中海石油化学股份有限公司
China BlueChemical Ltd.

2025

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Hong Kong Stock Code: 3983

(A limited liability company registered and established in the People's Republic of China)

CONTENTS

About This Report

This report is the tenth consecutive Environmental, Social and Governance Report (ESG Report) published by China BlueChemical Ltd. It aims to present the measures undertaken and the progress achieved by China BlueChemical Ltd. and its subsidiaries in the areas of environmental, social and governance in 2025.

Reporting Scope

The reporting period of this report covers the period from 1 January 2025 to 31 December 2025. To ensure continuity of information, certain content is appropriately supplemented with historical data.

This report covers China BlueChemical Ltd. and its subsidiaries. The financial data and scope of coverage presented in this report are consistent with those disclosed in the *2025 Annual Report of China BlueChemical Ltd.*

Description of Titles

For ease of reference, China BlueChemical Ltd. is referred to in this report as "China BlueChemical", the "Company", "we", or "us".

Information and Data

The information and data disclosed in this report are derived from official documents, statistical reports and financial reports of China BlueChemical, as well as corporate social responsibility information compiled, aggregated and reviewed by the Company.

Basis of Preparation

This report has been prepared in accordance with *Appendix C2 Environmental, Social and Governance Reporting Code* of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. This report complies with all mandatory disclosure requirements and the "comply or explain" provisions set out in the aforementioned guidelines.

Access to Reports

This report is published in both printed and electronic formats. The electronic version is available on the Company's official website:

https://www.chinabluechem.com.cn/tzzgx/dqbg/nb/

Contact Details

Registered Office: No. 3, Park Third Road, Basuo Town, Dongfang City, Hainan Province, the PRC

Headquarters Address: Kaikang CNOOC Mansion, No. 15, Sanqu, Anzhenxili, Chaoyang District, Beijing, the PRC

Principal Place of Business in the PRC: No. 3, Park Third Road, Basuo Town, Dongfang City, Hainan Province, the PRC

Hong Kong Representative Office: 65/F, Bank of China Tower, No. 1 Garden Road, Central, Hong Kong

Statement of the Board

In accordance with Appendix C2 *Environmental, Social and Governance Reporting Code* (the "ESG Reporting Code") under the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "Stock Exchange"), China BlueChemical is pleased to present its Environmental, Social and Governance Report for the year ended 31 December 2025.

We have prepared, assessed and presented the relevant information in this report with reference to the ESG Reporting Code. The following principles outlined in the ESG Reporting Code have been incorporated into this report:

Materiality

The Company has identified material ESG factors through a Board review process, using ESG issues that have a significant impact on investors and other stakeholders as selection criteria. The Board has authorised management to identify key stakeholders, as well as the entities and business scope covered in this report.

Quantitative

The ESG targets identified by the Company are measurable to facilitate comparison with previous years, peers and industry benchmarks. Emissions are calculated in accordance with the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions for China Chemical Production Enterprises (Trial)*. Energy consumption is calculated in accordance with the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*, the *Norm of Energy Consumption per Unit Production of Fertiliser Industry (GB 21344-2023)*, and the *Norm of Energy Consumption per Unit Production of Methanol, Ethylene Glycol and Dimethyl Ether (GB 29436-2023)*.

Balance

The information disclosed in this report provides an unbiased representation of the Company's ESG performance and avoids any selection, omission or presentation that may inappropriately influence stakeholders' decision-making or judgment.

Consistency

The assumptions and calculation methods used for key performance indicators are consistent with those adopted in previous years to ensure comparability of data. Any changes to relevant assumptions or methodologies are clearly disclosed to stakeholders.

Chairman's Statement

China BlueChemical Ltd.

Chairman

Hou Xiaofeng

Dear Shareholders, Partners and Stakeholders,

The year 2025 marked a pivotal year for China BlueChemical in advancing green chemical development and delivering on its sustainability commitments. In response to global climate challenges and ongoing industry transformation, the Company remains committed to its vision of "forging a world-class Green Chemical pioneer that represents China's commitment." We have deeply embedded environmental, social and governance (ESG) principles into our strategic decision-making and daily operations, strengthening our development foundation, exploring low-carbon pathways, and fostering collaborative growth, at the same time advancing high-quality development and fulfilling our social responsibilities.

Strengthening Governance for Long-term Development. The Company has continued to enhance its modern corporate governance system by revising nine core governance documents, dissolving the Supervisory Committee and assigning its duties to the Audit Committee, thereby continuously enhancing governance efficiency. We issued the *Environmental, Social and Governance (ESG) Management Measures* and established a three-tier ESG management structure of "Board of Directors – ESG Committee – ESG Working Group," so that ESG management is governed by rules and supported by clear accountability. We have upheld the bottom line of clean operations, improved the long-term anti-corruption mechanism, and achieved full coverage of anti-corruption training for directors and employees, thereby safeguarding its stable development through standardised governance.

Advancing Green Development and Climate Action. We have consistently regarded climate change response as a core strategic task and firmly implemented the nation's "dual carbon" goals. Throughout the year, we achieved "zero incidents" of environmental pollution, delivered energy savings of 2,464 tonnes of standard coal, and reduced carbon emissions by 6,944 tonnes, with remarkable results in greenhouse gas emission control. We produced China's first tonne of green methanol from municipal solid waste, obtained carbon neutrality certification for the Basuo Port "zero-carbon terminal", and advanced the resource utilisation of phosphogypsum. Breakthroughs were also made in green methanol, carbon-rich gas utilisation, and solid waste recycling. We systematically identified climate-related risks and opportunities, accelerating the transition toward low-carbon production through continuous technological innovation.

Empowering People and Building a Resilient Workforce. We adhere to a people-oriented approach, protect employees' rights and interests in accordance with the law, and achieved 100% coverage in employee medical examinations and training. Total annual training hours exceeded 780,000 training hours, and we established a "three channels, four progressions" talent development system to build a broad platform for employee growth. We uphold the bottom line of production safety, achieved "zero fatalities" in work safety, and improved the occupational health and safety management system, enabling employees to work and build careers in a safe and healthy environment. We deeply care about employee well-being, providing targeted support to families of employees in difficulty and enriching cultural and sports activities, enabling more employees to share in the Company's development outcomes and fostering a cohesive workforce.

Driving Innovation and Creating Shared Value. We drive development through continued innovation, investing up to RMB76.65 million in R&D investment and having 41 new patents authorised. We have also made important breakthroughs in areas such as dry reforming technology, intelligent factory construction, and phosphorus-fluorine new materials, at the same time participating in the formulation of a number of national standards for green chemicals and carbon footprint accounting, leading the charge in industry upgrades through technological innovation. We strictly uphold product responsibility, with premium-grade rates of 99.85% and 100% for urea and methanol products respectively, achieving "zero occurrence" of quality accidents. We advanced the development of a green supply chain, completing environmental and social assessments for 3,179 suppliers, and achieving full-chain ISCC (International Sustainability and Carbon Certification) certification for green methanol. We remain committed to contributing to society. During the year, charitable donations totalled RMB26.89 million, supporting rural revitalisation, education, and volunteer initiatives, and delivering tangible benefits to the communities in which we operate.

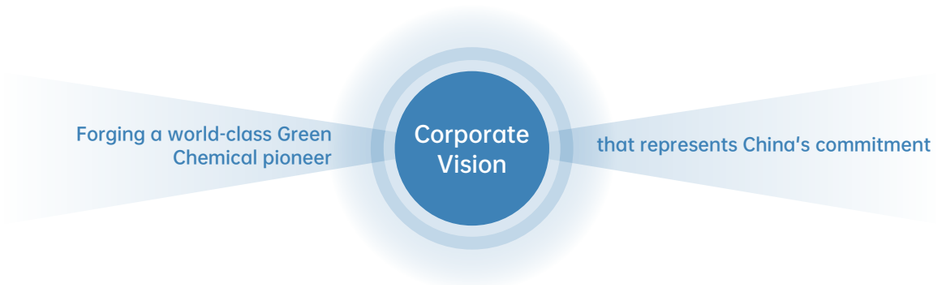
Looking Ahead, climate change remains a global challenge, and the pace of green transformation across the industry will continue to accelerate. China BlueChemical will continue to position ESG as a core driver of development, further strengthening governance modernisation, increasing investment in green technologies, advancing low-carbon projects, enhancing employee care systems, and deepening value chain collaboration. As we pursue high-quality development, we will continue to contribute to industry decarbonisation, support China's "dual carbon" goals, and promote sustainable and harmonious social development.

About Us

China BlueChemical Ltd. is a large-scale modern enterprise under China National Offshore Oil Corporation (CNOOC), principally engaged in the deep processing of natural gas and the development, production and sale of fertilisers and chemical products. The Company was established in July 2000 and restructured into a joint-stock company in April 2006, with the headquarter located in Beijing and production units located in Hainan, Hubei and Heilongjiang etc. On 29 September 2006, China BlueChemical was successfully listed on The Stock Exchange of Hong Kong Limited with the stock code 3983.

China BlueChemical is one of the largest producers of nitrogen fertilisers and methanol in China, and among the most energy-efficient in the industry. Its core business focuses on the production and sale of urea and high value-added synthetic chemical products derived from natural gas. The Company operates advanced production technologies and an extensive sales network, covering more than 20 provinces, municipalities, and autonomous regions across China. The Company has been recognised as an Energy Efficiency "Leader" and benchmark enterprise in the methanol industry for over ten consecutive years. It has also been included in the first batch of green manufacturing system demonstration lists announced by the Ministry of Industry and Information Technology and is one of China's certified "Green Factories." The Company has an annual production capacity of 1.84 million tonnes of urea, 1 million tonnes of phosphate fertilisers, 1.4 million tonnes of methanol, and 270,000 tonnes from its acrylonitrile combined plant.

China BlueChemical upholds the corporate values of "patriotism, responsibility, dedication, and innovation," aligning its development closely with China's strategy for modern agricultural development. The Company is committed to building a "five-type enterprise" characterised by intrinsic safety, quality and efficiency, technological innovation, resource conservation and harmonious development, contributing to increased farmer income, agricultural advancement and rural revitalisation.



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Key Performance in 2025

Business Performance

Revenue amounted to RMB**12,034** million

Gross profit amounted to RMB**1,571** million

Profit attributable to owners of the Company amounted to RMB**974** million

Basic earnings per share amounted to RMB**0.21**

Proposed final dividends amounted to RMB**0.112** per share

ESG Performance

• Strengthening the Foundation for Sustainable Development

Average anti-corruption training hours for directors **72** hours

Average anti-corruption training hours for employees **86** hours

• Advancing the Path of Low-carbon Sustainability

0 environmental pollution incidents

Annual energy savings of **2,464** tonnes of standard coal

Annual carbon emissions reduction of **6,944** tonnes

• Fostering a Cohesive and Engaged Workforce

Employee training coverage rate **100%**

Total employee training hours **786,272** training hours

0 fatalities in workplace safety

Occupational health examination coverage rate **100%**

• Promoting Harmonious and Shared Development

Annual R&D investment RMB**76.65** million

Newly authorised patents during the year **41**

Premium product rate of urea **99.85%**

Premium product rate of methanol **100%**

Number of quality incidents classified as D-grade or above **0**

Annual charitable and public welfare donations RMB**26.89** million

Social Recognition and Honours

Water Efficiency "Leader" Honorary Title (Synthetic Ammonia)
China Petroleum and Chemical Industry Federation

Energy Efficiency "Leader" Honorary Title (Methanol)
China Nitrogen Fertilizer Industry Association

2025 Top 100 Influential Fertilizer Enterprises in China
China Chemical Industry Information Association

2025 Top 50 Influential Special Fertilizer Enterprises in China
China Chemical Industry Information Association

2025 Industrial Data Governance "Leader" Enterprise in China
China Federation of Industrial Economics

2025 ESG Model Enterprise Award
The 4th International Green Zero-carbon Festival ESG Summit

2024 Advanced Unit for National Nitrogen Fertilizer Supply Guarantee
China Nitrogen Fertilizer Industry Association

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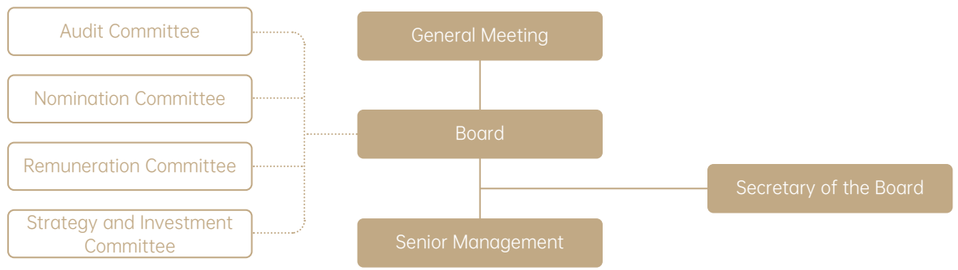
Strengthening the Foundation for Sustainable Development

China BlueChemical is committed to high-quality, sustainable development and continues to advance the modernisation of its corporate governance system. The Company has strengthened its governance framework, enhanced internal control and compliance management, reinforced risk prevention and control mechanisms, and fostered a strong culture of integrity. At the same time, it has accelerated the development of a comprehensive ESG governance mechanism, optimising processes for information collection, management and disclosure. Through standardised and efficient governance capabilities, the Company provides a solid foundation for stable operations and long-term development.

Corporate Governance

China BlueChemical strictly complies with applicable domestic and international laws and regulations, including the *Company Law of the People's Republic of China*, the *Guidelines for the Articles of Association of Listed Companies*, and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. The Company is committed to establishing and continuously improving a modern corporate governance system characterised by clear delineation of responsibilities, efficient coordination, and effective checks and balances. This ensures that all business decisions and operational management adhere to compliance requirements, maintain transparency, and pursue efficiency, thereby supporting standardised and stable operations. In 2025, the Company revised nine key governance documents, including the *Articles of Association*, the *Rules of Procedure of the Board of Directors*, the *Work Rules for the Board Secretary*, and the *Measures for the Administration of Independent Directors*. The operational mechanisms of the general meeting of shareholders and the Board were further improved. The Supervisory Committee was dissolved, with its functions assumed by the Audit Committee, enhancing the level of standardised operations and forming a modern governance structure with clear accountability, efficient functioning, and effective checks and balances.

China BlueChemical Organisation Chart



General Meeting

The General Meeting is the Company's highest authority, while the Board reports on their work, implements its resolutions, and exercises decision-making authority on major corporate matters. The convening procedures and approval processes for resolutions comply with relevant laws, regulations and the Company's *Articles of Association*, effectively safeguarding the rights and interests of all shareholders. In 2025, four general meetings were convened, during which 13 resolutions were considered and approved.

Board

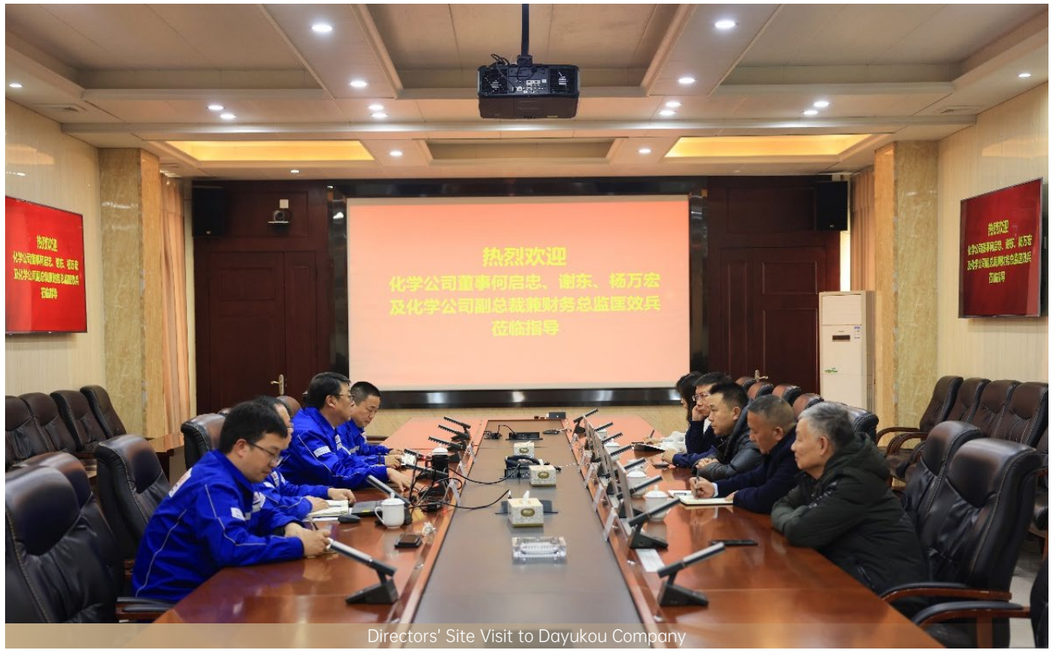
The Board has established four specialised committees, including the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Strategy and Investment Committee. Each committee reports regularly to the Board and provides recommendations to support its decision-making. As at the end of 2025, the Board comprised eight directors. A total of 4 regular Board meetings were held during the year, with the Board considering and approving 36 resolutions and reviewed 11 reports. Routine matters included the approval of annual operating results and profit distribution plans, while key deliberations covered director appointments and removals, revisions to governance policies, the feasibility study of the Dayukou tailings storage project, and the anhydrous hydrogen fluoride project report. All meeting procedures and voting outcomes complied with applicable requirements. ESG-related matters addressed by the Board included the review and approval of the 2024 ESG Report, the setting of energy conservation and emission reduction targets for 2026, and the review of the Company's ESG performance report for the first half of 2025.

