strengthening environmental performance management.
 - Solidifying the ecological compliance baseline, seizing green development opportunities.
- 
Driven by Technological Innovation
 - Strengthening tech innovation leadership, empowering green and low-carbon development.
 - Improving innovation system construction, enhancing core technological capabilities.
 - Driving the application of R&D achievements, supporting industrial green transition.
- 
Based on Responsible Operation
 - Adhering to honest and compliant operations, strengthening the fairness and integrity baseline.
 - Persisting in customer value orientation, improving product and service quality.
 - Deepening responsible supply chain management, promoting synergistic industrial development.
- 
Human Capital and Safety as Safeguards
 - Practicing diversity and inclusion, creating a fair employment environment.
 - Safeguarding employee rights by law, improving the labor protection system.
 - Strengthening talent development mechanisms, stimulating employee growth momentum.
 - Solidifying the workplace safety defense line, protecting employee health and safety.
 - Cultivating a harmonious corporate culture, consolidating employee development synergy.
- 
Supported by Social Value Creation
 - Serving green development strategies, creating sustainable social value.
 - Assisting in rural revitalization, promoting regional synergistic prosperity.
 - Deepening overseas responsibility practices, promoting international win-win cooperation.
 - Practicing social public welfare responsibility, conveying the consensus on sustainability.

The Company has established an ESG governance structure with the Board of Directors at the core, coordinated by the ESG Working Group, and executed by the ESG Management Department. This forms a working mechanism of top-down synergy and horizontal linkage, ensuring the orderly operation of the ESG governance structure and the effective fulfillment of responsibilities.

ESG Governance Framework



Focusing on frontier ESG trends, the Company actively participates in ESG standard research, organizes and attends ESG training, effectively enhancing its professional ESG literacy and practical capabilities. Taking ESG as an important lever for high-quality development, the Company defines overall objectives, core topics, promotion methods, and safeguard mechanisms for ESG work. By integrating ESG management into corporate governance, development strategies, corporate culture, and business systems, the Company achieves positive outcomes in promoting management and preventing risks.



Conducted ESG seminar activities in collaboration with Tianjin University

Stakeholder Communication

Sinoma EC regards stakeholder communication as a vital component of sustainability governance. Centered on stakeholders such as shareholders and investors, government regulators, employees, customers, partners, and the public, the Company has established multi-channel and normalized communication mechanisms to promptly understand and respond to stakeholder concerns. The outcomes of these communications are integrated into business decisions and management improvements, continuously enhancing governance transparency and sustainability levels.

Stakeholder Communication and Implementation

Stakeholder	Communication Channels	Key Concerns	Response Measures
 Shareholders & Investors	<ul style="list-style-type: none"> Periodic Reports Extraordinary Announcements Performance Briefing New Media & Online Interactions Shareholder Dialogues & Feedback 	<ul style="list-style-type: none"> Corporate Performance Shareholder & Creditor Interests Investment Returns Truthfulness, Accuracy, Timeliness, and Completeness of Information Disclosure 	<ul style="list-style-type: none"> Sustained High-Quality Operations Continue to Drive Reforms Improve Information Disclosure Mechanisms Enhance Corporate Value and Profitability Standardize Corporate Governance Safeguard Investor Interests
 Government Regulators	<ul style="list-style-type: none"> Compliance with Laws & Regulations Target Performance Assessments Information Submission Special Reports & Visits 	<ul style="list-style-type: none"> Corporate Governance Compliant Operations Environmental Protection & Workplace Safety Promote Employment & Serve Local Economic Development Climate Change Tackling 	<ul style="list-style-type: none"> Implement National Policies & Operate in Compliance with the Law Accept Supervision & Inspections Sustained High-Quality Operations Pay Taxes and Fees & Provide Employment Opportunities Utilize Policies Related to Green & Low-Carbon Development
 Customers	<ul style="list-style-type: none"> Customer Meetings Hotlines Online Platforms & New Media Platforms for Communication and Interaction Market Research & Feedback Collection Product Packaging Information 	<ul style="list-style-type: none"> Corporate Integrity Customer Relationships Product and Service Quality Product Innovation Environmental, Health, and Safety (EHS) of Products 	<ul style="list-style-type: none"> Conduct Responsible Marketing, Safeguard Customer Information & Privacy Security Strengthen Comprehensive Quality Management Pursue Continuous Technological Innovation Standardize Safety & Environmental Management Deliver Green, Low-Carbon, Healthy & Safe Products
 Partners	<ul style="list-style-type: none"> High-Level Meetings Bidding Conferences Contract Negotiations Correspondence & Document Exchanges Daily Business Communications Online Platforms & New Media Platforms for Communication and Interaction 	<ul style="list-style-type: none"> Pricing & Payment Long-Term Partnership Mutual Trust & Reciprocity, Shared Benefits Information Resource Sharing, Risk Prevention 	<ul style="list-style-type: none"> Fair Pricing & Prompt Payment Building Long-Term & Effective Partnerships Honesty and Integrity & Fair Competition Promote Supplier Accountability Establish Effective Communication Mechanisms
 Employees	<ul style="list-style-type: none"> Employee Representative Assembly Labor Contracts Suggestion Programs & Grievance Channels Factory Affairs Disclosure Regular Communication Online Platforms & New Media Platforms for Communication and Interaction 	<ul style="list-style-type: none"> Corporate Governance Corporate Performance Employee Rights Compensation and Benefits Career Development Planning and Prospects Occupational Safety and Health Complaint Handling Democratic Management Fair Competition Factory Affairs Disclosure 	<ul style="list-style-type: none"> High-Quality Operations Protecting Employee Rights Offer Competitive Compensation Packages Enhance Employee Benefits Strengthen Employee Training Programs Provide a Safe Working Environment and Health Protections Promote Democratic Management Practices Establish Effective Communication Channels

 Community & Media	<ul style="list-style-type: none"> Conducting Field Research on Community Conditions Participating in Volunteer Activities Engaging in Daily Community Interactions Organizing Open House Events Online Platforms & New Media Platforms for Communication and Interaction 	<ul style="list-style-type: none"> Planning Matters Environmental Protection & Climate Change Tackling Building a Harmonious & Stable Community Occupational Safety and Health 	<ul style="list-style-type: none"> Timely Disclose Relevant Information & Reasonably Increase Investment to Ensure the Implementation of Plans Promote Green Production & Protect the Ecological Environment Improve Public Philanthropy Investment Participate in Community Activities Establish and Improve Occupational Safety and Health Management
 Social Groups	<ul style="list-style-type: none"> Regularly Attend Meetings or Events Maintain Daily Communication Online Platforms & New Media Platforms for Communication and Interaction 	<ul style="list-style-type: none"> Compliance Operations & Sound Corporate Governance Environmental Protection Promoting Sustainable Development Together 	<ul style="list-style-type: none"> Actively Join Listed Company Associations & Industry Associations, and Various Public Welfare Organizations Leverage Membership Benefits Provide Financial and Technical Support Establish Cooperative Relationships

Materiality Topic Assessment

In light of its actual development status and in accordance with the "Dual Materiality" requirements in The *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, Sinoma EC conducted a materiality assessment and analysis of ESG topics from both "Financial Materiality" and "Impact Materiality" dimensions.

Combining annual operating conditions, business development priorities, external policy environments, rating requirements, and industry trends, the Company established an ESG material topics database. Internal and external stakeholders were invited to participate in the materiality topic assessment through interviews, surveys, and questionnaires. Following discussions and reviews by the Company's management, and integrating opinions from internal and external stakeholders, the 2025 Materiality Matrix was finalized.



Due Diligence

During the Reporting Period, Sinoma EC continued to conduct due diligence on sustainability-related impacts and risks centered on key ESG topics. Under the overall coordination of the Board of Directors and management, relevant functional departments led the identification and assessment of risks related to environmental impact, workplace safety, and compliant operation in sectors such as production and operation, project implementation, and the supply chain. Due diligence was conducted through daily screenings, special inspections, and internal assessments. Active response measures were taken for identified risks to promote effective management of sustainability risks.

 Responsibility Feature

Strategic Leadership in Overseas Green Energy

Strategic Planning and Layout

The Company regards the "Belt and Road" construction as a key lever for serving national strategies and expanding international space, insisting on leading practical progress with top-level design. During the Reporting Period, the Company held an Internationalization Strategy Seminar to systematically summarize the achievements of international operations during the "14th Five-Year Plan" and conduct in-depth analysis of the development situation, key regional layouts, and business structure optimization for the "15th Five-Year Plan" period, clarifying the direction and path for the next stage of international development.

 During the Reporting Period, the Company's international operation indicators achieved leapfrog growth

- **60** new overseas projects signed during the year.
- Annual international revenue reached RMB **2.22** billion, accounting for **59.57%** of total revenue, a year-on-year increase of **24.31** percentage points.

Reshaping the Development Ecosystem

The Company adheres to green and low-carbon development as its core orientation, practices the "Major Markets, Major Customers, Major Projects" strategy, and continuously promotes the optimization and upgrading of its international business structure. We are transitioning from traditional engineering contracting toward an ICO model, extending from the building materials field to diversified directions such as clean energy and green industrial system solutions, accelerating the construction of a new international green development ecosystem.

Deepening regional layout, expanding a diversified cooperative ecosystem.

The Company deeply cultivates target national markets, integrates into local energy transformation and industrial upgrading plans, and continuously deepens government-enterprise partnerships. While strengthening external cooperation, we continuously improve internal synergy mechanisms to promote efficient linkage among design, equipment, engineering, and other entities. Using the construction of physical regional business centers as a lever, we systematically drive the transformation of overseas business from "Scattered Operations" to "Regional Cultivation." Currently, a business center layout covering Southeast Asia, the Middle East, Africa, and Central Asia has been initially formed, dedicated to creating a new international cooperation ecosystem involving multiple parties and integrated industrial chains.

2025 marks a pivotal year for the conclusion of the "14th Five-Year Plan" and the strategic planning of the "15th Five-Year Plan." Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Sinoma EC has deeply implemented the national "Belt and Road" Initiative, deepened international cooperation, expanded green industrial layouts, and promoted integrated local development, serving major national strategies and empowering global green transformation through high-quality international business operations.

Key Regions	Business Development
 <p>Southeast Asia</p>	<ul style="list-style-type: none"> • Promoting the upgrade of the "WHR+" integrated energy model in Malaysia; the Malaysia HUME project achieved the first overseas application of combined the fourth-generation cement waste heat recovery power generation technology and geothermal technology. • The "Sinoma EC After-sales (ASEAN) Service Center" was officially inaugurated in Malaysia; following the handover of the CIMA project, spare parts and maintenance contracts were extended to ensure localized technical support and spare parts supply. • Continuously expanding "WHR+" projects in markets such as Vietnam, Thailand, and Myanmar to strengthen regional influence.
 <p>Middle East</p>	<ul style="list-style-type: none"> • Focusing on high-end technology applications and creating benchmark demonstration projects in markets such as Saudi Arabia and the UAE. • The Saudi Arabia RCC WHR project was successfully connected to the grid, marking the first application of the Company's ORC technology in the Saudi market; it is the world's largest-scale WHR project in the cement industry using ORC technology.
 <p>Africa</p>	<ul style="list-style-type: none"> • Leveraging the Zambia zero-external-electricity industrial park project as a strategic pivot, the Company advanced the development of integrated energy systems such as "WHR + PV +Storage" • The Zambia Maamba 100 MW PV project commenced construction, laying the foundation for the Company's new energy business to deepen its presence in Africa. • Extend the business chain to provide long-term operation and maintenance services for strategic partners.
 <p>Central Asia</p>	<ul style="list-style-type: none"> • Strengthening cooperation with Everbright Environment, CAMCE, and SUS Environment, securing all waste-to-energy equipment supply projects in Uzbekistan, setting a new record for Chinese efficient low-carbon thermal equipment in the Central Asian market. • Signed multiple key cooperation agreements with Uzkimyosanoat (Uzbekistan State Joint Stock Company) and Karakalpakstan Building Materials Company, covering green energy and building materials. • The "Uzbekistan Navoiy Fertilizer Plant Green and Low-Carbon Project" has been reported multiple times by mainstream media in Uzbekistan and other countries, becoming a model for green energy cooperation under the "Belt and Road" Initiative.

Responsibility Feature

Consolidating dominant businesses, vigorously expanding new business areas.

The Company adheres to the development idea of "Stabilizing Incremental Volume and Expanding Growth," promoting the synergistic development of various business sectors. In terms of Engineering Services, the Company has successively signed several key "WHR+" projects in countries such as Vietnam, Thailand, Malaysia, and Kenya, assisting the green transformation of local high-energy-consuming industries. The Uzbekistan INNO PANEL fiber cement board production line project was officially put into operation, providing high-performance green building material support for infrastructure construction along the "Belt and Road." In Equipment Manufacturing, the Company seized the rapid growth opportunities in the waste-to-energy markets in Central Asia and Southeast Asia, signing orders for 13 ultra-high pressure waste incineration boilers in Uzbekistan, achieving a milestone breakthrough in the Central Asian market. We also completed the R&D of 12 industrial refuse-derived fuel (RDF) waste incineration boilers for Thailand, providing Sinoma technical solutions for industrial solid waste treatment in Southeast Asia.

Optimizing business structure, creating new models for green development.

Building on its strengths in waste heat and residual pressure utilisation and equipment manufacturing, the Company has focused on clean energy as its primary strategic direction, adhered to the dual-driven and coordinated development of investment and construction together with engineering services, and continuously optimised its global business layout and core capability structure. In 2025, the Company achieved remarkable results and multiple breakthroughs in the implementation of strategic clean energy projects, and its international green development footprint continued to expand. A number of benchmark green energy projects, including the green and low-carbon project of the Navoiy Fertilizer Plant in Uzbekistan, the Zambia zero-external-electricity industrial park project, and the Maamba 100 MW photovoltaic power generation project, were successively launched, strongly promoting the transformation of its overseas business towards lower carbon intensity, greater scale and higher-end development, and further consolidating the Company's comprehensive competitive advantages and sustainable development foundation in the international market.

CASE

The Navoi Nitrogen Fertilizer Plant in Uzbekistan



The First Large-scale Overseas Integrated PV and Storage Energy Demonstration Project

Sinoma EC successfully launched the "300MW PV + 75MW Storage" green energy project for the Navoi Nitrogen Plant. With a total investment of approximately RMB 1.36 billion, the project provides stable and clean power for the plant. Upon completion, the project will significantly reduce electricity costs, optimize the energy structure, and become a landmark achievement of the Company green energy cooperation under the "Belt and Road" Initiative.



Expected Environmental Benefits: Annual average power generation of **704** GWh, annual saving of approximately **212,300** tce, and annual reduction of approximately **578,000** tons of CO₂ emissions.

CASE

Zambia Zero-external-electricity Industrial Park Project



The First Overseas "Zero Electricity Purchase" Integrated Energy Demonstration Project

At the beginning of 2025, Sinoma EC launched the Zambia Zero-external-electricity Industrial Park Project, constructing a 39.5MW complementary WHR and PV integrated power station with a total investment of approximately RMB 240 million. Upon completion, the project will meet about 70% of the park's electricity demand, supplying approximately 110 million kWh of green electricity annually. This will effectively reduce power costs, alleviate regional power shortages, reduce environmental pollution, and enhance the park's green competitiveness.



Expected Environmental Benefits: Annual average power generation of approximately **110** million kWh, annual saving of approximately **32,800** tce, and annual reduction of approximately **89,500** tons of CO₂ emissions.

Deepening International Exchanges

The Company consistently adheres to the principle of "Extensive Consultation, Joint Contribution, and Shared Benefits." Seizing major international exchange opportunities such as the Shanghai Cooperation Organization (SCO) Summit, it leverages high-level mutual visits as the core driver and strategic alignment as the vital link. In key "Belt and Road" regions – including Central Asia, Southeast Asia, and Africa, it has established a multi-tiered, broad-spectrum, and high-level international cooperation network. By transforming international cooperation resources into development momentum, it has solidified the foundation of mutual trust for the in-depth advancement of its international operations.

CASE

Consolidating SCO Consensus, Empowering Green Cooperation



During the 2025 SCO Summit, Sinoma EC actively engaged with government departments and customers of countries such as Uzbekistan and Myanmar, achieving significant progress in the advancement of key cooperation projects and the translation of consensus into results.

Mr. Meng Qinglin, Chairman of the Company, accompanied Mr. Zhou Yuxian, Chairman of the Group, to meet with the President of Uzbekistan, as well as the Deputy Prime Minister and the Minister of Energy, reaching consensus on multi-field cooperation and the implementation of key projects. Liu Xin, President of the Company, attended and spoke at the China Myanmar Economic Cooperation and Development Promotion Association, contributing to energy cooperation between Myanmar and China.



Responsibility Feature

The Company leverages cooperation and exchange to expand its international development space. Chairman Meng Qinglin led a delegation to Zambia to attend the groundbreaking ceremony for the Maamba 100MW PV power generation project; held talks with the Minister of Finance of Lesotho on new energy projects; signed a Memorandum of Understanding (MoU) on green energy services with the eco-factory service company under SCG; and reached multiple cooperation agreements with Uzkiyosanoat (Uzbekistan State Joint Stock Company) covering clean energy, energy-saving renovation, and equipment upgrading, continuously improving the international business layout and industrial chain cooperation ecosystem.



