



中海石油化学股份有限公司  
China BlueChemical Ltd.

# 2024

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

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Stock Code: 3983

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







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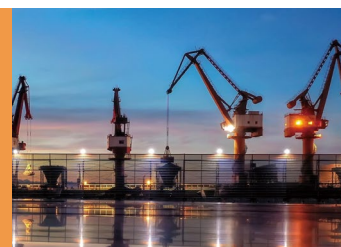




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# About this report

This is the ninth consecutive Environmental, Social and Governance Report (ESG Report) published by China BlueChemical Ltd. It covers the environmental, social, and governance (ESG) measures and achievements of China BlueChemical Ltd. and its subsidiaries in 2024.

## Reporting time

The time frame for this report is from 1 January 2024 to 31 December 2024. In order to maintain the continuity of the information, some of the contents are appropriately backdated to historical data.

## Scope of the report

This report covers China BlueChemical Ltd. and its subsidiaries. The financial data covered in the report and the scope of coverage is in line with the *Annual Report of China BlueChemical Ltd.* for the year 2024.

## Description of title

For clarity, this report uses "China BlueChemical", "the Company", "we", "CBC" and "us" interchangeably to refer to China BlueChemical Ltd.

## Information note

The information and data in this report come from official China BlueChemical documents, statistical and financial reports, and corporate social responsibility information compiled, summarized, and reviewed by the Company. This report is published in English and Chinese. In case of any discrepancy, the Chinese version shall prevail.

## Basis of preparation

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

## Access to reports

The report is published in both printed and electronic form. The electronic version can be downloaded from the Company's official website (<https://www.chinabluechem.com.cn/>).

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# Statement of the Board

In accordance with the *Environmental, Social and Governance Reporting Code* (the "ESG Reporting Code") under Appendix C2 of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the "Stock Exchange"), China BlueChemical is pleased to present the Environmental, Social and Governance Report for the year ending December 31, 2024.

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

1. **Materiality:** The Company identified the material factors through the Board's review and consideration procedures according to the selection criteria at which ESG issues have material impacts on investors and other stakeholders, and authorized the management to identify significant stakeholders and which entities and scope of business are included in this report.
2. **Quantitative:** The ESG targets identified by the Company should be measurable to facilitate the comparison against those in previous years, competitors, and industry standards. Emissions are calculated pursuant to the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions for China Chemical Production Enterprises (Trial)*; and energy consumption is calculated pursuant to the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*, the *Norm of energy consumption per unit production of fertilizer industry (GB 21344-2023)*, and the *Norm of energy consumption per unit production of methanol, ethylene glycol and dimethyl ether (GB 29436-2023)*.
3. **Balance:** The information set out in this report provides an unbiased picture of the Company's ESG performance and should avoid any selections, omissions or presentation formats that may inappropriately mislead stakeholders in their decision-making or judgment process.
4. **Consistency:** The assumptions and calculation methods adopted in any key performance indicator should be consistent with those adopted in previous years to ensure effective comparisons of the relevant data. If there is any change of the relevant assumptions or calculation methods, clear disclosure should be made to stakeholders.



## Message from the Chairman



China BlueChemical Ltd.  
Chairman

Hou Xiaofeng

We sincerely appreciate your ongoing interest and support for China BlueChemical!

In 2024, we collectively witnessed a new high in the grain production of China, with the total grain output reaching 1.4 trillion kilograms for the first time. As a significant player in the agricultural sector, China BlueChemical is committed to integrating sustainable development into its corporate strategy, adhering to high-quality development, continuously optimizing products and services, and contributing to ensuring food security and promoting agricultural modernization.

**Progressive improvement in ESG governance brings about more standardized corporate governance.** China BlueChemical has solidified its risk prevention and control system, focusing on “strengthening internal controls, preventing risks, and promoting compliance” to enhance its internal control and compliance management capabilities. The Company has also initiated a series of activities to promote a culture of integrity. We have consistently enhanced our ESG governance structure, proactively embedding ESG principles into our corporate culture. We have implemented targeted ESG training for our board directors and staff, and were distinguished with the “2024 CNOOC Social Responsibility (ESG) Excellence in Practice Award” and the “2024 ESG Exemplary Enterprise Award” at the 14<sup>th</sup> Philanthropy Festival. These recognitions bolster our commitment to sustainable business practices.



**Steadfast in adhering to innovation-driven leadership, we clarify the path for development.** China BlueChemical has ignited the vitality of development through technological innovation, establishing three major R&D directions: source, extension, and green. With an R&D investment of RMB 98.82 million, the Company achieved a key milestone in the efficient conversion and utilization of carbon-rich gas. In partnership with BASF, the Company established the “International Advanced Carbon-One Chemical Engineering Joint Research Center.” Our “Science and Technology Courtyards” yielded significant dual innovations, including the approval of 1 national key R&D project, the application for 2 patents, and the joint establishment of 10 science and technology courtyards. By enhancing our product quality management system, strengthening chemical management, and improving customer service quality, we are committed to achieving long-term stability and sustainability in operations, creating long-term value. We were recognized as an “Industry Stewardship Champion” by the International Fertilizer Industry Association (IFA), being the only Chinese enterprise selected for the entire year of 2024.

**Consistent advancement of energy conservation and emission reduction reinforces a robust foundation for green development.** China BlueChemical adheres to a green development philosophy, aiming to become a “green chemical enterprise.” The Company has continuously strengthened its energy and environmental management systems, achieving a record of 0 employee fatalities and environmental pollution incidents for three consecutive years. We have implemented a new energy utilization model of “low-carbon energy supply + electrified energy consumption,” promoting pilot projects for “zero-carbon terminals” at Basuo Port and “zero-carbon factories” at Dayukou. Both energy consumption intensity and carbon emission intensity have outperformed our annual targets. The Company’s methanol facility has been awarded the title of “Energy Efficiency Leader and Benchmark Enterprise” by the China Petroleum and Chemical Industry Federation for 13 consecutive years, while its ammonia synthesis plant has received the title of “Water Efficiency Leader and Benchmark Enterprise” from the China Nitrogen Fertilizer Industry Association for 5 consecutive years.

**Jointly share development outcomes, amplifying collaborative efforts.** China BlueChemical upholds the principle of “people-oriented, caring for employees,” fully respecting the central role of employees, and continuously stimulating their vitality. We work hand in hand with our employees for shared growth. We have established a “Three Channels, Four Progressions” modular training system, with an average training duration of 292.36 training hours per person. Collaborating with institutions of higher education like Peking University and Lanzhou Petrochemical University of Vocational Technology, we enhance the selection and cultivation of high-quality talents. Sharing our development achievements with the community, we actively fulfill our social responsibilities. In 2024, our charitable donations totaled RMB 6.2 million, and we had 420 young volunteers.

Facing the future, we will leverage the momentum to persevere on the path of high-quality development, leading corporate growth through technological innovation and driving comprehensive value enhancement. On our journey “To be a leading green chemical technology company with Chinese responsibility and global excellence,” we uphold sustainability principles, achieving profit growth through responsible practices. We strive to be a solid pillar in the agricultural sector, accelerating the orderly layout of strategic emerging industries, and contributing to global sustainability.



# About Us

China BlueChemical Ltd. is a modernized large-scale enterprise engaged in the development, production and sales of fertilizers and chemical products with the main business of deep processing of natural gas under China National Offshore Oil Corporation (CNOOC). China BlueChemical was founded 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 Hong Kong Stock Exchange with the stock code 3983.

China BlueChemical is mainly engaged in the production, development and sale of natural gas-based urea and high value-added synthetic chemical products, with advanced production technology and an extensive sales network covering more than 20 provinces, cities and autonomous regions in China. After more than 20 years of efforts, China BlueChemical has developed into a group of listed companies with resources, involved in the production and trade of nitrogen, phosphorus, potassium fertilizers and methanol, and other chemical products. The Company is one of the largest listed companies in China's production of fertilizers and methanol, ranking 12<sup>th</sup> in the country's output for over 10 consecutive years. China BlueChemical has been recognized as the energy-efficiency leader in the synthetic ammonia and methanol industry, selected as one of the first batches of green products by the Ministry of Industry and Information Technology, and included in the first batch of green manufacturing system demonstration lists announced by the Ministry of Industry and Information Technology, becoming one of China's 201 certified "Green Factories". The Company has a production capacity of 1.84 million tons of urea, 1 million tons of phosphate fertilizer, 1.4 million tons of methanol, and 270,000 tons of acrylonitrile combined plant.

Guided by the principles of patriotism, responsibility, struggle, and innovation, China BlueChemical closely integrates its development with the national strategy for modernized agricultural development. We strive to become a "five-type enterprise" known for intrinsic safety, quality and efficiency, technological innovation, resource conservation, and harmonious development. Our commitment contributes to increased farmer income, agricultural development, and rural revitalization.

## Corporate Vision

To be a leading green chemical technology company with Chinese responsibility and global excellence

## Key performance in 2024

### Business Performance

Revenue amounted to RMB

**11,946** million

Gross profit reached RMB

**1,705** million

Net profit attributable to owners of the Company was RMB

**1,071** million

Basic earnings per share were RMB

**0.23**

Proposed year-end dividend per share is RMB

**0.1208**





## ESG Performance

### Standardizing Corporate Governance

No cases of corruption or commercial bribery were reported

The average training hours on anti-corruption for directors were

**65** hours

The average training hours on anti-corruption for employees were

**95** hours

### Technology Innovation Drives Development

Annual R&D investment was RMB

**97.65** million

**26** new patents were granted this year

The superior rate of urea products was **99.89**%

The superior rate of methanol products was

**100**%

There were

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

### Resolute Green Steps

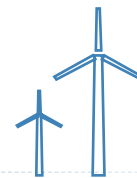
Achieved “**zero accidents**” in environmental pollution

Annual project energy savings

**11,800** tons of standard coal

Annual project carbon reduction

**31,500** tons



### Pooling Collective Efforts

Achieved “zero fatalities” in production safety

Employee training coverage rate was

**100**%

Total training hours for employees were

**1,086,419** training hours

Annual charitable and public welfare donations totaled RMB

**6.2** million

Employee medical examination coverage rate was

**100**%



## Social recognition and honors

China BlueChemical's efforts in sustainability have garnered widespread recognition. The Company has been awarded the title of "Energy Efficiency Leader (Methanol)" for 13 consecutive years and "Water Efficiency Leader" for 5 consecutive years. It is also certified as an "Industry Stewardship Champion" by the International Fertilizer Industry Association (IFA), being the only domestic enterprise selected for the entire year of 2024.

### 2023 "Water Efficiency Leader" (Ammonia)

China Petrol and Chemical Industry Federation (CPCIF)

### 2023 "Energy Efficiency Leader" (Methanol)

China Petrol and Chemical Industry Federation

### 2024 ESG Exemplary Enterprise Award

The 14<sup>th</sup> Philanthropy Festival and 2024 ESG Summit

### 2024 Industry Stewardship Champion

International Fertilizer Industry Association (IFA)

### Top 10 Excellent Fertilizer Enterprises

National Fertilizer Information Exchange and Product Trading Fair

### Top 10 Excellent New Fertilizer Products

National Fertilizer Information Exchange and Product Trading Fair

### "Agricultural Service Model" and "Demonstration Enterprise" Titles in the 2023-2024 Excellent Practice Collection of Fertilizer and Pesticide Consumption Reduction and Efficiency Enhancement

China Agro-technological Extension Association; the periodical office of "China Plant Protection"; the periodical office of "China Agricultural Technology Extension"

### The title of "Made-in-China Fertilizer Glory"

China Cooperative Times; China Agri-Production News media

### 2024 Top 100 Chinese Fertilizer Enterprises

China Chemical Industry Information Association; China National Chemical Information Center

### 2024 Top 50 Chinese Special Fertilizer Enterprises

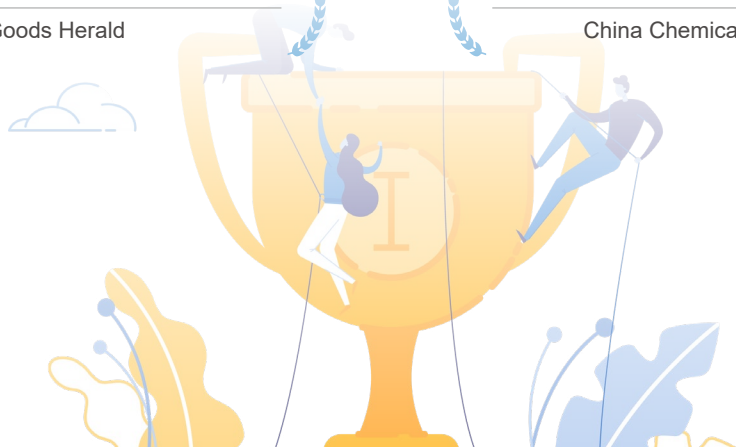
China Chemical Industry Information Association; China National Chemical Information Center

### Influential Brand in the Compound Fertilizer Industry

AgriGoods Herald

### Golden Stone Partner

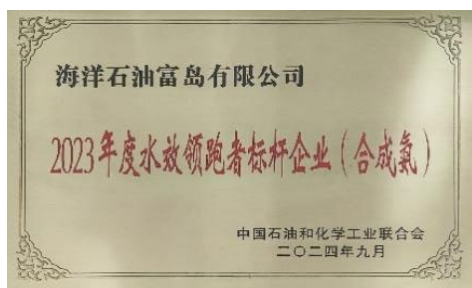
China Chemical Industry News







2024 Top 50 Chinese Special Fertilizer Enterprises



2023 "Water Efficiency Leader" (Ammonia)



Made-in-China Fertilizer Glory



Top 10 Excellent Fertilizer Enterprises



2024 Top 100 Chinese Fertilizer Enterprises



Top 10 Excellent New Fertilizer Products



# 01 Standardizing Corporate Governance

China BlueChemical is persistently enhancing its corporate governance system, constantly improving the governance framework, strengthening internal control and compliance management capabilities, solidifying the risk prevention and control system, promoting the culture of integrity, establishing and improving an ESG governance system, and optimizing the ESG information collection and disclosure mechanism, thereby providing solid support for the Company's sustainable development.



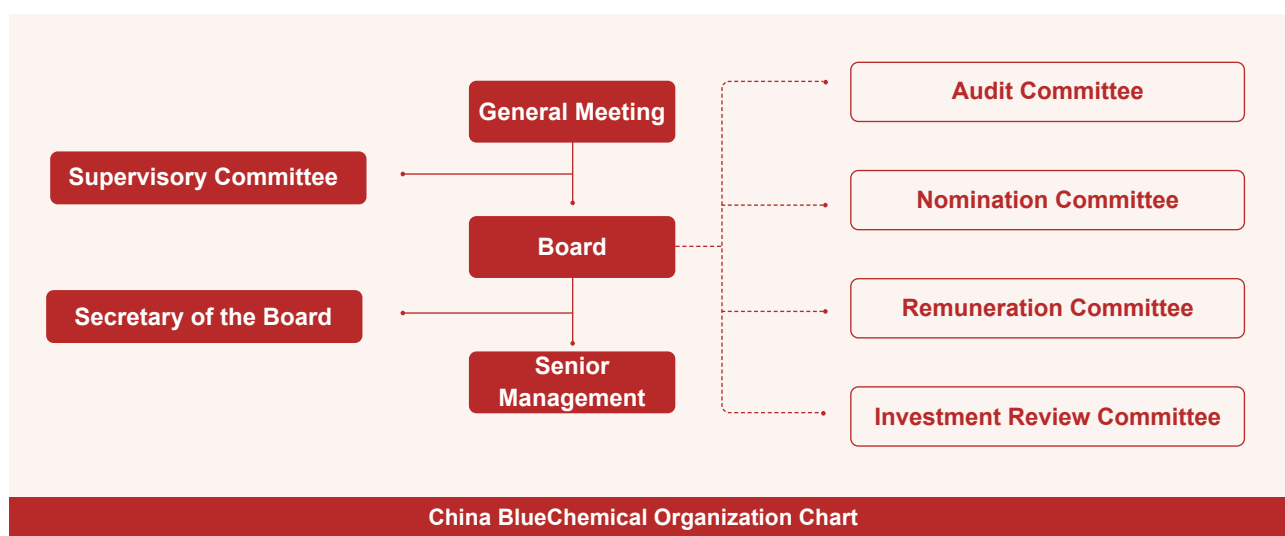






## Corporate governance

China BlueChemical strictly complies with the *Company Law of the People's Republic of China* and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and other domestic and international laws and regulations. The Company formulated the *Measures for the Administration of Independent Directors*, which clarify the criteria for their appointment, performance requirements, rights and obligations, and related safeguard measures. This provides an institutional guarantee for further optimizing the Company's governance structure, standardizing operational procedures, and ensuring the effective performance of duties by independent directors. Additionally, the Company has organized the research and drafting of an amendment draft for the *Articles of Association*, aiming to improve the operational mechanisms of the general meeting of stockholders, the board of directors, and the supervisory committee, thus establishing a modern corporate governance structure characterized by clear rights and responsibilities, efficient operation, and mutual checks and balances.