The Company has established a Board diversity policy, appointing members with diverse backgrounds in terms of gender, age, cultural and educational background, professional experience, skills and knowledge, providing multi-dimensional perspectives and professional support for strategic decision-making and risk management.

Board Diversity Composition

Role	**3** Independent Non-executive Directors	**3** Executive Directors	**2** Non-executive Directors
Gender	**6** male directors	**2** female directors	

To support the directors in their duties, the Company's senior management regularly provides directors (including external directors) with monthly reports covering capital market developments, QHSE, and risk management. The Company also organised 3 communication meetings with external directors to discuss Company agenda items in advance, enabling their early participation in project deliberations. In 2025, the Company conducted six training sessions for directors, focusing on key topics such as the scope of directors' duties and responsibilities, corporate governance standards, and new regulatory requirements for ESG disclosure. In addition, five site visits and research activities were organised to enhance directors' performance of their duties, thereby improving the quality of Board decision-making and the effectiveness of oversight.



Directors' Site Visit to Dayukou Company

ESG Governance

China BlueChemical integrates sustainability principles into its corporate strategy and operations. Through a robust governance framework, systematic capability development and structured performance assessment, the Company continuously enhances its ESG management to respond to regulatory and market expectations, while strengthening resilience and long-term value creation. In 2025, the Company issued the *Environmental, Social and Governance (ESG) Management Measures*, establishing a comprehensive ESG organisational structure with clear hierarchy and defined responsibilities. Roles and accountabilities are specified across all levels, departments and positions, forming a three-tier governance framework comprising "Board-ESG Committee-ESG Working Group," ensuring a systematic and well-governed approach to ESG management across the entire process.

Decision-making Level

Board

- Reviews and approves the Company's ESG development strategy and objectives, material issues, risks and opportunities, governance structure and management systems
- Reviews and approves significant ESG matters, including but not limited to the annual ESG Report

Management Level

ESG Committee

- Reviews ESG management policies, strategies, priorities and objectives, and provides recommendations to the Board
- Assesses ESG-related risks and opportunities and, where appropriate, provides recommendations to the Board
- Receives and consolidates reports from the ESG Working Group on the progress of ESG objectives and implementation plans, and reports to the Board
- Reviews the annual ESG Report for submission to the Board for consideration, approval and disclosure

Execution Level

ESG Working Group

- Implements the Company's ESG strategy and objectives, and organises and coordinates ESG work across operating units
- Responsible for drafting ESG policies, relevant topics, phased work plans and implementation programmes
- Reports ESG progress and outcomes to management and the Board, and provides recommendations for improvement

Departments and Relevant Subsidiaries

- Responsible for the implementation of ESG-related activities within their respective functions and regularly report on progress
- Prepare, provide and review information relevant to their departments or entities for inclusion in the report, ensuring accuracy and compliance of disclosed information

The Company actively promotes the integration of ESG principles into its corporate culture, enhancing directors' and employees' understanding and engagement in ESG management through training and communication initiatives. During the year, two ESG training sessions were organised for directors and employees respectively, providing in-depth interpretation of ESG regulatory requirements and emerging trends, the impact of ESG on corporate development, and the latest climate-related disclosure requirements of The Stock Exchange of Hong Kong Limited.

Identification of Material Issues

In the absence of clear changes in its main business and scope of operations, China BlueChemical conducts identification of material issues once every three years. Taking into account domestic and international sustainability-related standards and regulations, industry development trends, and key concerns of the capital market, and in combination with the Company's actual business development, 18 issues that have a significant impact on the Company's long-term operations and sustainable development have been identified. Through questionnaire surveys, we have collected opinions from the Company's directors and various stakeholders on the relevance of each material issue, and drew up China BlueChemical ESG Issues Materiality Matrix. In 2025, after internal evaluation and verification, we did not make adjustments to the previous year's ESG materiality analysis results. This report will focus on high-materiality issues to better respond to stakeholders' concerns.

Materiality Assessment Process

Issue Identification	Issue Research	Issue Prioritization	Issue Review
By analysing domestic and international ESG standards, national regulatory policies, and key focuses of the capital market, conducting industry benchmarking, and considering the Company's own circumstances and business layout, material issues are identified.	Conduct questionnaire surveys targeting internal and external stakeholders such as the Company's directors, government/ regulatory agencies, shareholders/ investors, customers, suppliers/ partners, employees, media, and the general public in the community, inviting them to assess the importance of the issues.	Based on the results of the questionnaire survey, the issues are prioritized by analyzing them from two dimensions: "importance to China BlueChemical" and "importance to stakeholders," forming the China BlueChemical ESG Issues Materiality Matrix.	The Company's ESG Management Committee and external experts review the results of issue screening to ultimately determine highly important issues. After approval by the board of directors, these issues are prominently disclosed in the report.

China BlueChemical ESG Issues Materiality Matrix

Stakeholder Communication

We value communication with our stakeholders and have established a regular stakeholder engagement mechanism to listen to voices from diverse perspectives, serving as an important basis for enhancing our ESG performance.

Stakeholders and Method of Communication

Stakeholders	Needs and expectations	Communication channel
The Government	• Compliance in operations • Tax payment in accordance with laws and regulations • Employment promotion • Responding to national strategies • Supporting industry development	• Information disclosure • Routine communication and reporting • Site visits • Supervision and inspection • Visitor reception
Investors	• Compliance in operations • Sustainable and stable investment returns • Risk management • Corporate governance	• Web conferences • General meetings of shareholders • Periodic reports and announcements • Investor communication meetings
Customers	• Serving agriculture, rural areas, and farmers • Carrying out inclusive finance • Respecting customer privacy • High-quality customer services	• Customer satisfaction surveys • Online communication and in-person visits • Customer events • Daily contact with relationship managers
Partners	• Honouring contracts • Mutual benefit and win-win cooperation, long-term partnership • Improving supply chain management	• Business negotiations • Project collaboration • Industry exchanges
Employees	• Employee rights protection • Occupational health and safety • Training and development • Employee care and wellbeing	• Trade unions • Internal communication platforms such as internal publications and intranet • Employee representative meetings • Routine communication and exchanges
The Environment	• Green operations • Promoting environmental awareness	• Communication with environmental organisations
The Public	• Stable employment • Building harmonious communities • Carrying out charitable activities • Promoting financial literacy	• Volunteer services • Charitable activities

Investor Communication

The Company attaches great importance to transparent, two-way communication with the capital market and is committed to clearly conveying the Company's strategy, operational performance and ESG performance to investors through institutionalized, multi-channel exchanges. The Company has conducted roadshows and reverse roadshows, employing a dual-channel approach of "periodic disclosure + targeted communication." It holds briefings during the strategic windows following the release of annual results and interim results, supplemented by specialized capital roadshows. Through diversified formats such as results briefings, specialized roadshows and one-on-one investor meetings, the Company accurately conveys its information, helping investors gain a deeper understanding of the Company's operational achievements, development highlights and prospects, and systematically addresses key issues of concern in the capital market. Dedicated communication summaries are prepared, effectively enhancing investor confidence in and recognition of the Company's development.

China BlueChemical 2025 Mid-Year Performance Conference

Compliance and Risk Management

China BlueChemical continues to establish and improve an integrated management system of internal control, compliance, risk, and audit. Through institutionalized risk prevention and supervision mechanisms, it strengthens the baseline for compliant operations, providing assurance for the Company's steady operation and high-quality development.

Compliance Risk Management System

China BlueChemical consistently conducts its governance practices in strict compliance with the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the *Basic Standard for Enterprise Internal Control*. The Board is responsible for assessing and defining the acceptable risk boundaries in the implementation of the Company's strategy, and for continuously developing a robust and effective risk management and internal control system. Through regular reviews by the Board and the Audit Committee, the effectiveness and scope of the risk management and internal control system are continuously evaluated, thereby safeguarding shareholders' interests and the security of the Company's assets.

The Company has established an Internal Control, Compliance, and Risk Management Committee led by the chairman, with members including the president, vice presidents, and department heads of the Audit Department, Legal and Compliance Department, Finance Management Department, among others. The committee mainly undertakes the overall planning and organizational coordination functions of compliance management work, overseeing the establishment and continuous improvement of the risk control system, reviewing major issues in the field of internal control, compliance, and risk management, and supervising, inspecting, and providing guidance on the implementation of related work.

Risk Management Process

In its risk management practices, the Company follows the principle of "strengthening internal controls, preventing risks, and promoting compliance," establishing a series of internal management systems, including the *Internal Control and Comprehensive Risk Management System*, the *Comprehensive Risk Management Measures*, and the *Measures for the Reporting and Response of Major Operational Risk Events*.

The Company has developed a four-tier risk management structure comprising the Internal Control, Compliance and Risk Management Committee, the Risk Management Office, headquarters functional departments, and affiliated entities (project teams). In addition, a routine risk management mechanism has been established, including annual, quarterly and monthly processes for risk identification, assessment, monitoring, and the reporting of significant risk events.

China BlueChemical's Four-tier Risk Management Structure and Reporting Mechanism

Internal Control, Compliance and Risk Management Committee	• Reviews and endorses monthly, quarterly and annual risk management reports; • Reviews major risk response strategies and monitors their implementation.
Risk Management Office	• Conducts risk assessments and analysis, and refines control measures; • Prepares monthly, quarterly and annual risk management reports and submits them to the Internal Control, Compliance and Risk Management Committee and the Board for review; • Continuously monitors operational risks and communicates management instructions to relevant departments and entities, ensuring effective implementation and overall risk control.
Headquarters Functional Departments	• Perform functional reviews and assess risks within their respective business areas from a headquarters perspective; • Review risk matters reported by affiliated entities.
Affiliated Entities (Project Teams)	• Identify and assess risks within their respective operations and submit monthly reports to functional departments; • Implement risk mitigation and control measures.

Anti-corruption

Integrity risk prevention and control is a key component of the Company's risk management. The Company adheres to a prevention-first approach, proactively advancing the development of an integrity risk prevention system. It strictly complies with relevant laws and regulations, including the *Criminal Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*. Dedicated communication channels for integrity education have been established, and reminders on maintaining integrity during major holidays are regularly issued to reinforce employees' compliance with laws and business ethics relating to bribery, extortion, fraud and money laundering.

To establish a comprehensive integrity risk prevention framework, the Company has implemented a regular communication mechanism and clarified responsibilities at all levels of management, forming a clearly defined and interconnected oversight structure through measures such as signing responsibility agreements and conducting supervisory discussions between superiors and subordinates. The Company implements its annual anti-corruption priorities and convenes quarterly anti-corruption coordination meetings, establishing mechanisms for collective learning, policy communication, and information sharing and consultation, strengthening the supervisory responsibilities of business departments. In addition, the Company enhances oversight of management conduct outside working hours and provides integrity training as part of induction for new employees, reinforcing awareness of integrity in both professional and personal contexts.

In terms of institutional development, the Company continues to strengthen a long-term governance mechanism that ensures officials "do not dare to be corrupt, are unable to be corrupt, and have no desire to be corrupt." Reporting channels have been established, including dedicated telephone lines, email addresses and mailing addresses for receiving complaints and whistleblowing reports. The Company has formulated the *Detailed Rules for Handling Complaints and Whistleblowing Reports*, which standardise the scope of acceptance, handling procedures and approval authorities, ensuring that each report is addressed promptly and appropriately. Strict confidentiality protocols are implemented, with multiple safeguards in place to protect whistleblowers' information and case materials. Unauthorised disclosure of case-related information and unauthorised contact with involved parties or related persons are strictly prohibited.

In fostering a culture of integrity, the Company continues to develop its "Five Aspects of Integrity" cultural framework through a range of communication and engagement activities. In 2025, it compiled a *Compendium of Best Practice Cases from the "Small Matters, Big Lessons" Awareness and Education Campaign Series* to highlight risks associated with minor misconduct. It also organised integrity-themed initiatives such as the "Integrity with You, Integrity in Action" campaign and the "Remember History, Uphold Integrity" themed day. These initiatives further strengthened employees' awareness of integrity and self-discipline, providing a solid foundation for the Company's sustainable development.

2025

Average anti-corruption training hours for directors

72 Hours

Average anti-corruption training hours for general employees

86 Hours

02

Advancing the Path of Low-carbon Sustainability

China BlueChemical is committed to building a green chemical enterprise, integrating environmental protection into its strategic decision-making and daily operations. The Company continuously improves its environmental management system, strengthens resource and energy conservation, enforces strict emissions control, and enhances lifecycle management of chemicals, systematically addressing climate change challenges and promoting the coordinated development of its operations and the ecological environment.

Climate Change Response

The Company firmly implements China's "dual carbon" strategy and integrates climate-related considerations into its strategic planning and daily operations. We continue to enhance our climate management framework, systematically identifying and assessing climate-related risks and opportunities. At the same time, we continue to steadily advance the implementation of our carbon peaking action plan, strengthen our carbon asset management capabilities, and continuously improve our climate governance. These efforts support the alignment of carbon reduction targets with business development.

Governance

The Company has established a tiered governance structure for climate change management. As the highest decision-making body on climate-related matters, the Board is responsible for approving climate strategies and targets, overseeing risk management and disclosures, and regularly reviewing climate-related updates. At the management level, the Company has established a "dual carbon" working group to coordinate energy conservation, carbon reduction, and carbon asset management. The group holds regular meetings to deploy key initiatives and coordinates affiliated entities in conducting climate risk identification, responding to extreme weather events, and implementing energy-saving and low-carbon measures.

The Company has established internal policies, including the *Measures for Energy Conservation and Low-carbon Management*, the *Detailed Rules for Investment Management of Energy-saving and Low-carbon Projects*, and the *Detailed Rules for Carbon Asset Management*. Key indicators such as carbon emissions intensity are incorporated into the annual performance evaluation of management, incentivising internal accountability. The Company has embedded climate-related considerations into its overall strategy, convening dedicated energy conservation and low-carbon thematic meetings during the formulation of the Company's five-year plans to strengthen strategic alignment, driving steady and sustainable reduction of energy consumption and carbon emissions intensity.

Strategy

Based on its industry characteristics and business portfolio, the Company regularly identifies and analyses climate-related physical risks, transition risks and opportunities, and assesses their potential impacts on its operations, while proactively developing corresponding response measures to address these risks and opportunities. To align with the time horizons of its five-year plan and long-term strategic objectives, the Company defines the short term as 2026–2030, the medium term as 2031–2035, and the long term as 2036–2060.