Attending the groundbreaking ceremony of the Zambia Maamba Project



Meeting with the Minister of Finance in the Government of Lesotho



Signing a Memorandum of Understanding with The Siam Cement Public Company Ltd

Empowering Local Development

The Company emphasizes both "Going Global" and "Integrating Locally," focusing on establishing long-term mutual trust with local societies, communities, and employees, actively fulfilling social responsibilities, and promoting livelihood integration and cultural exchange.



Empowering local economic development and talent growth.

During the Reporting Period, the Company leveraged its overseas business to create over 500 job opportunities for local communities. We provided localized employees with specialized technical and management training for hundreds of localized employees, and established a commendation mechanism for outstanding local staff to incentivize talent development. Furthermore, by deepening collaboration with dozens of local enterprises, the Company has built stable partnerships that drive the vitality and sustainable growth of local economies.



Commendation for Outstanding Local Staff

The Company establishes multicultural communication platforms across its overseas institutions, fostering cultural integration between Chinese and foreign employees through diverse activities such as football matches, International Women's Day celebrations, and Mid-Autumn Festival symposiums in Nigeria. Furthermore, by providing essential living supplies to local staff during major festivals, the Company delivers humanistic care to consistently enhance their sense of belonging.



Holding an International Women's Day symposium



Organizing Football Matches



Deepening cross-cultural exchange and emotional connection

NMNC continues to promote the green upgrading of the plant area and surrounding infrastructure, improving the environmental management system. By optimizing operation management and technical measures, the Company reduces environmental impacts during project implementation, promoting green development in project locations.



Practicing green responsibility



Caring for community development

Addressing critical livelihood challenges, NMNC provides free drinking water to surrounding villagers, effectively improving local living conditions. Meanwhile, Solid WHR Company in the Philippines has made multiple social donations to local communities, fire departments, and the Department of Environment and Natural Resources, actively supporting the construction and enhancement of the local public service system.

1 Solid Action to Strengthen the Foundation for Development

Sinoma EC takes modern corporate governance as its cornerstone, integrating standardized decision-making, compliant operations, and risk prevention and control into the entire process of corporate development. By continuously modernizing its governance system and capabilities, the Company provides a solid guarantee for serving the national green development strategy and achieving high-quality sustainable development.

Key Topics

- Corporate Governance
- Anti-monopoly and Fair Competition
- Compliant Operations and Risk Management

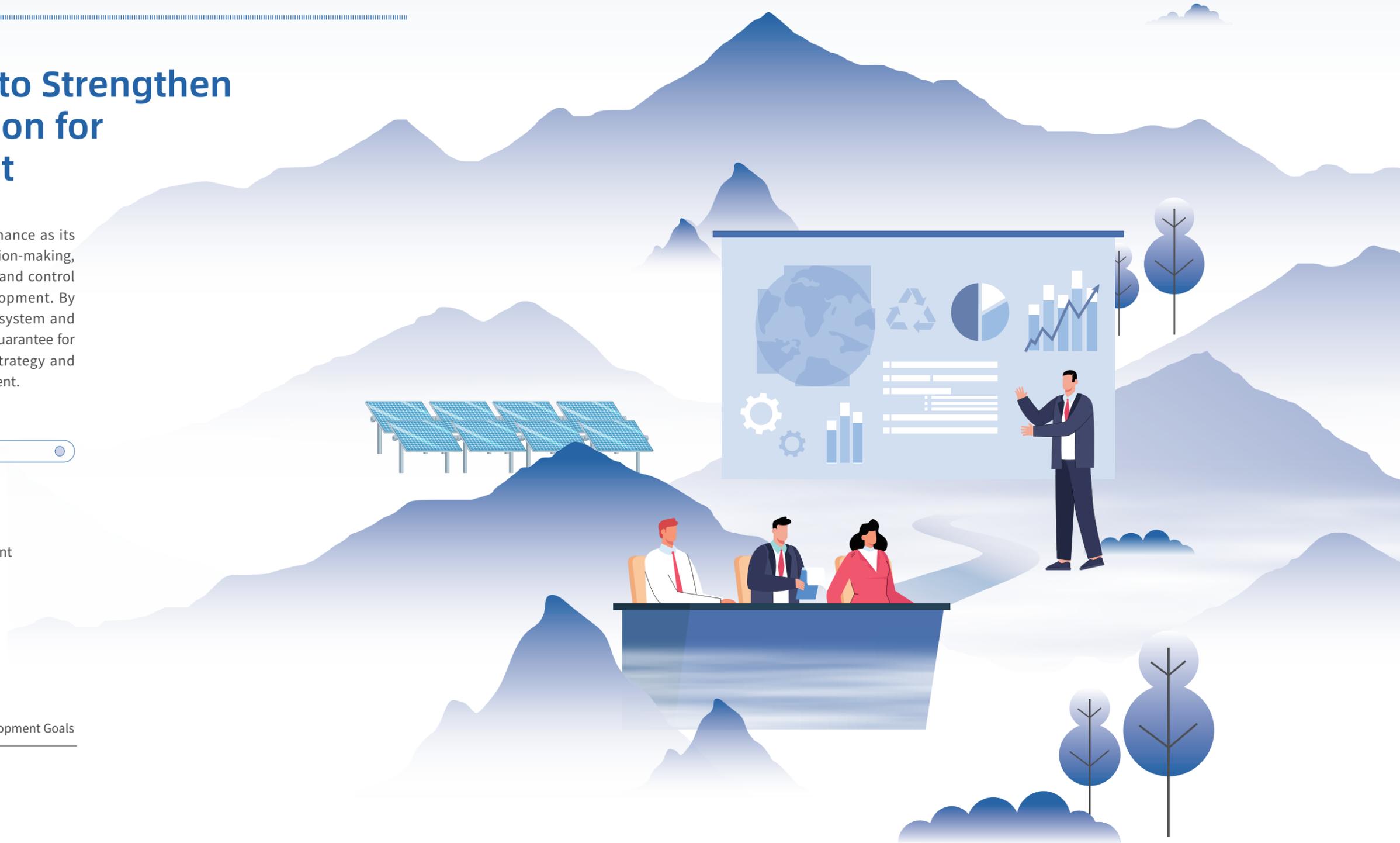
Aligning with the United Nations Sustainable Development Goals



27 — Improving Corporate Governance

29 — Strengthening Compliance and Risk Control

32 — Upholding Business Ethics

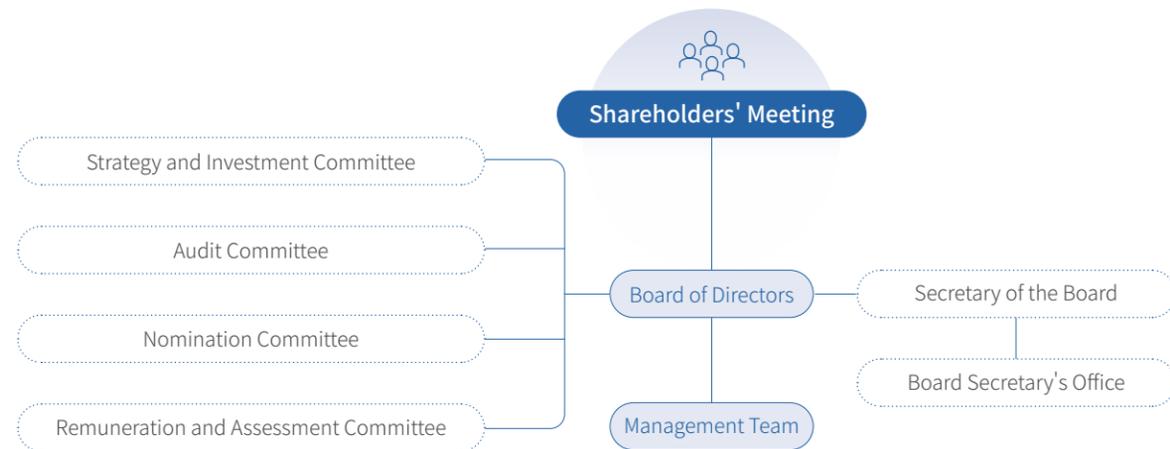


Improving Corporate Governance

Governance System Development

The Company strictly abides by relevant laws, regulations, and normative documents, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Information Disclosure by Listed Companies*, and the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*. We continuously improve our corporate governance structure and dynamically optimize the lists of matters and procedures for the "Three Meetings" to ensure each governance body is scientifically positioned, performs its duties precisely, and operates efficiently. We have systematically revised the "Articles of Association," "Rules of Procedure for Shareholders' Meetings," "Rules of Procedure for Board Meetings," and the "Working System for Independent Directors," and formulated the "Management System for Director Resignation" to continuously enhance standardized operations and governance efficiency.

Corporate Governance Structure



The Company continuously promotes the diversification of board membership, optimizing the composition in terms of professional background, industry experience, and gender. Members cover multiple professional fields such as engineering technology, financial management, and legal compliance, forming a complementary and synergistic decision-making mechanism. This effectively enables the Board of Directors to play its role in strategic planning, risk management, and sustainability. As of the end of the Reporting Period, the Board of Directors consists of 8 directors, including 3 independent directors. In 2025, the Company held 9 board meetings and organized more than 10 training sessions for directors and senior management to continuously improve their performance capabilities and governance levels.

2025

Meetings of Special Committees of the Board

14

Times

Shareholders' Meetings Held

6

Times

Board Meetings Held

9

Times

Investor Relations Management

The Company strictly follows laws and regulations such as the *Measures for the Administration of Information Disclosure by Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, and the *Work Guidelines for the Investor Relations Management of Listed Companies (2025 Revision)*. We continuously optimize our information disclosure management systems and mechanisms to effectively protect the legitimate rights and interests of all shareholders, especially minority investors.

The Company has formulated the "Investor Relations Management System," "Reception System for Investor Visits," and the "Working System for Handling Investor Complaints," clarifying the workflow of investor relations management to ensure investors' right to know and vote on major matters. In 2025, the Company responded to over 50 investor inquiries through the SSE E-Interaction platform, telephone, and other channels. Throughout the year, we organized 4 performance briefings for periodic reports, disclosed 55 announcements, and actively participated in the Collective Reception Day for Investors of Listed Companies in the Tianjin Jurisdiction and the Group's collective performance briefings for listed companies. We proactively demonstrated our operating results and development trends, striving to maintain our integrity and positive image in the capital market.

As of the end of the Reporting Period, the Company has achieved cumulative dividends of nearly RMB 460 million. In 2025, the cash dividend ratio increased to 40.15%, continuing to return investment value to shareholders.

Normalized Management Mechanism for Investor Relations	
<p>Top-level Support</p>	<p>The Chairman of the Board and the President attended the performance briefing, providing detailed introductions to the Company's development strategy and operations, and offered authoritative interpretations of investor questions.</p>
<p>Pre-meeting Preparation</p>	<p>The Company collected investor concerns in advance. Specialized research was conducted with relevant functional departments and member enterprises, and responses were reviewed and approved by responsible leaders.</p>
<p>Innovative Presentation</p>	<p>After disclosing the annual report, the Company promptly released "Annual Report at a Glance" graphics on its official WeChat account and website to present the year's operating performance to investors.</p>
<p>Normalized Communication</p>	<p>The Company responded promptly to investor enquiries through various channels such as the SSE E-Interaction platform and telephone calls, organised performance briefings for periodic reports, actively participated in the collective investor reception day for listed companies in the Tianjin jurisdiction and the collective performance briefing for the Group's listed companies, and promoted regular communication between the Company and investors.</p>

Strengthening Compliance and Risk Control

Governance

Sinoma EC continues to advance the construction of its compliance and risk control management system. We have formulated management systems such as the "Compliance Management System," "Internal Control Management System," and the "Risk Management Measures," along with detailed rules like the "Working Guidelines" for Compliance Evaluation, striving to enhance the Company's level of law-based governance and compliant operations to provide a solid legal guarantee for high-quality development.

Under the leadership of the Party Committee, with the Board of Directors making overall decisions and the Management organizing implementation, the Company has established a Compliance Management Committee and appointed a Chief Compliance Officer (CCO). The Legal and Compliance Department leads the compliance management work, forming a governance structure with clear responsibilities and efficient synergy.

Strategy

The Company adheres to "Risk Prevention and Compliance Promotion," maintaining bottom-line thinking and integrating compliant development and risk control throughout the entire process. Regarding operating mechanisms, we incorporate compliance management into the comprehensive risk management system, implementing closed-loop management across risk identification, assessment, compliance review, supervision, inspection, and accountability rectification. Compliance reviews are conducted for major decisions, important contracts, and key businesses to strengthen risk prevention in key areas.



Management of Impacts, Risks, and Opportunities

Comprehensive Risk Management

The Company has established a comprehensive risk management system referencing the COSO Enterprise Risk Management (ERM) Framework, constructing a "Three Lines of Defense" risk control mechanism. This forms a closed-loop management process covering risk identification and assessment, major risk response, monitoring and improvement, and summary reporting, thereby continuously enhancing the Company's risk prevention and governance capabilities. The Company regularly conducts annual major risk assessments, strictly implements quarterly risk monitoring, and organizes risk screenings in key areas to promote the deep integration of risk management and business management.

Internal Control and Compliance Management

Building on the establishment of the "Comprehensive Compliance" system, the Company uses evaluation, review and rectification as a lever to systematically build a synergistic mechanism for the "Three Lists" covering risk identification, position responsibilities and process control, continuously solidifying the foundation of compliance management. We actively conduct special compliance training to strengthen the awareness of law-based and compliant operations among all employees, creating a positive atmosphere of "Knowing, Abiding By, and Performing Duties in Compliance with Regulations."



Tax Policy Training for Central Enterprises



Risk Management and Negotiation Training for International EPC Contracts

Centering on key areas such as overseas operations, business partner management, and investment management, the Company has formulated and implemented special compliance management systems and guidelines, embedding compliance requirements into business processes and decision-making. The Company continues to promote the construction of a "Four-in-One" integrated compliance and risk control mechanism—linking legal affairs, risk management, internal control, and compliance management. Through compliance reviews, risk alerts, process controls, and targeted remediation efforts, risk prevention requirements are embedded throughout the entire business management process. This approach effectively enhances risk prevention capabilities and compliance governance standards in key areas.

During the reporting period, the company routinely conducted risk assessments for overseas operations, strengthened risk prevention and control in key areas and vulnerable links, and maintained high sensitivity to high-incidence and latent risks. The Company Management Department organized relevant departments to carry out supplier evaluations, effectively preventing supply chain risks from entering the system. Full coverage of compliance evaluations was achieved for key member enterprises, driving the implementation of corrective actions with a completion rate exceeding 90%, and continuously promoting the optimization and upgrading of the management system.

Strengthening Audit Supervision

The Company has formulated and released systems such as the "Internal Audit Management System" "Internal Audit Work Specifications," and the "Management Measures for Audit Rectification" to ensure the comprehensiveness and integrity of the audit systems for the Company and its member enterprises. The newly added "Administrative Measures for Overseas Auditing (Trial)," strengthens the supervision and management of overseas entities. The Company continues to reinforce its audit supervision functions, taking internal audit as a key lever for improving corporate governance and preventing major risks.

The Company has established and improved an audit result reporting and rectification tracking mechanism, ensuring timely reporting of audit findings to drive problem rectification and the fulfillment of responsibilities. During the Reporting Period, the Company systematically conducted audit and supervision work centered on key areas and critical links, completing 27 audit projects of various types throughout the year, effectively solidifying the foundation for internal control and risk prevention.

Tax Compliance

The Company attaches great importance to tax compliance and tax risk management, regarding law-based tax payment and steady operation as vital components of corporate governance. By standardizing accounting, strengthening R&D management, and conducting continuous training, we have systematically enhanced our tax compliance level and the capacity building of relevant professionals. During the reporting period, the Company paid taxes of RMB 157 million, a year-on-year increase of 50.96% compared with RMB 104 million in 2024. It also powerfully demonstrates the Company's responsibility and commitment to paying taxes in accordance with the law and in good faith, taking initiative and responsibility, and actively serving the local economic and social development.

Metrics and Targets

The Company aims to enhance its capability for law-based and compliant operations as well as its level of compliance risk prevention and control, continuously strengthening the construction of the compliance management system and compliance culture. During the Reporting Period, the Company organized 15 special training sessions on law-abiding and compliance, covering 395 person-times and achieving full coverage of compliance training for personnel in core positions. The company's achievements in fostering a compliance culture have been recognized as a "2025 Typical Case of Corporate Integrity Management" by the China Enterprise Reform and Development Society.