### General Meeting

The General Meeting holds the highest authority within the Company. The Board and the Supervisory Committee are accountable to the General Meeting and responsible for reporting to shareholders on their work, implementing shareholder resolutions and exercising decision-making power on major Company matters. We strictly adhere to relevant laws, regulations, and our *Articles of Association* when convening meetings and approving motions. This ensures the effective protection of all shareholder rights and interests. In 2024, we held one Annual General Meeting, two Class Meetings, and one Extraordinary General Meeting. Shareholders considered and approved 21 motions.

### Board

The Board has four specialized committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Investment Review Committee, each of which reports to the Board on a regular basis to provide recommendations to assist in the Board's decision-making. The Company has established a policy on diversity of board members, selecting and hiring people of different genders, ages, cultural and educational backgrounds, professional experiences, skills and knowledge. In 2024, the Board of the Company consisted of six directors, of which four were male and two was female; two were executive directors, one was non-executive director, and three were independent non-executive directors. As at 31 December 2024, the Company held a total of four regular meetings of the Board, 1 interim meeting, considered and passed 41 motions, and received 10 reports. These included the consideration and adoption of the ESG report for the year 2023, the energy saving and emission reduction targets for the year 2025, as well as listening to the ESG report for the first half of the year 2024 and other ESG related matters.



## Supervisory Committee

The Supervisory Committee supervises the behavior of the Company's directors and senior management in performing their duties for the Company in accordance with the *Articles of Association*. During the year, the Supervisory Committee of the Company had three members, two of whom were external supervisors (one shareholder representative supervisor and one independent supervisor), and one of whom was a supervisor representing the Company's employees. In 2024, three meetings of the Supervisory Committee were held, and six motions were considered and passed.



Fourth Meeting of the Board 2024



Director Research in Gannan

To support the directors in their duties, the senior management of the Company regularly provided the directors (including external directors) with monthly reports on capital market information, QHSE, and risk management. The Company also organized 2 external director communication meetings to facilitate pre-meeting discussions with external directors on matters to be reviewed by the board, allowing external directors to participate in Company project research in advance. To leverage the oversight and balancing role of independent directors, the Company scheduled a separate meeting between the chairman and the independent directors, during which their opinions were heard and collected. In 2024, the Company organized a total of 6 director training sessions, including one on ESG, and conducted 2 director research activities.

the Company held a total of

**4** general meetings

the Company held a total of

**5** meetings of the Board

**3** meetings of the Supervisory  
Committee were held

### As of the date of the release of this report

the Board of the Company consisted of

**6** directors

of which

**4** were male

and

**2** was female

the Supervisory Committee of the  
Company had

**3** members

**1** of whom was a supervisor  
representing the Company's  
employees

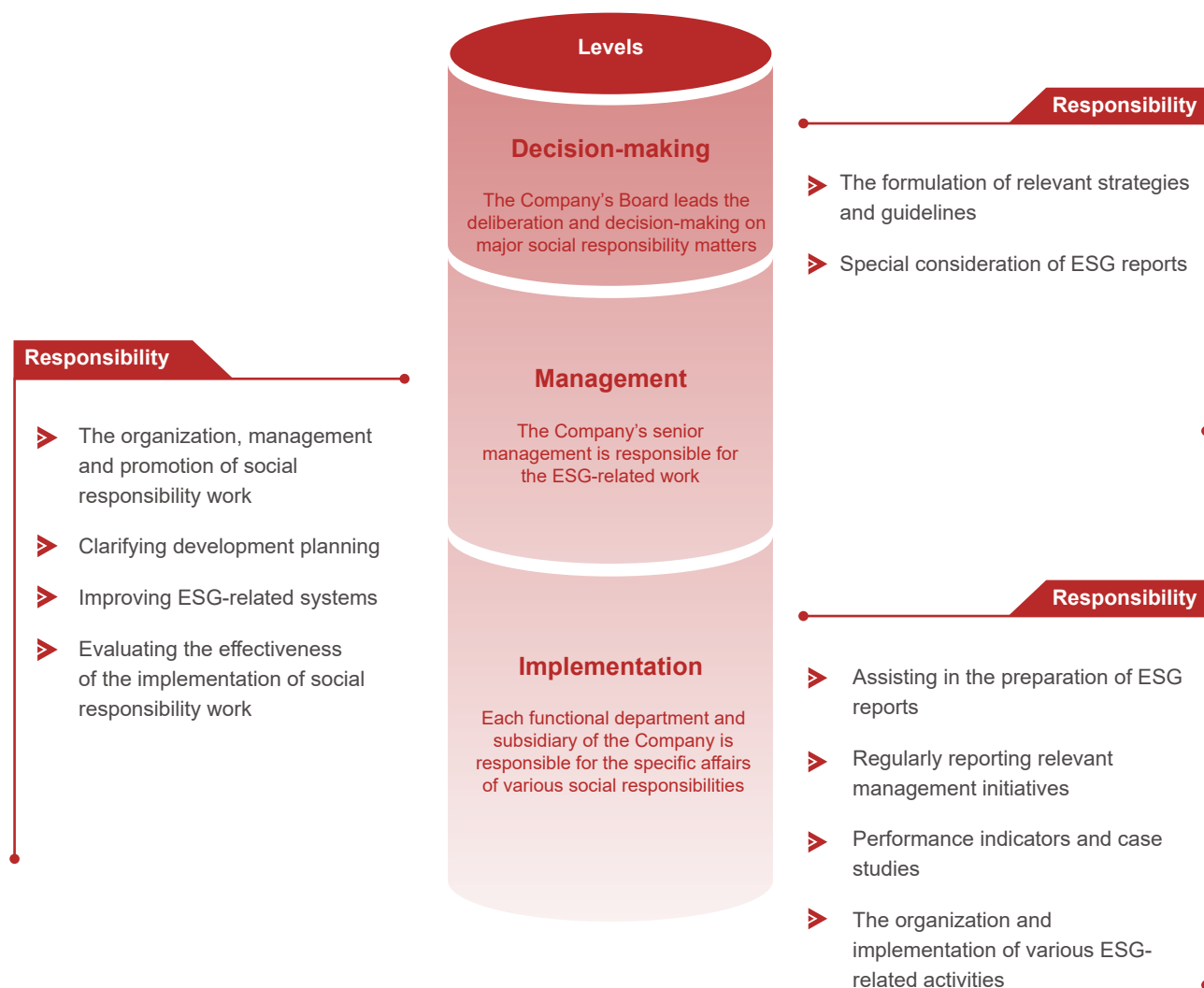
and

**2** external supervisors



## ESG Governance

China BlueChemical has set long-term strategies to gradually integrate the idea of sustainable development into its corporate governance and business development strategies. The Company has established a three-tier ESG governance structure, wherein the Board, as the highest decision-making body for ESG affairs, is responsible for formulating the Company's ESG strategies and objectives, and supervising ESG risk management and information disclosure. As the management level of ESG governance, the Company's senior management is responsible for organizing and promoting ESG work, evaluating the effectiveness of implementation, and reporting to the Board on a regular basis. As the executive level of the Company's ESG governance, each functional department and subsidiary is responsible for the implementation of specific ESG-related matters and regular reporting of work progress.



### China BlueChemical ESG Governance Structure

To enhance the accuracy and completeness of ESG data, the Company has developed the *China BlueChemical Ltd. ESG Information Management Handbook*, which standardizes the process and methods of information collection. It covers aspects such as the ESG information management framework, collection process, indicator system, information verification, and reporting to the decision-making level, thereby improving the standardization and consistency of the Company's ESG information reporting. By identifying and assessing significant ESG issues and establishing an ESG indicator system, the Company has further enhanced the quality of its ESG information disclosure, aligning with the concerns and expectations of stakeholders.



The Company actively integrated ESG concepts into its corporate culture, enhancing the awareness and participation of directors and employees in ESG management through training and advocacy. Within the year, two ESG training sessions were organized, one for directors and another for employees, focusing on in-depth interpretations of ESG compliance policies and trends, the impact of ESG on corporate development, and the Hong Kong Stock Exchange's new climate regulations. Through interviews and questionnaires, the Company encouraged directors and employees to actively engage in ESG practices, collectively promoting the Company's sustainable development.

Owing to its outstanding performance in the ESG domain, the Company was honored with the "2024 CNOOC Excellent ESG Case Award" and the "2024 ESG Exemplary Enterprise Award" issued by the 14<sup>th</sup> Philanthropy Festival.

## Stakeholder communication

We prioritize stakeholder communication and have established a regular stakeholder communication mechanism. We listen to suggestions from various stakeholders, respond promptly, and handle matters appropriately, continuously enhancing our Company's ESG management level and jointly promoting sustainability.

### Stakeholder lists and communication methods

Stakeholders	Needs and expectations	Communication channel
 Government/Regulatory Bodies	<ul style="list-style-type: none"> <li>Compliance operations</li> <li>Paying taxes according to the law</li> <li>Promote employment</li> <li>Responding to national strategies</li> <li>Helping the industry grow</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of information</li> <li>Daily communication reporting</li> <li>On-site inspection</li> <li>Supervision and inspection</li> <li>Reception of visitors</li> </ul>
 Shareholders/Investors	<ul style="list-style-type: none"> <li>Compliance operations</li> <li>Consistent and stable return on investment</li> <li>Risk management</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Company website and email</li> <li>Periodic reports and announcements</li> <li>General Meeting</li> <li>Roadshow and reverse roadshow</li> <li>Investor conference</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Respect for customer privacy</li> <li>Quality products and services</li> <li>Integrity in contractual performance</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer service hotline &amp; email</li> <li>Face-to-face meetings and site visits</li> </ul>
 Suppliers/Partners	<ul style="list-style-type: none"> <li>Improving supply chain management</li> <li>Mutual benefit and win-win, long-term cooperation</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Open tendering and standardized procurement procedures</li> <li>Face-to-face meetings and site visits</li> <li>Project cooperation and industry exchange</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Employee rights &amp; benefits</li> <li>Occupational health and safety</li> <li>Training and development</li> <li>Employee Care</li> </ul>	<ul style="list-style-type: none"> <li>Labor union, employee representatives' meetings</li> <li>Daily communication</li> <li>Employee training and performance appraisal</li> <li>Group building activities</li> </ul>
 Media	<ul style="list-style-type: none"> <li>Green operation and environmental protection</li> <li>Fulfilling social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Online communication</li> <li>Reception of visitors</li> </ul>
 Community Public	<ul style="list-style-type: none"> <li>Building a harmonious community</li> <li>Carrying out public welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>Volunteer services</li> <li>Public welfare activities</li> </ul>



## Investor Communication

The Company is focused on building a strategic-level investor relations management system, innovatively conducting reverse roadshows. Through the dual channels of “regular disclosure + targeted communication,” the Company held explanatory meetings during strategic windows for the release of annual and interim performances, accompanied by the implementation of 7 special capital roadshows. Throughout the year, the Company facilitated a total of 47 investor communication meetings, achieving in-depth engagement with 104 sessions with institutional investors and analysts. Through various forms such as performance explanation meetings, special roadshows, and one-on-one investor meetings, the Company precisely conveyed corporate information, assisting investors in gaining a deep understanding of the Company’s operational achievements, development highlights, and prospects. It systematically addressed key issues of concern in the capital markets, formed special communication summaries, and effectively enhanced investors’ confidence and recognition in the Company’s growth.

## Identification of material issues

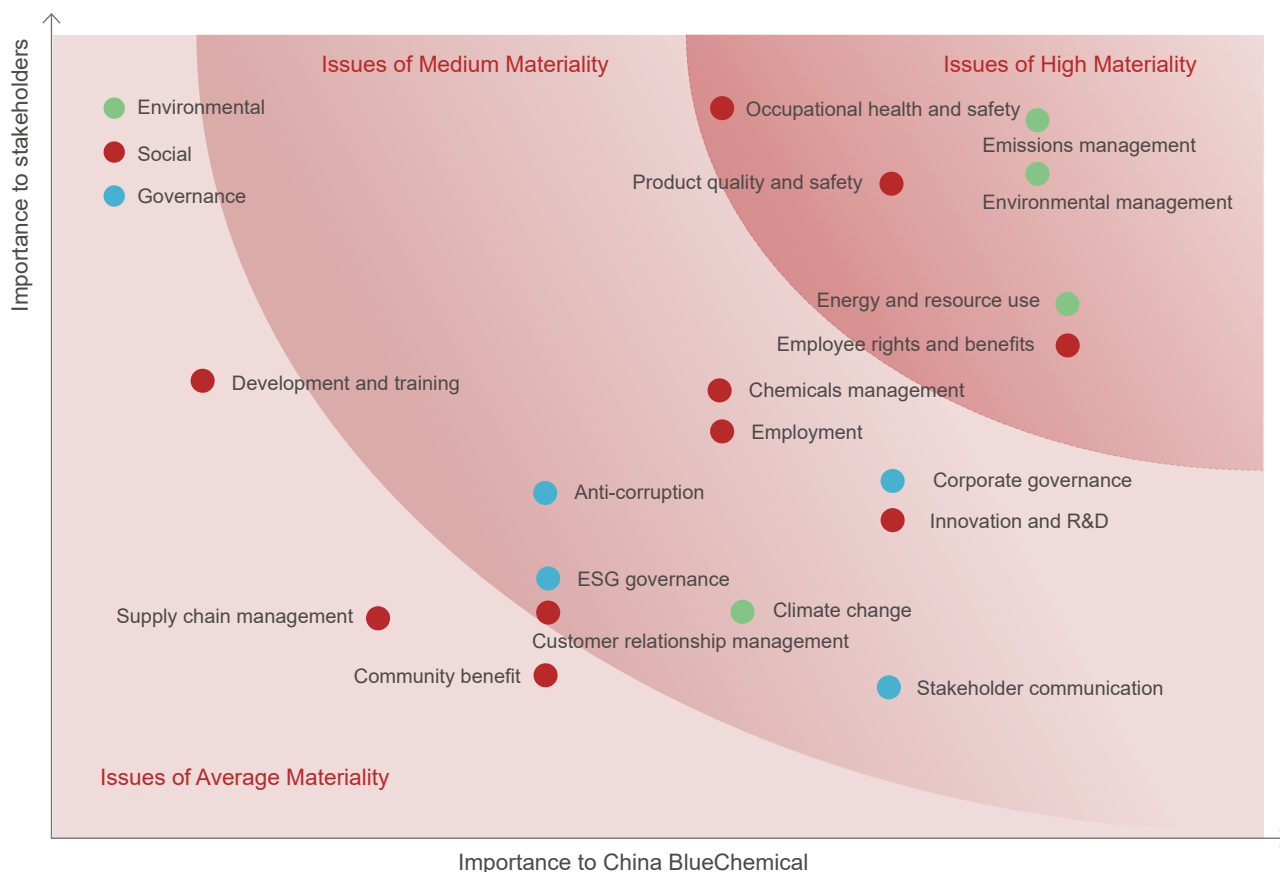
In 2023, China BlueChemical took into comprehensive consideration various domestic and international sustainability standards and regulations, industry trends, and key areas of interest for the capital markets; aligning with actual business development of the Company, 18 issues that have a significant impact on the Company’s long-term operations and sustainability were identified. Using a questionnaire survey approach, we collected materiality assessments from the Company’s directors and various stakeholders regarding each material issue, creating an ESG issue importance analysis matrix for China BlueChemical. In 2024, following internal assessment and verification, no adjustments were made to the previous year’s ESG issue materiality analysis results. This report will focus on highly material issues, better addressing the concerns of stakeholders.



### Material Issue Assessment Process







China BlueChemical 2024 ESG Issue Importance Analysis Matrix

## Compliance and Risk Management

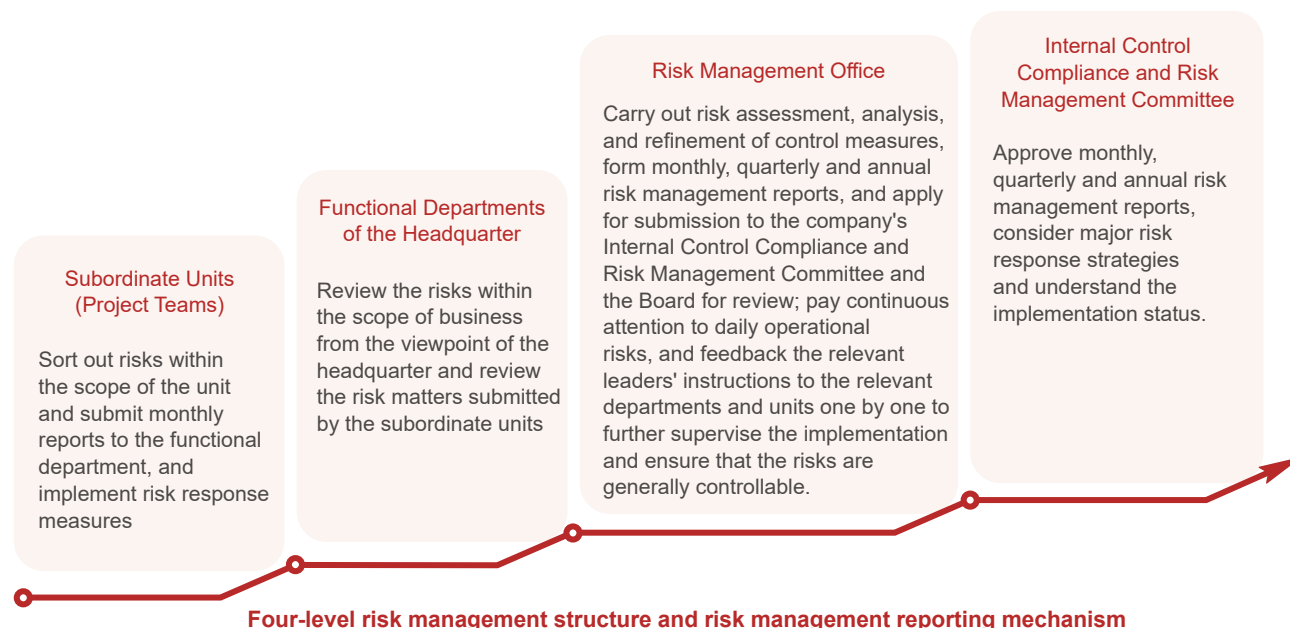
### Internal Control Compliance and Risk Management System

China BlueChemical rigorously adhered to requirements of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the *Basic Standard for Internal Control in Business Enterprises*. The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in order to achieve the Company's strategic objectives and maintains a sound and effective risk management and internal control system. The Board itself, through the Audit Committee, reviews the adequacy and effectiveness of the Company's risk management and internal control systems to safeguard shareholders' investment and the Company's assets.