Climate-related Risks and Opportunities

The Company has identified the following key climate-related risks and opportunities:

Risk Type	Climate-related Risk	Impact on Business Model	Impact on Value Chain	Time Horizon	Response Measures
Acute Risks	• Increased frequency and intensity of extreme weather events such as typhoons and heavy snow	• Typhoons may directly impact the Hainan production base, causing power outages and raw water supply disruptions, leading to unplanned shutdowns • Heavy snow may result in structural damage, pipeline freezing and disruption to winter operations at the Heilongjiang production base • Extreme weather may restrict outdoor operations and increase safety risks for commuting employees and emergency inspection personnel	• Disruptions to operations at Basuo Port affecting raw material unloading and product shipment; delays in rail and road transport affecting delivery schedules • Typhoons may disrupt upstream natural gas supply, triggering cascading impacts on production	• Short/ Medium term	• Establish early warning and response mechanisms for typhoons and heavy snow, with 24-hour on-duty leadership arrangements • Regular reinforcement of elevated structures and pipeline racks, and maintenance of drainage systems • Develop dedicated emergency response plans with defined warning levels and response measures, and conduct regular drills
Chronic Risks	• Changes in precipitation patterns and increased climate variability • Rising average temperatures • Sea level rise	• Changes in precipitation may affect surface water availability, constraining production capacity • Sustained high temperatures increase cooling system loads and energy consumption • Health risks for outdoor inspection and maintenance work rise under high temperature and high humidity conditions, requiring adjustments to work schedules and enhanced protection, thereby affecting labor efficiency • Coastal facilities face long-term risks from sea level rise and erosion, requiring potential capital investment	• Fluctuations in waterway levels may affect transport efficiency • Changes in agricultural precipitation patterns may affect fertiliser demand cycles • Increased maintenance requirements and costs for port infrastructure due to coastal erosion	• Medium/ Long term	• Implement heat prevention and cooling measures, adjust working hours during high-temperature periods, and provide protective equipment and medical supplies • Install ventilation and air conditioning systems to improve working conditions • Assess long-term coastal protection needs, including seawall reinforcement and facility elevation
Policy and Legal Risks	• Carbon pricing mechanisms (carbon trading/tax) • Stricter local environmental emission standards • Tightening policies on solid waste utilisation	• Tightening emissions quotas increase compliance costs; stricter NO_x limits require equipment upgrades and capital expenditure • Policies such as CBAM and RED II impose carbon footprint requirements, potentially affecting exports without green certification • Higher solid waste utilisation requirements drive a shift from disposal to resource utilisation	• Rising costs of high-carbon inputs drive transition to lower-carbon feedstocks • Supplier emissions performance increasingly incorporated into procurement criteria, promoting supply chain decarbonisation • Solid waste such as phosphogypsum becomes a resource, supporting downstream circular economy development	• Short/ Medium term	• Upgrade environmental protection facilities to meet higher standards • Promote green supply chain development and complete ISCC certification for the green methanol value chain • Implement resource utilisation projects, such as phosphogypsum backfilling at Dayukou

Risk Type	Climate-related Risk	Impact on Business Model	Impact on Value Chain	Time Horizon	Response Measures
Technology Risks	• Investment risks in low-carbon transition technologies	• Large-scale investments in projects such as green methanol, CO_2 hydrogenation to methanol, and phosphorus-fluorine materials may face uncertainties in technology maturity or market acceptance, affecting returns • Increased demand for specialised technical talent	• Progress of collaborative projects (e.g. CO_2 dry reforming with BASF, phosphorus-fluorine materials with Wengfu Group) may affect implementation timelines • Certification requirements (e.g. ISCC) may influence market adoption pace	• Medium/ Long term	• Progress research on methane–CO_2 dry reforming technology • Prioritise mature technological pathways to reduce risks • Strengthen partnerships with industry leaders to share technology and market risks
Market Risks	• Energy policy changes affecting feedstock prices • Shifts in customer preferences towards low-carbon products	• Fluctuations in coal and natural gas prices under carbon constraints may affect profitability • Transition of customers towards green procurement may reduce demand for conventional products	• Cost volatility in energy supply impacts procurement stability • Growing demand for low-carbon products such as green methanol drives product portfolio transformation	• Short/ Medium term	• Develop integrated "product + technology + service" solutions and introduce differentiated products such as bio-stimulants • Accelerate industrialisation of low-carbon products such as green methanol • Steadily increased the annual contract value contribution of chemical products year by year and expanded export scale • Established reserves for key raw materials of fertilizer products and provided agronomic value-added services including soil testing and formulated fertilization • Expanded new downstream sectors such as automotive methanol and marine fuel, advancing the green transformation
Reputational Risks	• Increasing stakeholder focus on climate action	• ESG performance, disclosure quality and environmental incidents may affect financing channels and cost of capital • Environmental compliance and transition performance influence public perception and government support	• ESG ratings may affect green bond pricing and loan conditions • Negative environmental events may attract media attention and impact corporate reputation	• Short/ Medium/ Long term	• Strengthen climate governance, with regular Board oversight of climate-related matters • Enhance transparency through proactive disclosure of climate management and transition progress • Participate in the development of industry standards for green methanol and green ammonia to strengthen leadership in the low-carbon transition

Risk Type	Climate-related Risk	Impact on Business Model	Impact on Value Chain	Time Horizon	Response Measures
Resource Efficiency	• Energy efficiency upgrades and waste heat recovery • Resource utilisation of waste	• Improves production efficiency and reduces energy consumption per unit of output and production costs • Converts hazardous by-products into high value-added products, optimising product mix and creating new revenue streams	• Drives demand for energy-efficient equipment upstream • Promotes extension of the solid waste recycling value chain and improves resource utilisation efficiency	• Short/ Medium/ Long term	• Continue to enhance energy efficiency and implement waste heat recovery projects • Advance projects for the resource utilisation of waste such as fluorosilicic acid
Energy Sources	• Solar power generation and procurement of green electricity • Adoption of new technologies such as mass-equivalent replacement using biomethane for green methanol production	• Reduces electricity procurement costs and dependence on fossil fuels, mitigating risks from future fossil fuel price increases • Enables cost-effective retrofitting of existing facilities to produce green methanol and meet low-carbon market requirements (e.g. EU) • Enhances attractiveness to ESG-focused investors and improves access to capital	• Electrification of port equipment reduces emissions in logistics • Green methanol projects stimulate upstream biomass feedstock supply chains • Enhances market reputation and supports growth in demand for green products	• Short/ Medium/ Long term	• Advance the development of the "zero-carbon terminal" at Basuo Port and complete carbon neutrality certification • Promote full value chain ISCC certification for green methanol to ensure carbon compliance • Establish end-to-end green methanol e-commerce sales channels and build a dedicated sales team of 200 personnel
Market	• Entry into emerging markets such as green marine fuels • Leveraging public sector incentive schemes	• Creates new growth opportunities and captures early advantages in the global shipping fuel transition • Strengthens cooperation with governments and development banks to access green policy support • Expands exports through green product certification, entering low-carbon markets such as the EU	• Engages new suppliers such as biomass feedstock providers • Supports downstream customers in building green supply chains, enhancing customer loyalty • Strengthens regional market presence and optimises sales channels	• Short/ Medium/ Long term	• Strengthen regional market positioning and pricing capabilities, and expand export business • Develop integrated "product + technology + service" marketing solutions, including differentiated products such as bio-stimulants • Accelerate the industrialisation of low-carbon products such as green methanol
Resilience	• Development of a diversified energy structure • Strengthening resilience planning	• Reduces risks of supply disruption from reliance on a single energy source • Enhances infrastructure and emergency response systems to ensure operational continuity under varying climate conditions • Improves supply chain reliability and strengthens customer confidence	• Establishes coordinated response mechanisms with upstream and downstream partners for extreme weather events • Provides more stable supply assurance to suppliers and customers • Ensures reliability of logistics and transportation under different climate conditions	• Short/ Medium/ Long term	• Establish a comprehensive emergency prevention and control system • Develop early warning and response mechanisms for extreme weather and strengthen real-time monitoring of process parameters • Conduct regular emergency drills for extreme weather scenarios

Climate Scenario Analysis and Financial Impact Assessment

The Company, with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), applies scenario analysis to assess the potential impacts of climate-related risks and opportunities on its operations and financial performance. Taking into account the characteristics of the chemical industry and the distribution of its production bases, the Company adopts internationally recognised climate scenarios and conducts analysis across three time horizons: short term (2026–2030), medium term (2031–2035), and long term (2036–2060). The scope of assessment covers all principal business operations, including the Beijing headquarters, three major chemical production bases in Hainan, Heilongjiang and Hubei, Basuo Port, and the phosphate mining operations in Hubei.

Current Financial Impacts

In 2025, with respect to physical risks, the South China Sea region experienced frequent extreme weather events. A total of 14 typhoons affected the Company during the year, accompanied by eight storm surge events with water level increases exceeding 50 centimetres and 34 instances of hazardous waves exceeding 4 metres. In addition, sustained high temperatures posed multiple challenges to production operations and personnel safety. In terms of transition risks, the gradual development of carbon pricing mechanisms domestically and internationally, together with increasingly stringent environmental standards, resulted in carbon compliance costs for the Company. The Company also continued to invest in energy-saving and efficiency improvement projects, while fluctuations in raw material prices exerted upward pressure on operating costs. In terms of opportunities, the Company generated income through participation in carbon trading and benefited from government incentives related to energy conservation and emissions reduction. The financial impacts of the above mentioned climate-related risks and opportunities on the current reporting period are as follows:

Risk/Opportunity Type	Financial Impact Item	2025 Amount	Impact on Financial Statements
Acute risk: extreme weather such as typhoons	Property insurance expenses (machinery breakdown insurance, all-risk property insurance, public liability insurance)	Over RMB9 million	Increase in costs and expenses
	Plant repair costs and production interruption losses	Over RMB0.3 million	Increase in costs and expenses
Chronic risk: rising average temperatures	High-temperature aid	Over RMB14 million	Increase in costs and expenses
Policy and legal risk: stricter emission requirements	Carbon compliance costs (purchase of emission allowances)	Approximately RMB0.22 million	Increase in costs and expenses
	Expenditure on energy-saving and efficiency improvement projects	Over RMB98 million	Increase in costs and expenses
Policy and legal risk: penalties for non-compliance with emission standards	Fines	None incurred	No impact
Market risk: rising raw material costs	Price fluctuations in raw materials such as natural gas and ores	Approximately RMB400 million	Increase in costs and expenses
Resource efficiency opportunity: supportive policies	Government incentives for energy-saving and emissions reduction	Approximately RMB0.4 million	Increase in income
Market opportunity: carbon trading	Revenue from sale of carbon emission allowances	Approximately RMB0.43 million	Increase in income

Apart from the financial impacts described above, the Company is not exposed to any material risks that are expected to result in significant adjustments to the carrying amounts of assets and liabilities in the financial statements for the next reporting period.

Expected Financial Impacts

Based on the Company's strategies for managing climate-related risks and opportunities, together with its investment and disposal plans and considering policy and market developments under different climate scenarios, the following changes in future financial performance are anticipated:

Short term (2026–2030)

The Company will continue to invest in environmental compliance upgrades for existing facilities and in preparedness for extreme weather events, with capital expenditure and operating costs remaining at a certain level. Production and sales of green methanol are expected to increase gradually, contributing positive cash flow. With the planned commissioning of the phosphorus-fluorine new materials project (expected in 2027), a new source of profit growth is anticipated to emerge in the near term.

Medium term (2031–2035)

Energy efficiency improvements and resource recycling projects are expected to reduce energy consumption per unit of output and overall costs, thereby enhancing profitability. Under a net-zero emissions scenario by 2050, rising carbon prices may increase compliance costs; however, demand for low-carbon products such as green methanol is expected to grow significantly. The Company has made early strategic investments and is well positioned to benefit from this trend.

Long term (2036–2060)

If technological breakthroughs in the development and utilisation of carbon-rich gas resources in the South China Sea (such as CO_2 hydrogenation to methanol and dry reforming technologies) are achieved at scale, resource utilisation efficiency will be significantly enhanced and new business areas will be developed, with a profound impact on the Company's long-term financial performance. The Company plans to support these investments through diversified financing channels, including internal funds, green finance and project financing.

Climate Resilience

The Company applies scenario analysis to assess its climate resilience, identifying the adaptability of its business model under different climate pathways.

Physical Risk Scenario Analysis

Based on the identified acute and chronic physical risks, the Company refers to the *Sixth Assessment Report* of the Intergovernmental Panel on Climate Change (IPCC) and selects two representative climate scenarios: a low greenhouse gas emissions scenario with temperature increases of 1.5°C to 3°C (SSP1-2.6), and a very high greenhouse gas emissions scenario with temperature increases exceeding 3°C (SSP5-8.5). Under these scenarios, the Company analyses the potential impacts of physical risks, including river flooding, extreme precipitation, storms and sea level rise, on its production bases. The assessment covers all fixed assets owned by the Company, including its Hainan, Heilongjiang and Hubei production bases. The results indicate that the Company demonstrates relatively strong overall climate resilience, with physical risks remaining broadly manageable. Specifically, risks associated with river flooding and sea level rise are assessed as very low, while heatwave risks are assessed as high and extreme precipitation risks as very high. Under the SSP5-8.5 scenario, storm-related risks increase from low to moderate due to the rising frequency and intensity of extreme weather events over the long term. In response to risks such as heatwaves, storms and extreme precipitation, the Company has implemented targeted measures, including personnel protection, infrastructure reinforcement, emergency response planning and early warning mechanisms, demonstrating strong climate resilience and proactive adaptation capability.

Climate Risk		Physical Climate Risk Levels by Time Horizon*					
		Short Term		Medium Term		Long Term	
		SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
Acute Physical Risks	River flooding	Very low	Very low	Very low	Very low	Very low	Very low
	Extreme precipitation	Very high	Very high	Very high	Very high	Very high	Very high
	Storms	Low	Low	Low	Low	Low	Moderate
Chronic Physical Risks	Sea level rise	Very low	Very low	Very low	Very low	Very low	Very low
	Heatwaves	High	High	High	High	High	High

*Note: Risk levels are classified into five categories: "Very high", "High", "Moderate", "Low" and "Very low", reflecting both the likelihood of occurrence and the potential impact of the risk on the Company's operations.

Transition Risks and Opportunities Scenario Analysis

With reference to the *World Energy Outlook 2025* published by the International Energy Agency (IEA), the Company has selected the Stated Policies Scenario (STEPS, estimated temperature rise of 1.5°C to 3°C), and the Net Zero Emissions by 2050 Scenario (NZE 2050), aligned with the temperature goals of the *Paris Agreement*, to systematically assess the potential impacts of transition risks and opportunities.

Under the STEPS scenario, policies such as carbon pricing and environmental standards are expected to advance steadily, with transition risks assessed to be at a moderate to high level overall with a possibility to reach very high levels in the long term. Demand for green products is expected to be released in an orderly manner, with market opportunities gradually emerging. Under the NZE 2050 scenario, global carbon constraints are expected to intensify significantly. As technologies mature and markets undergo structural transformation, transition risks may rise to a high level in the short term and further increase to very high levels in the medium term. At the same time, demand for low-carbon products such as green methanol is expected to increase from a moderate level in the short term to a very high level in the medium term, potentially driving substantial market expansion and enhancing brand value, creating significant growth opportunities for the Company.

Climate Risk/Opportunity		Transition Risks/Opportunities by Time Horizon*					
		Short Term		Medium Term		Long Term	
		STEPS	NZE 2050	STEPS	NZE 2050	STEPS	NZE 2050
Transition Risks	Policy and legal risk	Moderate	High	Moderate	Very high	High	Very high
	Technology risk	Moderate	High	High	Very high	Very high	Very high
	Market risk	Moderate	High	High	Very high	Very high	Very high
	Reputational risk	Moderate	Moderate	Moderate	High	High	Very high
Opportunities	Resource efficiency	Low	Low	Low	Moderate	Moderate	Moderate
	Energy sources	Moderate	Moderate	Moderate	Moderate	Moderate	High
	Market	Low	Moderate	Moderate	High	High	Very high
	Resilience	Low	Low	Low	Low	Moderate	Moderate

*Note: Risk/opportunity levels are classified into five categories: "Very high", "High", "Moderate", "Low" and "Very low", reflecting the likelihood and magnitude of their impact on the Company's operations.

Based on the results of the scenario analysis, the Company demonstrates strong climate resilience. It has proactively positioned itself in low-carbon sectors such as green methanol and phosphorus-fluorine new materials, achieving full value chain ISCC certification and making progress towards commercialisation. The Company's energy efficiency performance continues to lead the industry, and through technological collaborations with leading enterprises such as BASF and Wengfu Group, the Company effectively manages risks associated with technological transitions. Under a net zero emissions pathway, the Company is well positioned to adapt to tightening policy requirements and capture emerging market opportunities, continuing to refine its strategic planning, integrating climate considerations into investment decisions and risk management, and striving to ensure stable and sustainable development across different climate scenarios.

Transition Plans and Actions

The Company integrates climate considerations into its strategic planning and investment decision-making, systematically advancing both climate mitigation and climate adaptation actions.

Climate Mitigation Actions (Overview)

Green Methanol Project

Leveraging existing methanol facilities, the Company produces green methanol via a mass-equivalent replacement route using biomethane, obtaining full value chain ISCC certification, producing and delivering 200 tonnes for commercial marine bunkering in 2025. This initiative is based on key assumptions including sustained long-term demand for green methanol from the EU and the global shipping industry, as well as stable and cost-effective biomass supply. Key dependencies include the retrofit capability of existing facilities, the development of upstream and downstream ecosystem collaboration, and supportive government policies for green fuels.

Energy Efficiency and Renewable Energy

The Company continues to implement energy efficiency upgrades and waste heat recovery projects, maintaining industry-leading energy performance at Fudao Methanol. At the same time, the Company advances its photovoltaic projects, with self-generation and self-consumption solar installations completed at Basuo Port, Dayukou and Fudao, obtaining green electricity and green certificates for multiple production sites, further optimising the energy mix.

Zero-carbon Port Development

The Company continues to advance the development of its "zero-carbon terminal" at Basuo Port. Through key initiatives, including renewable energy substitution, energy efficiency improvements, and electrification, the Company reduced carbon emissions and obtained carbon neutrality certification, establishing a benchmark for zero-carbon port operations.