2025

Number of Compliance Training Sessions Conducted

15 Times

Compliance Training Performance

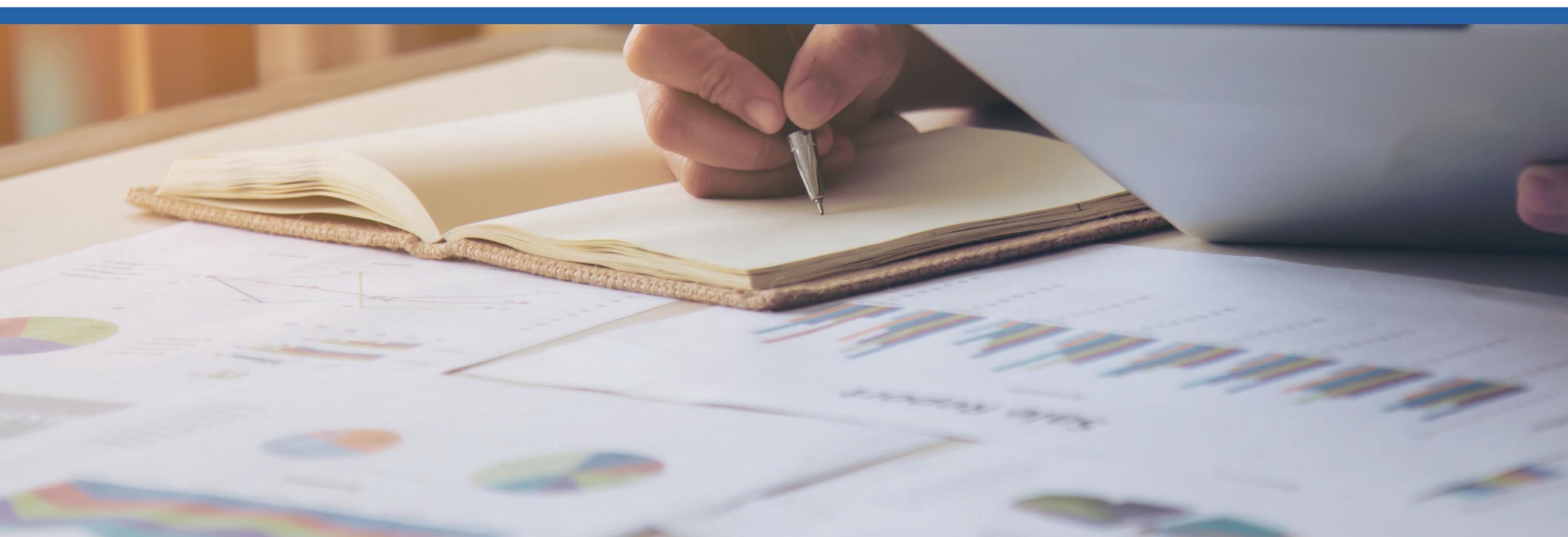
395 Person-Times

Upholding Business Ethics

Anti-monopoly and Fair Competition

The Company attaches great importance to anti-monopoly compliance and fair competition management, strictly abiding by the *Anti-monopoly Law of the People's Republic of China*, and systematically embedding requirements for anti-monopoly and prevention of unfair competition into the compliance management system. We have improved the "Compliance Manual," clarifying anti-monopoly principles, prohibited behavior lists, and risk control requirements for both domestic and overseas scenarios. We continue to strengthen the identification and prevention of risks such as monopolistic agreements, unfair competition, and abuse of dominant market position, promoting the construction of a fair and orderly market competition environment.

During the Reporting Period, the Company actively carried out anti-monopoly compliance training and promotion. We organized management and key personnel to attend special training and legal lectures to systematically study the practical points, risk identification, preventive measures, and typical cases of the *Anti-monopoly Law of the People's Republic of China*, continuously enhancing employees' understanding and execution of anti-monopoly compliance requirements.



2 Pursuing Green to Protect Ecological Beauty

Sinoma EC fully aligns itself with the national "Dual Carbon" strategy, taking green and low-carbon development as its core theme. The Company systematically advances its clean energy layout, the application of energy-saving and environmental protection technologies, and green operations management. By continuously enhancing environmental governance capabilities and resource utilization efficiency, the Company actively leads the industry's green transformation and upgrading, effectively discharging its ecological responsibilities as a central SOE.

Key Topics

- Environmental Management
- Green Products and Services
- Pollutant and Waste Management
- Energy and Resource Management
- Climate Change Tackling
- Ecological and Environmental Protection

Aligning with the United Nations Sustainable Development Goals



35 — Climate Change Tackling

39 — Strict Environmental Compliance

40 — Promoting Low-Carbon Transformation

45 — Practicing Green Operations



Climate Change Tackling

Governance

Sinoma EC has established a climate change governance system with a clear hierarchy and well-defined responsibilities, strengthening the overall guidance of top-level design for "Dual Carbon" work and climate risk control. The Company has set up a "Dual Carbon" Work Leading Group as the core body for coordinating climate change and "Dual Carbon" affairs. The Chairman serves as the group leader, with the President and Vice President as deputy leaders, and heads of core business departments and subsidiaries as members. This group forms a synergistic mechanism with the Ecological and Environmental Protection Management Committee, building a solid foundation for climate governance through collaborative division of labor. The Safety and Environmental Protection Department, acting as the daily management department for both bodies, is responsible for the execution, coordination, supervision, and data aggregation of climate change-related work, fully implementing strategies for energy conservation, ecological protection, and "Dual Carbon" initiatives.

To promote the response to climate change and the implementation of "Dual Carbon" goals, the Company continuously strengthens institutional safeguard mechanisms, incorporating "Dual Carbon" into the "Management and Control Procedures for Energy Conservation and Ecological Environmental Protection," and including carbon reduction achievements in the annual performance appraisals of its subsidiaries. In 2010, Sinoma EC joined the Wuhan Energy Conservation Association, the first carbon reduction alliance organization in China, leveraging the platform to connect with industry resources and engage in carbon reduction exchanges, which laid the foundation for the construction of the Company's climate governance capabilities.

Strategy

The Company fully integrates the concepts of energy conservation and carbon reduction into the entire process of production and operation. Centered on the "Dual Control" targets of total carbon emissions and intensity, it systematically promotes energy structure optimization and the upgrading of key processes. The Company effectively transforms green development requirements under the guidance of the "Dual Carbon" strategy into concrete actions, injecting a systematic driving force into the acceleration of its comprehensive green transformation and sustainable high-quality development.

Facing the global trend of green and low-carbon development, the Company remains driven by technological innovation, supported by industrial synergy, and guided by green development. It actively promotes the efficient utilization of energy and the green upgrading of industrial structures, fully leveraging the foundational and supporting roles of its energy-saving and carbon-reduction technologies and services in driving the green and low-carbon transition. By continuously strengthening its technological leadership, industrial driving force, and industry influence in the field of carbon reduction, the Company contributes Sinoma EC's strength to global sustainable development.

Management of Impacts, Risks, and Opportunities

Climate risk has long become a core consideration for enterprises in formulating long-term strategies and conducting daily operations. In recent years, climate change has intensified, with extreme weather events such as hurricanes, floods, and droughts, sea-level rise, ecosystem changes, and increasingly stringent environmental regulations, affecting corporate sustainable development.

As an industry-leading comprehensive green energy and environmental protection service provider, the Company firmly implements the "Dual Carbon" goals. We persist in accurately identifying the risks and opportunities brought by climate change—from physical risks and transition risks to market opportunities—and actively formulate response strategies, taking corresponding measures to mitigate potential impacts.

Risks/Opportunities Category		Risk/Opportunities Description	Response Strategy	
Risks	Physical Risks	Acute	<ul style="list-style-type: none"> Production operations disrupted or safety incidents occurring due to extreme weather (typhoons, torrential rains, blizzards, etc.) or natural disasters. 	<ul style="list-style-type: none"> Develop emergency response plans for extreme weather events (typhoons, torrential rains, blizzards, etc.) or natural disasters. Interconnect with the urban management information platform to enhance the timeliness of information acquisition, enabling early prediction of extreme weather or natural disasters and facilitating rational management, risk mitigation, and the evacuation of personnel and materials.
		Chronic	<ul style="list-style-type: none"> Global warming will cause sea levels to rise, along with persistent heatwaves, droughts, and wildfires, increasing the frequency of natural disasters and leading to water shortages. This may disrupt the normal operation of company facilities and equipment, impacting production efficiency. 	<ul style="list-style-type: none"> Site selection, planning, and design for new projects must account for sea level rise impacts. Continuously monitor sea level rise trends. Implement water-saving equipment upgrades to enhance water recycling rates and resource utilization.
	Transition Risks	Policy and Legal	<ul style="list-style-type: none"> Regulatory bodies and capital market rating indices are continuously raising requirements for corporate environmental information disclosure. Failure to disclose environmental information as required may expose companies to compliance risks. 	<ul style="list-style-type: none"> Regularly monitor relevant regulations and policies to promptly optimize internal rules and workflows, ensuring compliance with—or even exceeding—regulatory requirements.
		Technology	<ul style="list-style-type: none"> Under the "Dual Carbon" goals, strengthening low-carbon technological innovation has become an inevitable path for the company. However, this will also bring economic pressures in the short term due to new R&D investments, the commercialization of new achievements, and the promotion of new technologies. 	<ul style="list-style-type: none"> Target strategic emerging industries by increasing R&D investment and industrial cultivation. Through technological innovation and product iteration, develop high-value-added products, with a focus on energy-saving equipment, new materials equipment, and new energy storage equipment.
		Market	<ul style="list-style-type: none"> The "Dual Carbon" goals are driving sustained growth in market demand for energy-saving and environmental protection industries. As more players enter the field, the company faces heightened competition risks. Any adverse environmental or climate change practices or delayed responses may damage the company's reputation, leading to investor and customer attrition that could adversely impact operations. 	<ul style="list-style-type: none"> Intensify technological breakthroughs around key green applications, developing eco-friendly technologies and products to meet market demands. Continuously monitor environmental and climate-related public sentiment, proactively engage stakeholders in communication, and enhance information disclosure.
		Reputation	<ul style="list-style-type: none"> As climate and sustainability issues gain prominence, stakeholders are increasingly focused on green manufacturing and climate change. Failure to promptly address stakeholder expectations may expose the company to reputational risks. 	<ul style="list-style-type: none"> Accelerate the company's green and low-carbon transformation to enhance the climate resilience and mitigation benefits of its operations. Develop contingency plans for environmental emergencies to strengthen emergency response capabilities.

Risks/Opportunities Category	Risk/Opportunities Description	Response Strategy
Opportunities	Resource Efficiency	<ul style="list-style-type: none"> Actively pursuing wastewater and waste recycling, vigorously developing a circular economy, and reducing the consumption of natural resources. Implement energy-saving upgrades in production operations, continuously enhance WHR and cascading utilization, optimize energy system operations and management models, improve comprehensive energy efficiency, and reduce fossil fuel consumption and GHG emissions. Creating low-carbon office and production environments. The headquarters building utilizes a ground-source heat pump heating system to reduce greenhouse gas and waste heat emissions, improving environmental quality and lowering pollution control costs. Additionally, the factories of Wanda Power and Sinoma Chizhou have implemented PV projects, achieving an average annual self-generated and self-consumed electricity volume of over 2 million kWh over the past three years, significantly driving green office and green production initiatives.
	Energy Sources	<ul style="list-style-type: none"> Enhancing the proportion of renewable energy used in manufacturing and office operations will further reduce operational GHG emissions and strengthen the carbon competitiveness of the company's products and services. Explore fuel substitution pathways in building materials production by integrating low-carbon construction technologies and industrialization projects, advancing research on new energy applications in manufacturing processes.
	Products and Services	<ul style="list-style-type: none"> Continuously expand into the clean energy and environmental protection sectors, including biomass power generation, photovoltaic power generation, geothermal energy utilization, and energy storage. Provide clients with diversified, reliable, and efficient clean energy engineering services, high-efficiency low-carbon thermal equipment, and building energy-saving materials. Advance the development of a clean energy operations and maintenance management platform, while continuing to promote the application of the engineering management project platform in construction projects.
	Market	<ul style="list-style-type: none"> Against the backdrop of intensifying global climate change and mounting pressure to reduce GHG emissions, governments worldwide have successively set carbon neutrality targets, accelerating efforts to optimize energy structures and drive green, low-carbon industrial transformation. Continued policy reinforcement is propelling the rapid development of the clean energy sector, presenting significant strategic opportunities for the company's core business growth. Centering on global carbon neutrality goals, focusing on the three core businesses of Clean Energy, Engineering & Equipment, and Building Energy-saving Materials, and actively advancing energy conservation and carbon reduction.
	Resilience	<ul style="list-style-type: none"> Conducting research on climate change-related business and fostering industry exchanges will enhance the company's capacity to address climate risks and seize climate opportunities, while shaping a brand image committed to social responsibility. Focusing on the green and low-carbon development strategy, strengthen research on climate change-related policies and technologies, deepen industry exchanges and cooperation, advance technological and operational deployment in energy conservation, carbon reduction, and clean energy sectors, and enhance the company's climate change adaptation capabilities.

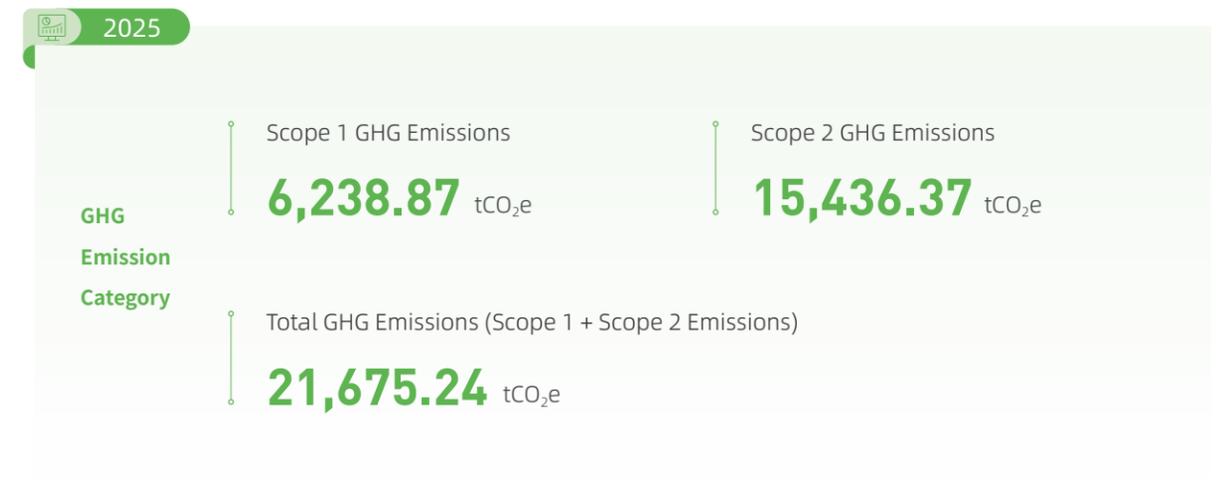
Metrics and Targets

Centering on the "Dual Carbon" strategic goals, the Company continuously improves its energy and GHG emission management indicator system. By incorporating key environmental performance indicators into annual business management and responsibility assessments, the Company drives the multi-level implementation of energy-saving and emission-reduction targets while regularly tracking and evaluating performance results.

 As of the end of 2025, the Company successfully achieved its core environmental and climate-related targets:

- The comprehensive energy consumption per unit of calcium silicate board substrate was **75.01** kgce/m³, representing a **3.21%** decrease compared with the national Level-I limit for energy consumption per unit of product.
- CO₂ emissions per RMB 10,000 output value for calcium silicate board substrates was **0.93** tons, a year-on-year decrease of **10.98%**.
- Fresh water consumption dropped to **1.07** tons/RMB 10,000 of output value, representing a year-on-year reduction of **51.36%**.

Regarding GHG emission management, the Company conducted a comprehensive calculation of Scope 1 and Scope 2 emissions and promoted emission reduction actions with the phased goals of reducing total energy consumption and total carbon emissions. During the Reporting Period, the Company's total comprehensive energy consumption decreased by 1.52% year-on-year, and total CO₂ emissions decreased by 15.16%, achieving the "Dual Reduction" targets. Total GHG emissions dropped to 21,675.24 tCO₂e, a decrease of 3,872 tons year-on-year, demonstrating significant overall emission reduction results.



Strict Environmental Compliance

Governance

Sinoma EC strictly abides by laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*. We have formulated institutional documents including the "Sinoma Energy Conservation Ltd. Management Manual" "Management and Control Procedures for Energy Conservation and Ecological Environmental Protection," and the "Ecological and Environmental Protection Responsibility System." The Company signs annual responsibility statements for energy conservation and ecological environmental protection with its subsidiaries each year, clarifying targets, responsibilities, and supervision mechanisms. Evaluation results are incorporated into the performance management system, forming a closed-loop management mechanism characterized by fulfilled responsibilities, institutional guarantees, and scientific evaluation.



Sinoma EC ISO 14001 System Certification

The Company has constructed a three-level ecological and environmental protection organizational structure. The Ecological and Environmental Protection Management Committee handles overall deployment, while the Safety and Environmental Protection Department is responsible for daily management. Units at all levels fully implement the environmental protection responsibility system to ensure the efficient and synergistic promotion of environmental protection work.

Relying on the ISO 14001 Environmental Management System, the Company promotes standardized management. As of the end of 2025, 10 member enterprises have passed the system certification. Sinoma Yichang was selected for the Hubei Provincial Green Factory list, reflecting the continuous improvement in environmental compliance and green operation levels.

Strategy

Adhering to Xi Jinping's Thought on Ecological Civilization as the fundamental principle, the Company fully integrates ecological and environmental protection into its medium- and long-term development strategies. We continuously improve the environmental compliance management system and strengthen full-chain risk prevention and control capabilities. Centering on the general direction of "Cleaner Production, Comprehensive Governance, Energy Conservation and Carbon Reduction, and Systematic Prevention," the Company focuses on promoting the modernization of environmental governance capabilities and the systematization of supervision mechanisms, ensuring that ecological and environmental protection permeates every stage and process of production and operation. In 2025, the Company's total environmental investment amounted to RMB 3.1501 million.