The Company has an Internal Control Compliance and Risk Management Committee led by the Chairman and comprising the President, Vice President, Audit Department, Legal Compliance Department and Financial Management Department and other relevant persons in charge. It is responsible for leading and coordinating the compliance management, establishing and improving the risk control management system, examining the major matters of the Company's internal control compliance and risk management, and guiding, supervising and checking the management of risk control and compliance.

In terms of risk management, the Company closely focuses on the overall objective of "strengthening internal control, preventing risks and promoting compliance", formulates internal systems and management methods such as the *Internal Control and Comprehensive Risk Management System*, the *Comprehensive Risk Management Measures*, and the *Management Measures for Reporting and Responding to Significant Operational Risks*. The Company has established a four-level risk management structure, including the Internal Control Compliance and Risk Management Committee, Risk Management Office, functional departments of the headquarter, and subordinate units (project teams), and formed an annual, quarterly, and monthly mechanism for risk identification, assessment, tracking, and reporting of major risk events.





## Internal control compliance and risk management initiatives

During this year, the Company continued to improve its internal control and compliance systems, strengthening internal control compliance and risk management, and focused on advancing the culture of compliance.

- The Company dynamically optimized its corporate governance system, with a focus on revising the *Decision-making Management Measures for Three Major and One Material Issues* and the list of decision-making items. This aimed to standardize the operation of the board of directors and the executive pre-research procedures, ensuring compliant operations
- The Company improved its license management system, strengthening the orderly connection between various governance entities. It organized the revision of its business authority manual, optimizing business approval authority and management processes, clarifying the decision-making entities and rules for matters not classified as "three major and one material issues." The Company continuously refined its decision-making procedures and operational rules for the executive level, the chairman's special meetings, and the president's office meetings, ensuring that authorized matters are "effectively received and stably executed."
- The Company continuously conducted the "establishment, revision, abolition, and interpretation" of regulations, with a focus on developing and revising a total of 109 systems related to work safety management, supply chain management, and sales and trade management. This initiative aimed to enhance the standardized operation of business processes. The Company organized 22 sessions for the dissemination of these regulations, with a total of 1,021 participants, effectively raising the awareness and execution of regulatory compliance among all employees
- The Company consistently prevented and mitigated major risks, releasing the *Risk Management Experience Case Compilation of China BlueChemical*. It improved the monthly risk report mechanism, submitting 12 risk reports and 9 key controlled risks to the company's board of directors and management, and promptly tracked the implementation of risk control measures

## Anti-corruption

Integrity risk prevention and control is a critical component of the Company's risk management. The Company has been adhering to a proactive approach, emphasizing prevention, and has been promoting construction of an integrity risk prevention mechanism. The company rigorously adhered to relevant laws and regulations, including the Criminal Law of the People's Republic of China and Anti-Money Laundering Law of the People's Republic of China. It established a bulletin board for anti-corruption education and publicity, issuing reminders on integrity during major holidays, urging all employees to strictly adhere to legal provisions and business ethics standards related to preventing bribery, extortion, fraud, and money laundering, thereby establishing a solid baseline for integrity in the workplace.



To build a comprehensive integrity risk prevention and control system, the Company established a regular communication mechanism, clarifying the responsibilities of leaders at all levels. Through the signing of responsibility statements and superior-subordinate discussions, a clear and interconnected supervision chain has been formed. The Company implemented anti-corruption work priorities, holding quarterly anti-corruption coordination meetings, and establishing mechanisms for centralized learning, policy dissemination, and situation briefing consultations, thereby reinforcing the regulatory responsibilities of business departments. The Company strengthens the supervision and management of the activities of leading cadres "beyond eight hours", gives the first lesson of integrity education to new employees, and strengthens the supervision and management of integrity risks in the work and life of employees.

The Company promotes the institutional mechanism of "not daring to corrupt, not being able to corrupt and not wanting to corrupt" as a whole, and publicizes the reporting telephone number, mailbox and address to accept the public's letters, petitions and reports. The Company has introduced an information management system to achieve full online management of all reports acceptance and handling processes, and has formulated regulations such as the *Rules for Acceptance of Petitions and Reports*, standardizing the scope of complaint acceptance, handling procedures, and approval authorities, ensuring that every complaint is dealt with promptly and properly. In addition, the Company strictly enforced confidentiality regulations, implementing multiple protective measures for the information of complainants and case materials, strictly prohibiting staff from disclosing case-related information, and strictly prohibiting unauthorized contact with individuals involved in cases and their specific relations.



Exhibition of Integrity Culture Works

In terms of building a culture of integrity, the Company has cultivated a strong atmosphere of integrity through various forms of educational and publicity activities. The Company organized a month-long integrity culture promotion campaign, during which a total of 21 outstanding integrity culture works were selected and exhibited, over 40 employees from the headquarters signed commitments, and more than 3,000 "Integrity Family Letters" were signed. Moreover, the Company utilized typical cases for educational purposes, organizing 29 warning education events, including watching warning videos and listening to testimonials from incarcerated individuals, with a total of 2,250 participants. The Company held a warning education meeting, analyzing 12 typical issues from 4 aspects, with over 700 cadres receiving education. Through a series of measures, the Company has effectively enhanced employees' awareness of integrity and self-discipline, laying a solid foundation for the Company's healthy growth.

### Cumulatively in 2024

Number of Corruption  
Litigation Cases

**0** Cases

Average Hours of Anti-Corruption  
Training for Directors

**65** Hours

Average Hours of Anti-Corruption Training  
for General Employees

**95** Hours



## 02 Technology Innovation Drives Development

China BlueChemical achieves long-term operational stability and sustainability through innovative research and development, improving product quality management systems, strengthening chemical management, and enhancing customer service quality, thereby creating long-term value.









## Innovation and R&D

China BlueChemical is actively exploring new opportunities and stimulating the development vitality by scientific and technological innovation. In 2024, the Company focused on three major technology routes, built three major directions of "Source, Chain Extension, and Green", invested RMB 97.65 million in R&D, and optimized the construction of three fields: carbon-rich gas, new materials and value-added fertilizers, as well as the two platforms of Haikou Carbon-Rich Natural Gas Chemical Engineering Technology Center and Dongfang Scientific Research and Pilot Base. The Company has completed the key milestones in the efficient conversion and utilization of carbon-rich gas, laying a good foundation for expanding from traditional chemical industry to new material chemical industry and biochemical industry, and then further developing low-carbon green chemical industry by leveraging renewable and biomass resources.

### In 2024

invested RMB

**97.65** million  
in R&D



The Company continuously strengthens external cooperation, establishing a collaborative innovation platform between industry, academia, and research. It has now achieved comprehensive cooperation in three forms: between enterprises and research institutes, between enterprises and government agencies, and between enterprises and leading enterprises. In 2024, the Company principally explored cooperation with several technology companies and research institutes in the areas of high-carbon natural gas phosphorus and phosphorus fluorine chemical engineering and intensified carbon fiber industrial technology research.

In 2024, the Carbon-Rich Natural Gas Chemical Engineering Technology Center steadily operated for one year in Haikou; the Joint Laboratory for Cross-Innovation on Carbon Neutrality and National Food Security achieved remarkable scientific and technological achievements; Signed a MOU with BASF to establish a joint laboratory for green Carbon-Chemical advanced technologies; the Phosphorus Fluorine Chemical Engineering Technology Center was officially inaugurated; and the "New Fertilizer Joint Research Center" was established to provide technological support for plant nutrition solutions.

The Company's standardization efforts are grounded in both traditional and planned industries. In addition to the revision and formulation of standards related to traditional fertilizers, phosphorus chemicals, and other areas, it focused on the green and low-carbon series of standards. This year, the Company participated in and has already published 1 national standard, 2 group standards, and simultaneously participated in the development of 3 national standards and 4 group standards.



### The dry reforming technology of carbon-rich natural gas helps achieve the "Dual Carbon" goal

In 2024, China BlueChemical successfully advanced the Carbon-Rich Natural Gas Dry Reforming to Synthesis Gas Project. The project achieved its goal from design and construction to the mechanical completion of a 10,000 cubic meter-scale plant, and commenced the operation of a single-tube pilot plant.

Upon completion of the project, CNOOC Fudao will utilize the high-concentration carbon dioxide natural gas resources developed by China BlueChemical, combined with the CO<sub>2</sub>-TS technology jointly developed by China BlueChemical, BASF, and China Wuhuan, to effectively utilize carbon dioxide from the raw material end. This technology will perform reforming of low-carbon alkanes and carbon dioxide in natural gas, producing synthesis gas with an adjustable hydrogen-to-carbon ratio. The synthesis gas can be applied to downstream industries such as methanol, acetic acid, ethylene glycol, ethanol, and new chemical materials, further extending the product chain and achieving carbon emission reduction and efficient carbon sequestration. This provides an effective solution for the green transformation and efficient utilization of carbon-rich natural gas in the South China Sea.



Completion of the Dry Reforming Plant





### Inauguration of the Phosphorus Fluorine Chemical Engineering Technology Center at Dayukou Company

On December 27, 2024, the inauguration ceremony of the Phosphorus Fluorine Chemical Engineering Technology Center of China BlueChemical Dayukou Company (hereinafter referred to as “the Technology Center”) was successfully held at Zhongxiang (Wuhan) Offshore Innovation Center. This Technology Center is an important measure for China BlueChemical to deeply implement its innovation-driven development strategy and accelerate the layout of strategic emerging industries. It is also a concrete action to fulfill the “Strategic Cooperation Agreement” between Jingmen and the Company regarding the “construction of an industrial technology innovation base and promoting the transformation and upgrading of the chemical industry in Zhongxiang.”

As a bridge connecting academia and industry, the Technology Center focuses on research and development and technology transfer in phosphorus and fluorine chemistry, committed to tackling technical challenges and launching more competitive products and solutions. Through the deep integration of “industry, academia, research, and application,” the Technology Center will become an important engine driving the high-quality development of the Company, while also injecting new momentum into the transformation and upgrading of the local chemical industry and regional economic development.



Inauguration of the Phosphorus Fluorine Chemical Engineering Technology Center



### China BlueChemical and BASF Establish a Green Carbon Mono-Chemicals Advanced Technology Joint Laboratory

On June 6, 2024, at the Shanghai International Carbon Neutrality Expo, China BlueChemical and BASF signed a Memorandum of Understanding, announcing the establishment of a Green Carbon Mono-Chemicals Advanced Technology Joint Laboratory, jointly promoting the chemical industry towards low-carbon, green, and sustainable development.

The joint laboratory, based on carbon-mono chemistry, will focus on in-depth cooperation in key areas such as the conversion of carbon dioxide to synthesis gas technology, the production and application of green methanol and green ammonia, advancements in green hydrogen production and purification technologies, as well as the synthesis of green olefins along with their oligomerization and hydrogenation processes aimed at generating green fuels and sustainable aviation fuel products. It is committed to developing forward-looking and practical green chemical technology solutions.



BASF and CBC Green Carbon-one Advanced Chemical Technology Joint Laboratory MOU Signing Ceremony



## Intellectual property protection

In terms of intellectual property management, the Company strictly abides by the *Patent Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, and other relevant laws and regulations. The Company formulates the *Measures for the Management of Intellectual Property Rights*, refraining from engaging in activities infringing on intellectual property rights, and legally owns and protects the intellectual property rights of the Company. As of the end of 2024, the Company had a total of 176 valid patents, covering areas such as MEP, agricultural fertilizers, and chemistry, including 58 invention patents and 118 utility model patents; also held 8 software copyrights. In 2024, the Company filed 65 new patent applications, including 6 invention patent applications and 59 utility model patent applications. The Company had 59 patents accepted and 26 newly authorized patents, all of which were utility model patents.

During brand marketing activities, the Company consistently adhered to the legal and compliant use of third-party intellectual property rights, entering into formal agreements with relevant rights holders to clarify fee standards and usage permissions, ensuring that all collaborative actions comply with legal regulations. Moreover, the Company attached great importance to the protection of its own trademarks, focusing on the standardized use of core trademarks such as Fudao and Xiangyan. In addition, the Company continuously strengthened its awareness of intellectual property rights protection, conducted regular market inspections, and severely combated infringement, thus effectively safeguarding the legitimate rights and interests of the enterprise.

the Company had a total of

**176** valid patents

covering areas such as MEP, agricultural fertilizers, and chemistry, including

**58** invention patents

and

**118** utility model patents

In 2024, the Company filed

**65** new patent applications

including

**6** invention patent applications

and

**59** utility model patent applications

## Scientific Research Talent Cultivation and Innovation Incentives

Research personnel are the primary discoverers and implementers of knowledge creation, scientific and technological innovation, and technological advancement in the Company, serving as the key force supporting the Company's innovation-driven strategy. Addressing the current situation where doctors lack practical experience in the front line and skilled personnel lack scientific and technological knowledge, China BlueChemical is committed to cultivating compound talents who are proficient in technology and capable of driving industrialization. The Company innovatively implemented a talent cultivation mechanism of "doctors going to workshops" and "research personnel going to fields."

In 2024, the Company introduced two overseas high-level talents, both of whom were trained in close proximity to the front line, grassroots, and equipment. They were arranged to participate in shift work at the experimental sites of scientific research projects, enhancing their ability to integrate theory with practice.

In addition, China BlueChemical adhered to the principle of "respecting labor, knowledge, talent, and innovation," and has formulated the *Implementation Rules for Science and Technology Award Selection* and the *Guidelines for Differentially Precise Incentives for Scientific Research Personnel (Trial)*. Through a precise incentive mechanism, the Company stimulated the independent innovation capabilities of scientific research personnel, promoted the transformation of scientific and technological achievements, and provided strong support for the high-quality development of the Company.



## Product quality and safety

The Company strictly implemented the *Product Quality Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. It rigorously enforced national standards for various products and optimized and improved internal management systems such as the *Customer Complaint Management Measures for Self-Manufactured Products* and the *Management Rules for the Distribution of Packaging Materials for Self-Manufactured Products*. A professional quality control system covering product quality and safety, advertising, trademark use, labeling, consumer privacy protection, and after-sales service has been established. The Company focused on enhancing the effectiveness of product quality management and optimizing the after-sales service response mechanism, promptly addressing product quality issues at the market side, thereby contributing to sales growth. Moreover, through in-depth analysis of product and service quality data, the Company provided scientific decision-making support for product upgrades and quality improvements, further enhancing product competitiveness and market reputation. In 2024, the Company continued to advance the building of a comprehensive quality management system, organizing processes into three categories: management support, operation support, and core business. A complete and clear business process framework was established, and the Company also developed a foundational quality document, the *Quality Management Handbook*.

In terms of quality management organization, the Safety Production Department of the headquarter coordinates the quality management work and has a quality management post; the relevant departments of the subordinate units have quality management functions, among which Dayukou Company set up the Quality and Market Management Department in 2021 to build a professional, standardized and effective product quality management pattern. All entities conduct annual internal and external audits for their quality management system every year, implementing corrective actions for identified issues to ensure the systems' effective operation. By the end of 2024, among the production bases under the Company, Fudao, Dayukou and Huahe have obtained ISO 9001 quality management system certification.

The Company continues to promote the quality management of internal inspection and testing organizations, standardize laboratory management. All business units are equipped with full-time laboratory technicians who have undergone rigorous training and passed qualification assessments before assuming their positions. Due to the unique characteristics of the Company's products, a product recall system is currently not applicable. In 2024, the Company's urea and methanol product qualification rate was 100%, and the product excellence rate was 99.89% and 100%, respectively, which have reached the Company's product quality and efficiency annual targets. The Company did not have any quality incidents of level D or above, no major lawsuits and complaints arising from product quality and services, and no sold or shipped products that had to be recalled for safety and health reasons.

We focus on brand quality management and construction, implement the quality positioning of "plant nutrition solution provider", and have been a fertilizer manufacturer certified by the International Fertilizer Industry Association (IFA) for protection and sustainability since 2016. Since 2019, a number of our compound fertilizer products have been certified as green products, and we continue to enhance the value of our brand and improve the management of the trademark "China BlueChemical".