Technological Innovation and Standard Setting

The Company established the "Joint Innovation Laboratory for Carbon Neutrality and Food Security" and, as a key contributor, participated in the development of industry standards for green methanol and green ammonia, as well as national standards for carbon footprint accounting of methanol, synthetic ammonia and urea products. In the field of carbon capture, utilisation and storage (CCUS), the Company has established a High-carbon Natural Gas Chemical Engineering Technology Centre, building the world's largest 5,000 tonnes/year CO_2 hydrogenation to methanol industrial pilot unit and China's first 10,000 Nm^3-scale pilot dry reforming unit for high-carbon natural gas, laying the foundation for early-mover advantage in the development of carbon-rich gas resources in the South China Sea.

Climate Adaptation Actions (Overview)

Response to Extreme Weather

In response to typhoon risks, the Company has established early warning and response mechanisms, implemented 24-hour leadership duty systems, reinforced facilities on a regular basis, and maintained emergency supplies. Huahe Company has developed a *Special Emergency Response Plan for Snowstorm Events*, defining warning levels and emergency measures, as well as conducting regular drills. Fudao Company has strengthened real-time monitoring of process parameters during typhoons and optimised emergency power and water supply plans.

Case Green Fuel Production from Municipal Waste

Leveraging its existing natural gas-to-methanol facilities, the Company has successfully developed a demonstration project for green methanol production using biomethane derived from the fermentation of municipal food waste and animal manure. In May 2025, the project achieved full process integration and produced the first tonne of green methanol in China using municipal waste. The project achieved a lifecycle GHG emissions reduction of 79%, significantly exceeding the European Union's 65% benchmark. The entire value chain of the project has obtained ISCC EU certification for sustainability and carbon compliance, enabling access to the European market. In July, 200 tonnes of the product were supplied for bunkering operations at Yangpu Port in Hainan, supporting the first domestic methanol dual-fuel container vessel, establishing a closed-loop model of "Chinese vessel + Chinese port + Chinese methanol" for green shipping. The project represents an innovative circular development model of "municipal waste – clean energy – green fuel" and lays a solid foundation for cultivating new drivers of green and low-carbon productivity.

Risk Management

The Company incorporates climate-related risks into its overall risk management framework and has established systematic processes for identification, assessment and monitoring.

Risk Identification

The Company conducts risk identification across its production bases, focusing on extreme weather events, increasing environmental compliance requirements for production facilities, and the transmission effects of oil price fluctuations on methanol pricing, establishing a preliminary risk inventory covering both physical and transition risks. Input data includes historical meteorological data, climate model projections from the Intergovernmental Panel on Climate Change (IPCC), policy scenario analyses from the International Energy Agency (IEA), updates to industry emission standards, and internal operational data.

Risk Assessment

The Company evaluates identified climate-related risks by considering the likelihood of occurrence, the extent of impact on operations, and the scale of financial implications. The Company has begun to apply climate scenario analysis, using IPCC scenarios (SSP1-2.6 and SSP5-8.5) to assess physical risks and IEA scenarios (STEPS and NZE 2050) to assess transition risks, continuing to integrate scenario analysis results into the risk assessment process.

Risk Prioritisation

The Company has identified "Quality, Health, Safety, and Environment Protection" as one of its top eight major risk categories, explicitly incorporating risks related to extreme weather and environmental regulatory compliance. Risk prioritisation considers factors such as likelihood, potential loss, feasibility of mitigation measures and cost-effectiveness, ensuring that key climate-related risks receive priority attention.

Risk Monitoring

The Company manages climate-related risks through regular risk tracking, targeted audits and upgrade projects. Environmental policy developments are incorporated into risk identification and assessed through dedicated audits to identify compliance gaps, which are then addressed through facility upgrades and improvement projects. The Company regularly reports risk developments to management to ensure effective implementation of mitigation measures. Compared with the previous reporting period, the Company has further refined the classification of climate risks and incorporated preliminary scenario analysis outcomes into its risk identification process, enhancing the scientific basis and forward-looking nature of risk management.

In managing climate-related opportunities, the Company evaluates carbon reduction benefits and market potential during the early stages of project development for initiatives such as green methanol and phosphorus-fluorine new materials. It is progressively establishing a structured mechanism for opportunity identification and assessment, with plans to fully integrate opportunity management into business development planning in the next reporting period.

The identification, assessment and monitoring of climate-related risks and opportunities have been substantively integrated into the Company's overall risk management system. Through annual risk assessment meetings, targeted audits and project evaluations, climate factors are considered alongside other operational risks, ensuring alignment between climate risk management, strategic decision-making, investment planning and day-to-day operations.

Metrics and Targets

The Company integrates climate change response into its strategy and daily operations, closely aligned with China's "dual carbon" goals, setting annual GHG emissions reduction targets covering Scope 1 and Scope 2 emissions, including carbon dioxide and other GHGs. Targets for 2025 have been successfully achieved.

The Company classifies its GHG emissions into the following scopes:

Scope 1

Direct emissions, including fuels and raw materials used in production processes, such as washed coal, standard coal, natural gas and liquefied petroleum gas, as well as fuels consumed by vehicles, including petrol and diesel

Scope 2

Indirect emissions from energy consumption, primarily including purchased electricity and heating

Scope 3

Other indirect emissions, including emissions from business travel

The Company's greenhouse gas emissions for 2025 are as follows:

Indicator	2025	Unit
Total GHG emissions (Scope 1, 2 and 3)	5,827,819	tonnes of CO_2e
Scope 1 GHG emissions	5,528,905	tonnes of CO_2e
Scope 2 GHG emissions	298,495	tonnes of CO_2e
Scope 3 GHG emissions (business travel)	419	tonnes of CO_2e

GHG emissions are calculated with reference to the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard* (2004), the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (2011), and the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from China Chemical Production Enterprises*. Scope 2 emissions related to purchased electricity are calculated using a location-based approach, with emission factors sourced from the Ministry of Ecology and Environment's *Notice on the Release of 2022 Carbon Dioxide Emission Factors for Electricity*. Scope 3 emission factors are sourced from the China Products Carbon Footprint Factors Database.

In terms of participation in carbon markets, Huahe Company has participated in the national carbon market, while Dayukou Company has participated in the Hubei provincial carbon market, with both entities achieving a 100% compliance rate.

In accordance with the exemption provisions under the *Environmental, Social and Governance Reporting Code* of The Stock Exchange of Hong Kong Limited, the Company has not disclosed, for 2025, the amounts and percentages of assets or business activities vulnerable to climate-related risks or opportunities, nor the capital expenditure, financing or investment amounts related to climate risks and opportunities. The Company plans to commence data collection and quantitative assessment in 2026 and will disclose such quantitative information in future ESG reports as appropriate.

Environmental Management

The Company upholds a green development philosophy, integrating environmental protection throughout its production and operational processes. By establishing a comprehensive environmental management system, strengthening environmental risk control, and enhancing environmental management capabilities, the Company continues to promote the coordinated development of its operations and ecological protection.

Environmental Management System

The Company strictly complies with applicable laws and regulations, including the *Environmental Protection Law of the People's Republic of China* and the *Regulations on the Administration of Environmental Protection for Construction Projects*, establishing internal policies such as the *Measures for Ecological and Environmental Protection Management*, the *Detailed Rules for Ecological Protection and Pollution Prevention and Control*, and the *Detailed Rules for Environmental Risk Management*, forming a comprehensive environmental management system.

China BlueChemical has established a QHSE (Quality, Health, Safety, and Environment) Committee, which is responsible for major decisions relating to safety and environmental protection, overseeing the implementation of environmental management systems, and regularly providing guidance, supervision and assessment of environmental performance across all affiliated entities. Each affiliated entity performs environmental management functions, is responsible for the implementation of environmental protection measures, and ensures regulatory compliance.

In 2025, the Company recorded no environmental pollution incidents. Fudao Company, Fudao Chemical, Dayukou Company, and Huahe Company have all obtained ISO 14001 environmental management system certification. Fudao Company was recognised as a provincial-level Green Factory, and Dayukou's phosphorus compound fertiliser products have obtained green product certification.

Case **Dayukou Company Advancing Green Mine Development**

Dayukou Company's Wangji Phosphate Mine implements national policies on mine geological environmental protection, adhering to the principle of "simultaneous mining and rehabilitation," being recognised as a Hubei Province provincial-level Green Mine in 2024. The mine continues to carry out dust suppression and control measures, and standardises the orderly stacking of ore and waste rock. Through the application of advanced technologies and equipment, it has achieved the recycling and reuse of underground drainage and production wastewater. At the same time, the mine has increased investment in intelligent systems, building on an integrated control automation platform and a microseismic monitoring system, and realising unmanned operation of underground pump stations. In accordance with ecological restoration requirements, the mine continues to implement land levelling and soil covering at waste dumps, subsidence area treatment, site greening, and land reclamation, achieving coordinated development between mineral resource extraction and ecological protection.

Environmental Risk Management

The Company strictly implements the requirement that environmental protection measures are designed, constructed and commissioned simultaneously with project development, actively advancing the rectification of environmental risks and comprehensively manages environmental risk across its operations. The Company follows principles of source prevention, process control, categorised management, graded risk control, prioritisation and accountability, with the objective of establishing environmental risk registers, implementing control measures, and ensuring effective risk mitigation.

The Company adopts a routine approach to environmental risk management, strengthens its hierarchical accountability system for ecological and environmental protection, and regularly updates relevant management policies. The Company guides affiliated entities in identifying potential environmental risks, establishes systems for the prevention and control of environmental incidents, and conducts enterprise-level inspections of environmental hazards, compliance rectification and management of environmentally sensitive information, ensuring that environmental risks are effectively controlled.

The Company has established a comprehensive emergency management system for environmental incidents, with clearly defined response plans and procedures. The Company continues to enhance the management of equipment operations, emissions of characteristic pollutants and hazardous gases, as well as the transport of hazardous chemicals and radioactive materials, conducting regular environmental risk consultations to analyse and control risks, mitigate the impact of acute environmental incidents on society and the environment, and safeguard surrounding communities.

To strengthen risk management effectiveness, the Company has incorporated environmental audits into its annual plan, conducting targeted audits in response to major environmental policy changes and key project developments. In 2025, a process audit was conducted for Huahe Company's "Ultra-low Emission Retrofit Project for Boiler Flue Gas", focusing on compliance with environmental regulations and the effectiveness of fund utilisation, ensuring that environmental investments effectively support risk management objectives.

Environmental Training and Capacity Building

The Company continues to strengthen its environmental training platform, enhancing accountability and professional capability across all employees. In 2025, under the theme of "learning systems, strengthening management, and promoting improvement", the Company organised an HSE (Health, Safety and Environment) management system knowledge competition. Through quiz-based participation and feedback collection, the Company further improved a long-term mechanism for system learning, compliance, implementation and continuous optimisation. In addition, the Company organised specialised environmental training programmes covering key topics such as pollutant emission compliance requirements, updates to environmental laws and regulations, the application of online monitoring technologies, and key focus areas of central environmental inspections, all of which delivered to environmental management personnel at all levels, technical specialists, and frontline operators across affiliated entities, strengthening employee environmental compliance and risk management capabilities through expert-led sessions and case-based discussions.

Energy and Resource Use

The Company places strong emphasis on the efficient use of energy and resources, recognising this as a key approach to reducing operating costs and fulfilling its environmental responsibilities. Through strengthening management systems, advancing technological innovation and optimising operational practices, we continue to improve the efficiency of our energy, water and raw material utilisation, promoting the coordinated development of resource conservation and production operations.

Energy and Resource Management System

The Company strictly complies with applicable laws and regulations, including the *Energy Conservation Law of the People's Republic of China* and the *Water Law of the People's Republic of China*, and continuously enhances its energy and resource management framework. The Company manages its energy and water resources through the QHSE Department, establishing internal policies such as the *Measures for Energy Conservation and Low-carbon Management*, the *Detailed Rules for Energy-saving and Low-carbon Statistics, Reporting and Monitoring Management*, and the *Detailed Rules for Water Conservation Management*, at the same time supporting refined management practices, improving resource efficiency during production processes, and ensuring the achievement of energy-saving and water conservation targets. Dayukou Company and Fudao Chemical have obtained ISO 50001 energy management system certification. The Company sets annual targets for comprehensive energy consumption and water consumption per RMB10,000 of industrial output value each year, successfully achieving its 2025 annual targets.

Energy Efficiency Improvement in Production Processes

The Company's primary energy sources include natural gas, coal and electricity. Through technological upgrades and management optimisation, we continue to improve energy efficiency, reduce incremental energy demand, and support energy-saving and carbon reduction objectives.

In terms of energy efficiency improvements in key facilities, Fudao Company's Phase I methanol plant has received the Energy Efficiency "Leader" designation for 14 consecutive years. Huahe Company continues to improve the energy efficiency of its synthetic ammonia plants by ensuring long-term stable operation, promoting the implementation of energy-saving projects, and securing stable coal supply. Fudao Phase II ammonia unit has also progressed in energy efficiency improvements, completing the *Energy Efficiency Improvement Plan for the Phase II Ammonia Unit*, including the implementation of exhaust gas recovery and utilisation.

In terms of waste heat and pressure recovery, Huahe Company applies energy-efficient and controllable heat-transfer shift furnace technology, realising by-product steam recovery. Fudao Chemical continues to optimise its plant-wide steam system, effectively reducing energy waste and carbon emissions associated with steam venting.

In terms of clean energy utilisation, Basuo Port, Dayukou Company and Fudao Company have established photovoltaic projects for self-generation and self-consumption. At the same time, multiple production bases have procured green electricity and green certificates, further optimising the Company's energy mix.

Case **Energy-efficient and Controllable Heat-transfer Shift Furnace Technology at Huahe Company**

Huahe Company's "Research and Implementation of Energy-efficient and Controllable Heat-transfer Shift Furnace Technology" was selected as a typical case for quality improvement and brand development in the petroleum and chemical industry in 2025. The technology addresses challenges associated with high energy consumption and carbon intensity in conventional shift furnaces through dynamic heat recovery adjustment, optimised reactor design, and intelligent control systems. The project fully utilised by-product steam in the urea production unit to replace previous steam consumption, receiving the "Golden Idea" award from CNOOC, the highest employee innovation subsidy in Heilongjiang Province, and was selected as one of CNOOC's first batch of green and low-carbon demonstration projects.

Casea **Zero-carbon Terminal Development at Basuo Port**

Guided by the objective of "low-carbon energy supply and electrified energy consumption", Basuo Port continues development of its zero-carbon terminal. The port has installed gas refuelling stations and charging facilities, with electric vehicles accounting for more than 90% of total usage. In terms of energy efficiency management, Basuo Port has implemented refined electricity management for electric heat tracing of crude oil and asphalt feedstocks, replacing the previous 24-hour continuous operation mode during periods without vessel activity, thereby reducing electricity consumption. Energy-saving upgrades have been implemented for high-mast lighting systems, enabling automatic adjustment of lighting power based on ambient brightness. The port has also advanced the electrification of auxiliary equipment, including forklifts and reach stackers, through conversion from fuel to electric power, reducing the port's overall energy consumption and carbon emissions.

Water Efficiency Improvement in Production Processes

The Company's water sources primarily include surface water and municipal water, with supply remaining stable and reliable. Water abstraction activities have not caused adverse impacts on the surrounding environment or communities. While ensuring water security, the Company continues to explore alternative water sources and wastewater recycling pathways, continuously improving water use efficiency through technological upgrades and operational optimisation.

Each production unit implements water-saving practices tailored to local conditions: Fudao Company recycles concentrated water discharged from reverse osmosis units as supplementary water for circulating systems, and supported by this along with other water-saving measures, the Phase II ammonia unit has been recognised as a Water Efficiency "Leader" for six consecutive years; Huahe Company applies advanced treatment to wastewater effluent before reusing it in circulating water systems, reducing the need for freshwater replenishment; Basuo Port collects rainwater and wastewater through drainage systems and reuses it for dust suppression after three-stage sedimentation, reducing conventional water consumption and controlling dust emissions; Dayukou Company continues to implement rainwater harvesting and utilisation; Fudao Chemical has completed upgrades to the demineralised water system in its acrylonitrile unit, reducing water consumption through pump sealing water system improvements and operational optimisation.

Resource Conservation in Office Operations

The Company continues to promote paperless operations through digital platforms such as its integrated office system, enabling the electronic processing of document circulation, approvals, meeting management, financial reimbursement, asset management, employee performance and attendance management. The Company strictly implements air-conditioning temperature controls, maintaining indoor temperatures at no lower than 26°C during summer, and applies time-based and zoned management across office and residential areas, with a "power-off when idle" policy. In terms of vehicle management, the Company utilises its OA system to implement an approval mechanism of "one request per use" for official vehicles, ensuring full-process closed-loop management from application to dispatch, effectively controlling vehicle usage frequency.