Management of Impacts, Risks, and Opportunities

Environmental Risk Control

The Company has established a dynamic environmental risk assessment mechanism to comprehensively identify potential environmental impacts from external factors such as laws and regulations and the natural environment, as well as internal factors including equipment, operational processes, and materials. Through systematic evaluation, various environmental hazards and compliance risks are accurately identified. In 2025, the Company conducted normalized environmental hazard screenings through various methods such as self-inspection, cross-inspection, and supervisory inspection, identifying a total of 266 ecological and environmental hazards throughout the year, all of which have completed closed-loop rectification.

Emergency Management

The Company strictly executes the requirements of documents such as the "Regulations on the Management of Comprehensive Emergency Response Plans." We have established and improved rapid response mechanisms for production safety accidents, environmental emergencies, and various social emergencies to ensure that emergency teams can respond quickly, handle efficiently, and react precisely, thereby minimizing casualties, property loss, and environmental pollution. We established the "Provisional Measures for Accountability for Ecological and Environmental Issues," clarifying the standards, procedures, and entities for accountability. Simultaneously, contractors are required to maintain sufficient reserves of emergency rescue equipment and supplies and organize environmental emergency drills on a regular or irregular basis.

Environmental Education

Focusing on the requirements of ecological protection, energy conservation, and carbon reduction, the Company systematically organizes policy communication and special training. The Company conducted a cumulative total of 18 targeted training sessions throughout the year, covering various departments, subsidiaries, and key personnel, with a total of over 1,200 person-times trained.

CASE

Sinoma Wuhan Carries Out a Series of Themed Energy-Saving and Environmental Protection Promotion Activities

From June 23 to 29, 2025, the Safety and Environmental Protection Department of Sinoma Wuhan organized a series of activities centered on the themes of "Energy Efficiency, Leading with Innovation" National Energy Saving Publicity Week and "Carbon Pioneers, Moving Towards a Green Future" National Low Carbon Day. By releasing themed promotional videos and science popularization guides, the Company popularized low-carbon concepts and simultaneously launched the "Low-carbon Life Starts with Me" initiative. This guided employees to practice habits such as green commuting and resource-saving office practices, transforming environmental protection concepts into tangible actions and effectively strengthening the energy-saving and environmental awareness of all staff.

Metrics and Targets

2025, the Company's key targets and their completion status were as follows:



- Achieved "zero" environmental complaints
- No negative benchmark cases or public criticisms from energy-saving and environmental protection inspections, no environmental emergencies, no administrative or criminal penalties, and no public opinion complaints or reports

Promoting Low-Carbon Transformation

The Company actively practices the "Dual Carbon" strategy and deeply cultivates the green energy and low-carbon business sector. Leveraging its leading technical strength and extensive project experience in clean energy utilization, low-carbon and environmental engineering contracting, equipment R&D and manufacturing, and green building materials R&D, the Company efficiently integrates resources across business segments—including design, supply, construction, and O&M. By deeply integrating with application scenarios such as industrial parks, mining areas, and urban residential zones, the Company provides one-stop life-cycle solutions ranging from diagnostic planning and customized design to key equipment supply and intelligent O&M, assisting customers in achieving energy conservation, carbon reduction, and green development.

Deepening Green Services

◎ Clean Energy and Integrated Energy Services

The Company continuously expands green service scenarios in the clean energy field, focusing on clean energy power generation, energy storage system integration, and multi-energy complementary solutions to assist industrial parks and enterprises in optimizing energy structures and reducing carbon emission intensity.

Promoting the "WHR+" multi-energy complementary model

During the Reporting Period, relying on benchmark projects such as Hunan Yuneng and Lopal Tech, the Company promoted "Grate Cooler Transformation + WHR Utilization" in the lithium carbonate industry. The HUME project in Malaysia achieved the first joint export of the fourth-generation cement waste heat power generation technology and geothermal technology. The Zambia zero-external-electricity industrial park project created a "WHR + PV" multi-energy complementary solution, constructing the first overseas "Zero Externally Purchased Electricity" project. The Ngaie project in Kenya explored a new model of integrated "WHR + Biomass" development.



Positioning in new fields of low-carbon energy cycles

Responding to national strategies and practicing green development philosophies, the Company actively positioned itself in the field of circular utilization of organic polymer materials.



Achieving new progress in energy storage business

The Company continues to promote the application of energy storage technologies in energy systems. Centered on products such as solid thermal storage, phase-change thermal storage, and adsorption thermal storage, the Company enhances new energy consumption capabilities and the operational stability of energy systems, providing key support for the large-scale application of clean energy.



CASE Malaysia HUME Cement 18MW WHR Power Generation Project

Sinoma EC and HUME Cement, a subsidiary of Malaysia's Hong Leong Group, officially signed an 18MW WHR EPC contract in Kuala Lumpur. This project innovatively integrates industrial waste heat recovery with geothermal cooling technology to provide efficient cooling services for cement plant buildings, exploring a new pathway for green and energy-saving development in industrial scenarios. This "Waste Heat + Geothermal" project will fill the technological gap in coupled cooling through industrial waste heat and geothermal energy in Southeast Asia, providing a replicable "Sinoma Solution" for energy conservation in industrial buildings across tropical regions worldwide.



CASE Mafeteng Photovoltaic Power Station Project in Lesotho

Constructed by a consortium of Sinoma EC and TBEA, the Mafeteng PV Power Station is a significant outcome of the Forum on China-Africa Cooperation between China and Lesotho, as well as Lesotho's first large-scale PV project. During construction, the project created over 1,000 local jobs and trained a group of professional PV engineers, enhancing local technical capabilities. Since its grid connection in April 2023, the station has generated over 100 million kWh, effectively alleviating local power shortages and supporting local energy transformation and structural optimization, and received international coverage from People's Daily in 2025.



CASE Taizhou 50MW Fishery-PV Complementary Power Generation Project

Sinoma Wuhan adopted a "PV power generation + fishery" 3D model in the 50MW fishery-PV complementary project in Taizhou, Jiangsu Province, achieving synergistic development of clean energy utilization and ecological aquaculture. Equipped with an energy storage system to enhance new energy consumption efficiency, the project promotes intensive resource utilization and regional green transformation.



◎ Energy-saving and Environmental Engineering Services

Leveraging its advantages in engineering and equipment, the Company continues to deepen its energy-saving and carbon-reduction service capabilities, providing systematic energy-saving and environmental solutions for industries such as cement, metallurgy, chemicals, and new energy materials..



Cultivating the Green Energy Field, Driving Large-Scale Project Implementation

Sinoma EC focuses on the two core tracks of industrial energy conservation and clean energy, simultaneously promoting the implementation of green energy projects at home and abroad. In 2025, a cumulative total of 21 grid-connected power generation projects were completed, practicing "Dual Carbon" goals through technological innovation and international layout.



Cultivating the Green Energy Field, Driving Large-Scale Project Implementation

Industrial Energy Conservation Projects

Five projects of the Engineering Branch were successfully connected to the grid with a total installed capacity of 46MW. Notably, the Lunan United project achieved intelligent one-button start/stop and unattended operation, with O&M efficiency reaching industry-leading levels.

Clean Energy Projects

The Company has successfully connected 16 projects to the grid, with a total installed capacity of 322.14MW. The expansion of its clean energy power generation business has yielded significant results, providing technical support for the regional green power supply and the construction of a low-carbon energy system.



Expanding the Diversified Market Footprint, Building a New Pattern of Green Development

Looking forward, Sinoma EC will continue to advance project reserves and development centered on the "WHR+" and clean energy fields.

In terms of regional layout, the Company will leverage "Belt and Road" development opportunities to advance overseas green energy projects. We have reserved multiple WHR power generation projects in markets such as the South Asia and will continue to promote clean energy project development based on key markets in Central Asia and Africa, expanding the overseas green energy market space.

In terms of industry extension, the Company will focus on energy-saving renovation in high-energy-consuming industries such as cement, steel, and chemicals, and extend into new fields such as new energy materials, providing cross-industry energy-saving and environmental protection solutions. We will accelerate the rolling development and model replication of clean energy projects like PV, providing customers with integrated solutions to achieve the large-scale development of the clean energy business.

Providing Green Products

R&D of Efficient Low-Carbon Thermal Equipment

Wanda Power continues to build a green equipment product system, forming a development path featuring waste-heat recovery boilers, waste incinerators, and biomass boilers, and has earned the title of "Benchmark Enterprise for Core Equipment in China's Solid Waste Incineration Sector." The Company completed the R&D and design of the first set of 1,000 t/d efficient clean grate waste incineration boiler solutions meeting EU standards and the first set of AOG exhaust gas waste-heat recovery boilers solutions. It also advanced the development of key technical products such as complete sets of equipment for compressed air energy storage heat exchange systems, providing core equipment support for the green and low-carbon industry. Major progress was made in high-temperature and high-pressure biomass boilers, with the first set of 220 t/h units successfully operating and achieving industry-leading NOx emission levels. Progress in integrated green hydrogen-ammonia-methanol technology was marked by the completion of R&D for 150 t/h carbon-source biomass boilers, ensuring a stable carbon source supply and completing key links in clean energy.

Creating Green Factories

Sinoma EC actively practices the philosophy that "Lucid Waters and Lush Mountains are Invaluable Assets," implementing major national regional strategies by positioning calcium silicate board production bases in several key regions at home and abroad. While implementing green coverage, each plant aims for energy reduction, pollution and carbon reduction, and quality and efficiency enhancement by adopting advanced and mature full-process digital O&M production processes. The industry-leading 1.5-generation large-capacity intelligent slurry-flow production line has achieved over ten major technical breakthroughs, including significant increases in single-line annual capacity, substantial labor reductions, scientific layouts to reduce land use, technical upgrades of equipment, and improvements in operational efficiency and product qualification rates. These efforts reduce energy waste and lower natural gas and electricity consumption per unit, effectively supporting the strategic emerging calcium silicate board industry and assisting in the green and low-carbon transition.



Sinoma EC Green Factory

Promoting Green Building Materials

The Company continues to promote the green upgrading of building energy-saving materials, vigorously developing the calcium silicate board business and gradually incorporating product carbon emission indicators into the green building material standard system. The Company's calcium silicate board series products have obtained Chinese Green Building Material Product Certification and Product Carbon Footprint Certification. Sinoma Qianjiang has obtained FSC Forest Certification to standardize raw material procurement sources and strengthen sustainable supply chain management.

Fiber-reinforced calcium silicate board passed China Green Building Material Product Certification and Product Carbon Footprint Certification.



Fiber cement flat board passed China Green Building Material Product Certification and Product Carbon Footprint Certification.



Sinoma Qianjiang passed FSC Forest Certification.



The Company is advancing the industrialization of key technologies and equipment for low-carbon calcium silicate board. Centered on CO₂ curing processes, the application of bulk industrial solid waste raw materials, and the development of intelligent complete equipment, the Company is promote the large-scale application of green building materials.

In collaboration with Wuhan University of Technology, the Company is conducting research on carbon-sequestration fiberboard technology, enhancing CO₂ absorption efficiency through innovative carbonization devices to lay a foundation for future development.

CASE

Green Building Materials Serving Infrastructure Construction for Major Public Sporting Events

The Company provided Grade A fireproof calcium silicate floor panels, fireproof boards, and decorative floors for the venues of the Asian Winter Games, covering an area of approximately 85,000 m². The products are free of asbestos, benzene, and other harmful substances, with fire resistance reaching the highest-Grade A standard. The project adopted dry construction techniques, allowing materials to be disassembled, reorganized, and recycled, effectively shortening the construction period, reducing resource consumption, and supporting the low-carbon construction of major public facilities.



Practicing Green Operations

Management System

Management System Sinoma EC strictly follows the laws and regulations of the regions where its operations and projects are located. Combining these with its actual production and operation, the Company has formulated internal management documents such as the "Management and Control Procedures for Energy Conservation and Ecological Environmental Protection" and the "Supervision and Management Regulations for Energy Conservation and Ecological Environmental Protection." By refining control requirements across all links, the Company has constructed a comprehensive energy and resource management system.

Management Strategy The Company focuses on energy conservation, water conservation, electricity conservation, material conservation, and comprehensive resource utilization as its core drivers. Through key pathways such as upgrading energy-efficient and environmentally friendly equipment, optimizing production processes, and promoting clean energy, it is solidly advancing the implementation and effectiveness of green production models. Deepening its commitment to the circular economy, the Company is strengthening the resource utilization of industrial solid waste, increasing the application ratio of carbon-reducing substitute materials, and continuously enhancing overall resource recycling efficiency.



Energy Conservation

Optimizing industrial layout

Increasing investment in the energy-saving new materials industry and collaborating with research institutes to tackle core technologies, driving the industrial transformation of energy-saving processes and equipment.

Promoting clean energy

Replacing fossil fuels with green and clean energy, positioning PV and WHR projects, and building intelligent energy management systems to enhance energy self-sufficiency; clean energy consumption in 2025 reached 5.6253 million kWh.

Deepening digital empowerment

Building energy O&M and Industrial Internet platforms to enhance the effectiveness of digital energy management.

Researching energy-saving technologies

Exploring fuel substitution paths within core businesses and promoting integrated multi-energy complementary solutions to drive the intelligent implementation of energy-saving technologies.

Upgrading energy-saving equipment

Focusing on the R&D and iteration of energy-saving equipment, advancing the upgrade of special boilers and energy-storage heat exchange equipment to enhance core competitiveness.



Resource Conservation

Advancing solid waste utilization

Promoting the comprehensive utilization of bulk solid waste such as quartz sand tailings; Sinoma Yichang recycles sanding dust to improve resource recovery rates.

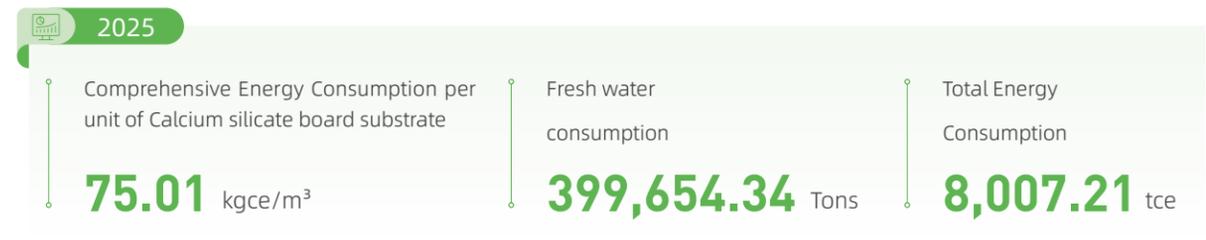
Strengthening water management

Improving water-saving management systems and conducting water-saving diagnoses and technical renovations; Sinoma Yichang recycles industrial water for use in the batching process.

Optimizing water-saving processes

The Wuhai Power Station carried out water-saving equipment retrofits, saving approximately 1,200 tons of water annually.

Simultaneously, the Company integrates green and low-carbon principles into daily production and operational management, treating resource conservation as a key driver for enhancing governance efficiency and advancing sustainable development. Through adopting energy-efficient and environmentally friendly equipment, optimizing production processes, promoting clean energy, improving water resource utilization rates, and advocating paperless offices, the Company systematically advances green and low-carbon management while synergistically implementing cost reduction and efficiency enhancement.



Pollutant Emission and Management

Management System

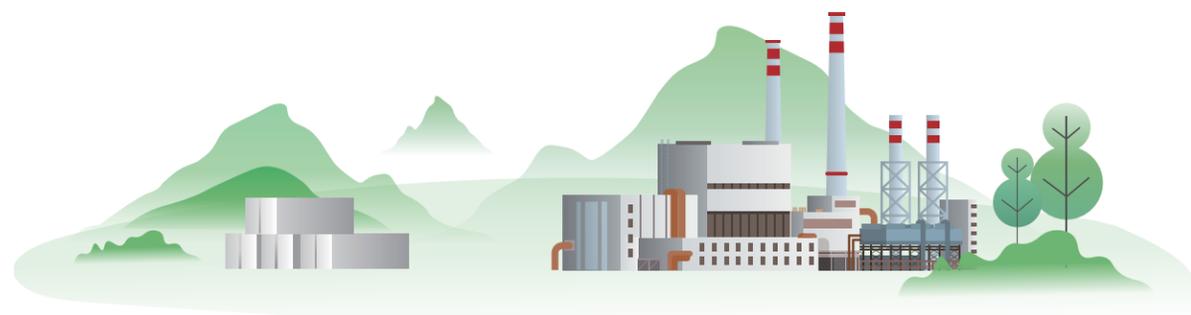
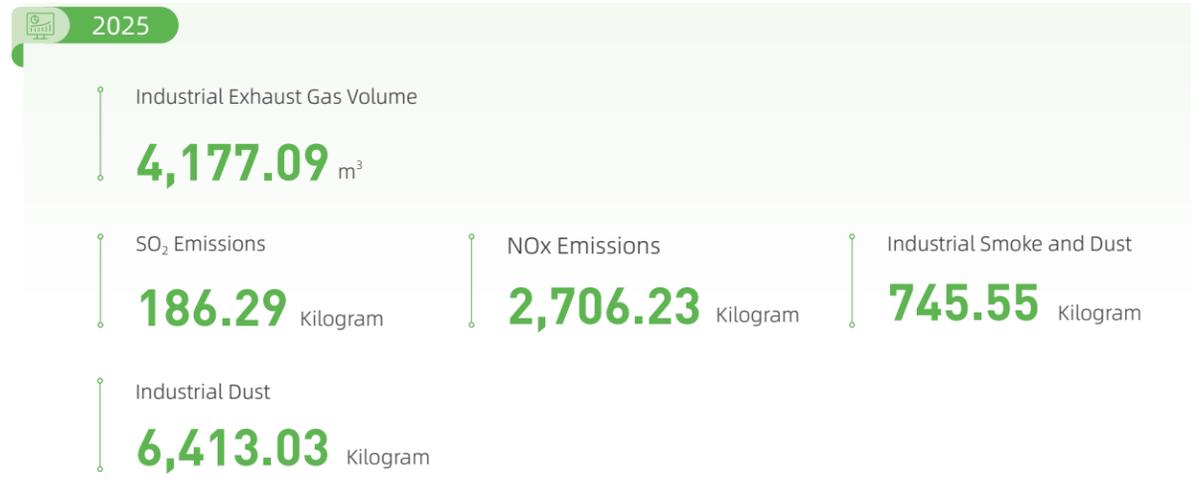
The Company and its subsidiaries strictly abide by relevant laws and regulations such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*. We have formulated the "Management and Control Procedures for Energy Conservation and Ecological Environmental Protection," embedding pollution prevention requirements into the entire process of production and operation. By standardizing the configuration, operation, and maintenance of environmental protection facilities, we continuously reduce emission risks of exhaust gas, wastewater, and solid waste.