IFA Protection and Sustainability Certification



The Company is committed to building a quality culture and actively carries out “Quality Month” publicity and related activities. During the 2024 Quality Month, the Company published **11** thematic articles or news reports through channels such as newspapers and WeChat official accounts, and broadcasted **22** radio programs, media convergence special programs, and news reports to effectively enhance the impact of the activities. During the event, the Company produced and posted **98** promotional posters, distributed **55** promotional materials, and set up **26** exhibition boards, having created a strong quality atmosphere. **603** people participated in the comprehensive quality management system publicity activities; **782** people attended quality improvement training, and **945** people participated in the discussion on quality work and new quality productive force, having further enhanced employees’ quality awareness and capabilities. Additionally, the Company organized **88** quality hazard investigations, identifying and successfully resolving **122** quality issues. Through **53** product quality inspections and spot checks, the stability and reliability of product quality were guaranteed. Besides, the launch of **106** QC group activities stimulated employees’ enthusiasm for quality improvement.



### China BlueChemical Organized Training on the Building of a Comprehensive Quality Management System

On September 5, 2024, China BlueChemical organized a special symposium for the building of a characteristic and innovative comprehensive quality management system. Relevant personnel from various departments of the Company’s headquarters and 6 affiliated organizations participated to ensure widespread awareness and deep understanding of the system building. During the meeting, detailed explanations and interpretations were provided on the background, scope, basis, key focus areas, overall ideas, and implementation plans for the system building. In-depth communication and exchanges were also carried out with the participants, laying a solid foundation for the implementation of the system building. Through this event, the Company further strengthened the concept of “driving intrinsic safety through quality control,” enhanced its overall quality risk management capabilities, and improved its comprehensive quality management level.



Training on the Building of a Comprehensive Quality Management System

## Occupational health and safety

The Company strictly adheres to the law of the *People’s Republic of China on Prevention and Control of Occupational Diseases*, the *Law of the People’s Republic of China on Work Safety* and other relevant laws and regulations. It upholds the work policy of “prevention as the mainstay, combining prevention and control”, continuously enhancing the management of employees’ occupational health and safety to provide them with a healthy and safe working environment.

The Company proactively monitored and disease threats, formulating the *Health Management Enhancement Implementation Plan*. This initiative drove the implementation of 39 measures across 10 categories, resolutely preventing the overlap of health risks and production safety risks. In terms of health protection facility construction, the Company organized the establishment of medical clinics, health cabins, and health corners. It also equipped key production areas and office spaces with first aid kits, automatic external defibrillators (AEDs), and other necessary items. In terms of infectious disease prevention, the Company stays abreast of and comprehends the policies of the national and local governments regarding infectious disease outbreaks and public health emergencies. It regularly reports epidemic prevention information and issues health advisories such as *Tips on Preventing Influenza Virus Infection* and *Tips on Preventing COVID-19 Infection*. Additionally, the Company strengthens its monitoring and early warning systems, regularly conducts health risk assessments, and develops corresponding measures





## The Company Organized Training on First Aid Skills

To enhance the self-rescue and mutual-aid capabilities of all employees and further strengthen the health defenses, the Company meticulously organized a training session on first aid skills, and invited first aid experts to provide detailed lectures on emergency knowledge such as cardiopulmonary resuscitation; furthermore, hands-on practical training was conducted. The physician lecturer presented the Heimlich standing position emergency technique and elaborated on the operational essentials of cardiopulmonary resuscitation and automatic external defibrillator (AED). On-site participants, under the physician's guidance, practiced cardiopulmonary resuscitation and AED usage techniques using human mannequins. These practical exercises further enhanced the employees' first aid skills, effectively bolstering their health awareness and self-protection capabilities. The training embodied the Company's care and support for holistic development of its employees, laying a solid foundation for creating a healthy and harmonious work environment.



Organizing Training on First Aid Skills

The Company attaches great importance to the mental health of its employees and has opened a 7\*24-hour mental health counseling hotline to provide free psychological counseling services for all employees. In 2024, the Company initiated a comprehensive mental health assessment across the organization. The aim was to help employees gain insights into their psychological well-being, attend to their mental health needs, and offer precise psychological assistance to those in need. Additionally, the Company regularly hosts lectures on mental health promotion, where experts explain stress generation processes, professional assessment methods, and stress reduction techniques. These initiatives effectively alleviate employees' work pressure, fostering a sense of well-being and promoting a harmonious work-life balance.



## The Company Organized a Psychological Wellness Enhancement Lecture on "Improving Communication Skills and Managing Interpersonal Relationships"

To help employees cultivate a positive mindset and create a harmonious work environment, the Company meticulously planned and successfully hosted a psychological wellness enhancement lecture centered on "Enhancing Communication Skills and Managing Interpersonal Relationships." For this event, the Company invited an expert in psychological health. Starting from the knowledge related to psychological structure, the expert introduced concepts such as the "Iceberg Theory" and the "Three Steps of Empathy." Through in-depth yet accessible explanations and case analyses, the employees gained a comprehensive understanding of the importance of empathy in communication and interpersonal management. The lecture combined on-site interaction with live streaming in sub-venues, while also supporting individual video participation. This lecture not only enriched the employees' psychological knowledge base, but also provided various communication skills, thereby enhancing the employees' psychological health and well-being.



The Psychological Wellness Enhancement Lecture on "Improving Communication Skills and Managing Interpersonal Relationships"



The Company attaches great importance to production safety, establishing the core values of "Safety first, environmental protection first, keep employee as fundamental, keep equipment intact", and continuously improving various protective facilities to minimize the possibility of work-related accidents or injuries. In 2024, the Company, with unwavering determination and unity, advanced steadily towards its goals. Focusing on the three-year action for fundamental improvement in safe production and the "Year of Lean Management" for grassroots foundation enhancement, the Company oriented itself towards the risks faced and the weaknesses in management. It consistently anchored its management foundation on "systematic construction and rigorous execution," broadening management approaches and tool applications. By vigorously strengthening foundations, solidifying the base, and promoting improvements, the Company ensured a continuous, stable, and positive trend in safe production. It fully achieved all HSE objectives, with a nearly **78%** decrease in production safety incidents over the past three years. According to the rules in the industry and the requirements of the CNOOC, the Company mainly adopts OSHA values to count the number of work-related injuries. In 2024, the OSHA recordable accident rate was **0.026**, and there were no fatal accidents due to work-related injuries in the past three years, including this reporting period.

The company implements the "three concurrent" management requirements for occupational disease prevention facilities, carries out occupational health examinations, and performs comprehensive risk assessments of occupational disease hazards; it also implements hierarchical management for hearing protection among noise-exposed operators. The company consistently enhances training in the prevention and control of occupational hazards, thereby raising the occupational safety and health awareness of all staff members; it also proactively controls occupational disease hazard factors and improves the management level of occupational disease hazard prevention and control. In 2024, the Company prioritized occupational disease source governance, the creation of a healthy work environment, and the enhancement of employees' health awareness; it consistently reinforced the institutional foundation for occupational health, further standardized the physical examination management process, and organized a series of promotional activities, including the "Law on Prevention and Control of Occupational Disease" Publicity Week. This created a safe and healthy work environment for all employees.

In 2024

**2,261** employees were exposed to occupational disease hazards, with **100%** medical examination rate. There were no suspected cases or cases of occupational diseases found during the medical examinations.



2022

Number of work-related deaths **0**  
person

Percentage of work-related deaths **0%**

Number of working days lost due to  
work-related injuries **42** days

2023

Number of work-related deaths **0**  
person

Percentage of work-related deaths **0%**

Number of working days lost due to  
work-related injuries **0** days

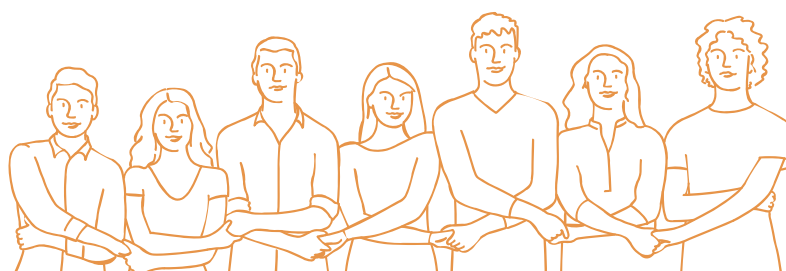
2024

Number of work-related deaths **0**  
person

Percentage of work-related deaths **0%**

Number of working days lost due to  
work-related injuries **81** days

Data on work-related deaths for the past three years







## Customer relationship management

China BlueChemical continuously optimizes its customer service system, aiming to enhance customer consumption experience and satisfaction. By establishing efficient customer communication channels, timely quality complaint handling mechanisms, and earnestly incorporating customer suggestions, the Company endeavors to meet customer needs and continually optimize service quality. In 2024, the Company did not receive any product quality complaints.

1

**Upon receiving customer complaints, business personnel should immediately report to the department head and arrive at the site of goods damage within 72 hours. They are required to document and verify the situation by photographing/video-recording the product quality conditions and storage environment, thereby forming a preliminary assessment.**

- If the preliminary judgment is not our responsibility, and a final conclusion is reached after full communication with the customer and with mutual agreement, the Company's handling unit should appropriately address the issue;

2

**If the preliminary judgment indicates that the issue falls under the responsibility of the Company, the handling unit shall be responsible for tracking, investigating, and resolving the issue. The personnel from the handling unit should go to the warehouse within 72 hours after the formation of the initial judgment. They should assess the storage conditions, including product quality and storage environment, through photography and video evidence verification, to determine the storage party's responsibility and the cause of the problem.**

- If it is finally judged to be the responsibility of the storage party, the subsidiary will deal with it according to the agreement terms of the storage contract;
- If it is judged to be the responsibility of the non-warehousing party, the subsidiary's business personnel should communicate with the production unit within 72 hours to confirm whether it is the responsibility of the production unit.

3

**If the preliminary judgment indicates that the issue falls under the responsibility of the production units, the business staff shall, within 72 hours after determining the preliminary judgment result, provide the *Product Quality Issue Feedback Form* and relevant materials to the related production units, who shall provide a handling opinion on the quality issue:**

- For losses amounting to RMB 20,000 (inclusive) or less, the relevant production units shall provide the *Product Quality Issue Feedback Form* and a handling opinion; if necessary, it shall dispatch personnel for on-site investigation. If the production units fail to provide an official email response within 72 hours after confirming receipt of the *Product Quality Issue Feedback Form*, they will be deemed to agree with the handling opinion in the *Product Quality Issue Feedback Form*. The Company will then negotiate with the customer and handle the matter based on the business event authority regulations.
- For losses exceeding RMB 20,000, the relevant production units shall dispatch personnel to the location of the damaged goods within 72 hours. They shall then work with the relevant business staff from the China BlueChemical (Hainan) Marketing Ltd. to conduct a joint investigation, provide a handling opinion, and submit the *Product Quality Issue Feedback Form*. Additionally, they are responsible for following up and investigating the issue.

To safeguard the legitimate rights and interests of customers, the Company revised its standard sales contracts for self-manufactured products in alignment with its current business model. This involved a thorough review and clarification of contract terms, aimed at distinctly defining the responsibilities and obligations of both parties. This initiative is dedicated to reducing the risks associated with ambiguity in contract terms during customers' performance of contracts. To protect consumer privacy, the Company has formulated *Confidentiality Provisions*, requiring employees to sign confidentiality agreements and prohibiting unauthorized disclosure of confidential data. Additionally, the Company implements training programs for the marketing staff to enhance employees' awareness of compliance.





Compliance Training for Marketing Staff

Through regular customer visits and seminars, we actively strengthen our interaction with customers, gaining a deeper understanding of their needs. This allows us to provide excellent marketing services and realize a win-win situation between the Company and its customers. In addition, the Company conducted two customer satisfaction surveys in 2024. The Company's customer satisfaction survey for its methanol business covered all business areas and received a total of 24 responses. The results showed that customers' overall satisfaction with the Company's product quality, service quality and corporate reputation reached 100%. To gain insights into the development of the fertilizer market and customer needs, the Company conducted market research in 3 provinces and 6 cities in South China, Northwest China, and Northeast China. This involved visiting 15 key distributors and grassroots stores to deeply understand the supply, quality issues, and market competitiveness of the Dayukou product series. The Company also introduced its quality improvement achievements and development plans to the distributors' heads, thereby enhancing customer confidence in collaboration. Additionally, a customer satisfaction survey was conducted, revealing an overall satisfaction rate of 96.36%. Through the customer satisfaction survey, the Company objectively and comprehensively grasped the customer's satisfaction with the product, complaints and suggestions for improvement, further clarifying the direction for product quality improvement.

## Supply chain management

China BlueChemical is dedicated to continuously improving its supply chain management system and enhancing the digitalization of its procurement platform to achieve efficient management of the entire lifecycle of suppliers. This effort aims to reduce supply chain risks and ensure production stability. In 2024, the Company updated its *Supplier Management Measures*, refining details and optimizing the centralized management and hierarchical responsibility model for supplier management. The Engineering and Procurement Department of the Company is responsible for the formulation of supply chain management system, and the Procurement and Sharing Center of the Company is responsible for the construction and maintenance of the supplier database, including the approval of supplier entry, annual assessment, and optimization management of the supplier database, etc. The stationing team of the Procurement and Sharing Center in each subsidiary Company is responsible for the recommendation of the suppliers, preliminary examination, and process assessment.





- Following the principle of "management before use," suppliers are required to provide necessary compliant operation materials. Upon review by dedicated individuals, they are included in the list of qualified suppliers. It is explicitly stated that within the product category range corresponding to the listed suppliers, they may be invited to participate in the Company's procurement activities for the corresponding categories.



- Suppliers are required to provide relevant qualification certificates, and proof materials for green environmental protection and social credit related to their services before engaging in the bidding process.
- During the qualification review, the Company conducts inquiries on the suppliers' qualifications, performance, environmental, and social risks through websites of government agencies such as the State Administration of Taxation, China Judgments Online, and Credit China. The Company also conducts on-site assessments and inspections of the suppliers' production capacity, quality systems, and environmental certifications. After passing through hierarchical approvals and supervision, suppliers are allowed to enter the commercial proposal evaluation and award of bid.

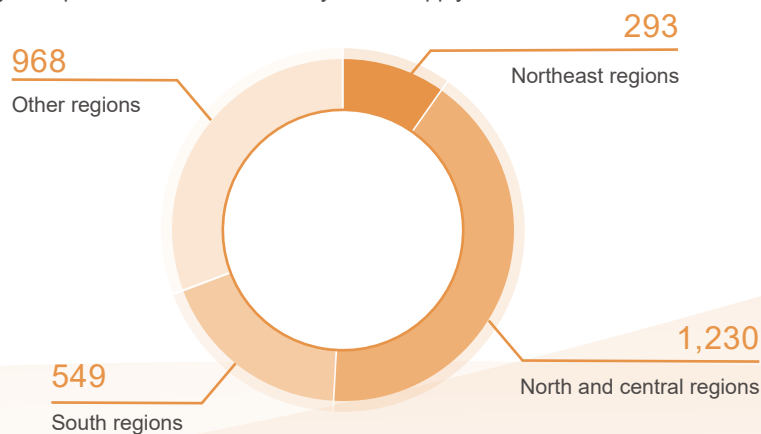


- The Company offers moderate preferential incentive policies to suppliers who use green, environmentally friendly, and energy-efficient products and services.
- During the evaluation, the Company incorporates the ESG factors into considerations, awarding additional points to suppliers who use green, environmentally friendly, and energy-efficient products and services; the Company also monitors the procurement process and contract execution.



- The Company regularly monitors the contract compliance of suppliers to ensure that the products provided meet the required quality standards and are delivered on time, complying with local government policies and safety and environmental regulations.
- The Company uses an intelligent supplier management platform to centrally control procurement transactions and maintain the supplier database online, while also monitoring supplier services throughout the procurement process.
- The Company implements dynamic assessments of supplier services based on their service progress, with a single assessment for each order. Moreover, the Company carries out regular supervision & appraisal, evaluation, and classification & grading management of suppliers annually.

Adhering to the principles of fair operation, mutual trust and reliance, and win-win cooperation, we advocate the establishment of a business environment of fair competition, equality and mutual benefit, and the establishment of a reasonable evaluation and management mechanism and communication. This effectively prevents illegal and unethical practices, such as backdoor dealings and commercial bribery, and promotes the sustainability of the supply chain.



Distribution of Suppliers by Region



## 03 Resolute Green Steps

The Company steadfastly upholds the principle of green development, aiming to create a "green chemical enterprise." It continuously strengthens its energy management system and environmental management system, integrating environmental management, emissions management, energy and resource management into all aspects of production and operation. By doing so, it continuously reduces the impact of its operational activities on the environment. The Company explores new models of green development where production and business operations promote mutual benefits with ecological and environmental protection, striving tirelessly to achieve a vision of sustainable development. In 2024, the Company continued to implement its green and low-carbon development strategy. Its energy efficiency and water efficiency maintained their leading edge. The Company's methanol plant received the "Energy Efficiency Leader" honor from the China Petroleum and Chemical Industry Federation for the 13<sup>th</sup> consecutive year, and its synthetic ammonia plant received the "Water Efficiency Leader" honor from the China Nitrogen Fertilizer Industry Association for the 5<sup>th</sup> consecutive year.