In addition, the Company actively promotes food conservation initiatives, organising campaigns such as "Food Security Awareness Week", "Food Conservation Starting with Me" commitment signings, and the "Clean Plate Campaign", implementing precise meal planning and on-demand serving measures at its four in-house canteens, resulting in a 2.5% year-on-year reduction in per capita food waste.

Emissions Management

We regard emissions management as a key approach to fulfilling our environmental responsibilities and achieving green production. Through continuous improvement of its governance framework, technological upgrades, and strengthened process management, we ensure that all pollutants are discharged in compliance with applicable standards. In 2025, the Company achieved a 100% compliance rate for pollutant emissions.

Air Emissions Management

The Company produces urea and methanol using natural gas and coal as primary raw materials, and produces phosphate fertilisers (monoammonium phosphate and diammonium phosphate) and compound fertilisers using phosphate rock, sulphur and synthetic ammonia, with the main air pollutants generated being sulphur dioxide (SO_2) and nitrogen oxides (NO_x). The Company strictly complies with the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, all production facilities adhere to relevant standards, including the *Integrated Emission Standard of Air Pollutants* and the *Emission Standard of Pollutants for the Petroleum Chemistry Industry*, ensuring stable and compliant air emissions. In 2025, the Company's SO_2 emissions were 252.06 tonnes, and NO_x emissions were 1,091.24 tonnes.

In 2025, the Company continued to advance upgrades and technological improvements in air emissions treatment facilities.

Fudao Company implemented NO_x emission standard upgrades for four boilers, and constructed new VOCs treatment facilities for its formaldehyde unit. The system adopts a "three-stage water scrubbing + CO catalytic oxidation" process to treat breathing emissions from methanol and formaldehyde storage tanks, as well as loading emissions.

Huahe Company completed ultra-low emission retrofits for boiler flue gas, upgrading its process to a combined system of "in-furnace dry calcium injection desulphurisation + semi-dry desulphurisation, SNCR denitrification + low- NO_x combustion, and dual baghouse dust removal". Following the upgrade, emissions of particulate matter, SO_2, and NO_x have been further reduced.

Dayukou Company implemented a tail gas utilisation project for its sulphuric acid unit, with absolutely dry waste gas at 70°C from the Phase II sulphuric acid unit being redirected to the Phase I compound fertiliser unit to replace ambient air for product drying. The sulphuric acid unit adopts ammonia-based desulphurisation, while the compound fertiliser unit applies ammonium phosphate solution scrubbing for ammonia removal. This approach reduces coal consumption in hot air furnaces and resolves tail gas emission issues.

Wastewater Management

The Company's wastewater primarily originates from industrial processes and domestic sewage. The Company strictly complies with applicable laws and standards, including the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Discharge Standard of Water Pollutants for the Synthetic Ammonia Industry*, the *Emission Standard of Pollutants for the Petroleum Chemistry Industry*, and the *Emission Standard of Pollutants for Petroleum Chemistry Industry*. All wastewater is subject to stringent treatment to ensure compliance with discharge standards. On this basis, the Company continues to improve wastewater reuse efficiency and reduce total discharge volumes. In 2025, the Company discharged 44.53 tonnes of chemical oxygen demand and 0.11 tonnes of ammonia nitrogen.

Solid Waste Management

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, implementing the *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill* and the *Standard for Pollution Control on Hazardous Waste Storage*, at the same time establishing internal policies such as the *Detailed Rules for Hazardous Waste Management*, standardising the management of waste collection, storage, reporting and transfer. Measures are implemented to prevent dispersion, volatilisation, loss and leakage, and qualified third-party service providers are engaged for professional disposal. Non-hazardous waste generated by the Company primarily includes phosphogypsum, boiler ash and slag, tailings and waste rock, while hazardous waste includes spent catalysts, waste lubricating oil, laboratory waste liquids, waste organic solvents, waste mineral oil and fluorosilicic acid. In 2025, 100% of hazardous waste was disposed of in compliance through third-party contractors, and the safe disposal rate of solid waste remained at 100%. Given the nature of the Company's operations, the volume of solid waste generated is subject to variability, and no quantitative waste reduction targets have been established at this stage.

The Company actively promotes the resource utilisation of general industrial solid waste:

- Dayukou Company achieved 100% monthly utilisation of phosphogypsum from June 2025 onwards through mine backfilling.
- Huahe Company utilised ash and slag for geological hazard management, maintaining a utilisation rate of 100%.

Case **Phosphogypsum Mine Backfilling and Ecological Restoration at Dayukou Company**

Dayukou Company implemented a phosphogypsum mine backfilling and ecological restoration project. The project adopts a nationally pioneering integrated technical approach of "in-situ modification, slurry transportation, cemented backfilling, and ecological reconstruction", whereby modified phosphogypsum is transported via pipelines to the mine pit for backfilling. A triple-layer anti-seepage design is applied, with all backfill seepage water fully recovered and reused, achieving zero dust generation and zero wastewater discharge throughout the process. A monitoring system is installed to track key pollutant indicators in real time, including pH, ammonia nitrogen, phosphorus and fluorine. While achieving comprehensive utilization of phosphogypsum, the project has effectively mitigated geological hazard risks associated with the mine pit, with subsequent ecological restoration to be carried out through soil covering and revegetation to restore the landscape.

Chemical Management

The Company treats chemical safety as a fundamental requirement of its operations. It strictly complies with relevant laws and regulations, establishes full lifecycle management controls, and continuously enhances intrinsic safety and green substitution capabilities to ensure that chemicals are managed safely throughout their lifecycle.

Chemical Identification and Disclosure Management

The Company strictly complies with applicable laws and regulations, including the *Work Safety Law of the People's Republic of China* and the *Regulations on the Safety Management of Hazardous Chemicals*, establishing internal policies such as the *Measures for the Safety Management of Hazardous Chemicals*, supported by the *Detailed Rules for the Management of Major Hazard Sources of Hazardous Chemicals* and the *Detailed Rules for the Transportation and Handling of Hazardous Chemicals*. These policies define the responsibilities of functional departments and affiliated entities across all stages, including production, storage, transportation, procurement, sales, and contractor management, ensuring comprehensive lifecycle control.

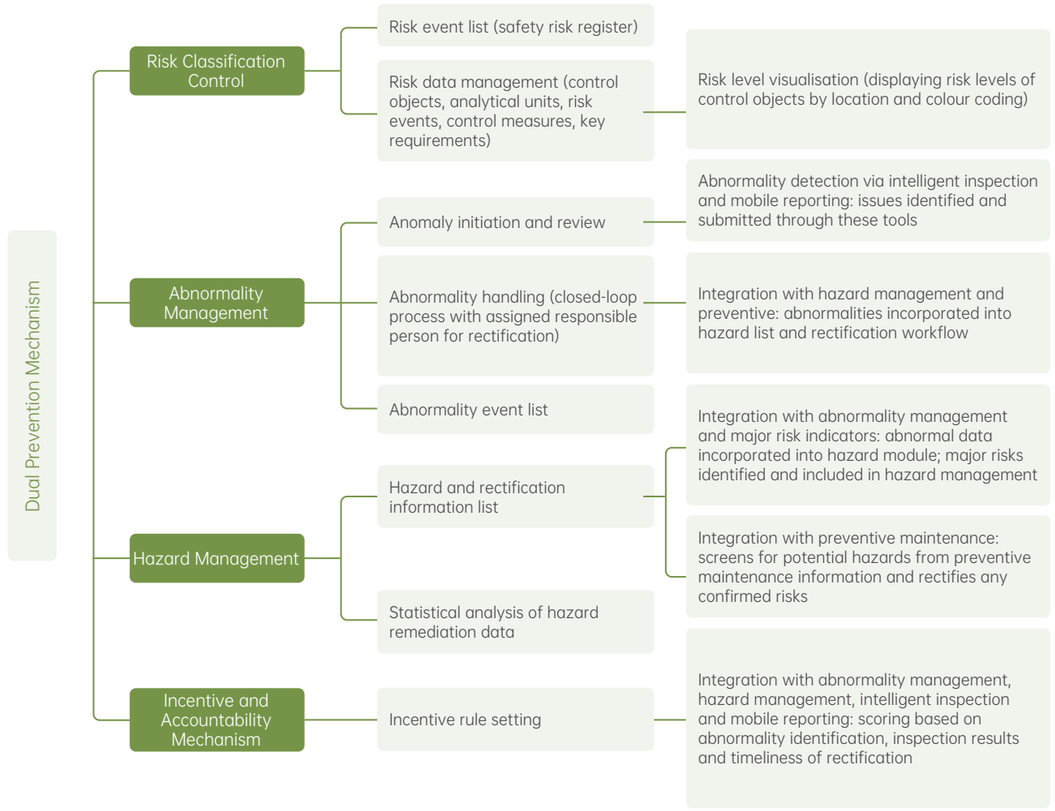
Each of the Company's production bases has established a digital dynamic management system for chemicals, enabling comprehensive identification and tracking of all categories of chemicals, including key regulated hazardous chemicals, precursor chemicals, and explosives precursors. The Company's production bases conduct regular chemical inventories, establishing and registering management records for hazardous chemicals with relevant local authorities. Each production unit prepares safety data sheets and safety labels for its products, providing users with chemical safety information. Hazardous waste information, including categories, quantities, flows, storage and disposal, is reported to environmental authorities in accordance with regulatory requirements. The Company has made overall arrangements for an intelligent safety risk control platform covering all production units. In addition to existing modules for work permit management, personnel positioning, and training management, it has independently developed new modules for facility and equipment integrity, production management dashboards, as well as safety behaviour and special issue supervision, enabling multi-dimensional data analysis and risk early warning.

Category	Hazardous Chemicals
Key regulated hazardous chemicals	Ammonia, sulphur dioxide, sulphur trioxide, hydrogen fluoride, propylene, methanol, hydrogen, acrylonitrile, acetone cyanohydrin, natural gas, carbon monoxide, hydrogen sulphide, acetylene, hydrogen cyanide, hydrocyanic acid, methane
Precursor chemicals (drug-related)	Sulphuric acid, acetone, hydrochloric acid, potassium permanganate
Explosives precursors	Sulphur, hydrogen peroxide, hydrazine hydrate, potassium permanganate

Chemical Risk Control and Hazard Assessment

The Company strictly implements relevant policies, including the *HSE Risk Management Measures*, the *Hazard Management Measures*, and the *Emergency Management Measures*, establishing a mechanism for the identification and assessment of major hazard sources, with assessment results updated every three years. The Company's production units strictly enforce the accountability system for major hazard sources and conduct at least one quarterly inspection of safety risks and potential hazards associated with such sources, with special inspections carried out during major events, critical periods, and public holidays. For ageing hazardous chemical facilities, affiliated entities conduct self-assessments of safety risks, followed by in-depth evaluations at the headquarters level, resulting in tailored "one facility, one policy" control plans to effectively reduce risk levels. The Company conducts systematic hazard assessments in accordance with chemical hazard assessment principles, including that of raw materials, auxiliary materials, intermediates, and finished products used in production. These assessments cover physical and chemical hazards, health hazards, and environmental hazards, corresponding risk control measures being implemented based on results. At the same time, the Company continuously reduces its usage of high-risk chemicals in production, actively researching and steadily achieving reduction and substitution.

The Company has established a dual prevention mechanism for hazardous chemicals, integrating risk identification and hazard control. It evaluates affiliated entities on safety inspections, monitoring and early warning systems, and management controls. Performance in dual prevention at the operational level is incorporated into employee performance assessments, supported by reward and accountability mechanisms to encourage active participation across the workforce.



In terms of emergency management, each affiliated entity formulates incident emergency response plans tailored to the characteristics of different hazardous chemicals. Professional emergency response personnel and equipment are deployed, and regular emergency training and drills are conducted for both employees and contractors, enhancing the emergency response capabilities of personnel in relevant roles.

Green Substitution and Phase-out of Chemicals

Based on chemical hazard assessment principles, the Company progressively phases out controversial chemicals in its operations and promotes the use of safer alternatives in line with business needs.

Case **Phosphorus–Fluorine Synergistic Green Substitution Project at Dayukou Company**

Dayukou Company, in collaboration with Wengfu (Group) Co., Ltd., has developed an anhydrous hydrogen fluoride project that converts fluorosilicic acid, a hazardous by-product from wet-process phosphoric acid production, into high-purity anhydrous hydrogen fluoride and electronic-grade hydrofluoric acid, replacing traditional fluorite-based production route through technological substitution. The project establishes a "fluorine–sulphur–silicon" integrated closed-loop system, enabling the resource utilisation of hazardous waste from phosphorus chemical processes and cross-industry circular use: fluorine is transformed from hazardous waste into a strategic resource; sulphuric acid is fully recycled within the phosphoric acid production process; and silicon residues, after treatment, are reused as defluorination agents within the phosphoric acid system. The project has completed preliminary approvals and design work, with construction scheduled to commence in 2026. Upon completion, the Company will further extend its role from a user of hazardous chemicals to a producer of alternative materials.

03

Fostering a Cohesive and Engaged Workforce

China BlueChemical adheres to a people-oriented approach, safeguards employees' rights and interests in accordance with the law, and establishes a comprehensive employee care system covering career development, remuneration and benefits, health and safety, and employee well-being. Through improved policies, innovative mechanisms, and effective implementation measures, the Company continuously enhances employees' sense of fulfilment, well-being and belonging, strengthens organisational vitality, and supports high-quality development.

Employee Rights

The Company adheres to lawful employment practices, safeguards employees' rights and interests, and strives to build a competitive remuneration and benefits system. At the same time, the Company places emphasis on listening to employee feedback and continuously improves communication mechanisms, fostering a healthy, harmonious and positive working environment.

Lawful Employment

The Company strictly complies with applicable labour and employment laws and regulations, including the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, and the *Law of the People's Republic of China on Safeguarding the Rights and Interests of Women*. In line with its operational needs, it has established and implemented a series of human resources policies, including the *Employee Recruitment Management Measures*, the *Daily Human Resources Management Measures*, the *Remuneration Management Measures*, and the *Employee Benefits Management Measures*, forming a comprehensive employment management framework covering recruitment, promotion, termination, working hours, remuneration and benefits, leave arrangements, as well as equal opportunity, diversity, anti-discrimination and fair treatment.

The Company upholds the principles of lawful and compliant employment and equal opportunity, and strictly prohibits discrimination, forced labour, child labour and workplace harassment. The Company is committed to fostering a diverse, inclusive and non-discriminatory working environment. During recruitment, no discriminatory criteria are applied based on gender, ethnicity, marital status or religion, ensuring equal treatment in training, promotion and remuneration across employees of different races, nationalities, beliefs, genders, marital status and other legally protected groups.

All employees enter labour contracts with the Company on a voluntary and equal basis, establishing lawful employment relationships. At the same time, the Company strictly complies with national regulations on wage standards, working hours and statutory benefits, and prohibits any form of forced labour. It also strictly adheres to laws prohibiting child labour, and has established the *Policy on the Prohibition of Child Labour*. Through strengthened recruitment screening, enhanced daily workforce management and improved awareness of compliant employment practices, the Company effectively prevents and eliminates child labour. In 2025, no cases of forced labour or child labour were identified.

Key Measures to Prevent Child Labour and Forced Labour

Pre-employment Screening

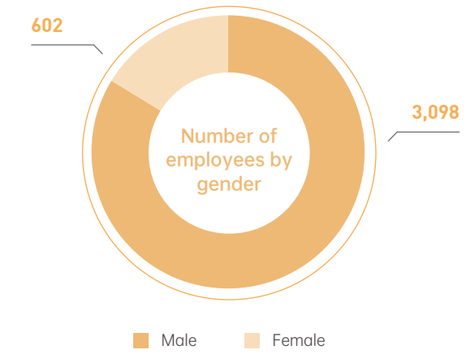
Prior to onboarding, comprehensive verification of personal information and background checks are conducted, with due diligence procedures implemented and relevant records retained to prevent the recruitment of individuals below the legal working age.

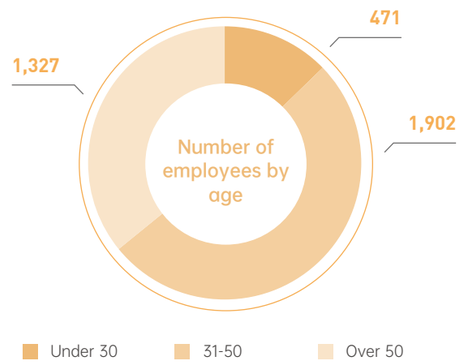
Ongoing Monitoring

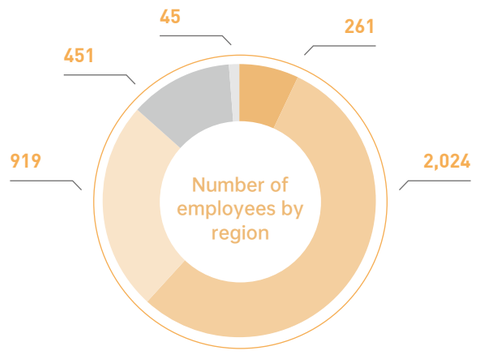
Relevant national laws, regulations and Company employment policies are communicated to employees, with regular inspections and targeted checks conducted to identify and eliminate potential non-compliance risks in a timely manner.