Under the unified leadership of the Ecological and Environmental Protection Management Committee and the coordination of the Safety and Environmental Protection Department, the Company implements normalized supervision and compliance control over exhaust gas, wastewater, and noise management across subsidiaries, achieving systematic environmental risk prevention and continuous improvement.

Exhaust Gas Management

Subsidiaries such as Wanda Power and Sinoma Yichang have established a dual-control mechanism combining "Self-Monitoring + Regular Inspections." This system enables real-time monitoring of waste gas treatment facility operations, allowing for the timely identification and rectification of potential hazards to eliminate the risk of emission exceedances during the process. By 2025, Wanda Power will complete the maintenance and upgrade of its VOCs monitoring equipment, further optimizing VOCs emission monitoring and control capabilities to ensure the continuous, stable, and controllable discharge of key pollutants.

The Company sets management targets with exhaust gas compliance rate as the core metric, incorporating it into the annual Energy Conservation and Environmental Protection Responsibility Agreement for assessment and management. During the reporting period, the Company achieved a 100% compliance rate for exhaust gas emissions, with no instances of non-compliance or related regulatory issues occurring.



Wastewater Management

The Company strictly implements water-saving and wastewater control measures during its production and operation, with zero industrial wastewater discharge. During the Reporting Period, each production unit achieved industrial water recycling through reuse and standardized treatment, ensuring no industrial wastewater was discharged into the external environment.

Wanda Power discharges treated and qualified domestic sewage into the Guanyinshan Sewage Treatment Plant and recycles industrial water to minimize wastewater discharge. Sinoma Yichang strictly implements rainwater-sewage separation control measures. All surface rainwater is discharged directly into the Ju River via dedicated storm sewer networks and outfalls. Domestic sewage and ground wash wastewater undergo treatment in integrated underground facilities before being discharged into the Ju River at compliance levels. The discharge concentrations of chemical oxygen demand (COD), suspended solids (SS), and other pollutants meet the Grade III standards of the *Integrated Wastewater Discharge Standard* (GB8978-1996). Industrial wastewater is reclaimed through a circulating water pool for reuse in the batching system, achieving full resource recycling and zero external discharge of industrial wastewater.



Noise Management

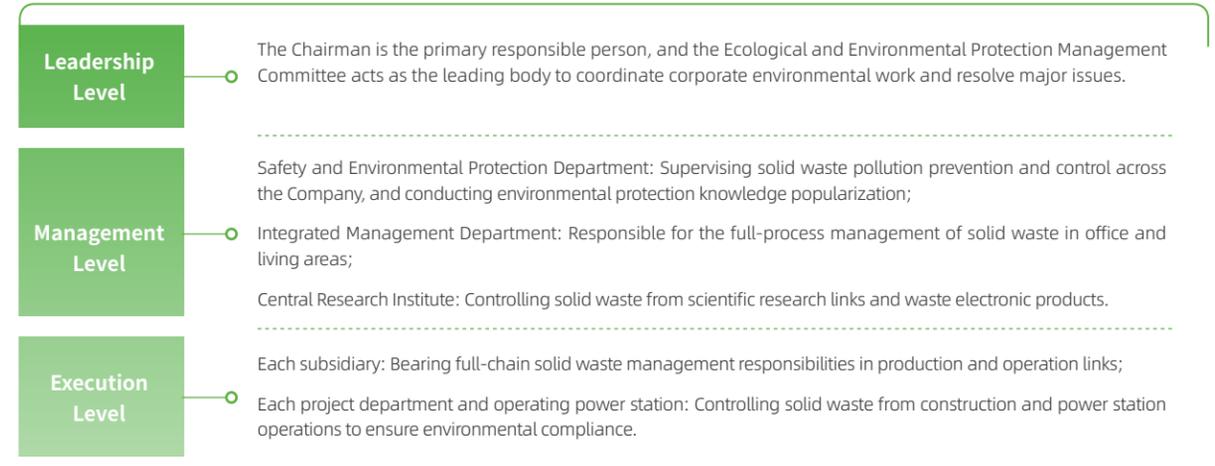
The Company explicitly requires all departments and subsidiaries to control and reduce noise pollution, adopting targeted measures such as vibration reduction, sound insulation, and silencing at noise sources to ensure that boundary noise meets standards and prevents disturbance to the public.

In 2025, Wanda Power strengthened noise monitoring in workplaces, kept abreast of the level of noise hazards in real time, formulated feasible preventive measures in light of actual conditions, and completed the monitoring and disclosure of workplaces with occupational hazards for the year. Sinoma Yichang focuses on on-site noise control, utilizing isolation techniques by placing high-noise equipment such as sanders in dedicated rooms, achieving the dual effect of noise and dust reduction.

Waste Management

Management System

The Company has formulated the "Solid Waste Management Regulations," clarifying control requirements for classification, collection, storage, transportation, and disposal. A management structure with collaborative division of labor and multi-level implementation has been established:



Management Strategies

The Company's solid waste is mainly categorized into two types: non-hazardous and hazardous. Non-hazardous waste includes construction waste, scrap iron and steel, and welding slag, while hazardous waste primarily consists of oily wastes such as waste motor oil and paint coating waste. The Company adopts differentiated disposal measures for different types of waste and implements full-process control for hazardous waste in strict accordance with hazardous waste management regulations.

Non-hazardous Waste

<p>Construction waste disposal</p> 	<p>Each subsidiary formulate disposal plans and complete filing, ensuring timely removal and subsequent utilization or disposal according to regulations. Unauthorized dumping, scattering, or piling is strictly prohibited.</p>
<p>Comprehensive resource utilization</p> 	<p>Calcium silicate board enterprises implement comprehensive utilization of certain non-hazardous wastes to achieve resource recovery and reuse.</p>
<p>Entrusted compliant disposal</p> 	<p>Non-hazardous waste is entrusted to qualified entities for removal and disposal. Prior to entrustment, the contractor's qualifications and capabilities are rigorously verified, and a contract is signed to clearly stipulate environmental protection control requirements.</p>

The Company regards waste reduction and resource utilization as important goals of environmental management, systematically advancing waste management planning centered on "Source Reduction, Classified Management, Resource Recycling, and Compliant Disposal." During the Reporting Period, the compliant disposal rate of all types of waste reached 100%, and the comprehensive utilization rate of general industrial solid waste improved steadily.

Hazardous Waste

<p>Identification and Record Management</p> 	<p>Install hazardous waste identification signs according to regulations, establish dedicated management records, and complete online reporting.</p>
<p>Standardized Storage Control</p> 	<p>Classify and store waste according to the <i>Standard for Pollution Control on Hazardous Waste Storage</i> (GB 18597-2001), with storage periods not exceeding one year.</p>
<p>Authorized Disposal:</p> 	<p>Entrust disposal to third-party entities holding valid permits, strictly implementing the transfer manifest system during transportation.</p>
<p>Emergency Filing Management</p> 	<p>Develop accident response plans and complete filing procedures.</p>

2025



3 Empowerment through Smart Innovation and Win-Win Cooperation

Sinoma EC adheres to technological innovation and digital transformation as its core driving forces. We continue to deepen green technology R&D and intelligent applications, collaborating with partners across the upstream and downstream of the industrial chain to build an open and win-win green development ecosystem. By continuously releasing innovative momentum, we empower low-carbon industrial transformation and the Company's high-quality sustainable development.

Key Topics

- Product and Service Quality
- Customer Service
- Supply Chain Management
- R&D and Innovation
- Intellectual Property Rights Protection
- Information Security and Privacy Protection

Aligning with the United Nations Sustainable Development Goals



- 53 — Strengthening Innovation-driven Development
- 56 — Advancing Digital and Intelligent Transformation
- 58 — Strengthening Quality Management
- 60 — Optimizing Customer Service
- 61 — Enhancing Supply Chain Resilience



Strengthening Innovation-driven Development

Governance

The Company has established a sound system for scientific research management and achievement transformation, formulating and implementing the "Management Procedures for R&D Projects," the "Regulations for R&D Project Initiation," and the "Measures for R&D Projects and Achievement Transformation Incentives." These regulate the entire process from project initiation and implementation to acceptance and transformation. The Central Research Institute, as the centralized department for research management, is responsible for the overall planning, application, supervision, acceptance, and management of research projects, promoting efficient allocation of research resources and the transformation of innovative achievements.

R&D Platform

The Company possesses a Nationally Recognized Enterprise Technology Center.



Industry Driver

In 2025, the Company participated in the revision of 5 national or group standards.

Strategy

Sinoma EC regards technological innovation as its "top priority project" and deeply integrates it into the Company's development strategy. The Company has undertaken a number of national key research and development programs and made breakthroughs in several key core technologies. Comprehensive efforts have been made in managing innovations in business models and institutional mechanisms, safeguarding the development of new quality productive forces with new types of relations of production. In 2025, the Company had 346 R&D employees, with an R&D investment of RMB 117 million.

Strategic Planning for Technological Innovation and Development of Sinoma EC

Building core technological barriers in the fields of new energy and new materials through the dual drivers of independent R&D and industry-university-research collaboration.

Management of Impacts, Risks, and Opportunities

Sinoma EC adheres to strengthening the dominant position of technological innovation. Relying on the advantages of our national-level Enterprise Technology Center platform, we focus on the "Dual Carbon" goals, green manufacturing, and circular economy. We have accelerated the pace of tackling key core technologies and the transformation of achievements, promoting the deep integration of technological and industrial innovation. The enhancement of independent innovation capabilities supports the Company's international layout and the transformation and upgrading of its business structure.

Accelerating the Industrialization of Core Technologies

The Company closely follows national strategic deployments for energy saving, carbon reduction, resource recycling, and new industrialization, accelerating the promotion and application of advanced low-carbon technological achievements:

The "Fourth-Generation Cement Waste Heat Recovery Power Generation Technology" was selected for the Recommended Catalogue of Energy-Saving and Carbon-Reduction Technologies and Equipment in the National Industrial and Information Technology Field (2025 Edition). It has achieved large-scale application in projects such as Chuzhou CUCC, Lunan CUCC, Jiangshan South Cement, and the Zambia zero-external-electricity industrial park project, effectively helping the cement industry reduce consumption and emissions while serving green capacity cooperation under the "Belt and Road" Initiative.

- The "Discontinuous Residual Steam Recovery System" was successfully applied to a low-density calcium silicate board production line for the first time. Skid-mounted heat storage devices have achieved mass production, forming a standardized and modular equipment product system.
- The "Self-cleaning Coking Multi-stage Pyrolysis Technology and Equipment for Waste Plastics" was recognized as a Major Technical Equipment in the First Set (Unit) by the National Energy Administration, promoting solid waste resource utilization and the development of the low-carbon circular economy industry.

CASE Sinoma EC's "Complete Set of Self-cleaning Coking Multi-stage Continuous Pyrolysis Equipment for Waste Plastics" included in the Fifth Batch of Major Technical Equipment in the First Set (Unit) in the Energy Field

In 2025, the "Complete Set of Self-cleaning Coking Multi-stage Continuous Pyrolysis Equipment for Waste Plastics," jointly developed by Sinoma EC and its partners was selected for the fifth batch of the list of Major Technical Equipment in the First Set (Unit) in the energy field. Focusing on the industry pain points of "easy coking and difficulty in large-scale application" in the chemical recycling and thermal cracking of waste plastics, this equipment achieves efficient conversion through self-cleaning multi-stage continuous pyrolysis and precise temperature control, coupled with a low-temperature dechlorination process to effectively reduce the pollution risks brought by chlorine-containing plastics.



CASE Sinoma EC's "Innovative Practice of Fourth-Generation Cement Waste Heat Recovery Power Generation Technology" selected as an Outstanding Case of Enterprise New Quality Productive Forces Development

In 2025, the "Innovative Practice of Fourth-Generation Cement Waste Heat Recovery Power Generation Technology" submitted by Sinoma EC was successfully selected as one of the "Outstanding Cases of Enterprise New Quality Productive Forces Development" for 2025 by the China Enterprise Reform and Development Society. This technology achieved systemic breakthroughs around "high efficiency and energy saving, deep integration, and intelligent stability." It focuses on key pain points such as the efficiency and stability of waste-heat power generation in cement kilns, innovatively improving the recovery and utilization capability of medium and low-temperature waste heat. This promotes the reconstruction of energy utilization models for cement kilns and assists in the energy-saving and carbon-reduction transformation and equipment renewal of the cement industry.

This technological achievement has appeared at major domestic and international exhibitions, such as the 28th Arab-International Cement Conference and Exhibition and the 3rd Sinoma International Cement Green and Intelligent Development Conference, fully demonstrating the Company's technical strength and brand influence in the field of industrial energy saving and carbon reduction.



China's Fourth-Generation Cement Waste Heat Recovery Power Generation Technology for Cement Kilns debuted at the 28th Arab-International Cement Conference and Exhibition

CASE

Innovation in Green Building Material Technology



Sinoma Wuhan has deeply cultivated innovation in green building material technology and equipment upgrading, with several core achievements reaching industrial breakthroughs: the 1.5 Generation+ technology and equipment for calcium silicate boards are progressing steadily. By integrating digital technologies such as intelligent vacuum control and MES, the production capacity of low-density boards has increased by 40%, with green and intelligent levels reaching industry-leading standards. The first independently developed 15,000-ton press has completed testing and entered production, supporting the large-scale supply of lightweight, high-strength, and Class A1 non-combustible green calcium silicate boards. The 2.0 Generation iteration of the integrated board loosening and stacking machine has successfully commenced production, significantly reducing product loss and labor dependency, providing key support for the low-carbon transformation and intelligent upgrading of the building materials industry.

Strengthening Collaborative R&D Capabilities

The Company adheres to the collaborative innovation of engineering technology and equipment manufacturing. We have systematically promoted the integrated research of the kiln-end SCR denitrification system and SP boiler, successfully solving industry pain points such as high energy loss and large space occupation. The relevant technology has been applied for the first time in the Yunnan Pu'er Tianheng denitrification project, significantly improving the synergistic efficiency of energy saving and emission reduction.

The Company has deepened industry-university-research collaborative innovation, focusing on exchanges with domestic universities, scientific research institutions, and key enterprises. During the reporting period, the Company further discussed desalination and industrial water treatment technologies with the **Suzhou Research Institute for Environmental Protection of Tsinghua University**. We also promoted the Fourth-Generation Cement Waste Heat Recovery Power Generation Technology at the 31st Conference on Atmospheric Environmental Science and Technology & Symposium on Atmospheric Pollution Prevention and Control Technology, jointly organized by the **Chinese Society for Environmental Sciences** and **Nankai University**.

Key Tasks of Subsidiaries in 2025

Wanda Power deepened its cooperation with **Zhejiang University** to develop a 110t/h clean utilization technology for coal chemical waste, improving combustion efficiency and reducing NO_x emissions to promote technological upgrading. It developed a biomass circulating fluidized bed gasification staged combustion boiler, and the first set (unit) of a 220t/h high-temperature and high-pressure biomass boiler successfully commenced operation. By collaborating with teams of **well-known technical experts in the industry**, the company carried out collaborative innovation around photothermal systems, optimizing technical solutions and building core technological advantages.

Energy Saving Wuhan and **Nanjing Tech University** jointly applied for the project "Preparation Technology of Radiative Cooling Materials Based on Solid Waste Resource Utilization" under the fifth batch of "Open Competition" projects in the building materials industry, which was successfully selected. It also jointly applied for a major scientific and technological research project in Tianjin with the **Shandong Institute of Energy Science**.

Demonstrating Brand Innovation Strength

During the reporting period, the Company won several authoritative recognitions and industry honors, with technological innovation strength and brand influence being comprehensively enhanced:



Successfully rated as a "Cheetah Enterprise" in Tianjin, with innovation strength recognized by authorities.

Successfully "won" for two major national scientific and technological research projects in the building materials industry, with innovation momentum continuously strengthening.

Awarded as one of the "Top 10 Enterprises in China's Boiler Industry," with brand strength continuing to manifest.