## Climate change

The Company actively implements the national "Dual Carbon " goals, adheres to the concept of "Lucid waters and lush mountains are invaluable assets ", refers to the recommendations of the framework of the Taskforce on Climate-related Financial Disclosure (TCFD), actively responds to climate change, promotes the identification of climate change risks and opportunities, and develops climate change risk response strategies with partners to address climate change risks. The Company has always adhered to the basic principle of "Ten precautions must be taken, even if they all may seem futile" and will continue to do a good job in coping with extreme weather. In 2024, there were no accidents or incidents caused by natural disasters.



### Climate change risks and opportunities

The Company, in light of its industry-specific features and actual business operations, regularly identifies and analyzes the physical risks and transformation risks and opportunities associated with climate change; additionally, it assesses the potential impacts and actively takes corresponding measures. The risks and opportunities related to climate change identified by the Company and its countermeasures are outlined below:





Climate risks and opportunities		Potential financial influence	Responses	
Physical risks	Acute physical risks	Flood	<ul style="list-style-type: none"><li>- Increased health and safety incidents lead to higher operating costs;</li><li>- Repairing or replacing damaged equipment resulting in higher costs;</li><li>- May cause chemical spills, raising the risk of environmental contamination.</li></ul>	<ul style="list-style-type: none"><li>- The Company is actively concerned about the flood season national natural disaster risk situation forecast released by the National Disaster Reduction Commission Office, strictly abide by the safety bottom line and red line, solid and strong deployment and implementation of natural disaster prevention work to ensure the safe and stable operation of the Company.</li><li>- Improve the leadership during the disaster prevention system, do a good job in the special period of typhoon prevention, flood control, heavy protection, ensuring timely and effective disposal and reporting of accidents and dangerous situations.</li><li>- Pay close attention to the extreme weather conditions around the world, formulate response plans in advance for typhoons and natural disasters, and respond and activate the emergency plan at the first time.</li><li>- Timely cleaning and unblocking of the drainage system to prevent extensive flooding.</li><li>- Reinforcement of port facilities and timely avoidance of platforms by ships to prevent ships from anchoring, running aground and collision. Carry out regular inspection of materials to ensure that all kinds of raw and auxiliary materials and emergency supplies are in perfect and effective standby status to meet the daily production needs and emergency rescue in case of emergency call.</li></ul>
		Drought and water resource urgency	<ul style="list-style-type: none"><li>- A reduction in water supply to the operational area necessitates water dispatching, resulting in higher water consumption rates and increased operational costs;</li><li>- Droughts lead to ship groundings, elevating operational costs.</li></ul>	
		Typhoon	<ul style="list-style-type: none"><li>- Resulting in damage to port facilities and ships;</li><li>- Repairing or replacing damaged equipment results in higher costs.</li></ul>	
		Geologic disaster	<ul style="list-style-type: none"><li>- Increased health and safety incidents lead to higher operating costs;</li><li>- Repairing or replacing damaged equipment results in higher costs.</li></ul>	
		Rise in temperatures	<ul style="list-style-type: none"><li>- High temperatures affect operational efficiency and increase operational and labor costs.</li></ul>	
		Increased frequency and intensity of extreme weather	<ul style="list-style-type: none"><li>- The company's inability to promptly replenish emergency supplies to respond to extreme weather disrupts normal operations frequently, leading to increased operational costs.</li></ul>	
	Chronic physical risks	Long-term shifts in natural patterns, such as rising sea levels and sustained high temperatures	<ul style="list-style-type: none"><li>- Employee commuting and working conditions are affected, reducing productivity and increasing operational costs;</li><li>- Sustained high temperatures lead to higher equipment maintenance costs and a decline in the value of fixed assets.</li></ul>	

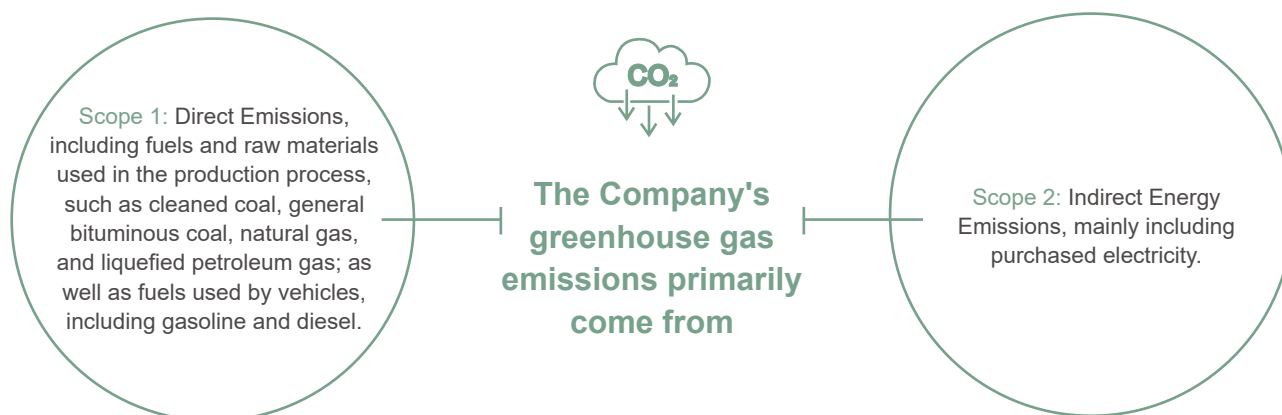


Climate risks and opportunities		Potential financial influence	Responses
transformation risks	Policy and Legal Risks	<ul style="list-style-type: none"> <li>- Non-compliance with climate-related policies or laws may result in legal liability and various forms of penalties for the Company, causing increased operational costs, reduced operating income, and elevated credit risks.</li> </ul>	<ul style="list-style-type: none"> <li>- Continuously pay attention to the development trend of environmental protection and low-carbon laws and regulations and formulate countermeasures in a timely manner.</li> </ul>
	Technical risks	<ul style="list-style-type: none"> <li>- Lagging behind peers in the development and application of energy-saving and low-carbon technology may result in a decline in market position and reduced access to financing;</li> <li>- Investing more in the research and development of energy conservation and emission reduction technologies lead to higher R&amp;D costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Enhance R&amp;D investment to maintain a leading position in energy-saving and low-carbon technology within the industry.</li> </ul>
	Market risks	<ul style="list-style-type: none"> <li>- The rise in raw material costs leads to higher production costs, which in turn results in increased product prices;</li> <li>- Higher product prices may lead to a decline in market share and a decrease in operating income;</li> <li>- The growing demand for low-carbon products from downstream customers leads to higher R&amp;D expenses.</li> </ul>	<ul style="list-style-type: none"> <li>- Optimize production processes, improve the efficiency of raw material usage, and minimize waste;</li> <li>- Maintain stable raw material prices through enhanced supply chain management;</li> <li>- Satisfy the growing customer demand for low-carbon products through continuous R&amp;D innovation.</li> </ul>
	Reputation risk	<ul style="list-style-type: none"> <li>- Failure to fulfill the stakeholders' focus and expectations concerning practices related to climate change response brings about a decline in operating income, rising operational costs, and a decrease in available financing.</li> </ul>	<ul style="list-style-type: none"> <li>- Enhance communication with stakeholders to reduce the likelihood of reputation risk.</li> </ul>
Opportunity	Green Energy Transition	<ul style="list-style-type: none"> <li>- By focusing on development and utilization of green energy, we can reduce dependence on fossil fuels, lower energy expenses, and cut operational costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Actively embrace the green energy transition and policy dividends, seize the opportunities and accelerate the green transformation.</li> </ul>
	Policy supports and subsidies	<ul style="list-style-type: none"> <li>- Actively respond to national policies and secure national subsidies and support for green industry, and reduce operational costs.</li> </ul>	



## Climate Action

The Company incorporates climate change into its daily operations and production processes, supporting the national objectives of carbon peaking and carbon neutrality. It consistently strengthens its control over greenhouse gases and is committed to contributing to the mitigation of climate change.



In 2024, the Company's carbon emissions amounted to 5,435,000 tons, a decrease by approximately 6% compared to the previous year. Among these, direct CO<sub>2</sub> emissions (including industrial production process emissions and fossil fuel combustion emissions) amounted to 5,063,800 tons, while indirect CO<sub>2</sub> emissions (net purchased electricity and heat emissions) were 371,200 tons; specifically, emissions in the Hainan Area amounted to 3,804,400 tons, accounting for 70%; emissions from Dayukou Chemical were 160,800 tons, accounting for 3%; emissions from Huahe Coal Chemical were 1,469,800 tons, accounting for 27%.

the Company's carbon emissions amounted to

**5,435,000** tons

a decrease by approximately

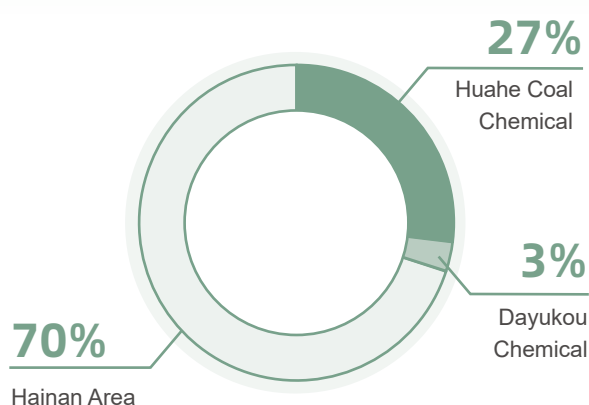
**6%** compared to the previous year

direct CO<sub>2</sub> emissions amounted to

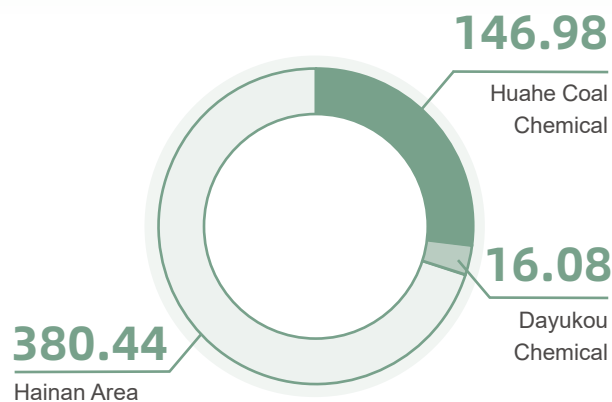
**5,063,800** tons

while indirect CO<sub>2</sub> emissions were

**371,200** tons



Carbon Dioxide Emissions (%)



Carbon Dioxide Emissions (in Ten Thousand Tons)



Direct (Scope 1) greenhouse gas emissions

**5,063,800**

Tons of Carbon Dioxide Equivalent

Intensity of direct (Scope 1) greenhouse gas emissions

**424**

Tons of Carbon Dioxide Equivalent/RMB 1 Million revenue

Indirect greenhouse gas emissions

**371,200**

Tons of Carbon Dioxide Equivalent

Intensity of indirect (Scope 2) greenhouse gas emissions

**31**

Tons of Carbon Dioxide Equivalent/RMB 1 Million revenue



### Huahe Coal Chemical Explores Equipment Energy Conservation Potential

Being the first coal chemical facility of CNOOC, Huahe Coal Chemical consistently enhances technological breakthroughs and thoroughly explores the energy-saving potential of its equipment, thereby fostering the Company's green development.

Huahe Company proactively advances the project of recovering and utilizing the residual heat of the boiler's periodic discharge exhaust steam. The steam discharged from the periodic discharge tank is directed into the residual heat recovery plant. The discharged steam undergoes cooling and heat exchange with cold demineralized water, effectively absorbing the residual heat of the periodic discharge tank and converting it into condensate. The condensate then flows into the high-level drain tank via the bottom drain pipe and is transported to the deaerator by the drain pump, thus achieving the recycling and reuse of resources. This transformation not only effectively prevents the erosion of the surrounding wall surfaces by the flash steam from the periodic discharge tank, but also avoids environmental thermal pollution issues caused by the flash steam. This project can recover 1.5 tons of exhaust steam per hour, saving 1,050 tons of standard coal annually and reducing CO<sub>2</sub> emissions by 2,793 tons, significantly contributing to energy conservation and emission reduction.

## Environmental management

The Company closely monitors the environmental impact of its production and operations, adhering to relevant environmental protection laws and regulations. It has built and implemented a comprehensive environmental management system in line with industry standards, viewing environmental protection as a crucial indicator of the enterprise's commitment to green values. Strict adherence to the *Environmental Protection Law of the People's Republic of China*, *Regulations on the Administration of Environmental Protection of Construction Projects* and other regulations, the Company formulates *Management Measures for Eco-environmental Protection* and *Regulation for Enterprise Environmental Risk Management* and other regulations to continuously strengthen environmental management.



## Environmental Management System

China BlueChemical has established an effective environmental management system, including the QHSE (Quality, Health, Safety, and Environmental Protection) Committee responsible for major decisions regarding safety and environmental protection. The Company formulates the overall environmental protection policy, ensuring its implementation, while also guiding, supervising, and assessing the environmental protection efforts of subordinate units. Each subordinate unit undertakes specific environmental protection measures and complies with responsibilities for environmental protection management.

In 2024, China BlueChemical did not experience any environmental accidents.

## Risk Management

The Company strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*. It rigorously implements the requirement that environmental protection measures and project construction be designed, constructed, and put into operation simultaneously. Moreover, the Company actively promotes the rectification of environmental hazards and comprehensively controls the environmental risks of the enterprise.

To standardize environmental risk management, the Company developed the *Regulation for Enterprise Environmental Risk Management*. This establishes a routine management orientation for environmental risks, consolidates the hierarchical responsibility system for ecological and environmental protection, and enhances the Company's capability to respond to environmental events. The Company regularly updates its environmental risk management system and guides its subordinate organizations in implementing environmental risk management. It builds a risk prevention and control system for sudden environmental events, identifies potential environmental risks, and conducts enterprise-level environmental hazard inspections, environmental compliance rectification, and environmentally sensitive information management, thereby ensuring that environmental risks are effectively contained.

Given the unpredictability and occasional nature of environmental risks, the Company established a comprehensive emergency management system for sudden environmental events, continuously improving the management of equipment operation, characteristic pollutants and toxic and hazardous gas emissions, and the transportation of hazardous chemicals and radioactive materials. Moreover, the Company regularly organized environmental risk consultations to effectively assess and control a series of environmental risks.

The Company is well aware that environmental emergency plans can effectively reduce the occurrence probability and impact of sudden environmental events. Therefore, it formulated environmental emergency management plans to clarify the emergency response process for environmental events, aiming to alleviate the impact of acute environmental events on society and the environment. This guarantees the safety of the lives and property of residents in surrounding communities and environmental safety.

### Principles of environmental risk management

- Source prevention, process control
- Classification and management, graded prevention and control
- Focus and accountability

### Environmental risk management objectives

- Establishment of an enterprise environmental risk management ledger
- Implementing environmental risk control measures
- Ensuring effective control of environmental risks



## Emissions management

The Company complies with the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and other relevant laws and regulations. It strengthens the management of discharges, ensures compliance with discharge standards, and strictly controls environmental pollution caused by discharges.

### Emission control

The Company produces urea and methanol with natural gas and coal as raw materials, and ammonium phosphate (monoammonium phosphate and diammonium phosphate) and compound fertilizer with phosphate ore, sulfur and synthetic ammonia as raw materials, with the main emissions of CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>x</sub> and other exhaust gases. The Company strictly implements the *Law of the People's Republic of China on Prevention and Control of Air Pollution*, *Comprehensive Emission Standards for Air Pollutants*, the *Emission Standard of Pollutants for Petroleum Chemistry Industry*, and other regulations and standards. The production units meet the SO<sub>2</sub>, NO<sub>x</sub> national environmental protection emission standards. In 2024, the Company achieved its target of maintaining a 100% compliance rate for exhaust gas emissions.

#### 2024 Pollutant Emission Permit Value

SO<sub>2</sub>

**1,523.88** tons

#### 2024 Actual Pollutant Emission Value

SO<sub>2</sub>

**275.66** tons

NO<sub>x</sub>

**2,167.26** tons

NO<sub>x</sub>

**1,110.31** tons

Up-to-standard Emission Rate of Waste Gas Objective

**100%**

Up-to-standard Emission Rate of Waste Gas Result

**100%**

### Solid waste management

The Company's non-hazardous waste primarily comprises solid wastes generated during the production, such as boiler ash and slag. Hazardous waste primarily includes dangerous solid wastes, such as used catalysts from the manufacturing of products. The Company attaches great importance to the generation and disposal of hazardous and non-hazardous wastes. It stringently complies with the requirements of standards such as the *Pollution Control Standard for Storage and Disposal Sites of General Industrial Solid Waste*, the *Pollution Control Standard for Storage of Hazardous Waste*, and the *Rules for the Management of Hazardous Waste*. The Company formulated relevant management regulations and processes to standardize activities related to the collection, storage, declaration, and transfer of hazardous wastes. It also takes measures to prevent scattering, volatilization, loss, leakage, or other forms of environmental pollution, avoiding spills that could cause environmental pollution. Moreover, the Company entrusted the professional disposal of hazardous wastes to organizations with national environmental protection qualifications.