Enhancing Compliance Awareness

A long-term employment management mechanism is established, supported by training on laws and regulations and awareness programmes, strengthening legal awareness and accountability among management and employees at all levels.







The Company adopts a diversified employment approach and continuously optimises its human resource allocation. In 2025, the Company has published multiple recruitment opportunities through the internal recruitment platform, promoting internal mobility across entities and departments and facilitating employee development, with more than 50 employees recruited internally. At the same time, the Company actively expands channels for attracting high-calibre talent, including the introduction of overseas professionals, enhancing the professionalism and internationalisation of its workforce and supporting innovation-driven development.

Remuneration, Incentives and Benefits

In terms of employee benefits	the Company provides statutory leave arrangements and benefits in accordance with legal requirements. It fully implements the "five insurances and one housing fund" scheme and paid annual leave, and offers a range of allowances, including festival allowances, communication allowances, and high-temperature allowances. In addition, the Company provides annual health examinations and supplementary commercial insurance, enhancing employees' sense of belonging and satisfaction while fostering a supportive and caring working environment.
In terms of remuneration management	the Company has established a scientific and structured remuneration system. Compensation is determined based on factors such as job grade, responsibilities, capabilities, experience, and performance, and is dynamically adjusted in line with overall business performance to ensure both external competitiveness and internal equity.
In terms of performance management	in accordance with the *Performance Management Measures*, the Company uses key performance indicators as the core framework to cascade organisational objectives. Through a standardised performance evaluation process, remuneration is closely linked to performance outcomes, incentivising employee engagement and innovation.

Democratic Management

The Company places emphasis on democratic management, recognising the central role of employees and encouraging collective participation and ownership. The Company convenes the Employees' Representative Congress annually to report on key matters affecting employees' interests, including the *Annual Work Report*, the *Proposal Work Report*, and the *Employee Assistance Report*, ensuring employees' rights to information and participation.

The 2025 Employees' Representative Congress

In 2025, the Employees' Representative Congress comprised 105 official representatives from diverse groups, including management, technical and administrative personnel, exemplary employees, female employees, young employees, and ethnic minority employees, ensuring that the interests and perspectives of different groups are fully represented and considered.

The Company further advances the standardisation of plant affairs disclosure and continuously improves mechanisms for collecting and responding to employee suggestions. Through various channels, including democratic meetings, notice boards, and the Company's OA system, the Company promptly discloses major information related to business operations and development, enhancing the efficiency and transparency of democratic management, supporting the development of harmonious labour relations, and contributing to sustainable development.

Case "Employee Well-being" Steering Committee at China BlueChemical

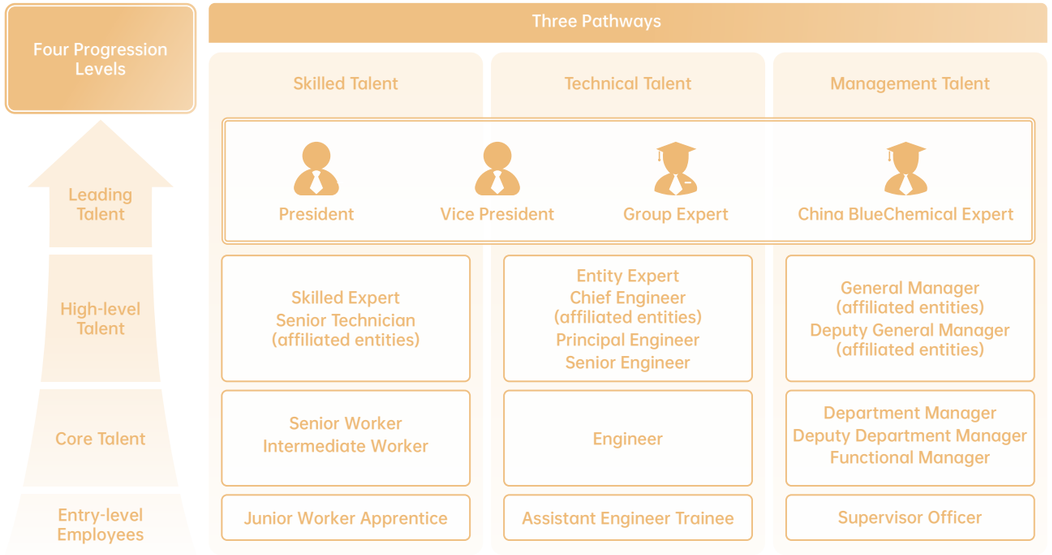
In 2025, the Company established the "Employee Well-being" Steering Committee to advance related initiatives through a structured task-based approach. The Committee closely monitors employees' perspectives, provides psychological support, and conducts full-coverage visits to grassroots units, driving improvements in working conditions, accommodation and catering services. In addition, the Company organised forums for young employees, delivered targeted training, and facilitated innovation and efficiency exchange activities to stimulate engagement among younger staff. At the same time, the Company maintains close communication with experts and key personnel, actively gathering feedback to strengthen organisational cohesion and foster an inclusive and diverse corporate culture.

Development and Training

To support high-quality industrial development and transformation, the Company advances its talent development strategy, systematically establishing a comprehensive training system covering the full employee lifecycle and encouraging diversified career development.

The Company has formulated the *Detailed Rules for Job Sequence Transfer Management for Headquarters Employees (Trial)*, establishing a talent development mechanism with both vertical progression and horizontal mobility that supports lateral transfers and career development across management, technical, skilled and business functions. The Company bases promotion decisions on merit and capability, with a strong focus on performance, applying strict qualification requirements, performance evaluations, and competitive selection procedures. Job transfers are subject to headcount control, tenure requirements and qualification criteria, ensuring alignment between roles and individuals, with corresponding adjustments to remuneration. The Company has developed a distinctive modular training system structured around "three pathways and four progression levels", covering frontline employees, key talent, high-level professionals and leading talent, combining technical, professional and management development pathways, and enabling a transition from broad-based training to targeted and capability-driven development.

The Company places strong emphasis on employees' personal development and encourages the realisation of individual potential. Through a blended "online and offline" approach, the Company delivers a range of training programmes to strengthen leadership capabilities, enhance technical expertise, and develop skilled talent, providing solid human capital support for high-quality development.



2025

Total number of training participants	Training coverage rate	Total training hours	Average training hours per employee
69,544	100%	786,272	212.51

Case "Hai Miao Programme" for New Employee Development

From 11 August 2025, the Company designed the "Initiation, Advancement, and Progression", a three-stage development programme for 92 newly recruited university graduates. This 19-day intensive induction programme was delivered in a closed training format, adopting a progressive training framework covering operational execution, cultural integration, and career planning, systematically developing new employees' professional capabilities and supports the Company's transformation and high-quality development.

The Company continues to strengthen the development of skilled talent. Through measures such as the implementation of the *Measures for the Promotion of Vocational Skill Levels for Award Winners in Skills Competitions*, participation in skills competitions, and the advancement of vocational skill certification, the Company promotes employee career progression and capability enhancement.

In 2025, the Company efficiently completed vocational skill level certification across 33 job categories, covering 492 participants, at the same time independently developing six simulated assessment scenario question banks and two specialised question banks for niche roles, and supplemented 18 theoretical question banks with subjective questions. In addition, the Company established standardised computer-based examination facilities, enabling paperless assessment across all job categories, and developed specialised downstream question banks, further enhancing the professionalism and coverage of vocational skill certification.

Case 20th Vocational Skills Competition of China BlueChemical

In October 2025, the Company successfully held the "20th Vocational Skills Competition of China BlueChemical". The competition covered 13 core job categories, including synthetic ammonia and urea, with 164 participants competing. Outstanding participants were selected to take part in higher-level competitions, with the Company awarding third prizes in the electrician and mechanical fitter categories at the "Group 13th Vocational Skills Competition", receiving a team third prize in the chemical analyst category at the 16th National Petroleum and Chemical Industry Vocational Skills Competition.

20th Vocational Skills Competition of China BlueChemical

The Company attaches great importance to university-enterprise cooperation and actively promotes in-depth collaboration mechanisms with universities, achieving an integration of educational resources and corporate needs. In 2025, the Company partnered with Renmin University of China to launch a management cadre training program, strengthening the joint cultivation of high-quality talents.

Case "Management Empowerment Programme" Training at China BlueChemical

In 2025, the Company partnered with the School of Business at Renmin University of China for the first time to deliver two sessions of the "Management Empowerment Programme". Participants included management personnel from the headquarters and affiliated entities, high-potential young management candidates, and seconded officials from counterpart support regions, with a total of 68 participants. In addition, the Company selected two mid-level managers with strong development potential to attend a two-month executive training programme on "Strategic Capability Enhancement for Leaders of State-owned Enterprises" at the Dalian Advanced Manager Academy, focusing on cultivating future leadership talent.

"Management Empowerment Programme" Training at China BlueChemical

Occupational Health and Safety

The Company places strong emphasis on employee health and safety, strictly complying with applicable laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Law of the People's Republic of China on Work Safety*. It has established internal policies such as the *Measures for Occupational Health Management*, the *Detailed Rules for Occupational Health Surveillance Management*, the *Work Safety Management Measures*, the *Detailed Rules for Collective Catering Management*, and the *Detailed Rules for the Management of Personal Protective Equipment*. These measures support the continuous optimisation of occupational health and safety management and enhance management effectiveness, providing employees with a safe, healthy and secure working environment. Fudao Company, Huahe Company, Basuo Port, Dayukou Company, Fudao Chemical and Kingboard Chemical have all obtained ISO 45001 occupational health and safety management system certification.

The Company highly values the prevention and control of public health incidents and sudden illness events, establishing emergency response plans for major public health emergencies. The Company requires affiliated entities to strengthen food safety management in collective catering to prevent foodborne incidents, and organises regular employee health examinations, establishing electronic health records with a focus on chronic disease risk management. In terms of health protection facilities, the Company has set up medical rooms and health corners at major production sites and office locations, equipped with first aid kits and automated external defibrillators (AEDs), enhancing on-site emergency response capabilities and health services, safeguarding employee well-being and supporting stable operations.

Health Corner at Huahe Company

Health Corner at Dayukou Company (Hubei)

The Company enhances employees' awareness of health and safety through multi-level communication and training initiatives. The Company promotes health knowledge on topics such as occupational disease prevention and healthy lifestyles, integrating health concepts into daily practices, at the same time implementing tiered safety training programmes covering safety regulations, fire emergency response, and occupational health, strengthening safety capabilities across the workforce.

Case Health and Safety Awareness Activities at Basuo Port Company

To strengthen health promotion and education, Basuo Port Company organised a publicity week for the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, displaying promotional banners and organising the viewing of themed educational videos, enhancing employees' awareness of occupational health. In addition, the Company conducts ongoing health education initiatives, covering topics such as hypertension management, weight management, and the prevention and control of respiratory infectious diseases, promoting scientifically informed and healthy lifestyles.

Promotional Banner for Occupational Disease Prevention Law Awareness Week

Case Safety Competency Training at Huahe Company

In 2025, Huahe Company focused on enhancing the safety awareness and job-related competencies of employees and contractors, establishing a multi-level, comprehensive safety training system. Through a range of targeted initiatives, including expert-led training, strengthened contractor access management, and enhanced incident awareness programmes, Huahe Company improved safety awareness and practical capabilities across different groups, totalling 713 safety training sessions conducted and training 7,046 participants during the year.

To support employees' mental well-being, the Company has established a 24-hour psychological counselling hotline, providing free 7×24 support. Regular mental health seminars are also organised, with professionals invited to deliver sessions on stress management, psychological assessment, and coping strategies. These initiatives help employees develop effective stress management skills, alleviate work-related pressure, and enhance psychological resilience, supporting both well-being and productivity.

Figure: Mental Health Seminar at Huahe Company

Mental Health and Chronic Disease Seminar at Dayukou Company

The Company adheres to the core principles of "safety first, environmental protection as a priority, people-oriented approach, and equipment integrity", placing strong emphasis on work safety. The Company focuses on risk prevention and management gaps, strengthens system development and execution, and applies innovative management approaches and tools to reinforce foundations and address weaknesses, thereby comprehensively enhancing safety management performance. At the same time, the Company continues to improve protective facilities, reduce the risk of work-related incidents and injuries, and maintain a stable and improving safety performance, successfully achieving all HSE targets. Workplace safety incidents have decreased year-on-year over the past three years by 82.4%. In accordance with industry standards and Group requirements, the Company adopts OSHA (Occupational Safety and Health Act) standards (million working hours) to record work-related incidents. In 2025, the OSHA recordable incident rate was 0.068, and no work-related fatalities have occurred in the past three years.

The Company places strong emphasis on the prevention of occupational diseases, implementing multiple measures to reduce health risks in accordance with the *Measures for Occupational Health Management* and the *Detailed Rules for Occupational Health Surveillance Management*. The Company requires affiliated entities to strictly conduct identification, monitoring and disclosure of occupational hazard factors, and to carry out standardised occupational health examinations before employment, during employment, upon departure, and in emergency situations. The Company advances the digital management of occupational health information, ensuring timely recording of medical examination results and monitoring data, and promptly reassigns or takes appropriate action for employees with occupational contraindications or suspected occupational diseases. In addition, the Company strengthens the provision of personal protective equipment and the management of occupational disease prevention facilities, enhancing its overall capability to prevent occupational diseases and safeguard employees' health and rights.

In 2025

occupational health examination coverage rate reached
100%

No
suspected or confirmed occupational disease cases were identified

Employee Care

The Company is committed to fostering a supportive and dynamic working environment, encouraging employees to pursue personal interests and promoting a wide range of cultural and sports activities. Through the continuous development of "Employee Service Centres", it strengthens the role of employee associations and organises engaging activities such as football and table tennis competitions, enhancing employee engagement and team cohesion. In terms of employee well-being, the Company regularly provides support for key events such as birthdays, marriages, and childbirths, as well as distributing holiday benefits during major festivals including the Spring Festival, Labour Day, Dragon Boat Festival, and Mid-Autumn Festival. The Company also implements seasonal care initiatives such as "Summer Cooling" and "Winter Warmth", integrating care into daily operations and enhancing employees' sense of well-being and belonging.

Employee Football Tournament 2025

Employee Table Tennis Tournament 2025

The Company places continued focus on the development and well-being of female employees. During International Women's Day in 2025, the Company organised a range of activities, including handicraft sessions and knowledge seminars, and provided festive gifts to all female employees, fostering a respectful and supportive atmosphere.

The Company also supports employees in need through targeted assistance programmes, establishing a dedicated assistance fund to support employees facing difficulties, ensuring their basic living needs are met and improving the precision and effectiveness of support measures. In 2025, the Company provided targeted assistance to 57 employee households in need, 238 employees with disabilities and their family members, and 44 cases involving employees with serious illnesses and their families. In addition, 65 households received special assistance during the Spring Festival, ensuring that care and support reach those in need.

In 2025

57
employee households in need

238
employees with disabilities and their family members

44
employees with serious illnesses and their family members

65
households receiving special assistance during the Spring Festival

04

Promoting Harmonious and Shared Development

China BlueChemical adheres to an open and integrated approach, increasing investment in innovation and research and development, and strictly upholding product responsibility, maintaining quality control throughout the entire process from production to delivery, ensuring product safety and reliability. At the same time, the Company collaborates with upstream and downstream partners to build a green supply chain management system, promoting carbon reduction, efficiency improvement, and resource circularity. While strengthening its core business, the Company actively engages in community initiatives, including education support, agricultural assistance, and targeted aid, integrating corporate responsibility into daily operations and working with stakeholders to build a low-carbon, inclusive and shared sustainable development ecosystem.

Research and Development

China BlueChemical integrates innovation into its development strategy, continuously optimises its research and development systems, and cultivates high-level technical teams, achieving a range of proprietary intellectual property outcomes in areas such as fertiliser efficiency enhancement and advanced chemical materials.

Innovation Management System

The Company continuously updates internal policies, including the *Measures for the Management of Science and Technology Projects*, standardising the full lifecycle management of research and development activities and enhancing the scientific and systematic management of technology projects.

The Company has established a structured technology project management framework, with specialised technical committees responsible for top-level technical decision-making, technology management departments coordinating execution, and planning and finance departments providing support in budgeting and fund management. These functions collectively ensure technical feasibility, full-cycle project management, and compliance in the use of funds.