The calcium silicate board series products and geothermal energy technology appeared at the national "Good House" Science and Technology Exhibition. As the only geothermal energy development enterprise in the exhibition area, this further enhanced brand influence and market competitiveness.

Sinoma EC made a stunning appearance in the "Good House" exhibition area with its "Healthy, Safe, Green, and High-quality" materials



Focusing on Intellectual Property Protection

Sinoma EC strictly complies with laws and regulations such as the *Patent Law of the People's Republic of China*. We have improved the intellectual property management system and perfected the whole-process management mechanism for patent application, transformation and application, management and use, as well as confidentiality rewards and punishments. Regulations for patent and infringement response have been formulated to standardize infringement risk identification and dispute handling processes. By promoting the centralized procurement of intellectual property agency services, the Company has strengthened the systematization and standardization of intellectual property management, promoted the transformation and application of innovation achievements, and continuously enhanced corporate technological innovation capabilities.

Focusing on the source of R&D innovation, the Company has strengthened patent retrieval and technical intelligence analysis, scientifically laying out independent patents, and building a protection system for the coordinated development of technological innovation and intellectual property. Relying on the patent search system of the China National Intellectual Property Administration (CNIPA), we conduct patent searches and analyses in relevant technical fields to systematically identify key information such as patent protection scope, legal status, and rights holders. This provides support for R&D decision-making, prevents infringement risks from the source, and gradually forms a technical protection barrier centered on independent patents.

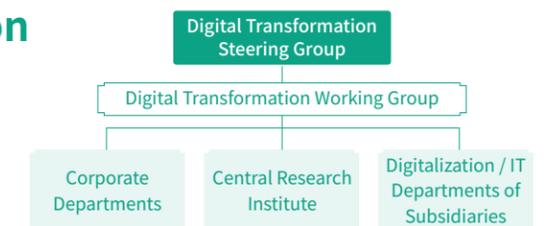
Metrics and Targets

The Company insists on driving green and low-carbon development through technological innovation, continuously increasing R&D investment in core technologies and the intensity of achievement transformation to constantly consolidate the technical foundation. During the reporting period, the Company was granted **12** new invention patents and applied for **3** international patents, further improving the intellectual property layout in core areas such as energy saving and carbon reduction, green building materials, and clean energy. We participated in the compilation of **5** national and industry standards, leading industrial green upgrading with technical standards. Several key technological achievements were recognized by the industry, with a cumulative total of more than **10** various science and technology awards received.

Advancing Digital and Intelligent Transformation

Digital and Intelligent Construction

In 2025, Sinoma EC took "Empowering Production and Operation, Enhancing Management Efficiency, and Building a Solid Safety Defense Line" as its key priorities to solidly advance various tasks of digital transformation. The Company established a Digital Transformation Steering Group to lead digital construction work across the entire organization.



Management Architecture for Digital Construction

Smart Factory

Sinoma Chizhou, a subsidiary of the Company, successfully launched the Company's first smart factory and built the first digital production MES control platform in the domestic calcium silicate board industry, integrating five major systems: production, energy, equipment, quality, and safety & environmental protection. The factory embeds digital technology into the entire production process, comprehensively collecting and analyzing production data to support the continuous optimization of production systems. It also possesses capabilities such as digital twin, intelligent control, and intelligent sorting, supported by intelligent equipment including AI visual quality inspection and high-precision intelligent thickness measurement.

"AI+" Action

The Company accelerated the implementation of "AI+" application scenarios, resulting in two industry-leading intelligent solutions: First, the independently developed "Quality Inspection of Calcium Silicate Boards Based on AI Vision" scheme. As the industry's first AI quality inspection solution, it has formed a replicable intelligent production paradigm and won first place in the Group's Digital Excellent Applications and Best Practices. Second, Wanda Power built the "Intelligent Welding System for Boiler Serpentine Tube Attachments Based on Machine Vision," which integrates intelligent welding software, 3D vision, and line scanning technologies to achieve welding path planning and automatic identification of workpiece positions. After being put into operation, welding efficiency increased by 20% and the product qualification rate rose to 98%. Currently, both scenarios have passed the Group's expert review and have been recommended to the MIIT to represent the Group in the selection of excellent typical corporate AI cases.



Honors

Built the industry's first secondary node for Industrial Internet Identification Resolution, achieving full-chain data interconnection and traceability

Obtained "Integration of Informatization and Industrialization (Grade AA)" and "DCMM Grade III" certificates

The "Industrial Internet Platform for Energy Saving and Environmental Protection Engineering" project won the Innovation Achievement Award for Intelligent Manufacturing and Digital Transformation in the Building Materials Industry

"Research and Application of Calcium Silicate Board Quality Inspection Based on AI Vision" was rated first in the Group's Digital Excellent Applications and Best Practices

Successfully selected, in conjunction with the Group, as a pilot unit for the "2025 High-quality Data Set Pilot Program (Group Consortium)" of the National Data Bureau

The "2025 Excellent Integration of Advanced Manufacturing and Modern Services Application Scenario in Tianjin" was awarded as one of the "Top Ten Application Scenarios in Tianjin"

Information Security Management

The Company attaches great importance to information security and cybersecurity governance, continuously improving the collaborative promotion mechanism for informatization construction and security management. We have formulated and implemented systems such as the "Administrative Measures for Informatization Construction," "Administrative Measures for Cybersecurity," and the "Administrative Measures for Computer Information Security," defining responsibilities and authority boundaries. Cybersecurity, data protection, terminal management, and emergency response are embedded into the life-cycle management of informatization projects, consolidating the security foundation for digital transformation. The Company attaches great importance to the protection of customer information and data privacy, strictly follows the requirements of relevant laws and regulations, standardizes the management of the entire process of customer information collection, storage, use and transmission, strengthens data access and permission control, actively promotes the construction of a data privacy protection management mechanism, and effectively ensures information security and compliant use. No customer privacy leakage incidents occurred during the reporting period.

During the reporting period, the Company solidly advanced cybersecurity and informatization work across four dimensions: daily protection, major guarantees, whole-process control, and technical upgrades. Four comprehensive security inspections and normalized testing were conducted throughout the year, achieving "zero accidents" in cybersecurity during major events. Simultaneously, we strengthened cybersecurity awareness training for employees and pushed forward special risk remediation and supply chain security management to continuously improve the prevention capabilities of all staff. By optimizing network architecture, upgrading protection systems, and improving data backup mechanisms, we have continuously enhanced the stability and risk-resistance of our information systems, providing solid support for business continuity and digital operations.

Strengthening Quality Management

Governance

Sinoma EC continuously improves its quality management system covering the entire process of product R&D, manufacturing, engineering implementation, and service delivery. The Company clarifies project quality management requirements in the "Regulations on Quality Management of Engineering Projects," embeds quality responsibilities into key business links, and strengthens whole-process quality supervision and continuous improvement to steadily enhance the delivery quality of products and services. As of the end of the reporting period, 11 member enterprises of the Company have obtained ISO 9001 or equivalent external quality management system certifications.

Subsidiaries and branches having obtained Quality Management System certification:

- ✓ Sinoma Energy Conservation Ltd.
- ✓ Nantong Wanda Boiler Co., Ltd
- ✓ Wuhan Building Material Industry Design & Research Institute Co., Ltd
- ✓ Sinoma Energy Conservation International Investment Co.,Ltd.
- ✓ Sinoma Energy Conservation (Philippines) Waste Heat Recovery Co., Inc.
- ✓ Sinoma (Beijing) Geothermal Energy Technology Ltd.
- ✓ CNBM New Material Equipment& Technology (Tianjin) Ltd.
- ✓ Sinoma Industrial Energy Storage Tech (Tianjin) Co., Ltd.
- ✓ Sinoma (Yichang) Energy Conservation New Materials Co., Ltd.
- ✓ Sinoma (Qianjiang) Energy Conservation New Materials Co., Ltd.
- ✓ Sinoma Yujian (Chongqing) Energy Conservation New Material Co, Ltd.



Quality Management System Certification (including subsidiaries and branches in Tianjin)

Strategy

Guided by high-quality development, Sinoma EC focuses on enhancing management efficiency and operational quality, continuously strengthens strategic leadership and refined management, and actively promotes management optimization and innovative transformation. The Company continuously improves its quality management system and enhances operational efficiency and risk control capabilities, building a solid foundation for overall quality improvement.

3. Management of Impacts, Risks, and Opportunities

Strengthening Quality Control

Adhering to the orientation of strengthening the enterprise through quality, the Company continuously improves its quality management system and reinforces whole-process quality control, driving quality management toward systematization, standardization, and refinement. Centering on key links such as design, procurement, manufacturing, construction, installation, and commissioning, the Company has built a quality management mechanism covering the entire project life cycle, achieving full-process integration, whole-process controllability, and full-chain traceability of quality management. Focusing on key equipment products and new technology application projects, the Company strengthens quality planning, reinforces process supervision, and strictly controls the quality of key equipment to continuously improve product stability and engineering contract fulfillment capabilities.

Quality Management Mechanism

Sound Quality Management System

Continuously improving the quality management system; completed the ISO 9001 quality management system upgrade audit and ISO 3834 welding system supervision audit; established 22 quality optimization topics to promote quality management standardization and continuous improvement.

Promoting Proactive Quality Planning

Adhere to the "prevention-first" quality philosophy; conducted quality planning for key projects and "Three New" products; completed 15 key product quality plans including those for SUS Environment and Everbright Environment, moving quality control forward to the design and manufacturing stages.

Strengthening Whole-Process Quality Control

Build a whole-process quality management system covering design, procurement, manufacturing, construction, installation, commissioning, and quality assurance; quality issues are classified and managed by design, manufacturing, construction, and commissioning, with responsible departments clearly identified to drive closed-loop rectification.

Deepening Quality Issue Traceability

Establish a quarterly quality reporting mechanism to regularly conduct statistical analysis, trend judgment, and responsibility attribution for project quality issues, identifying high-frequency risk issues and driving continuous improvement.

Strengthening Professional Capacity Building

Conduct specialized quality and technical training; deepen the study and application of domestic and international standards such as GB, ASME, and CE to continuously enhance the professional level of quality management and whole-process quality control capabilities. In 2025, two additional employees obtained European Standard DR qualifications and passed on-site audits by international customers, further enhancing quality assurance capabilities for overseas projects.

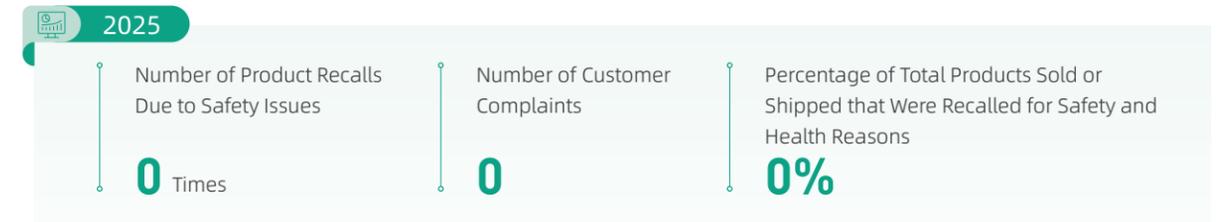
Enhancing Brand Influence

The Company insists on regarding quality management as the core support for brand building, deeply integrating brand strategy into the main line of business development to drive the continuous enhancement of brand influence.

During the reporting period, the "Sinoma Hankun" and "Sinoma Keyan" brand series products of the Company obtained the French A+ certification, and the market recognition and reputation of brands such as "Sinoboard" and "Sinopanel" continued to improve. In the domestic market, Wanda Power passed the recertification audit for its "Mechanical Grate Municipal Solid Waste Incineration Boiler" and continued to maintain its "Jiangsu Excellence" certification; Energy Saving Wuhan actively participated in high-end industry platforms such as the 2025 Wuhan Medical Fair and the national "Good House" Science and Technology Exhibition, systematically demonstrating the performance advantages and green low-carbon value of calcium silicate board products, continuously enhancing market trust and brand credibility. In foreign markets, the Malaysia Branch won the "Active Contribution Award" of the year from the China Enterprises Chamber of Commerce in Malaysia, setting a model for Chinese enterprises; Sinoma Wuhan deeply participated in the 24th Architecture, Interior Design & Building Materials Exhibition in Malaysia and appeared at the 25th AstanaBuild in Kazakhstan, continuously enhancing its brand image in the international market; NMNC has won authoritative awards in the African building materials industry for four consecutive years and won the Manufacturers Association of Nigeria Award in 2025, deeply embedding the quality reputation of "Made in China" and the corporate brand image into the African market, significantly enhancing international brand competitiveness.

Metrics and Targets

The Company is committed to the goal of "zero major liability accidents related to product and service safety and quality." To this end, we continuously strengthen full-process quality control and safety risk prevention, ensuring reliable delivery, secure operation, and service traceability. During the reporting period, the Company did not experience any product recalls, nor did any major liability accidents occur regarding product and service safety or quality.



Optimizing Customer Service

Protection of Customer Rights and Interests

Sinoma EC has established management regulations for engineering services, product return visits, and closed-loop problem handling. These measures implement continuous and effective standardized control over the entire post-service process, ensuring that the engineering projects undertaken by the Company are successfully put into operation and meet the indicators stipulated in the contracts, thereby continuously meeting and exceeding customer expectations. Through the return visit mechanism, the Company timely and accurately grasps customer needs and operational feedback, responds rapidly to resolve issues in a closed-loop manner, and continuously improves service quality and customer satisfaction, further strengthening communication and synergy with customers.

Customer Satisfaction

The Company has formulated and implemented the "Control Procedures for Customer Satisfaction Surveys" to systematically capture customer needs and feedback, continuously improve products and services, meet and exceed customer expectations, and enhance corporate market competitiveness.

In 2025, the Company conducted customer satisfaction surveys for engineering projects, setting evaluation dimensions such as "Satisfied," "Relatively Satisfied," "Some Issues Exist," and "Dissatisfied" regarding on-site service performance. According to the collected statistical results, the overall evaluation from customers for the Company's design consulting, on-site services, and equipment supply was primarily "Satisfied" or "Relatively Satisfied." Addressing the issues identified in the surveys, the Company conducted root-cause analyses, formulated and implemented rectification measures, and established closed-loop management and experience accumulation to continuously enhance the delivery quality and customer experience of subsequent projects.

CASE

Wanda Power's Service Highly Recognized by Customers



Wanda Power has established an efficient service response mechanism to quickly address customer demands and dispatched dedicated personnel to ensure service for on-site and overseas projects. Focusing on delivery and quality control, it has strengthened the management of production progress and component completeness, while carrying out regular quality competitions and satisfaction evaluations.

During the reporting period, customer delivery satisfaction increased by 5 percentage points. The Company received 3 silk banners and 5 letters of appreciation, was rated as an "Excellent Supplier" by Grandblue Environment, and received high recognition from customers for the delivery of key projects such as Andritz SUN and YL182 Ghana.

Enhancing Supply Chain Resilience

Supply Chain Management System

Sinoma EC and its subsidiaries have established and continuously improved procurement management systems and related institutional documents. We have also revised and improved system documents including the "Regulations on Supplier Management" and the "Procurement Control Procedures," building a coordinated and efficiently operating organization and management system for procurement and the supply chain.

Supplier Management

The Company adheres to the principles of "Unified Management, Dynamic Assessment, and Promoting the Superior While Eliminating the Inferior." We implement a supplier admission system and a hierarchical dynamic management mechanism, comprehensively evaluating suppliers across dimensions such as qualification and capability, performance, credit rating, and supply-demand relationships. Relying on the supplier resource management platform, we achieve information sharing and whole-process management. Based on evaluation results, suppliers are classified into different levels for differentiated management, driving the improvement of supplier capabilities.

Green Supply Chain

The Company incorporates ESG factors into supplier evaluation and management requirements. We actively promote green procurement practices and advocate for suppliers to adopt green and simplified packaging solutions. While ensuring product quality and transportation safety, we aim to reduce resource consumption and environmental impact, driving the green transformation of the supply chain.

Supply Chain Risk Prevention and Control

The Company has established a multi-departmental synergistic and linked procurement and supply chain compliance control mechanism. We have strengthened the supervision and inspection of integrity risks in key procurement stages, promoted the standardization and transparency of procurement processes, and reinforced contract review and performance supervision. A procurement quality accountability mechanism has been implemented. Through measures such as periodic special inspections and checklist-based management, the Company has solidified regulatory responsibilities at all levels and continuously enhanced the standardization level of procurement and supply chain management.



4 People-oriented to Build a Better Society Together

The Company insists on integrating a people-centered orientation and sense of responsibility into ESG governance and business practices. We continuously focus on employee development, social well-being, and sustainable value creation, promoting the sharing of development achievements with employees and the public, and working with all parties to create a more inclusive, harmonious, and sustainable society.

