



2025 SUSTAINABILITY REPORT

**TO BE A RESPECTED WORLD-LEADING
SPECIAL STEEL ENTERPRISE**

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About This Report

Report Entities

This report discloses the management and performance on environmental, social, and governance (ESG) issues of CITIC Pacific Special Steel Group Co., Ltd. (hereinafter referred to as "CITIC Pacific Special Steel", "the Company", "we" or "us") and its subsidiaries, including Jiangyin Xingcheng Special Steel Co., Ltd. (hereinafter referred to as "Xingcheng Special Steel"), Daye Special Steel Co., Ltd. (hereinafter referred to as "Daye Special Steel"), Qingdao Special Iron and Steel Co., Ltd. (hereinafter referred to as "Qingdao Special Steel"), Tianjin Pipe Co., Ltd. (hereinafter referred to as "Tianjin Pipe"), Jingjiang Special Steel Co., Ltd. (hereinafter referred to as "Jingjiang Special Steel"), Tongling Pacific Special Materials Co., Ltd. (hereinafter referred to as "Tongling Special Materials"), Yangzhou Pacific Special Materials Co., Ltd. (hereinafter referred to as "Yangzhou Special Materials"), Pacific Special Steel Suspension (Jinan) Co., Ltd. (hereinafter referred to as "Pacific Suspension"), and Zhejiang Pacific Seamless Steel Tube Co., Ltd. (hereinafter referred to as "Zhejiang Steel Tube").

Scope of Report

The report covers the period from January 1, 2025 to December 31, 2025, with some of the content beyond the period for the completeness of the report.

Compilation Principles of the Report

This report is primarily prepared in accordance with the *Guidelines for Self-Regulatory Supervision of Listed Companies No. 17 – Sustainability Report (Trial)* issued by the Shenzhen Stock Exchange, as well as the *Global Reporting Initiative (GRI) Standards for Sustainability Reporting*. At the same time, it responds to the United Nations Sustainable Development Goals (SDGs), MSCI ESG Ratings, S&P Global Corporate Sustainability Assessment (S&P CSA), Refinitiv ESG Ratings, and Sustainalytics (Morningstar ESG Ratings).

Reporting Language

This report is published in both Chinese and English. In case of any inconsistency between the two versions, the Chinese version shall prevail.

Data in Report

The information and data disclosed in this report are derived from the internal official documents, statistical reports and publicly available information, including the prospectus, annual report, news bulletins and other publicly available documents. The Company confirms that there are no false records, misleading statements, or material omissions, and is liable for the authenticity, accuracy and completeness of the content herein.

Unless otherwise stated, the financial data in this report are denominated in RMB.

Report Access

This report is released in electronic format. You can access it on our official website (<https://www.citicsteel.com>) or the Cninfo website (<http://www.cninfo.com>).

Statement of Report

This report was approved by the Board on March 16, 2026 upon confirmation by the management.



Message from the Chairman

The year 2025 marked the decisive year for the successful conclusion of the 14th Five-Year Plan, as well as a critical year for strategically planning the blueprint for the 15th Five-Year Plan. Facing a complex and challenging external environment and profound shifts in industry cycles, CITIC Pacific Special Steel has thoroughly implemented the new development philosophy, focused on strengthening internal management, deepened technological innovation, accelerated digital and intelligent transformation, actively pursued green and low-carbon development, and earnestly fulfilled its corporate social responsibilities, embodying the spirit of "Iron Man" to shoulder the mission of the times.

Keeping Pace with Development Trends, Achieving Abundant Results in Technological Innovation

In 2025, the Company anchored itself in the mission to strengthen the nation and stabilize the industrial chain, accelerating research into key core technologies. R&D investment as a percentage of revenue remained at an industry-leading level of over 4%. The Company added one new national-level "Single Champion" product, won one Special Prize in Metallurgical Science and Technology, 16 provincial-level or higher science and technology awards, and obtained 499 authorized patents. It released 33 national and industry standards, and achieved five industrialization breakthroughs in key sectors such as aviation, deep-sea exploration, and high-end equipment manufacturing. The Company's steel for aircraft engine bearings entered the supply chains of European and American aircraft engine manufacturers and won the Special Contribution Award from the American Society for Testing and Materials (ASTM). Its independently developed ultra-high-strength bridge cables were applied in mega-projects such as the Huajiang Canyon Bridge in Guizhou, significantly empowering major national initiatives.