Innovation Talent Development

The Company places strong emphasis on the development of innovation talent, implementing talent development initiatives such as "PhDs in Production Sites" and "Researchers in the Field". These programmes encourage doctoral-level personnel to engage directly in frontline production, and research staff to work in field environments, addressing gaps between theoretical knowledge and practical application, supporting the development of multidisciplinary talent capable of advancing both technological innovation and industrial application.

The Company continues to improve its incentive mechanisms, establishing policies such as the *Detailed Rules for Science and Technology Awards Selection* and the *Guidelines on Differentiated and Targeted Incentives for Research Personnel (Trial)*, stimulating innovation among research personnel through targeted incentive mechanisms, while promoting the transformation of technological achievements, as well as providing strong support for high-quality development.

Case Youth Innovation and Value Creation Achievement Showcase

In November 2025, China BlueChemical organised a Youth Innovation and Value Creation Achievement Showcase, presenting outstanding practices from across its affiliated entities. Over the past three years, the programme has recognised more than 30 innovation and value creation projects led by young talent. These initiatives have translated youth-driven innovation into a key driver of industrial development, demonstrating the Company's commitment to fostering and recognising the contributions of young professionals.

R&D Achievements

The Company, focusing on the national "dual carbon" strategy and the Group's industrial priorities, has defined two core research directions: "green conversion of high-carbon resources" and "breakthroughs in advanced new materials". By advancing its 15th Five-Year technology plan, the Company promotes integrated collaboration across industry, academia, research and application, aiming to drive the green and low-carbon transformation of industry through technological innovation.

During the 14th Five-Year Plan period, the Company's R&D intensity recorded an average annual growth rate of 5.9%. In 2025, total R&D investment reached RMB76.65 million, with 50% allocated to technology project development, providing strong support for key technological breakthroughs.

In 2025, the Company achieved significant progress in the development of research platforms

- The Hainan Pilot Research Base for High-carbon Natural Gas Chemical Engineering was included in the *List of Proposed Recognised Technology Innovation and Scientific Achievement Transformation Platforms of Hainan Province for 2025*, published by the Hainan Provincial Department of Science and Technology.
- The High-carbon Natural Gas Chemical Engineering Technology Centre continued to advance key projects and industrial technology development, providing strong technical support in areas such as green methanol.
- The Phosphorus–Fluorine Chemical Engineering Technology Centre steadily progressed talent recruitment, with two candidates identified for research positions.
- The Joint Technology Centre for Green Functional Fertilisers further improved its organisational structure, initiated two research projects, and continued to promote green agricultural development initiatives.
- The Joint Innovation Laboratory for Carbon Neutrality and Food Security achieved notable annual results, with steady improvements in microbial strain conversion efficiency and stable platform operations.

Case Dry Reforming Pilot Project

In May 2025, the Company officially launched testing for its dry reforming pilot project. The pilot unit, at a scale of 10,000 cubic metres, achieved continuous and stable operation for 4,500 hours, with positive test results. During the project, experiments were conducted using both cobalt-based and nickel-based catalysts in single-tube test units, successfully overcoming key technical challenges in the efficient conversion and utilisation of high-carbon gas streams containing 40% to 50% carbon dioxide. This technology supports an increase in methanol production of 70 tonnes per day at the Phase II methanol unit, fully achieving the annual target objectives.

Case Cooperation Project between Fudao Chemical and Xuanda Industrial

In August 2025, Fudao Chemical, in collaboration with Xuanda Industrial, successfully completed the project on the "First Domestic Application of High-silicon Stainless Steel Piping and Equipment in CNOOC SAR Units, addressing localisation challenges for equipment operating under concentrated sulphuric acid conditions. Through technical optimisation and improvements, domestically manufactured equipment achieved performance levels equivalent to imported alternatives. The project was awarded the First Prize at the 7th National Equipment Management and Technological Innovation Achievement Awards, marking a significant breakthrough in the localisation and substitution of key equipment at Fudao Chemical.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证 书

In addition, the Company leverages digitalisation and intelligent technologies as a key driver to advance the intelligent upgrade of the entire value chain, including packaging, warehousing, loading and unloading, and transportation, being recognised as a "Leading Enterprise in Industrial Data Governance" in China in 2025.

Case Acrylonitrile Smart Factory at Fudao Chemical

In 2025, Fudao Chemical, a subsidiary of China BlueChemical, achieved significant progress in digital and intelligent transformation, enabling millisecond-level data connectivity across more than 500 pieces of equipment by establishing the industry's first dual-5G industrial internet platform. Supported by six core systems, including digital delivery, condition monitoring, and MES, the Company developed an intelligent management and control system covering the entire production process. Building on this foundation, the Company further established an integrated "data–perception–business" digital twin system, advancing digitalisation from platform construction to value creation. The acrylonitrile smart factory was recognised as an "Advanced-level Smart Factory" by CNOOC, and its "Digital Delivery Platform for the Acrylonitrile Unit" was selected as an outstanding case of digital transformation in the petroleum and chemical industry during the 14th Five-Year Plan period, marking a significant achievement in the Company's intelligent transformation.

Self-developed Automatic Sampling Device at Huahe Company

Intellectual Property Protection

The Company strictly complies with applicable laws and regulations, including the *China National Intellectual Property Administration Law* and the *Copyright Law of the People's Republic of China*, and has established the *Intellectual Property Management Measures*, ensuring that all use of third-party intellectual property is authorised through formal agreements with clearly defined rights and fee arrangements, safeguarding lawful and compliant cooperation. At the same time, the Company strengthens the protection of its own trademarks, with a focus on the standardised use and management of key brands such as Fudao and Xiangyan. In addition, the Company continues to enhance its rights protection awareness and conducts regular market inspections to identify and take action against infringement, effectively safeguarding its legitimate interests.

In response to identified intellectual property management issues, the Company has initiated policy revisions and established a pre-assessment mechanism for patent applications, filtering out approximately 40% of low-value proposals for this year, effectively optimising the patent portfolio. At the same time, the Company strengthened management procedures for joint patent applications to clarify ownership and mitigate risks.

As of 2025, the Company held 198 valid patents, including 50 invention patents (25.3%) and 148 utility model patents (74.7%). During the year, 41 new patents were granted, all of which were utility model patents.

2025

Total valid patents	Utility model patents	Invention patents	Newly granted patents
198	148	50	41

Deepening Diversified Collaboration

The Company actively builds an integrated innovation ecosystem across industry, academia, research and application. It has established comprehensive strategic partnerships with research institutions, government bodies and leading enterprises, focusing on areas such as green fertilisers and low-carbon processes, strengthening the Company's independent innovation capabilities and enhance its industrial competitiveness.

Case Joint Establishment of a Green Functional Fertiliser R&D Centre with China-Arab Fertiliser Company

In June 2025, China BlueChemical signed a cooperation framework agreement with China-Arab Fertiliser Company and jointly established the Qinhuangdao Green Functional Fertiliser Joint R&D Centre. The collaboration focuses on achieving breakthroughs in areas such as biostimulant efficiency enhancement and low-carbon process optimisation, supporting the green development of the fertiliser industry.

Case Cooperation between Huahe Company and Mosaic Biosciences

In March 2025, Huahe Company, a subsidiary of China BlueChemical, partnered with Mosaic Biosciences to develop coated urea products that enhance nitrogen use efficiency and improve soil activation. The Company established a dedicated project team to design customised core equipment, enabling continuous and high-capacity production with leading domestic process standards. This collaboration represents a significant step forward in the Company's innovation in fertiliser technology.

Advancing Industry Development

The Company actively participates in and contributes to the development of international standards, leading the formulation of several influential standards. In 2025, it focused on three key areas in advancing national and industry standard development.

Core Business Technologies

The Company participated in the development of national standards such as *Fertilizers, Soil Conditioners and Beneficial Substances - Vocabulary*, and *Fertilizers, Soil Conditioners and Beneficial Substances - Classification*, strengthening its standard-setting position in core business areas.

Green Chemicals

The Company contributed to the development of industry standards including *Green Methanol* and *Green Synthetic Ammonia*, positioning itself at the forefront of standard-setting in the green ammonia and methanol sectors.

Low-carbon Development

The Company participated in the development of national standards for product carbon footprint accounting, including *Greenhouse Gases—Carbon Footprint of Products—Requirements and Guidelines for Quantification: Methanol, Greenhouse Gases—Carbon Footprint of Products—Requirements and Guidelines for Quantification: Synthetic Ammonia,* and *Greenhouse Gases—Carbon Footprint of Products—Requirements and Guidelines for Quantification: Urea.*

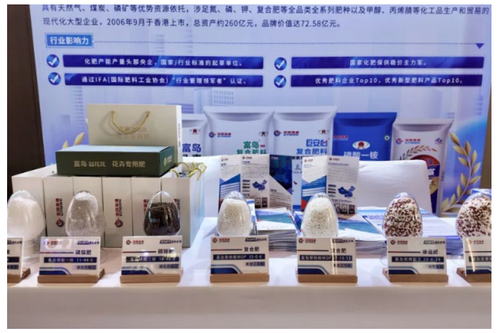
In addition, the Company works closely with upstream and downstream partners, as well as research institutions, to promote technological advancement and industrial transformation, continuously enhancing its influence and leadership within the industry.

Case World Congress of Chemical Engineering

In July 2025, China BlueChemical participated in the 12th World Congress of Chemical Engineering, showcasing its resource utilisation systems across four key areas including high-carbon natural gas, phosphorus resources, biomass, and carbon dioxide. Through a carefully designed industrial model display, the Company presented its strategic vision for an "integrated industrial cluster for high-carbon natural gas and phosphorus-fluorine chemical innovation", demonstrating its commitment as a central state-owned enterprise to drive green transformation through technological innovation and to support national strategic priorities.

Case 2025 CNCIC Global Specialty Fertiliser Conference

In June 2025, China BlueChemical participated in the 2025 CNCIC Global Specialty Fertiliser Conference, presenting a full portfolio of fertiliser products under core brands such as Fudao, developing a green fertiliser system tailored to diverse climatic conditions and crop requirements by integrating conventional bulk fertilisers with proprietary technologies. The participation highlighted the Company's technical capabilities in the specialty fertiliser sector and facilitated in-depth engagement with global industry stakeholders, further advancing technology-driven green agricultural development.



Product Responsibility

The Company upholds product quality as a core priority, strengthening safety foundations through robust management systems, at the same time emphasising customer relationship management, continuously improving service quality through efficient complaint handling and customer satisfaction enhancement mechanisms, ensuring the protection of customer rights and product quality.

Product Quality and Safety

China BlueChemical regards product quality as the cornerstone of its development. It strictly complies with applicable laws and regulations, including the *Product Quality Law of the People's Republic of China*, and has established a comprehensive internal management system centred on the *Quality Management Manual*, supported by policies such as the *Measures for Product Quality Management*, the *Detailed Rules for Quality Control (QC) Group Activities*, and the *Detailed Rules for Product Quality Incident Management*.

In terms of governance, the Company implements a tiered accountability system, with the highest-level management bearing overall responsibility, functional leaders overseeing specific areas, the Safety and Production Department responsible for coordination and supervision, and all departments and affiliated entities accountable for implementation, ensuring that quality responsibilities are effectively cascaded. Each production base continuously improves its quality management systems and conducts regular internal audits and external certification processes. Currently, Fudao Company, Dayukou Company, and Huahe Company have all obtained ISO 9001 quality management system certification.

Given the nature of its products, the Company does not operate a product recall system, However, it maintains rigorous end-to-end quality control through its quality management framework. In 2025, all quality targets were achieved, with the premium product rate exceeding 98%, the product qualification rate maintained at 100%, and customer satisfaction consistently above 90%. During the reporting period, there were no incidents requiring product recall due to safety or health concerns.

In terms of quality and brand development, the Company continues to strengthen its positioning as a "plant nutrition solutions provider", enhancing brand experience and enriching brand value in response to stakeholder concerns. Since 2016, it has consistently maintained certification under the International Fertilizer Association (IFA) Protect & Sustain programme. Since 2019, multiple compound fertiliser products have obtained green product certification, further strengthening brand value and industry influence.

IFA Protect & Sustain Certification

The Company also places emphasis on fostering a quality culture, promoting the integration of quality awareness into daily practices through initiatives such as Quality Month activities, specialised quality training, and Quality Control (QC) group activities. In advancing QC group activities, the quality management department establishes management frameworks and evaluation criteria, while affiliated entities are responsible for implementation and recommendation of results, supported by adequate resources and technical expertise. This approach creates a long-term mechanism for continuous quality improvement with full employee participation.

Customer Relationship Management

China BlueChemical adheres to a customer-centric approach and continuously optimises its customer service system. Through the revision of policies such as the *Measures for Customer Complaint Management of Self-produced Products* and the *Contract Management Measures*, the Company has established efficient communication channels and a timely quality complaint handling mechanism. It actively incorporates customer feedback to continuously improve service quality.

In terms of customer complaint handling, the Company has established an efficient management mechanism based on tiered accountability and coordinated response:

Business Department of the Operations Centre

Coordinates customer complaint handling, liaises with subsidiaries for investigations, reviews matters within its authority, confirms commercial compensation, and reports quality issues to the Risk and Compliance Department.

Risk and Compliance Department

Interfaces with the Headquarters Safety Department, consolidates and reports quality issues, and manages litigation risks arising from complaints.

Subsidiary Level

Reviews and processes customer complaints, negotiates quality issues, identifies responsibilities of production units, reports major incidents, and settles commercial compensation.

Affiliated Production Units

Conduct on-site investigations of complaints, implement product returns or replacements, and settle compensation within their scope of responsibility.

Safety and Production Department

Acts as the final coordinating body, resolving disputes between the marketing entities and production units regarding product quality issues.

Building on this division of responsibilities, the Company adheres to the principle of "case-by-case closure", strengthening accountability and timeliness. Upon receiving a complaint, production units actively cooperate with marketing entities to conduct on-site investigations, promptly determine responsibility, and issue handling recommendations, ensuring rapid resolution. In 2025, the Company handled 11 customer complaints, all of which were responded to promptly. Verification was conducted through on-site visits by sales personnel or video communication, and all cases were properly resolved. Through a coordinated mechanism of "rapid response, joint investigation, clear accountability, and closed-loop feedback", the Company continuously enhances customer satisfaction and product quality management.

In terms of customer satisfaction surveys, the Company integrates such surveys into routine market visits, covering key customer groups. Key dimensions such as product quality, logistics timeliness, service responsiveness, and plan execution are assessed, with records kept using clear indicators and forms. In 2025, survey results indicated that logistics timeliness remained a key concern, particularly under adverse weather conditions such as typhoons. In response, the Company developed targeted contingency plans, requiring logistics providers to increase transport capacity from 1 million tonnes to 1.2 million tonnes, while strengthening coordination of port operations to enhance delivery reliability. These measures have been positively received by customers.

At the same time, the Company places strong emphasis on the protection of customer privacy. All employees are required to sign confidentiality agreements, and unauthorised disclosure of confidential information is strictly prohibited. Regular confidentiality training is conducted for marketing personnel to reinforce compliance awareness and professionalism.

In terms of compliant marketing, the marketing function focused on three key areas in 2025: international sanctions and export controls, contract risk management, and trademark and intellectual property protection. Three specialised training sessions were delivered by external legal counsel, covering a total of 244 participants, enhancing the marketing team's risk identification capabilities and compliance awareness.

Compliance Marketing Training Session

Supply Chain Management

The Company has established policies including the *Supply Chain Management Policy*, the *Supplier Management Measures*, and the *Supply Chain Performance and Compliance Supervision Measures*. These frameworks regulate supplier participation in supply chain activities, define handling mechanisms and business processes, and enforce strict management of non-compliant suppliers, safeguarding the Company's interests and maintaining supply chain integrity.

In 2025, the Company advanced procurement system reforms, achieving centralised procurement across entities. Integrated procurement packages accounted for approximately 20% of total procurement, with the number of procurement packages decreasing by 27% year-on-year, demonstrating the effective realisation of centralised procurement advantages.

Supplier Management Process

Supplier Admission

Suppliers are required to provide evidence of compliant operations and are admitted to the supplier list only after passing review, with participation limited to approved categories. In 2025, the Company strengthened risk screening by introducing the *Supplier Risk Screening Template* and conducting checks on dishonesty and bribery records through platforms such as the China Enforcement Information Disclosure Network. At the same time, traders and agents are also required to provide proof of social insurance contributions with a non-zero headcount during quotation processes. For traders and agents outside the approved supplier pool, on-site inspections and national system risk checks are conducted.