Key Topics

- Employee Rights and Compliant Employment
- Employee Training and Development
- Occupational Health and Safety
- Rural Revitalization
- Public Philanthropy

Aligning with the United Nations Sustainable Development Goals



65 — Standardizing Employee Employment

66 — Empowering Employee Development

68 — Ensuring Employee Safety

71 — Fulfilling Social Responsibilities

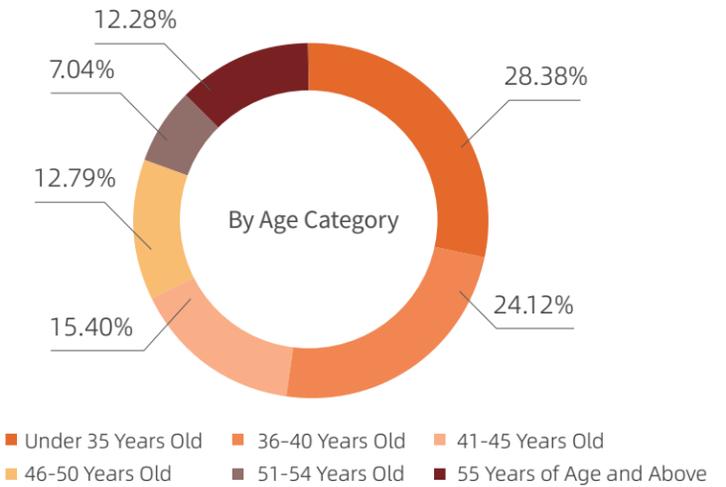
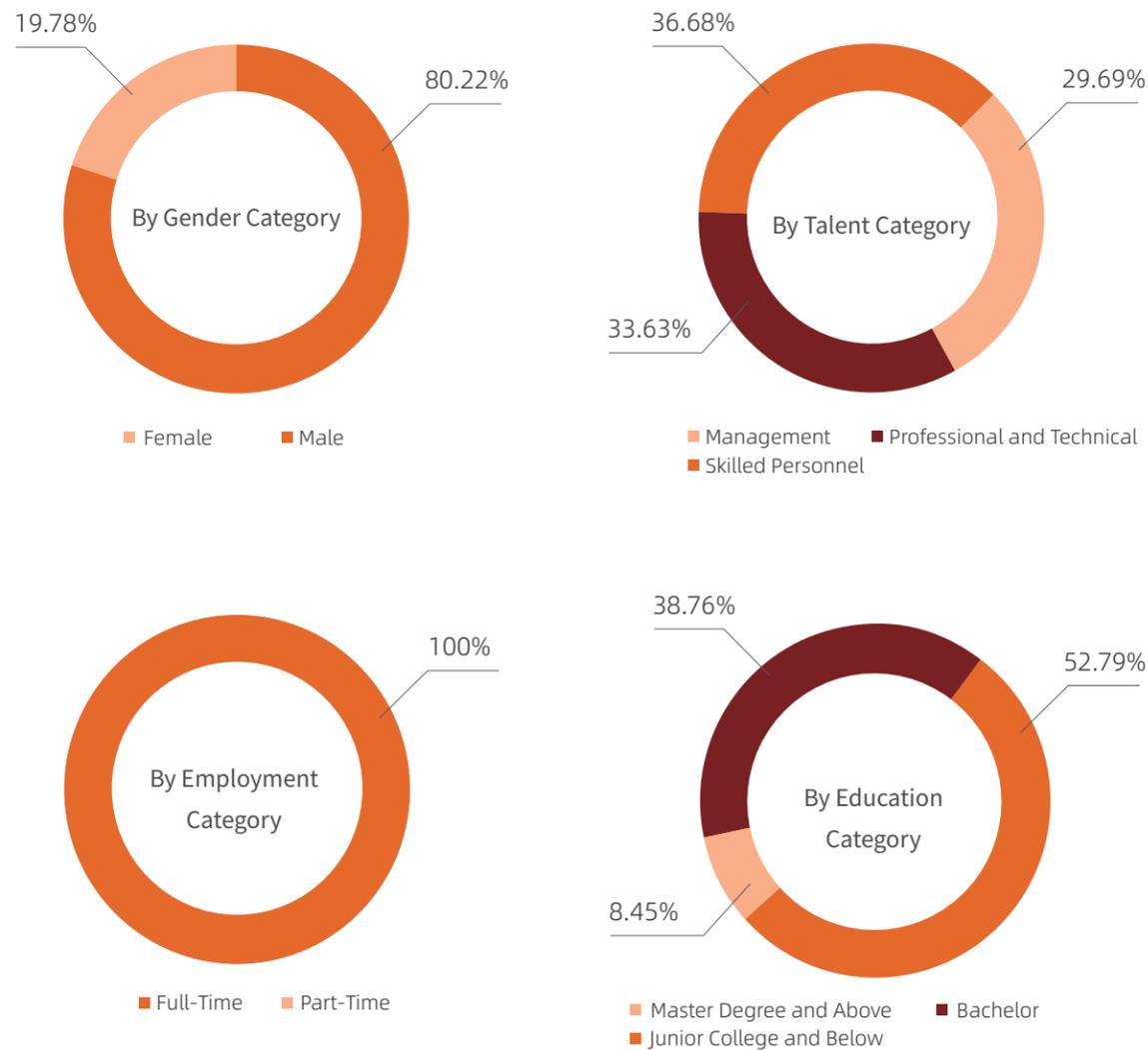


Standardizing Employee Employment

Diverse and Equal Employment

The Company strictly abides by the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. We have formulated the "Administrative Measures for Employee Recruitment of Sinoma Energy Conservation Ltd." and adhere to the principles of openness, fairness, competition, and merit-based selection for talent recruitment. We resolutely eliminate discriminatory behavior based on nationality, gender, age, pregnancy, or disability, explicitly prohibit the employment of minors, and strictly sign labor contracts with employees in accordance with the law to safeguard their legitimate rights and interests.

In 2025, the total number of employees was 1,813, with a continuously optimized age structure. The proportions of employees by gender, talent type, employment type, educational level, and age are as follows:



Compensation and Benefits

The Company adheres to the people-oriented development philosophy and continuously improves a compensation and benefits system that is market-competitive and internally equitable. We uphold the concept of "Positive Incentive and Performance Priority," improving the employee compensation management system and optimizing performance appraisal methods. During the performance management process, the Company implements mechanisms such as performance target communication, process tracking, and results feedback, and establishes appeal channels for performance results to respond to reasonable employee requests. We have deeply carried out the standardized management of tenures and contractual arrangements for management members, with 100% of management members having signed responsibility statements.

The Company attaches great importance to employees' social security and welfare protection, and makes full contributions to statutory social insurance and housing provident funds, as well as enterprise annuities, for all on-duty employees, further enhancing their long-term security. The Company has established and implemented various allowance and subsidy policies, providing corresponding support to eligible employees and continuously enhancing their sense of gain, well-being, and belonging.

Democratic Communication

The Company has established a democratic management system with the Employee Representative Congress as the basic form, holding regular meetings to provide channels and platforms for democratic participation, safeguarding employees' fundamental rights to information, participation, expression, and supervision.

Simultaneously, the Company maintains smooth communication and feedback channels, setting up an email address for employee suggestions and opinions. We actively listen to employee demands and suggestions, driving timely feedback and the implementation of improvements.

Empowering Employee Development

Employee Growth

In 2025, integrating mid-to-long-term strategic goals with the current state of human resources, the Company formulated and implemented the "Mid-to-Long-term Human Resources Strategic Plan (2025-2030)." Focusing on key directions such as talent introduction, cultivation, team building, as well as incentives and retention, the plan clarifies staged goals and key measures. It systematically promotes employee capability building and talent echelon construction, providing strong support for continuous employee growth and the implementation of the Company's mid-to-long-term strategies.

The Company has established an employee promotion and career development mechanism oriented toward capability enhancement and performance contribution, providing clear and sustainable career paths. We insist on using job qualifications, years of service, and performance results as the core criteria for promotion. By promoting the principle of "Development Based on Performance and Positions Determined by Capability," we ensure the standardization and fairness of the promotion process and facilitate the continuous optimization of the talent team structure.

The Company adheres to the strategy of strengthening the enterprise through talent and continuously improves its human resources management system. It enhances employee development, empowerment, and capability building, and is committed to cultivating a high-quality and professional talent pool. Through systematic training, job rotation, and skills enhancement, the Company continuously stimulates employees' growth potential, fostering a group of outstanding talents with strong political integrity and professional expertise. A number of employees, in recognition of their outstanding performance and excellence, were successfully selected into the roster of skilled craftsmen of central state-owned enterprises by the State-owned Assets Supervision and Administration Commission of the State Council, and were honored with titles such as Model Worker of CNBM Group, fully demonstrating the solid effectiveness of the Company's talent development efforts and the leading role of exemplary individuals.

Employee Training

Adhering to the management principle of "Based on the Post, Serving the Work, and Pursuing Common Development of the Enterprise and Employees," the Company continuously improves its employee training system. We formulated and implemented the "Administrative Measures for Employee Education and Training of Sinoma Energy Conservation Ltd.," providing diversified learning methods including orientation, internal training, external training, conferences, and overseas training, ensuring that employee capability enhancement is aligned with corporate strategic development. In 2025, the Company organized 755 training sessions totaling 157,669 hours, with 26,487 person-times participants.

CASE

Special Training on International Engineering Management Enhancement



In April 2025, the Company held a three-day 2025 Special Training on International Engineering Management Enhancement, attended by all staff of the Engineering Branch and relevant departments of Sinoma EC. The session invited 6 industry experts, including professors from the Department of Engineering Management and the Dean of the International School of Engineering Management at Tianjin University. They conducted lectures and exchanges on six major topics: international engineering contracts, implementation and fiscal risks, procurement and supply chain, compliance, and claims management. This strengthened the risk prevention and contract fulfillment capabilities of overseas projects, supporting the high-quality development of the Company's international business under the "Belt and Road" Initiative.



Employee Care

The Company attaches great importance to employee care and the protection of rights and interests. Under the overall promotion of the Trade Union, we continuously improve our employee care and service system.

During the reporting period, the Company organized themed activities such as brisk walking and International Women's Day to enrich employees' cultural and sports lives and improve their physical and mental health. During major festivals such as New Year's Day, Spring Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and National Day, the Company continued "Warmth Delivery" activities to effectively convey organizational care. For overseas employees in more than 10 countries and regions, including Malaysia and Zambia, the Company organized an online Spring Festival gathering themed "Connecting Hearts Across the Cloud to Celebrate the New Year," extending sincere greetings and festive wishes to overseas staff. In 2025, the Company extended care to 337 employees person-times, putting organizational care into practical effect.



"Walking in Nanhu, Moving with Vitality" Staff Brisk Walking Activity



"International Women's Day" Flower Arrangement Activity



an online Spring Festival gathering themed "Connecting Hearts Across the Cloud to Celebrate the New Year"

The Company is committed to enhancing employee happiness and constantly improving care measures and the office environment. In response to diverse employee needs, we established the "Caring Mommy's House" to improve the inclusiveness and comfort of the workplace. The Company pays close attention to employee health and logistics support. By conducting regular satisfaction surveys for the employee canteen, we optimize canteen services and food quality, strengthening nutritional balance and health orientation to continuously improve the dining experience.

Ensuring Employee Safety Governance

The Company continuously improves its work safety governance system. We have formulated and implemented the "Administrative Measures for Work Safety of Sinoma Energy Conservation Ltd.," clarifying the primary responsibility for work safety to safeguard employee lives and ensure stable corporate operations. The Company has established a safety and environmental protection management structure with clear powers and responsibilities. The Chairman and the President overall coordinate and manage safety and environmental protection work. Heads of units at all levels fulfill their duties as the person primarily responsible for work safety, and work safety assessment responsibility statements are signed at each level to drive the implementation of safety and environmental protection responsibilities.

The Company actively encourages member enterprises to carry out Health, Safety, and Environment (HSE) management system certifications or introduce third-party institutions for safety management evaluations. In 2025, 10 member enterprises passed the ISO 45001 Occupational Health and Safety Management System certification.

Strategy

The Company adheres to the policy of "Safety First, Prevention Foremost, and Comprehensive Governance." We incorporate work safety and occupational health management into the overall corporate development strategy, fully promoting the transformation of the safety governance model toward "pre-prevention, in-process control, and post-review."

The Company strengthens its awareness of safety "Red Lines" and bottom-line thinking. We continuously promote the full implementation of safety management requirements across all levels of subsidiaries, and subcontractors. Through assessment mechanisms, special actions, and digital means, we continuously improve work safety governance efficiency, providing a solid guarantee for the high-quality development of the enterprise.

Management of Impacts, Risks, and Opportunities

◎ Risk Identification and Hazard Investigation

The Company continuously improves the dual prevention mechanism of safety risk hierarchical control and hazard investigation and rectification. We have formulated and implemented the "Regulations on Hazard Source Identification, Risk Assessment, and Hierarchical Control" and the "Administrative Regulations on the Investigation and Rectification of Work Safety Accident Hazards." We have solidly carried out 16 special tasks, including "Operation Thunder," "Special Rectification of Safety and Environmental Protection for Construction Projects," and "Risk Assessment of Overseas Projects," to enhance the Company's safety management level.

In reference to industry standards, the Company established a "Ledger for Major Accident Hazards" and dynamically revised the list of major accident hazards. Safety expert pools were established by specialty to provide on-site professional guidance and assistance, improving the accuracy of frontline hazard investigations. In 2025, the Company identified 2,752 hazards of various types through self-inspection, including 15 major hazards, with a 100% rectification completion rate, effectively preventing and mitigating major safety risks.

◎ Safety Emergency Management

The Company continues to strengthen its emergency management system and standardizes the management of emergency plans for work safety accidents and emergencies. We regularly organize emergency drills for fire safety, occupational health, etc., to enhance employees' emergency response capabilities. In 2025, the Company organized 135 emergency drills of various types, covering 2,216 person-times, further enhancing emergency response and coordinated disposal capabilities.



Joint Fire Emergency Drill in the Office Building



Emergency Response Drill for Electric Shock Accidents

◎ Interested Parties and Overseas Safety Management

The Company extends occupational health and safety management requirements to subcontractors and relevant stakeholders. We have formulated and implemented the "Safety Management Regulations for Subcontractors" to standardize their safety management behavior. The Company attaches great importance to safety risks in overseas projects, strictly implementing management requirements for personnel abroad, and regularly conducting video inspections and risk investigations to ensure that risks in overseas business are controllable.

◎ Occupational Health Management

The Company formulated the "Occupational Health and Safety Management Control Procedures" to fully implement various occupational health tasks. In 2025, the Company continuously improved the management mechanism for labor protection equipment and organized special investigations for such equipment. The procurement, distribution, inspection, supervision, and scrapping of labor protection equipment are integrated into the safety management system to ensure compliance with the Specifications for the Provision of Personal Protective Equipment standards, preventing safety accidents caused by the failure, substandard quality, or improper use of protective equipment. During the reporting period, there were no new cases of occupational disease among employees.

◎ Intelligent Safety

The Company is accelerating the intelligent construction of safety management, deeply integrating digital and information-based means into the safety management system. The intelligent safety systems on the production side for six entities—Wanda Power, the Energy-saving Electromechanical Branch of Sinoma Wuhan, Sinoma Chizhou, Sinoma Yichang, Sinoma Qianjiang, and Sinoma Yujian—have been fully established, achieving a transformation and upgrade from "Post-Traceability" to "Pre-Prevention."

◎ Safety Education and Training

Closely combining the actual production and operation of each post, the Company carries out safety education and training on a normalized basis. We established a "Safety and Environmental Protection Training Ledger" and compiled the "Compilation of Typical Work Safety Accident Cases" as warning education materials for all employees. The Company innovatively adopted a combination of "online + offline" modes to implement safety training. During the reporting period, a total of 719 training sessions were conducted, covering 22,000 person-times. The "Zero Violation" competition was carried out, with 143 outstanding individuals and 26 outstanding organizations selected, fully playing the role of leading by example and continuously creating a production and operation environment where everyone values safety and follows regulations.



Work Safety Month Series Activities

Metrics and Targets

The Company focuses on the safety and environmental protection goals of "One Zero, Two Fulls, Three Reductions, and Four Enhancements" to continuously improve occupational health and safety management. In 2025, the "Work Safety Responsibility System" and "Administrative Measures for Work Safety Assessment" were revised and released. The implementation of work safety in units at all levels was assessed to promote the layered transmission and effective implementation of safety responsibilities. During the reporting period, no production safety liability accidents of serious injury or above occurred, and there were no safety penalty incidents.

Occupational Health and Safety



Actively participating in industry production safety exchanges and promoting the external sharing of safety management experience. In 2025, the Company published relevant cultural research findings:

Achievements



Winning the Third Prize for Excellent Papers at the 6th Enterprise Safety Culture Symposium for the research paper "Research on Countermeasures for Improving the Safety of Frontline Employees"



"I Speak About Safety at My Post" was published in China Work Safety Magazine

Fulfilling Social Responsibilities

Assisting Rural Revitalization

Sinoma EC deeply studies and implements the spirit of General Secretary Xi Jinping's series of important speeches on rural revitalization. We deeply integrate the fulfillment of social responsibilities with corporate development strategies, regarding the support for rural revitalization and the consolidation and expansion of achievements in poverty alleviation as important political tasks and strategic development measures. We incorporate investments related to rural revitalization into the annual budget. Through diversified methods such as financial donations, project cooperation, and technological empowerment, we continuously increase the allocation of resources to the field of rural revitalization, promoting the coordinated development of rural revitalization and the Company's core businesses.

During the reporting period, the Company continued to deepen targeted assistance and the work of cadres stationed in villages, driving the implementation and effectiveness of assistance measures. We dispatched excellent backbones to serve as the Deputy Head of Shitai County, Anhui Province, to carry out village-based assistance and rural revitalization-related work on a full-time basis, strengthening frontline advancement and the fulfillment of responsibilities.