Given the production characteristics of the Company, the generation of solid waste is uncertain, making it difficult to set specific reduction targets. The Company commits to continuously striving for the safe handling of solid waste, with a management goal of maintaining a 100% safe disposal rate for solid waste. In 2024, the Company achieved a 100% safe disposal rate, fulfilling the management objective of a 100% safe disposal rate for solid waste.





In 2024

Hazardous waste emissions

**55,590** tons

Intensity of hazardous waste emission

**0.0013** tons /RMB 1 Million revenue

Non-hazardous waste emissions

**2,850,008** tons

Intensity of non-hazardous waste emission

**238.57** tons /RMB 1 Million revenue

Safe Disposal Rate of Solid Waste Objective **100%**

Safe Disposal Rate of Solid Waste Result **100%**

## Wastewater management

The Company's wastewater mainly comes from industrial wastewater and domestic sewage. The Company complies with the *Standards of Emission Standards for Water Pollutants in Ammonia Industry*, *Emission Standards for Pollutants in Petrochemical Industry*, *Emission Standards for Pollutants in Petroleum Refining Industry*, etc., and strictly treats industrial wastewater and domestic sewage to achieve the standard discharge. It improves the efficiency of wastewater reuse and reduces the wastewater discharge. The Company's cumulative emission of Chemical Oxygen Demand (COD) in 2024 was 47.48 tons and ammonia nitrogen (NH<sub>3</sub>-N) was 0.47 tons.

Pollutant Emission Permit Values of the Company for 2024

Chemical Oxygen Demand (COD)

**50.69** tons

Ammonia Nitrogen (NH<sub>3</sub>-N)

**15** tons

Actual Pollutant Emissions of the Company for 2024

Chemical Oxygen Demand (COD)

**47.48** tons

Ammonia Nitrogen (NH<sub>3</sub>-N)

**0.47** tons

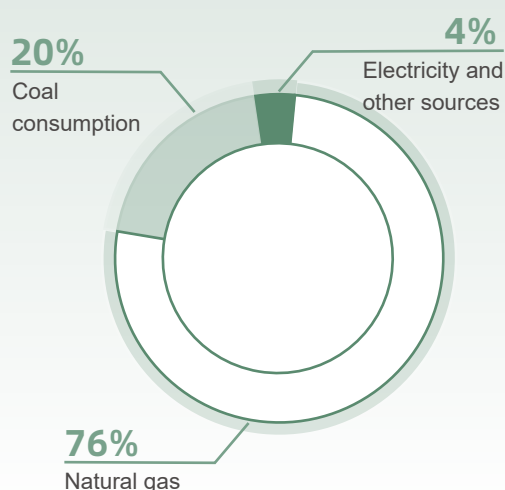
## Energy and resource use

The Company strictly abides by the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations, continuously improving the energy management system, implementing refined management, enhancing the efficiency of energy use in the production process, and continuously optimizing the structure of energy use.



## Resources Utilization

The energy used in the Company's operations primarily includes natural gas, coal, and electricity. The Company expects to achieve a total energy saving of 80,000 tons of standard coal equivalent from 2021 to 2025. By 2025, the Company aims to control its comprehensive energy consumption at 3.8 million tons of standard coal equivalent, with a comprehensive energy consumption per unit of output value below 3.65 tons of standard coal per RMB 10,000. To improve energy efficiency, the Company actively implements various technological upgrades and project measures, including enhancing the recovery and utilization of waste heat and waste pressure, increasing motor efficiency, adjusting product structures, and optimizing production operations. Additionally, the Company will advance the construction of PV power generation projects to contribute to energy conservation and carbon reduction. In 2024, the Company's comprehensive energy consumption was 3.484 million tons of standard coal, which was compliant with the "Fourteenth Five-Year" comprehensive energy consumption control target. Of this, natural gas consumption was 3,442,365,800 standard cubic meters, accounting for 76% of total energy consumption; coal consumption was 918,100.75 tons, accounting for 20% of total energy consumption; electricity and other sources accounted for 4% of total energy consumption.



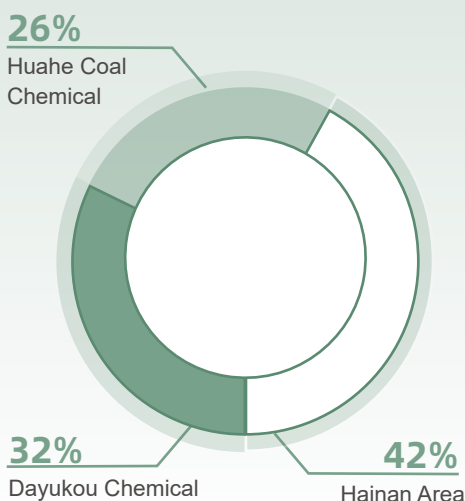
the Company's comprehensive energy consumption was

**3.484** million tons of standard coal

natural gas consumption was **3,442,365,800** standard cubic meters

coal consumption was **918,100.75** tons

The principal packaging material used by the Company is woven bags. In 2024, the Company consumed a total of 7,452 tons of woven bags, of which about 3,142 tons were used in the Hainan Area, accounting for 42%; about 2,357 tons were used in Dayukou Chemical, accounting for 32%; and about 1,953 tons were used in Huahe Coal Chemical, accounting for 26%.



the Company consumed a total of

**7,452** tons of woven bags

of which about  
**3,142** tons were  
used in the Hainan  
Area

about  
**2,357** tons were  
used in Dayukou  
Chemical

about  
**1,953** tons were  
used in Huahe Coal  
Chemical





## In 2024

Total energy consumption (tons of standard coal)

**3,484,049.50**

Intensity of energy consumption  
(tons of standard coal/RMB 1 Million revenue)

**291.65**

Electricity consumption  
(10,000 KWh)

**64,957.80**

Intensity of electricity consumption  
(10,000 KWh/RMB 1 Million revenue)

**5.44**

Cleaned coal  
(tons)

**482,253.23**

Bituminous coal  
(tons)

**435,847.52**

Gasoline (tons)

**1.52**

Natural gas (10,000 cubic meters)

**344,236.58**

Diesel oil (tons)

**1,246.90**

Liquefied petroleum gas (tons)

**154.97**

Refinery dry gas (tons)

**43,277.38**

Heat (MkJ)

**161,274.62**

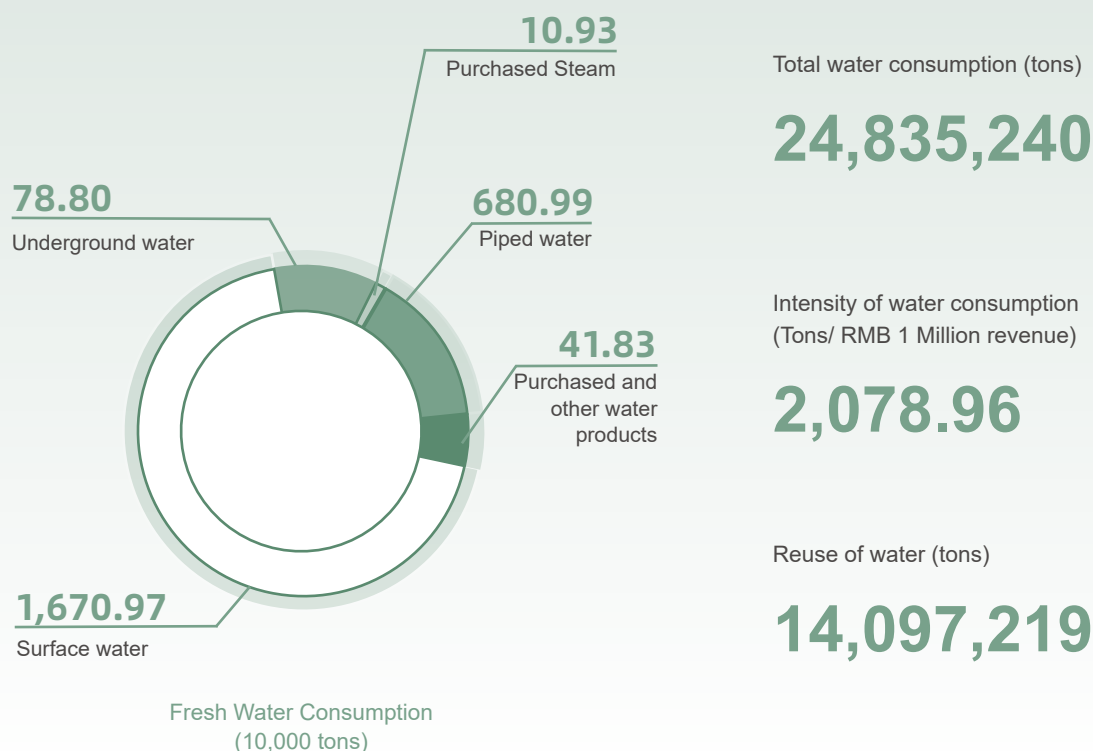




## Water utilization

China BlueChemical adheres to the *Water Law of the People's Republic of China*, *Action Plan for the Improvement of Industrial Water Efficiency* and other laws and regulations and relevant systems of the places where it operates, in the management of water sources to ensure the rational and efficient use of water resources. In 2024, the Company consumed 24,835,200 tons of fresh water, and the Company did not encounter any problems with obtaining and utilizing water sources, without having any significant impacts on the environment and the outside world.

The Company expects to achieve a total water saving of 650,000 tons from 2021 to 2025. To improve water efficiency, the Company is actively promoting water-saving technical improvement and technical measure projects. Through comprehensive recovery and utilization of wastewater and comprehensive water treatment efforts, the Company further reduces primary water consumption and lowers the cost of treated water, thereby improving water efficiency.







## Energy conservation

Through technological improvement and management optimization, we strive to reduce the demand for new energy and simultaneously improve the efficiency of energy use, so as to achieve the purpose of energy saving and carbon reduction. In 2024, the Company will vigorously promote the application of advanced energy-saving technologies, processes, and equipment through technological transformation and implement a series of energy-saving and carbon reduction projects.





 Firms	 Projects	 Project Content	 Benefits
Hainan Area	Energy-saving Retrofit for Methanol Phase II Conversion Furnace	The furnace interior walls and flue walls of the Methanol Phase II Conversion Furnace were coated with environmentally friendly nano-energy-saving materials with high thermal radiation rates to form a protective layer similar to a ceramic mirror surface at high temperatures. This effectively increased the thermal radiation rate and reduced heat loss.	The project is expected to save approximately <b>10,288</b> tons of standard coal equivalent; it's expected to reduce carbon emissions by approximately <b>26,716</b> tons of CO <sub>2</sub>
Dayukou Company	Drive Retrofit for the HRS Boiler Feedwater Pump	One of the HRS boiler feedwater pumps, P15002B, was retrofitted with a drive system, converting the motor drive to a steam screw expansion power unit for energy conservation	The project is expected to save approximately <b>74</b> tons of standard coal equivalent; it's expected to reduce carbon emissions by approximately <b>315</b> tons of CO <sub>2</sub>
Huahe Company	Waste Heat Recovery Retrofit Project for the Gasification High-Flash Gas	The heat from the high-flash gas in the gasification process is absorbed by circulating water. Through the retrofit, demineralized water is used instead of circulating water to cool and recover the waste heat from the high-flash gas, thus saving steam	The project is expected to save approximately <b>1,400</b> tons of standard coal equivalent; it's expected to reduce carbon emissions by approximately <b>4,500</b> tons of CO <sub>2</sub>

## Green mining

In 2024, the Company conscientiously implemented the national policies and regulations on mining geological environment protection and restoration and management, fulfilled its obligation of "mining while managing", rationally developed the mineral resources, and effectively protected the mining environment, ensuring the coordinated development of development and utilization of mineral resources and environmental protection.

### Green Mining Regulation Initiatives

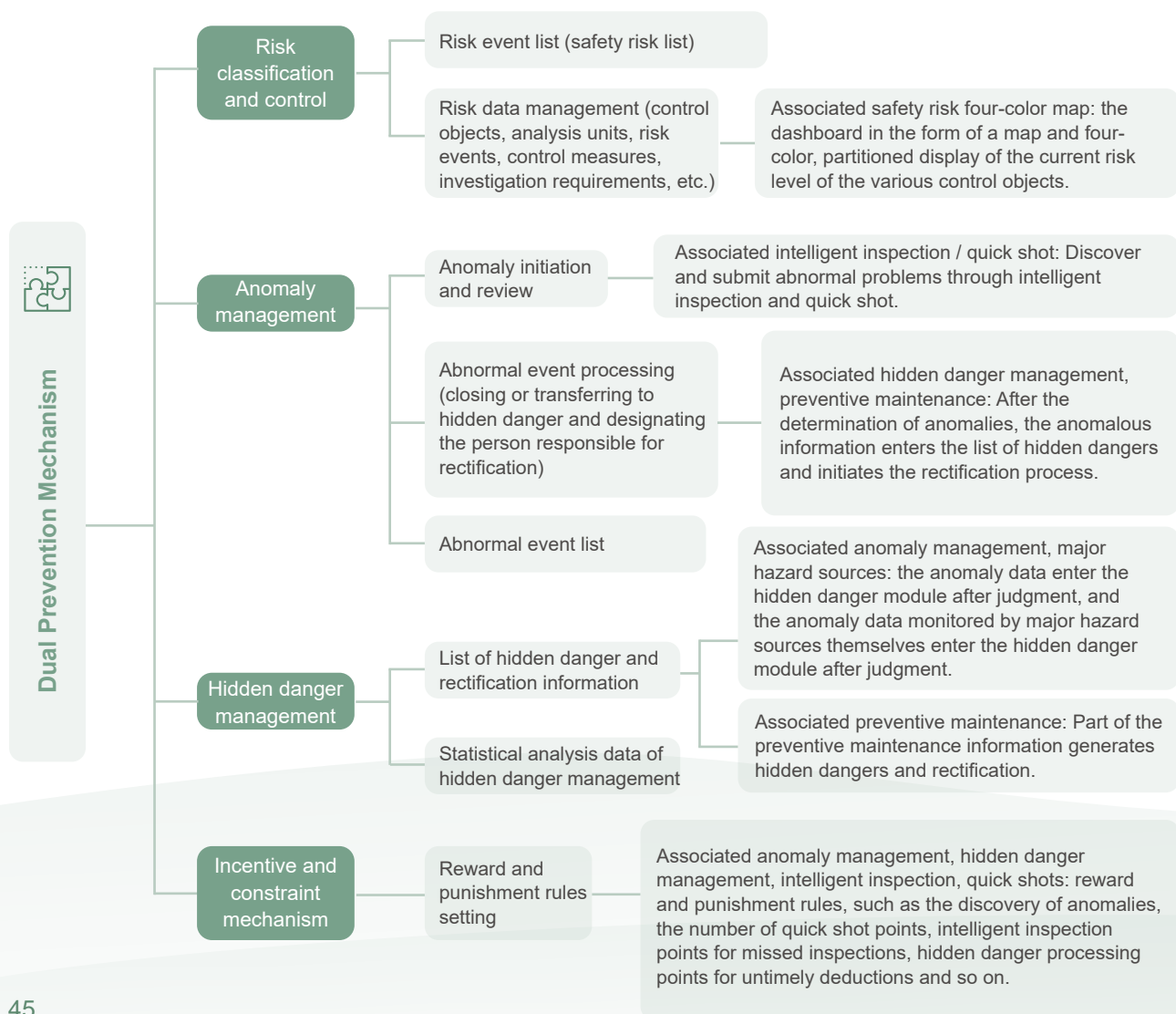
- Continuously carry out the suppression and control of mine dust, and regulate the orderly stacking of ore and waste rock.
- Adopting advanced mining technology and equipment, the Company will carry out the recycling and utilization of underground drainage and production of wastewater, realizing the efficient utilization and recycling of resources, and reducing the waste and loss of resources.
- Increase the investment in the construction of an intelligent mine. On the basis of the completion of the centralized control automation platform and the micro seismic monitoring system, the Company will further realize the underground pump room unattended.
- According to the *Mineral Resources Development, Utilization and Ecological Restoration Plan*, and in accordance with the requirements of the *Annual Geological Environment Restoration and Governance Program*, we carry out the work of leveling and overlaying of discharge sites, management of collapsed areas, greening of mines and land reclamation, etc., and intensify the publicity and training on green mines, and establish a new concept that the ecological environment protection of mines is given equal importance to the development and utilization of mineral resources.



## Chemicals Management

The Company stringently complies with laws and regulations such as the *Production Safety Law of the People's Republic of China*, and the *Regulations on Safety Management of Hazardous Chemicals*, having formulated the *Safety Management Measures for Hazardous Chemicals*, and two detailed rules: the *Rules for the Management of Major Hazard Sources* and the *Rules for the Management of the Transportation and Handling of Hazardous Chemicals*. These documents clearly define the specific responsibilities of the Company's various functional departments and affiliated organizations in the management of hazardous chemicals, refine safety requirements for the production, storage, transportation, procurement, sales, and contractor management of hazardous chemicals, ensuring full-process control.