Supplier Evaluation

Prior to bidding, suppliers must submit documentation on qualifications, environmental performance, and social credit. The Company verifies credentials, performance history, and social risks through platforms such as the State Taxation Administration, China Judgments Online, and Credit China. On-site assessments are conducted on production capacity, quality management systems, and environmental certifications. Suppliers proceed to commercial evaluation and contract award stages only after multi-level approval and supervision.

Supplier Supervision

The Company regularly monitors supplier performance and uses an intelligent management platform to centrally manage procurement transactions and supplier databases. It tracks service performance throughout the process to ensure product quality, delivery timeliness, and compliance with local policies and environmental and safety requirements. A dynamic evaluation mechanism is implemented, with "one contract, one assessment", alongside annual supplier supervision and classification-based management.

Supplier Exit

The Company strictly enforces the requirement that suppliers without ongoing contracts must be removed. It conducts regular clean-up of inactive traders and agents. In 2025, a total of 120 suppliers were removed, optimising the supplier structure and improving the quality of partnerships.

Supplier ESG Management

The Company actively promotes the development of a green supply chain, prioritising suppliers that meet green management requirements. Suppliers are required to integrate environmental protection and resource conservation principles throughout the product lifecycle, fostering upstream and downstream relationships aligned with environmental sustainability. The Company also advances the phased elimination or upgrading of outdated, high energy-consuming electromechanical equipment at ports, with qualified suppliers admitted and contracted accordingly.

The Company adheres to a green procurement orientation, giving priority to products that are durable, energy-efficient, and have low toxic emissions throughout their entire life cycle.

The Company actively promotes green supplier certification. During the reporting period, three core suppliers and two production facilities obtained ISCC EU.

In key equipment procurement, the Company applies total cost of ownership analysis and sets quality assurance requirements based on design life, prioritising high energy efficiency products. It also promotes the use of new energy solutions, replacing conventional fuel vehicles with electric vehicles and procuring low-emission equipment.

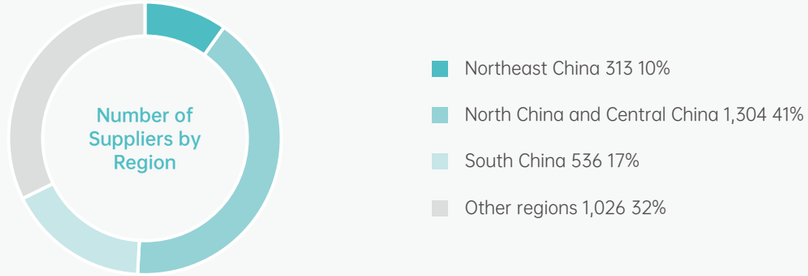
The Company integrates integrity requirements into its corporate culture, requiring suppliers to sign and upload a *Supplier Commitment Letter* during registration to strengthen integrity management. In 2025, the Procurement Shared Services Centre conducted an online training programme for 54 suppliers, covering policy communication, system operations, and integrity culture, with participation from 65 representatives, promoting a transparent, compliant, and efficient supply chain.

As of the end of 2025, the Company had a total of 3,179 suppliers, all of whom completed environmental and social assessments, achieving 100% coverage. In the same year, the Company achieved full-chain ISCC certification for its green methanol products, covering feedstock production and sales, as well as methanol production and distribution.

ISCC Certification

Case Localised Procurement Practice at Dayukou Company

In 2025, China BlueChemical implemented a localised procurement strategy, focusing on the purchase of low-grade phosphate ore with a phosphorus content of 22% or below in Zhongxiang City, Hubei Province. The Company prioritised long-term and stable contracts with local small and medium-sized mining enterprises, facilitating the utilisation of low-grade mineral resources. Through regular communication and technical exchanges, the Company strengthened cooperative relationships and contributed to creating employment and income opportunities for surrounding communities.



Community Investment

China BlueChemical is committed to long-term community engagement, actively fulfilling its social responsibilities, responding to stakeholder needs, and contributing to building a more harmonious and sustainable community environment through support for education, targeted assistance programmes, and volunteer initiatives.

Supporting National Strategies

China BlueChemical focuses on key areas including infrastructure development, industrial support, and education assistance, contributing to rural revitalisation and delivers tangible outcomes at the community level through targeted support measures.

Rural Infrastructure Development	The Company implemented targeted support for nine villages surrounding Dayukou, with a total annual investment of RMB0.8 million, addressing urgent local needs and improving living and production conditions, thereby strengthening the foundation for harmonious community–enterprise development.
Agricultural Support	The Company organised professional skills training, inviting experts to deliver specialised agricultural and livestock training for grassroots technicians and farmers in Xiahe County. It also collaborated with the Hainan Federation of Trade Unions and other organisations to donate 164 tonnes of fertiliser, equivalent to RMB0.575 million, to designated support villages, supporting local agricultural development.

Agricultural Technology Training Session in Xiahe County


Ledong Dragon Fruit Technology Demonstration Site

Consumption-based Assistance	The Company actively promotes consumption-driven support by centrally procuring products listed in the CNOOC Consumption Assistance Product Catalogue, with total annual procurement reaching RMB4.06 million. At the same time, the Company advances procurement from employment-support factories. In 2025, all required work uniforms and safety shoes were sourced from employment factories in Lintan County, with total procurement amounting to RMB6.47 million.
Education Support	The Company continues to support local education development, donating RMB25,000 to the No. 3 Kindergarten in Dongfang City and RMB300,000 to Southwest University Dongfang Experimental School.
Employment Support	The Company implements targeted employment assistance initiatives. In 2025, it recruited nine university graduates from underdeveloped regions and designated assistance areas of the Group, supporting stable employment for key groups.

Philanthropy and Charity

The Company continues to carry out charitable donation initiatives and actively fulfils its social responsibilities through philanthropic activities.

Case “Blue Power” Volunteer Service Programme

In 2025, the Youth League Committee of Fudao Company, a subsidiary of China BlueChemical, continued to strengthen the “Blue Power” volunteer service brand, organising young volunteers to provide dedicated services at the sea turtle rescue centre of Hainan Normal University for the third consecutive year. During the activity, volunteers worked collaboratively to complete tasks including water replacement for temporary holding pools, cleaning of tank surfaces, and environmental disinfection. They also prepared nutritious meals for the rescued sea turtles and assisted with cleaning and care.

Case Xinningpo Village Volunteer Service Activity

In 2025, the Youth League branch of the Analysis and Testing Centre, together with the Electrical and Instrumentation Youth League branch, carried out a themed volunteer activity titled "Young Chemistry Guardians, Safety with Me" at the Xinningpo Village Committee. Focusing on rural child safety education, volunteers provided basic chemical safety knowledge to more than 20 children and delivered practical guidance on safe electricity use tailored to rural living conditions.

Case "Blue Power" Volunteer Service Activity at Dayukou Company

In 2025, Dayukou Company further advanced the "Blue Power" volunteer service brand and organised the themed "Learn from Lei Feng" activity, "Youth Volunteer Together, Exploring a Green Future." During the activity, young employees engaged in environmental clean-up activities in surrounding communities and villages, while promoting low-carbon lifestyles and raising awareness of energy conservation and environmental protection.

Case Blood Donation Activity at Huahe Company

In March 2025, Huahe Company organised a voluntary blood donation activity, with approximately 50 employees participating, donating a total volume of 17,000 millilitres.

Total donation of
17,000 millilitres

2025

Number of youth volunteers
385

Number of volunteer service activities
24

Total community investment
RMB**26.89** million

Appendix

Key Performance Indicators Table

Environmental Performance Indicator			2025	Unit
Emissions	Air emissions	SO_2	252.06	tonnes
		NO_X	1,091.24	tonnes
	Wastewater	COD	44.53	tonnes
		NH_3-N	0.11	tonnes
	Solid waste	Hazardous waste	56,459	tonnes
		Hazardous waste intensity	4.69	tonnes/RMB million revenue
		Non-hazardous waste	2,957,819	tonnes
		Non-hazardous waste intensity	245.79	tonnes/RMB million revenue
Resource Use	Total energy consumption		3,659,650.40	tonnes of standard coal
	Energy intensity		304.11	tonnes of standard coal/ RMB million revenue
	Gasoline consumption		1.15	tonnes
	Diesel consumption		1,311.30	tonnes
	Coal consumption (total)		1,003,256.90	tonnes
	Coal consumption	Washed coal consumption	503,174.20	tonnes
		General coal consumption	500,082.70	tonnes
	Natural gas consumption		364,060.58	10,000 m^3
	Liquefied petroleum gas consumption		192.93	tonnes
	Refinery dry gas consumption		44,076.58	tonnes
	Heat consumption		802,534.00	million kJ
	Electricity consumption		69,449.43	10,000 kWh
	Of which: Photovoltaic generation		1,137.00	10,000 kWh
	Electricity intensity		5.77	10,000 kWh/RMB million revenue
	Energy saved		2,464	tonnes of standard coal
	Carbon reduction		6,944	tonnes
	Total water consumption		25,857,901.95	tonnes
	Water intensity		2,148.74	tonnes/RMB million revenue
	Recycled water		13,884,388.49	tonnes

Environmental Performance Indicator			2025	Unit
Resource Use	Woven bag consumption		6,836	tonnes
	Woven bag consumption by region	Huahe Coal Chemical	2,005	tonnes
		Dayukou Chemical	2,588	tonnes
		Hainan region	2,243	tonnes
Greenhouse Gas	Scope 1 GHG emissions		5,528,905	tCO_2e
	Scope 2 GHG emissions		298,495	tCO_2e
	Scope 3 GHG emissions (business travel)		419	tCO_2e
	Total GHG emissions (Scope 1 and 2)		582.74	10,000 tCO_2e
	GHG emissions intensity (Scope 1 and 2)		0.05	10,000 tCO_2e/RMB million revenue
	Total GHG emissions (Scope 1, 2, and 3)		5,827,819	tCO_2e

Social Performance Indicator			2025	Unit
Employment	Total number of employees		3,700	persons
	Number of employees by employment type	Full-time employees	3,700	persons
		Part-time employees	0	persons
		Labour dispatch employees	8	persons
	Number of employees by gender	Male employees	3,098	persons
		Female employees	602	persons
	Number of employees by age	≤30 years old	471	persons
		31–50 years old	1,902	persons
		>50 years old	1,327	persons
	Number of employees by region	Beijing	261	persons
		Hainan	2,024	persons
		Hubei	919	persons
		Heilongjiang	451	persons
		Other regions	45	persons
	Employee turnover rate		0.81	%
	Employee turnover rate by gender	Male employees	0.55	%
		Female employees	2.13	%
	Employee turnover rate by age group	≤30 years old	3.40	%
		31–50 years old	0.68	%
		>50 years old	0.08	%

Social Performance Indicator			2025	Unit
Employment	Employee turnover rate by geographical region	Beijing	3.45	%
		Hainan	0.44	%
		Hubei	0.11	%
		Heilongjiang	1.11	%
		Other regions	13.30	%
Health and Safety	Number of work-related fatalities occurred in the past three years		0	persons
	Rate of work-related fatalities occurred in the past three years		0	%
	Lost days due to work injury		129	days
Development and Training	Training coverage rate		100	%
	Total training participants		69,544	person-times
	Total training hours		786,272	training hours
	Average training hours per employee		212.51	training hours
	Percentage of employees trained by gender	Male employees	84	%
		Female employees	16	%
	Percentage of employees trained by employee category	Senior management	0.1	%
		Middle management	2.3	%
		Rank and file	97.6	%
	Average training hours completed per employee by gender	Male employees	222.50	training hours
		Female employees	161.06	training hours
	Average training hours completed per employee by employee category	Senior management	263.20	training hours
		Middle management	230.46	training hours
		Rank and file	211.98	training hours
Supply Chain Management	Total number of suppliers in the Company's supplier directory		3,179	entities
	Number of suppliers by geographical region	Northeast China	313	entities
		North and Central China	1,304	entities
		South China	536	entities
		Other regions	1,026	entities
	Suppliers assessed for environmental and social performance		3,179	entities
Product Responsibility	Percentage of total products sold or shipped subject to recalls for safety and health reasons		0	%
	Number of product complaints		11	cases
	Newly granted intellectual properties		41	items
	Total intellectual property holdings		198	items
	R&D investment		7,665	RMB10,000

Social Performance Indicator		2025	Unit
Product Responsibility	Urea qualification rate	100	%
	Urea premium rate	99.85	%
	Methanol qualification rate	100	%
	Methanol premium rate	100	%
Anti-corruption	Number of concluded legal cases regarding corrupt practices	0	cases
	Average hours of anti-corruption training per director	72	hours
	Average hours of anti-corruption training per employee	86	hours
Community Investment	Number of volunteer activities	24	times
	Total charitable contributions	2,689.12	RMB10,000

Index of Indicators

Mandatory Disclosure Requirements

Mandatory Disclosure Requirement	Description	Relevant Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Statement of the Board
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/ or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Statement of the Board
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

"Comply or Explain" Provisions

Subject Area	Description	Relevant Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Management
A1.1	The types of emissions and respective emissions data.	Emissions Management KPI Table
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	KPI Table
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	KPI Table
A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy and Resource Use
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy and Resource Use KPI Table
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Energy and Resource Use KPI Table
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy and Resource Use
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Energy and Resource Use
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	KPI Table
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Management
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Rights Development and Training
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Rights KPI Table
B1.2	Employee turnover rate by gender, age group and geographical region.	KPI Table
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety KPI Table
B2.2	Lost days due to work injury	KPI Table
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

Subject Area	Description	Relevant Section
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	KPI Table
B3.2	The average training hours completed per employee by gender and employee category.	KPI Table
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Rights
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Rights
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Rights
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Management KPI Table
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility KPI Table
B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption KPI Table
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment KPI Table

Climate-related Disclosures

Climate-related Disclosure	Relevant Section / Notes
Governance	
Skills and competencies of the Board-level governance body	ESG Governance
Access to information by the Board-level governance body (methods and frequency)	Climate Change Response – Governance
Oversight by the Board-level governance body	Climate Change Response – Governance
Roles and responsibilities of management	Climate Change Response – Governance
Strategy	
Climate-related risks and opportunities	Climate Change Response – Strategy
Business model and value chain	Climate Change Response – Strategy
Strategy and decision-making	Climate Change Response – Strategy
Financial position, financial performance, and cash flows	Climate Change Response – Strategy
Climate resilience	Climate Change Response – Strategy
Risk Management	
Processes for identifying, assessing, prioritising, and monitoring climate-related risks	Climate Change Response – Risk Management
Processes for identifying, assessing, prioritising, and monitoring climate-related opportunities	Climate Change Response – Risk Management
Integration of climate-related risks and opportunities into overall risk management	Climate Change Response – Risk Management
Metrics and Targets	
GHG emissions	Climate Change Response – Metrics and Targets
Climate-related transition risks	Climate Change Response – Metrics and Targets
Climate-related physical risks	Climate Change Response – Metrics and Targets
Climate-related opportunities	Climate Change Response – Metrics and Targets
Capital deployment	Climate Change Response – Metrics and Targets
Internal carbon prices	The Company has not yet applied internal carbon pricing in decision-making. It will continue to monitor policy developments and assess the feasibility of integrating carbon pricing into internal evaluation frameworks, with progress to be disclosed in future ESG reports.
Remuneration	Climate Change Response – Governance
Industry-based metrics	KPI Table
Climate-related targets	Climate Change Response – Metrics and Targets

Reader Feedback Form

Dear Reader,

Thank you for taking the time to read the *China BlueChemical Ltd. 2025 Environmental, Social and Governance (ESG) Report*. We sincerely welcome your comments and suggestions on both the report and our work. You may return the completed questionnaire by post or by scanning and sending it via email. Thank you.

You may also complete the online questionnaire by scanning the QR code below:

1. Which stakeholder group do you or your organisation belong to in relation to China BlueChemical?

☐ Shareholder / Investor ☐ Senior Management of China BlueChemical ☐ Employee of China BlueChemical
☐ Government / Regulatory Authority ☐ Supplier / Contractor ☐ Customer ☐ Community ☐ Media
☐ Academic Institution ☐ Non-profit Organisation ☐ Other (please specify)

2. Does the report cover the information you are concerned about?

☐ Yes ☐ To some extent ☐ No

3. Your overall evaluation of the 2025 ESG Report:

· Readability (clear expression, appealing design, engaging, easy to locate information)

☐ 3 (Good) ☐ 2 (Average) ☐ 1 (Poor)

· Credibility (information is accurate and reliable)

☐ 3 (Good) ☐ 2 (Average) ☐ 1 (Poor)

· Completeness of Information (balanced disclosure of both positive and negative aspects, meets your information needs)

☐ 3 (Good) ☐ 2 (Average) ☐ 1 (Poor)

4. Can you easily find the information you are interested in within the report?

☐ Yes ☐ To some extent ☐ No

5. What additional information would you like to see beyond what has already been disclosed in the report?

中海石油化学股份有限公司
China BlueChemical Ltd.