Implementing Diversified Assistance Practices

The Company donated RMB 1 million of "Shanjian Public Welfare" assistance funds to the China Volunteer Service Foundation. These funds were designated to support industrial development and the improvement of people's livelihoods in designated assistance regions. The local area vigorously developed characteristic industries such as apple cultivation, beef cattle breeding, and small meat skewer businesses, effectively increasing per capita income and supporting rural revitalization. Through organizing initiatives such as "Technology Empowerment," industrial seminars, industry promotion, and investment promotion activities, the Company promoted the high-quality development of cultural tourism and wellness industries as well as calcium-based new materials industries in the assisted regions. Through implementing infrastructure support projects such as road construction, the Company strengthened the foundation for industrial development in these regions. The Company invested nearly RMB 200,000 in purchasing poverty alleviation products to support industrial revitalization. In addition, it carried out educational assistance programs to support the cultivation of rural talent, benefiting nearly 400 people and continuously promoting sustainable rural development.

CASE

Gathering Corporate Strength to Jointly Paint a New Picture of the Countryside

Actively assumes social responsibility and solidly assists in rural revitalization. Relying on local resources and the industrial foundation, Sinoma Wuhan assisted in the "Development of the Beef Cattle Industry," developing 2,156 beef cattle farmers in 2025. It promoted the resource utilization of forage and the upgrading of breeding technology, built one cattle artificial insemination and improvement point, and improved over 1,200 beef cattle annually through cold-matching, achieving an average income increase of RMB 2,000 per beef cattle farmer.

Sinoma Wuhan established an assistance mechanism with the Red Cross Society of Zhaoyang District to provide precise help to 7 students from families in need. It provided a monthly subsidy of RMB 500 per student. This compassionate assistance helps students pursue their studies with peace of mind and improves the living conditions of families in difficulty.



Visiting Beef Cattle Farmers



Visiting Students in Need

Actively Giving Back to Society

The Company has always regarded giving back to society and caring for communities as an important component of corporate sustainable development. We formulated and implemented the management measures for external donations, conducting standardized management over the entire process of decision-making, implementation, and fund use for donation matters, and continuously carrying out diversified public welfare donation activities.

During the reporting period, the Company invested RMB 1.1689 million in public welfare donations to support the development of social public welfare undertakings and the improvement of people's livelihoods. The Company's overseas member enterprises actively integrated into the communities where projects are located, carrying out public welfare donation activities centered on community development and public service needs, providing support to community organizations and relevant government departments, and promoting local social development.

CASE

Philippine Community Public Philanthropy Services Assist in Improving Livelihoods

Solid WHR Company carried out community material donation activities in San Jose City. Based on multiple on-site visits to understand the actual needs of residents, it distributed daily necessities to nearly 100 families in difficulty in Kilingan Village, effectively alleviating local living hardships. Since commencing operations in 2013, the Company has continuously carried out medical assistance, educational support, and other public philanthropy activities more than 40 times in total, benefiting over 3,000 residents and effectively promoting the integrated development of the enterprise and the local community.

Outlook

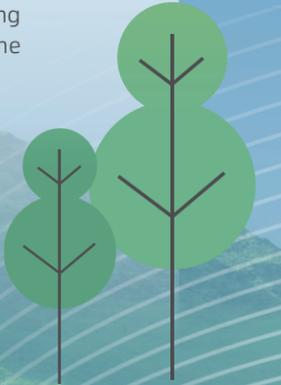
Dreams may seem distant, but they can be reached through pursuit; Wishes may seem difficult, but they can be fulfilled through persistence. The year 2026 marks the commencement of the "15th Five-Year Plan," a pivotal year for accelerating the company's high-quality development and enhancing efficiency, and a critical juncture for deepening our green transformation. With the boldness to forge ahead against the tide and the unwavering perseverance to act with steadfast commitment, the company will anchor its vision as a world-class integrated green energy and environmental services provider, continuing to write new chapters of progress on the new journey of the new era.

Adhere to green and low-carbon core businesses as the driving force, coordinate the development of multi-energy complementary integrated energy systems, deepen energy storage coordination and zero-carbon scenario applications, and build integrated comprehensive energy service capabilities. Accelerate the cross-industry and cross-sector promotion of core technologies such as WHR, driving the deep penetration of energy-saving and carbon-reduction technologies into high-energy-consuming industries. Advance the transformation of equipment manufacturing toward high-end, intelligent, and green production, strengthen the synergy between engineering and equipment, and expand market opportunities through integrated advantages. Optimize the business structure of energy-saving building materials and new materials, accelerate breakthroughs and industrialization of key technologies such as low-carbon recycling and solid waste resource utilization, and solidify the foundation for high-quality development through

technological innovation and industrial upgrading.

Optimize overseas operations with a global perspective, driving the coordinated expansion of core businesses including clean energy, engineering and equipment, and energy-saving materials. Deepen engagement in key regions and emerging markets, innovate business models, and deliver integrated green and low-carbon solutions. Enhance localized operations by upgrading overseas entities from project execution to regional operations and value creation, achieving full-service, end-to-end, and comprehensive international development. We will enhance overseas market operation mechanisms, continuously improve capabilities in global resource integration, market expansion, and brand management, and leverage high-level internationalization to support global green transformation and sustainable development.

Bearing "the nation's most fundamental interests" in mind and practicing our "responsibility and commitment," The Company will anchor itself to the goal of becoming a world-class green energy and environmental services provider, focusing on strengthening core capabilities and enhancing core competitiveness. Adhering to the overarching principle of pursuing progress while ensuring stability and improving quality and efficiency, we will ensure a steady and solid start to the company's 15th Five-Year Plan!



Appendix

Key Performance Indicators

◎ Economic Performance

Indicator	Unit	2023	2024	2025
Total Assets	RMB 100 Million	54.33	51.33	66.50
Revenue	RMB 100 Million	30.67	23.24	37.27
Total Profit	RMB 100 Million	2.03	0.23	0.40
Net Profit	RMB 100 Million	1.86	0.14	0.20
Net Profit Attributable to Shareholders of the Listed Company	RMB 100 Million	1.43	0.08	0.14
Taxes Paid	RMB 100 Million	1.41	1.04	1.57
Asset-Liability Ratio	%	53.28	52.30	63.08
R&D Investment as a Percentage of Revenue	%	5.39	4.82	3.13

◎ Governance Performance

Indicator	Unit	2023	2024	2025	
Corporate Governance	Number of Directors	Persons	8	8	8
	Board Meetings Held	Times	8	8	9
	Meetings of Special Committees of the Board	Times	12	9	14
	Shareholders' Meetings Held	Times	7	4	6
	Number of Announcements Disclosed	Number	60	55	55
Law-based Corporate Governance	Number of Compliance Training Sessions Conducted	Times	6	15	15
	Compliance Training Performance	Person-Times	86	255	395
Anti-corruption	Number of anti-corruption training sessions conducted	Times	1	1	11
	Anti-Corruption Training Performance	Person-Times	61	53	530
	Board Members' Anti-Corruption Training Performance	Person-Times	3	2	30
	Number of Corruption Litigation Cases	Number	0	0	0

Indicator	Unit	2023	2024	2025	
Production Safety	Investment in Production Safety	RMB 100 Million	0.12	0.12	0.13
	Safety Meetings Held	Times	164	16	25
	Safety Training Sessions	Times	550	659	719
	Safety Training Performance	Person-Times	13,702	16,359	22,178
	Number of Major Safety Accidents	Times	0	0	0
	Number of Emergency Drills	Times	64	55	135
	Emergency Drill Performance	Person-Times	1,279	1,555	2,216
Technological Innovation	R&D Investment	RMB 100 Million	1.65	1.12	1.17
	National Innovation Platforms	Number	1	1	1
	Invention Patents Granted in the Year	Number	6	10	12

◎ Environmental Performance

Indicator	Unit	2023	2024	2025	
Total Environmental Investment	RMB 10,000	457.93	399.65	315.01	
Environmental Training Performance	Person-Times	1,550	1,824	1,813	
Negative Environmental Incidents	Number	0	0	0	
Emissions	Industrial Exhaust Gas Volume	10,000 Nm ³	5,910.89	5,350.00	4,177.09
	SO ₂ Emissions	Kilogram	125.36	4,320.68	186.29
	NOx Emissions	Kilogram	3,800.47	3,613.22	2,706.23
	Industrial Smoke and Dust	Kilogram	512.68	470.23	745.55
	Industrial Dust	Kilogram	4,237.12	3,850.45	6,413.03
	GHG Emissions	tCO ₂ e	33,876.17	25,546.85	21,675.24

Note: The company's hazardous waste and general industrial solid waste are entrusted to a third party for disposal.

Indicator		Unit	2023	2024	2025
Resource Use	Natural Gas Consumption	10,000 m ³	355.15	293.98	299.36
	Gasoline Consumption	Tons	19.81	16.07	18.77
	Diesel Consumption	Tons	71.51	67.02	42.76
	Electricity Consumption	10,000 kWh	4,104.33	3,319.33	3,196.96
	Total Energy Consumption	tce	9,951.51	8,130.88	8,007.21
	Total Energy Intensity per RMB 10,000 Output Value	tce/RMB 10,000	0.03	0.03	0.02
	Fresh Water Consumption	Tons	410,893.70	512,441.70	399,654.34

Note: Total energy/water consumption and GHG emissions exclude overseas data.

© Social Performance

Indicator		Unit	2023	2024	2025	
Employment	Total Employees	Person	1,909	1,905	1,813	
	Labor Contract Signing Rate	%	100	100	100	
	Social Insurance Coverage	%	100	100	100	
	Percentage of Female Managers	%	22.80	19.10	13.62	
	Average Paid Annual Leave Days	Day	5	5	5	
	New Employees	Person	134	131	127	
	Number of Internal Job Applicants	Person	19	12	7	
	Employee Distribution By Gender, Talent Category, Employment Type, Education Level, and Age					
	By Gender Category					
	Male	%	79.80	80.00	80.22	
	Female	%	20.20	20.00	19.78	
	By Talent Category					
	Management	%	26.20	26.00	29.69	
	Professional and Technical	%	33.20	35.00	33.63	
	Skilled Personnel	%	40.60	39.00	36.68	
	By Employment Category					
Full-Time	%	100	100	100		
Part-Time	%	0	0	0		

Indicator		Unit	2023	2024	2025
Employment	By Education Category				
	Master Degree and Above	%	6.00	7.00	8.45
	Bachelor	%	33.00	34.00	38.76
	Junior College and Below	%	61.00	59.00	52.79
	By Age Category				
	Under 35 Years Old	%	47.00	47.00	28.38
	36-40 Years Old	%	18.00	18.00	24.12
	41-45 Years Old	%	12.00	12.00	15.40
	46-50 Years Old	%	12.00	12.00	12.79
	51-54 Years Old	%	9.00	9.00	7.04
	55 Years of Age and Above	%	2.00	2.00	12.28
	Employee Turnover Rates By Gender, Age, and Region				
	Employee Turnover Rate	%	2.24	2.21	8.77
	By Gender Category				
	Male	%	1.94	1.83	6.34
	Female	%	0.30	0.38	2.43
	By Age Category				
	Under 35 Years Old	%	1.50	1.20	3.97
	36-40 Years Old	%	0.24	0.30	1.60
	41-45 Years Old	%	0.50	0.71	1.32
	46-50 Years Old	%	0	0	0.99
	51-54 Years Old	%	0	0	0.33
	55 Years of Age and Above	%	0	0	0.55
By Region Category					
Mainland China	%	2.24	2.21	8.77	
Occupational Health and Safety	Medical Examination Coverage	%	100	100	100
	OHS Investment	RMB 10,000	439.50	398.10	295.27
	Employee Health Record Coverage Rate	%	100	100	100
	Number of Occupational Health and Safety Training Sessions	Times	550	659	719
	Work-Related Deaths	Person	0	0	0
	Work-Related Deaths Rate	%	0	0	0
Work-Related Injury Rate	%	-	-	0.7	

	Indicator	Unit	2023	2024	2025
Development And Training	Number of Employee Training Sessions	Times	-	-	755
	Employee Training Performance	Person-Times	11,328	13,255	26,478
	Employee Training Hours	Hour	-	-	157,669
	Training Proportion by Employee Category				
	Corporate Executives	%	2.5	2.9	2.21
	Management Personnel	%	40.00	43.00	15.63
	Professional Technicians	%	41.80	42.00	45.56
	Skilled Personnel	%	14.00	10.60	33.98
Supplier Management	Number of Suppliers	Number	1,556	1,637	1,824
	Number of Suppliers Reviewed During the Reporting Period	Number	228	81	121
	Percentage of Suppliers/Subcontractors Certified in Quality, Environmental, and Occupational Health and Safety Management Systems	%	83	86	89
	Number of Supplier Social Responsibility Training Sessions	Times	0	0	0
Product Liability	Number of Product Recalls Due to Safety Issues	Times	0	0	0
	Number of Safety-Related Defect Complaints	Number	0	0	0
	Customer Privacy Breach Incident	Number	0	0	0
	Percentage of Total Products Sold or Shipped that Were Recalled for Safety and Health Reasons	%	0	0	0
	Number of Customer Complaints	Number	0	0	0
Community Investment	Total Donations (Including Rural Revitalization Assistance Funds and Monetary Value of Donated Supplies)	RMB 10,000	101.00	102.15	116.89
	Number of Cadres Selected for Assistance and Temporary Assignments	Person	1	1	1
	Number of Assistance Projects Implemented	Number	1	1	1
	Total Overseas Assets	RMB 100 Million	2.68	2.24	14.32
	Number of Overseas Employees	Person	241	256	285
	Localization Rate of Employees	%	12.62	13.23	15.72

Index Table

The Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) by the Shanghai Exchange

Dimension	No.	Topic	Location
Environment	1	Climate Change Tackling	Climate Change Tackling
	2	Pollutant Discharge	Practicing Green Operations
	3	Waste Disposal	Practicing Green Operations
	4	Ecosystem and Biodiversity Protection	Not Applicable
	5	Environmental Compliance Management	Strict Environmental Compliance
	6	Energy Usage	Practicing Green Operations
	7	Use of Water Resource	Practicing Green Operations
	8	Circular Economy	Practicing Green Operations
Society	9	Rural Revitalization	Fulfilling Social Responsibilities
	10	Contributions to the Society	Fulfilling Social Responsibilities; Promoting Low-Carbon Transformation
	11	Innovation-driven	Strengthening Innovation-driven Development
	12	Ethics of Science and Technology	Not Applicable
	13	Supply Chain Security	Enhancing Supply Chain Resilience
	14	Equal Treatment to Small and Medium-sized Enterprises	No relevant incidents have occurred at the company.
	15	Safety and Quality of Products and Services	Strengthening Quality Management; Optimizing Customer Service
	16	Data Security and Customer Privacy Protection	Advancing Digital and Intelligent Transformation
Sustainability-Related Governance	17	Employees	Standardizing Employee Employment; Empowering Employee Development; Ensuring Employee Safety
	18	Due Diligence	Due Diligence
	19	Communication with Stakeholders	Stakeholder Communication
	20	Anti-commercial Bribery and Anti-corruption	Upholding Business Ethics
	21	Anti-unfair Competition	Upholding Business Ethics

Definitions of Abbreviations

No.	Entity Name	Short Name
1	China National Building Material Group Co., Ltd.	the Group
2	Sinoma Energy Conservation Ltd.	Sinoma EC, the Company, we
3	Sinoma (Yichang) Energy Conservation New Material Co., Ltd.	Sinoma Yichang
4	Wuhan Building Material Industry Design & Research Institute Co., Ltd.	Sinoma Wuhan
5	Sinoma EC Engineering Branch	Engineering Branch
6	Nantong Wanda Boiler Co., Ltd	Wanda Power
7	Sinoma (Chizhou) Energy Conservation New Material Co., Ltd.	Sinoma Chizhou
8	Sinoma Yujian (Chongqing) Energy Conservation New Material Co, Ltd.	Sinoma Yujian
9	Sinoma (Qianjiang)Energy Conservation New Material Co., Ltd.	Sinoma Qianjiang
10	Sinoma Energy Conservation (Philippines) Waste Heat Recovery Co., Inc.	Solid WHR Company
11	CNBM New Material Nigeria Co., Ltd.	NMNC
12	Sinoma Energy Conservation (Wuhan) Co., Ltd.	Energy Saving Wuhan
13	Sinoma Energy Conservation International Investment Co.,Ltd.	International Investment Company
14	Sinoma Energy Conservation Industrial & Engineering (Malaysia) SDN. BHD.	Malaysia Branch
15	Guangxi Guigang Gangyao New Building Materials Co., Ltd.	Guangxi Guigang
16	Organic Rankine Cycle	ORC

Feedback

Dear Readers:

Thank you for reading the Sinoma EC 2025 Sustainability (ESG) Report. To continuously improve our ESG efforts and enhance our ESG management capabilities and standards, we sincerely welcome your expectations. Please provide your feedback and suggestions in the following areas.

Your overall evaluation of this report is: Excellent Good Average Poor

How would you rate the clarity, accuracy, and completeness of the information and data disclosed in this report? Excellent Good Average Poor

How would you rate the readability of this report? Excellent Good Average Poor

How would you rate the visual design of this report? Excellent Good Average Poor

How would you rate the user-friendliness of the language used in this report? Excellent Good Average Poor

Which aspect of this report did you find most satisfactory?

What additional information would you like to learn about?

Do you have any suggestions for our future reports?

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