The Company established an assessment system for the dual prevention mechanism of hazardous chemicals, evaluating and assessing the safety hazard inspections, monitoring and early warning, and management control of its subordinate organizations, promoting the continuous optimization and improvement of the dual prevention mechanism building for hazardous chemicals in each organization. Through the big data visualization platform for the dual prevention mechanism, the headquarters dynamically monitor the risk classification control, anomaly management, and hazard management data of its subordinate organizations in real-time, promptly identifying potential risks and safety hazards. To further enhance effectiveness of the dual prevention mechanism, the Company linked the performance of the dual prevention mechanism at the workplace with employee performance evaluations. Detailed points quantification, assessment indicators, evaluation cycles, and implementation methods were established, and a reward and punishment file was created. This approach fully motivates all employees to actively participate in the building of the dual prevention mechanism, demonstrating initiative and innovation, ensuring chemical safety.







The Company strictly follows the provisions of the *HSE Risk Management Measures*, the *Hidden Danger Management Measures*, and the *Emergency Management Measures* to carry out the identification and assessment of major hazard sources. Risks are classified into low risks, general risks, greater risks, and significant risks, with assessment results updated every three years. To strengthen the safety management of major hazard sources, the Company stringently implements the safety responsibility system, organizing at least one safety risk and hazard inspection for major hazard sources every quarter. Special inspections are also conducted during major events, important periods, and holidays. For aging facilities involving hazardous chemicals, affiliated companies perform self-assessments of safety risks, while the group headquarters conducts in-depth assessments, resulting in precise control plans tailored to each plant, thus effectively reducing the safety risk level of aging facilities.

In terms of emergency management, affiliated organizations develop corresponding accident emergency plans based on the characteristics of different types of hazardous chemicals. They are equipped with professional emergency rescue personnel and necessary emergency rescue equipment and devices. Regular emergency training and rescue drills are organized to enhance employees' emergency response capabilities, ensuring the safe management of hazardous chemicals.

Type of Hazardous Chemicals	Name of Hazardous Chemicals
Key Regulated Hazardous Chemicals	Ammonia, sulfur dioxide, sulfur trioxide, hydrogen fluoride, propylene, methanol, hydrogen, acrylonitrile, acetone cyanohydrin, natural gas, carbon monoxide, hydrogen sulfide, acetylene, hydrogen cyanide, hydrocyanic acid, and methane
Precursor chemicals	Sulfuric acid, acetone, hydrochloric acid, and potassium permanganate
Explosive hazardous chemicals	Sulfur, hydrogen peroxide, hydrazine hydrate, and potassium permanganate

In 2024, the Company continued to advance the digital management of hazardous chemicals based on the Industrial Internet+, continuously improving system modules such as job permits, staff positioning, and training management. Additionally, the Company independently developed system modules for equipment management, production management cockpit, 3D maps, and unsafe behavior observation, gradually establishing and improving an intelligent safety risk control platform that meets the actual needs of each production unit. Furthermore, through multi-dimensional and multi-level data analysis, data resources are "monetized" to provide robust support for management decision-making and optimization strategies.



## 04 Pooling Collective Efforts

China BlueChemical adheres to the principle of “people-oriented, caring for employees,” continuously improving its employment system to ensure the fundamental rights and interests of employees, and showing care and concern for them. The Company upholds a scientific, rational, efficient, and streamlined approach to recruitment, actively attracting outstanding talents from diverse backgrounds and fields. It offers fair and competitive compensation to continuously motivate employees and foster a collaborative environment for mutual growth and development.









## Employee Rights and Interests

The Company values the protection of employee rights and interests, hiring employees in accordance with relevant laws and regulations. In addition, the Company has established a competitive salary and employee benefits system, and places importance on listening to employee suggestions, being committed to creating a healthy and harmonious work environment.

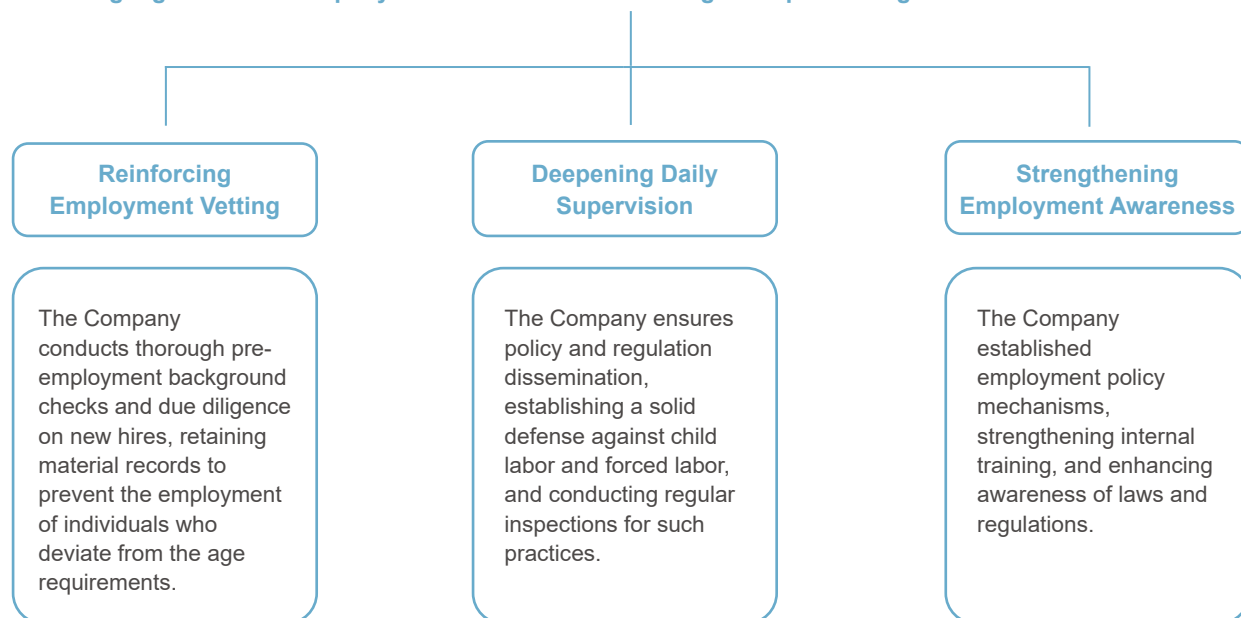
### Legal employment

The Company strictly implements the relevant national employment laws and regulations, abiding by the *Labor Law of the People's Republic of China*, the *Labor 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 the Protection of the Rights and Interests of Women*. It formulates the *Management Measures for Employee Recruitment*, the *Management Measures for Daily Personnel Management*, the *Management Measures for Salary*, and other management systems, establishing a comprehensive employment management system that covers the recruitment, promotion, dismissal, working hours, wages, insurance and benefits, vacations, remuneration, equal opportunities, diversity, anti-discrimination, fair treatment and other aspects. The Company adheres to the principles of legal and equal employment, and resolutely oppose employment discrimination, forced labor, child labor, workplace harassment and other acts, thereby fully safeguarding employees' legitimate rights and interests.

China BlueChemical is committed to fostering a diversity and discrimination-free workplace. The Company does not set up any discriminatory rules against the principle of fairness, such as "gender, ethnicity, marital status, religion", etc., in the recruitment, training, promotion and salary system. It insists on the equal treatment of different races, nationalities, beliefs, genders, marital statuses, and employees who are under the protection of special laws. All employees of China BlueChemical sign labor contracts with the Company, in accordance with the principle of equality and voluntariness.

The Company strictly abides by labor laws and regulations and complies with regulations on wages, overtime hours and statutory benefits, and prohibits forced labor. The Company strictly abides by the legal requirements on the prohibition of child labor and has formulated the *Regulations on the Prohibition of Child Labor*, effectively preventing and controlling the employment of child labor through the establishment of strict recruitment review procedures, improving daily labor supervision and raising awareness of standardized labor practices, etc. In 2024, no cases of forced labor or child labor were found in the Company.

#### Highlights of the Company's initiatives to achieve the goal of prohibiting child and forced labor







Total number of employees (Excluding labor dispatchers)

**3,694** person

## Number of employees by types

Full-time employees

**3,694** person

Part-time employees

**0** person

Labor dispatch employees

**21** person

## Number of employees by age

Less than 30 years old

**426** person

31-50 years

**2,013** person

Over 50 years old

**1,255** person

## Number of employees by gender

Male employees

**3,099** person

Female employees

**595** person

## Number of employees by region

Beijing

**243** person

Hainan

**2,012** person

Others

**45** person

Hubei

**941** person

Heilongjiang

**453** person



Employee turnover rate

1.71%

Employee turnover by region

Beijing

2.88%

Hainan

1.04%

Hubei

1.59%

Heilongjiang

2.87%

Others

15.56%

Employee turnover by age

Less than 30 years old

4.46%

31-50 years

1.29%

Over 50 years old

1.43%

Employee turnover rate by gender

Male employees

1.26%

Female employees

4.03%

## Compensation Incentives and Benefits

China BlueChemical continues to improve its employee compensation management system, strictly following the *Labor Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China* and other relevant laws and regulations, to provide employees with competitive compensation and benefit plans.

We provide all employees with legally compliant holidays and benefits, ensuring their rights to “five insurances and one fund,” and other entitlements. We also offer annual physical examinations, supplementary commercial insurance, and various subsidies (including holiday subsidies, communication subsidies, high-temperature subsidies, heating fees, etc.), striving to create a more comfortable environment. In terms of compensation management and performance assessment, the Company offers a comprehensive and competitive compensation and benefits system, balancing market competition and internal fairness. The Company considers factors such as employee level, working competence, and experience when determining employee compensation. Depending on the corporate performance, the Company sets employee salaries based on their positions, performance, and capabilities to guarantee the rationality of the compensation structure.



## Democratic Management

The Company, in compliance with laws and regulations, firmly promotes democracy building, fully respects the primary position of employees, expands channels for democratic management and supervision, and enhances the democratic awareness of employees. We ensure that employees have full rights to information, participation, expression, and supervision. Staff congress is held annually, during which reports such as *Annual Work Report*, *Proposal Work Report*, and *Difficulty Assistance Work Report* are presented to the staff representatives, covering matters that directly affect the interests of employees.

Furthermore, we intensify and standardize factory affairs disclosure, optimize the approach for rationalization proposal, and rely on various democratic meetings, public notice boards, the Company's OA system, and other channels to publish significant matters related to the Company's production and operation, reform and development. This allows employees to be fully informed, actively participate, and stringently supervise, promoting the efficient and high-quality operation of the Company's democratic management system.



Holding the 2024 Work Conference and the Second Employee Representative Meeting

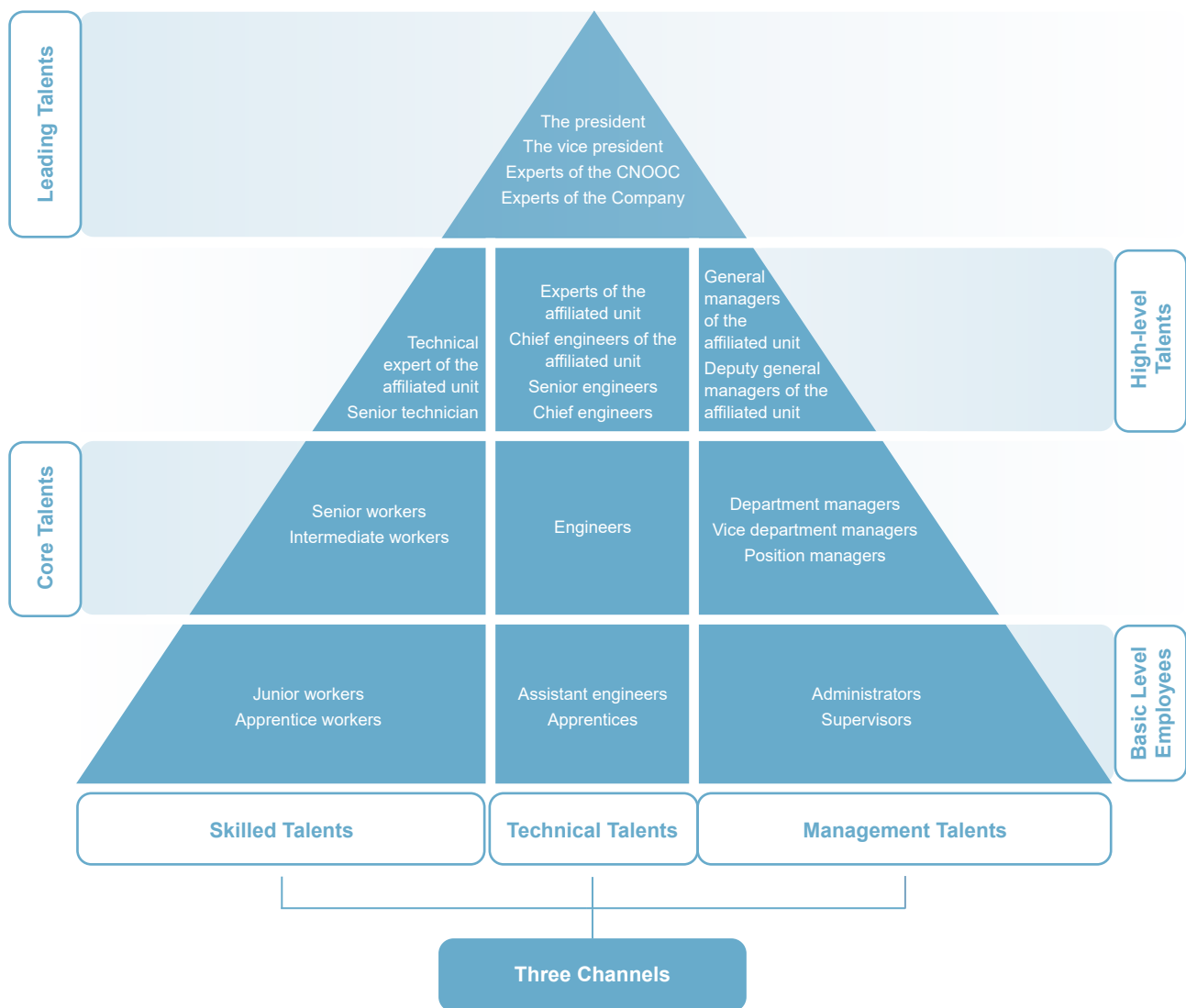
## Development & Training

The company, centered on the high-quality development strategy and the needs for transformation and upgrading of its industries, has intensively implemented the CNOOC's talent-driven enterprise revitalization strategy, the "3+1" talent project, and the "Six-enhancement Action Plan," providing employees with a diversified development.

To further enhance the cultivation of the talent pool, the Company has established a modular training system with the characteristics of China BlueChemical, consisting of "three channels and four progressive steps," tailored to four levels: basic level employees, key talents, high-level talents, and leading talents, as well as three development paths: skilled talents, technical talents, and management talents. The promotions paths can be converted, aiming to make innovation and build new training models.



### “Three Channels and Four Progressive Steps” Training System



To genuinely help every employee realize their self-worth, the Company tailors its teaching methods to different talents, creating a vibrant situation where everyone can succeed and their talents are fully utilized. In 2024, the Company provided training for 107,508 employee-times, with a total of 1,086,419 training hours, averaging 292.36 training hours per person.



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## Orientation Training for New Employees

To fully implement the talent-driven enterprise revitalization strategy, the Company pays great attention to the education and training of new employees, helping them better understand the Company, clarify their development direction, quickly adapt to the new work environment, and integrate into the production and operation system of China BlueChemical. In August 2024, the Company organized orientation training at Langfang Wanda Academy, covering 86 new employees from the headquarters and various subsidiaries.



**86** new employees

The Company values the cultivation of skilled talents, encourages them to enhance their technical skills, and has established the *Management Measures for the Promotion of Vocational Skill Levels of Award-winning Personnel in Skill Competitions*. The Company selects skilled talents to actively participate in various skill competitions at the national and company levels, strengthens the work of skill level certification, creates an environment conducive to talent growth, and actively promotes the professional growth and progress of employees.



## Significant Achievements in Skill Team Cultivation

To further enhance the building of a skilled workforce, the Company mobilizes its employees to improve their skills through diligent study and practice. In the finals of the 15<sup>th</sup> National Petroleum and Chemical Industry Vocational Skills Competition, the Company sent three methanol synthesis operators, who won the first prize in the team competition and individually received gold, silver, and bronze awards, demonstrating the Company's outstanding achievements in skill talent cultivation.

In addition, the Company further strengthened its efforts for skill level certification, completing 692 skill level certifications throughout the year, and led the revision of enterprise technical level standards for 5 trades, including ammonia plant operators, and the development of question banks for 3 trades, including acrylonitrile plant operators.

completing

**692** skill level certifications  
throughout the year

led the revision of enterprise  
technical level standards for

**5** trades

the development of  
question banks for

**3** trades

The Company holds that school-enterprise cooperation is an important way to cultivate practical talents, which is of great significance for improving the quality of talent training, promoting technological innovation, and advancing industrial progress. We actively engage in in-depth cooperation with universities & colleges to strengthen the selection and cultivation of high-quality talents. In 2024, we collaborated with universities such as Peking University, Beijing University of Chemical Technology, and Lanzhou Petrochemical University of Vocational Technology to launch special training projects on leadership and skilled talent, cultivating more high-end talents with innovative thinking and professional skills. In addition, the Company explores new models for cultivating scientific research talents, advancing projects such as “doctors going to workshops” and “doctors going to fields,” injecting new vitality into the Company's growth.



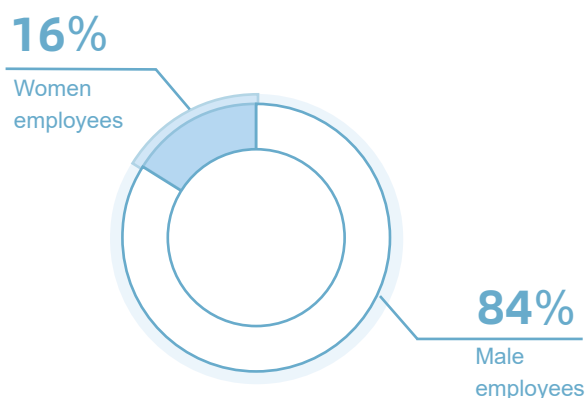


### Exploring New Models for Cultivating Scientific Research Talents

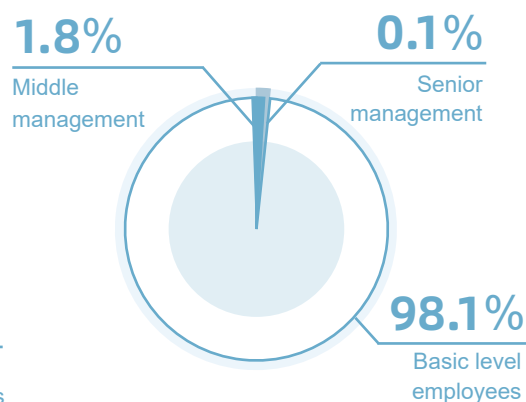
To optimize the structure of its scientific research personnel, the Company actively explores new models for talent cultivation. Due to the lack of practical experience in the front line for some doctors and the lack of a solid foundation in scientific theory for skilled personnel, the Company has promoted the talent cultivation mechanism of “doctors going to workshops” and “doctors going to fields” to cultivate compound talents who can adapt to the Company’s needs for industrial development and scientific research, possessing both technical expertise and the ability to implement industrialization. In 2024, the Company introduced two overseas high level talents, adopting a training approach that is close to the front line, grassroots, and equipment; through practical training at the experimental sites of scientific research projects, their practical abilities and technical application skills were effectively enhanced, injecting new vitality into the Company’s development.

**2** overseas high level talents

Percentage of employees trained by gender



Percentage of employees trained by employee types





Average number of hours trained by gender

Female employees

**292.18** training hours

Male employees

**292.4** training hours

Average number of hours trained by employee types

Senior management

**297.2** training hours

Middle management

**222.71** training hours

Basic level employees

**294.03** training hours

## Employee Care

The Company encourages and supports employees in developing their hobbies and interests, creating a rich and diverse cultural and sports atmosphere to meet the aspirations of employees for a better life. In 2024, the Company continued to promote the building of the “Staff Home,” strengthening the organization of the Employees’ Cultural and Sports Associations, and advancing the establishment of associations of table tennis, badminton, tennis, fitness, etc. Activities such as basketball tournaments, health walks, spring and autumn outings, and cultural performances were organized to showcase positive spirit of the employees. In addition, the Company regularly carries out daily care activities for employees on their birthdays, weddings, and births, and provides festival benefits for the Spring Festival, May Day, Dragon Boat Festival, and Mid-Autumn Festival, continuously implementing the four-season care initiatives of providing coolness in summer and warmth in winter.



Organizing Employees’ Basketball Tournament



The Company places a significant emphasis on caring for its female employees, annually providing benefits on International Women's Day. In 2024, the Company meticulously planned manual activities, educational seminars, and cultural salons to celebrate International Women's Day, and presented warm gifts to enhance the well-being and happiness of its female workforce.



Organizing International Women's Day Celebrations



Supporting Employees in need

The Company adheres to an "employee-centric" development philosophy, focusing on the living conditions of employees in need. It emphasizes targeted assistance and has established a comprehensive support mechanism led by senior management, operated by the labor union, and involving employee participation, to strengthen basic living security for employees in difficult circumstances. In 2024, the Company assisted 51 families of employees in need, 220 disabled employees and their families, 64 employees and family members with serious illnesses, and 39 families affected by the Typhoon Yagi. The Company makes full use of its special fund for hardship assistance to ensure that warmth and care reached every employee in need.

**51** families of employees in need

**220** disabled employees and their families

**64** employees and family members with serious illnesses

**39** families affected by the Typhoon Yagi

## Community Welfare

China BlueChemical has been committed to social welfare initiatives, actively engaging in activities such as supporting education, targeted assistance, and organizing volunteer programs. These efforts demonstrate the Company's commitment to corporate social responsibility, addressing the needs of various stakeholders in the community. In 2024, the Company's charitable donations amounted to RMB 6.2 million, with 420 young volunteers participating in its initiatives.





## Poverty alleviation and support

Since 2002, the Company has sent **14** cadres to Hezuo city and Xiahe County of Gannan Prefecture in Gansu Province and Wuzhishan City in Hainan Province, exporting competent strength to the front line of poverty alleviation, and striving to provide support for the impoverished areas with measures such as "blood transfusion" and "blood creation" for the impoverished areas. Hezuo City, Xiahe County and Wuzhishan City achieved poverty eradication in 2018, 2019 and 2020 respectively.



## Targeted Assistance

The Company engages in consumption assistance, factory assistance, employment assistance and other initiatives, aligning with national strategies such as food security and comprehensive poverty alleviation. In 2024, the Company made directed purchases of products listed in the *Consumption Assistance Product Catalog* worth RMB **3.87** million; all work uniforms and shoes were sourced from employment support factories; additionally, the Company recruited university graduates in impoverished areas and targeted assistance regions, including Hutubi County, Wuzhishan, and Hezuo.



## Volunteer Services

The initiative involves the establishment of **11** youth volunteer teams actively participating in various activities such as rural revitalization, hardship assistance, welfare environmental conservation, and educational support services. These teams engage in initiatives like "Nourishing the Land with the Ocean, Youth Serving Agriculture, Rural Areas, and Rural Residents," "Living with the Sea, Escorting for Love," "World Soil Day," and "Green Seedlings Reflecting the Red Flag, Fulfilling Initial Intentions in the Fields." These efforts practically demonstrate the Company's commitment to social responsibility.

## Agricultural Support and Rural Aid

The Company conducted over **300** "Four Meetings and One Demonstration" agricultural service training sessions across nearly **20** provinces/municipalities/autonomous regions, and established and promoting more than **50** demonstration fields, ensuring continuous service and assistance. The initiative integrates resources from the government, universities & colleges, and businesses to launch research on scientific fertilization systems for more than ten specialty crops in Hainan Province, including pineapples, dragon fruits, golden fruits, large-leaf teas, and finger lemons. This effort, centered around establishing "Science and Technology Courtyards" as a platform, aims to boost rural revitalization and accelerate the development of new quality productive force in agriculture. To date, the project has secured **1** state-level and **1** provincial-level key R&D project, applied for **3** patents, plans to introduce **4** new product formulations, and has completed **16** scientific fertilization technology reports for Hainan's crops.



Volunteer Services on Agricultural Support and Rural Aid



## Key Performance Indicators Table

Environmental social indicators			2024	Unit
Emissions Management	Waste Gas	SO <sub>2</sub>	275.66	Tons
		NO <sub>x</sub>	1,110.31	Tons
	Wastewater	COD	47.48	Tons
		NH <sub>3</sub> -N	0.47	Tons
	Solid waste	Hazardous waste	55,590	Tons
		Intensity of hazardous waste	0.0013	Tons/RMB 1 million revenue
		Non-hazardous waste	2,850,008	Tons
		Intensity of non-hazardous waste emission	238.57	Tons/RMB 1 million revenue
	Direct (Scope 1) greenhouse gas emissions		5,063,800	Tons of Carbon Dioxide Equivalent
	Intensity of direct (Scope 1) greenhouse gas emissions		424	Tons of carbon dioxide equivalent/RMB 1 million revenue
	Indirect greenhouse gas emissions		371,200	Tons of Carbon Dioxide Equivalent
	Intensity of direct (Scope 2) greenhouse gas emissions		31	Tons of carbon dioxide equivalent/RMB 1 million revenue
Resource Utilization	Aggregate energy consumption		3,484,049.50	Tons of standard coal
	Intensity of energy consumption		291.65	Tons of standard coal/RMB 1 million revenue
	Gasoline consumption		1.52	Tons
	Diesel consumption		1,246.90	Tons
	Cleaned coal consumption		482,253.23	Tons
	General bituminous coal consumption		435,847.52	Tons
	Natural gas consumption		344,236.58	10,000 cubic meters
	Liquefied petroleum gas consumption		154.97	Tons
	Refinery dry gas consumption		43,277.38	Tons
	Heat consumption		161,274.62	MkJ





Environmental social indicators			2024	Unit
Resource Utilization	Electricity consumption		64,957.80	10,000 KWh
	Intensity of electricity consumption		5.44	10,000 KWh/RMB 1 million revenue
	Water consumption		24,835,240	Tons
	Intensity of water consumption		2,078.96	Tons/RMB 1 million revenue
	Reuse of water		14,097,219	Tons
	Piped water		6,809,900	Tons
	Underground water		788,000	Tons
	Surface water		16,709,700	Tons
	Purchased and other water product		418,300	Tons
	Purchased gas		109,300	Tons
	Woven bag consumption		7,452	Tons
Employee Responsibility	Total number of employees		3,694	Person
	Number of employees by types	Full-time employees	3,694	Person
		Part-time employees	0	Person
		Labor dispatch employees	21	Person
	Number of employees by gender	Male employees	3,099	Person
		Female employees	595	Person
	Number of employees by age	Less than 30 years old	426	Person
		31-50 years	2,013	Person
		Over 50 years old	1,255	Person
	Number of employees by region	Beijing	243	Person
		Hainan	2,012	Person
		Hubei	941	Person
		Heilongjiang	453	Person
		Others	45	Person



Environmental social indicators			2024	Unit
Employee Responsibility	Employee turnover rate		1.71	%
	Employee turnover rate by gender	Male employees	1.26	%
		Female employees	4.03	%
	Employee turnover by age	Less than 30 years old	4.46	%
		31-50 years	1.29	%
		Over 50 years old	1.43	%
	Number of employees by region	Beijing	2.88	%
		Hainan	1.04	%
		Hubei	1.59	%
		Heilongjiang	2.87	%
		Other	15.56	%
	Number of work-related deaths in the past three years		0	Person
	Work-related death rate over the past three years		0	%
	Number of workdays lost due to work-related injuries		81	Day
	Percentage of employees trained by gender	Male employees	84	%
		Female employees	16	%
	Percentage of employees trained by employee type	Senior management	0.1	%
		Middle management	1.8	%
		Basic level employees	98.1	%
	Average number of hours trained by gender	Male employees	292.4	Training hours
		Female employees	292.18	Training hours
	Average number of hours trained by employee types	Senior management	297.2	Training hours
		Middle management	222.71	Training hours
		Basic level employees	294.03	Training hours
Supply Chain Management	Total number of suppliers in the Company's supplier list		3,040	Companies
	Supplier count by geographic region	Northeast China	293	Companies
		North and Central China	1,230	Companies
		South China	549	Companies
		Other Regions	968	Companies
	Number of suppliers that have conducted environment and social related audits		3,040	Companies





Environmental social indicators		2024	Unit
Product Responsibility	Number of recalls for safety and health reasons out of total products sold or shipped	0	Case
	Number of product quality complaints	0	Times
	Effective complaint handling rate	/	%
	Number of new intellectual property rights added in the year	26	Case
	Intellectual property holdings	184	Case
	Urea product qualification rate	100	%
	Methanol product qualification rate	100	%
	Urea product excellence rate	99.89	%
	Methanol product excellence rate	100	%
Anti-corruption	Number of corruption litigation cases	0	Case
	Average Hours of Anti-Corruption Training for Directors	65	Hours
	Average Hours of Anti-Corruption Training for General Employees	95	Hours
Community Welfare	Total public welfare donations	620	RMB 10,000

## Indicators Index

Primary Categories, Levels, General Disclosures, and KPIs		Relevant chapters
A. Environment		
Aspect A1: Emissions	General Disclosure  Emissions of exhaust gases, discharges to water and land, generation of hazardous and non-hazardous wastes, etc.:  (a) the policies; and  (b) information on compliance with relevant laws and regulations that have a material effect on the issuer.  Note: The emitted waste gases include pollutants such as nitrogen oxides, sulfur oxides, and other substances regulated by national laws and regulations. Harmful waste refers to materials defined as such by national regulations.	Emissions management
	A1.1 The types of emissions and respective emissions data.	Emissions management
	A1.2 [Deleted on January 1, 2025]	
	A1.3 Total quantity of hazardous waste produced (in tons) and (if applicable) its density (e.g., per unit of production, per facility)	Emissions management



Primary Categories, Levels, General Disclosures, and KPIs		Relevant chapters
Aspect A1: Emissions	A1.4 Total quantity of non-hazardous waste produced (in tons) and (if applicable) its density (e.g., per unit of production, per facility)	Emissions management
	A1.5 Description of emissions 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: Resource utilization	General Disclosure  Policies on the efficient use of resources, including energy, water and other raw materials  Note: Resources can be used in various areas such as production, storage, transportation, buildings, electronics, etc.	Energy and resource use
	A2.1 Total consumption of direct and/or indirect energy (such as electricity, gas, or oil) by type, measured in kilowatt-hours (kWh), and its density (if applicable) (calculated per unit of production or per facility)	Energy and resource use
	A2.2 Total water consumption and density (for example, measured per unit of production or per facility)	Energy and resource use
	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 (in tons) used for finished products and, if applicable, with reference to per unit produced.	Energy and resource use
Aspect A3: Environment and natural resources	General Disclosure  Policies on minimizing 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. Society		
Employment and Labor Practices		
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 and Interests
	B1.1 Total workforce by gender, employment type (full-time and part-time), age group and geographical region. Diverse and equal employment.	Employee Rights and Interests
	B1.2 Employee turnover rate by gender, age group and geographical region.	Employee Rights and Interests





Primary Categories, Levels, General Disclosures, and KPIs		Relevant chapters
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
	B2.2 Lost days due to work injury.	Occupational health and safety
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational health and safety
Aspect B3: Development and training	General Disclosure  Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  Note: Training refers to vocational training, which may include both internal and external courses paid for by the employer.	Development & Training
	B3.1 The percentage of employees trained by gender and employee category (such as senior management, middle management).	Development & Training
	B3.2 The average training hours completed per employee by gender and employee category.	Development & Training
Aspect B4: Labor Guidelines	General Disclosure  Information on:  (a) the policy; 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 and Interests
	B4.1 Description of measures to review employment practices to avoid child and forced labor.	Employee Rights and Interests
	B4.2 Description of steps taken to eliminate such practices when discovered.	Employee Rights and Interests
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
	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



Primary Categories, Levels, General Disclosures, and KPIs		Relevant chapters
Aspect B6: Product Liability	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p>	Product quality and safety
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product quality and safety
	B6.2 Number of products and service related complaints received and how they are dealt with.	Product quality and safety
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Product quality and safety
	B6.4 Description of quality assurance process and recall procedures.	Product quality and safety
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product quality and safety
Aspect B7: Anti-Corruption	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	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
	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	<p>General Disclosure</p> <p>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.</p>	Community Welfare
	B8.1 Focus areas of contribution (such as education, environmental issues, labor needs, health, culture, sports).	Community Welfare
	B8.2 Resources contributed to the focus area (e.g., money or time).	Community Welfare



## Reader Feedback Form

Dear Reader,

We greatly appreciate your time in reading the *CHINA BLUECHEMICAL LTD. 2024 ESG REPORT*. We are keen to hear your comments and suggestions regarding the report and our operations. Please feel free to submit your valuable feedback by post or by scanning and emailing the completed questionnaire. Thank you!

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



1. To which category of stakeholders do you or your organization belong in relation to China BlueChemical:

- |  |  |
|--|--|
| <input type="checkbox"/> Shareholder/Investor            | <input type="checkbox"/> Senior Management of China BlueChemical |
| <input type="checkbox"/> Employees of China BlueChemical | <input type="checkbox"/> Government/ Regulatory Authorities      |
| <input type="checkbox"/> Supplier/Contractor             | <input type="checkbox"/> Customer                                |
| <input type="checkbox"/> Community Public                | <input type="checkbox"/> Media                                   |
| <input type="checkbox"/> Academic Institution            | <input type="checkbox"/> Non-Profit Organization                 |
| <input type="checkbox"/> Others (Please specify)         |  |

2. Does the report encompass all the information you are interested in?

- ☐ Yes ☐ Average ☐ No

3. Your overall assessment of the 2024 ESG Report:

- Readability (Clear and concise, aesthetically designed, engaging, and easy to navigate for information)

- ☐ 3 points (Good) ☐ 2 points (Average) ☐ 1 point (Poor)

- Credibility (The information in the report is authentic and reliable)

- ☐ 3 points (Good) ☐ 2 points (Average) ☐ 1 point (Poor)

- Information Completeness (Balances both positive and negative aspects and meets your information needs)

- ☐ 3 points (Good) ☐ 2 points (Average) ☐ 1 point (Poor)

4. Was it convenient for you to locate the information of interest within the report?

- ☐ Yes ☐ Average ☐ No

5. Apart from the content disclosed in the report, what additional information would you like to see?





中海石油化学股份有限公司  
China BlueChemical Ltd.