Leading the Way in the New Era, Steadily Advancing Smart Manufacturing

By 2025, the Company had established a large-scale special steel model platform based on a "1+1+N" vertical model technical architecture, transforming the "AI + Steel" innovation model from concept to practice, with related achievements featured multiple times on authoritative media outlets such as CCTV. Xingcheng Special Steel, Daye Special Steel, and Qingdao Special Steel successively passed Level 4 assessments of smart manufacturing capability maturity, driving continuous improvement in overall smart manufacturing capabilities. The Company completed the construction of core business systems such as the Digital Marketing Center and the Comprehensive Supervision Platform, independently developed and deployed over 120 applications, achieved 100% digitization of core operations, reached an 85.76% CNC utilization rate for key processes, attained a 90.39% digitization rate for production equipment, and increased robot density to 240 units per 10,000 employees, with the results of digital transformation continuing to materialize.

Practicing Green Principles, Leading the Industry in Energy Conservation and Carbon Reduction

In 2025, the Company remained committed to integrating the low-carbon development philosophy of "Green Manufacturing Manufacturing Green" into every stage of production and operations. Driven by technological innovation and supported by standardization efforts, the Company set an industry benchmark for green transformation. The Company has adopted a coordinated approach of "source reduction, process control, and end-efficiency improvement" to build a comprehensive low-carbon production system. It has fully completed ultra-low emission retrofits, with all major steel manufacturing bases achieving Grade A environmental performance certification, and has successfully passed the China Iron and Steel Association's (CISA) evaluation as a "Best Practice Energy Efficiency Benchmark Enterprise for Dual-carbon Goals". In collaboration with the National Carbon Measurement Center (Fujian), the Company has co-established the Special Steel "Dual Carbon" Innovation Research Institute. It is leading the development of a differentiated low-carbon evaluation system for the special steel industry and advancing the construction of a carbon factor database for the steel sector, thereby comprehensively guiding the green transformation of the industrial chain.

2026 marks the opening year of the 15th Five-Year Plan and is a pivotal year for CITIC Pacific Special Steel to foster new opportunities and forge a new chapter. The grand blueprint has been drawn, and now is the time to set sail with full momentum. Standing at this new starting point, the Company will remain true to its founding mission, strive with determination, maintain a resilient and high-quality development trajectory, continue to create greater value for shareholders, and stride confidently toward becoming "a respected world-leading special steel enterprise."

CITIC Pacific Special Steel Group Co., Ltd.

Chairman

About Us

Company Overview

CITIC Pacific Special Steel Group Co., Ltd. (Stock Code: 000708) is a professional special steel manufacturing enterprise group owned by CITIC Group and controlled by CITIC Pacific Co., Ltd. Nowadays, it has become the pioneer, dominant market leader, and benchmark setter of China's special steel industry. It has been president unit of China Iron and Steel Association and Special Steel Enterprises Association of China.

The Company has possessed "nine major production bases", including five major special steel manufacturing bases - Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, Tianjin Pipe and Jingjiang Special Steel;two major raw material supply bases - Tongling Special Materials and Yangzhou Special Materials;and two major extended processing bases - Pacific Suspension and Zhejiang Steel Tube.

The Company has an annual production capacity of more than 20 million tons of special steel and its process technology & equipment have reached the world advanced level. Its comprehensive product portfolio encompasses six major product sectors: special steel bars, special steel wire rods, special plate products, seamless steel tubes, special forged products, and extended products. These products, characterized by complete specifications and superior quality, are widely distributed across China and exported to more than 80 countries and regions including the United States, Japan, the European Union and Southeast Asia, earning recognition from high-end domestic and international clients. Leading products such as high-end bearing steel, high-end automobile steel, and high-end energy steel continuously expand their market share domestically and internationally, maintaining a leading position in segmented markets.

Guided by the mission "Provide green and smart special steel for human civilization", CITIC Pacific Special Steel adheres to the development concept of "Integrity, Innovation, Integration and Excellence" while upholding the corporate spirit of "Diligent & Striving, Pragmatic & Responsible, Enterprising & Pioneering, Perfectionistic & Uncomplacent". The Company is fully committed to be a respected world-leading special steel enterprise.

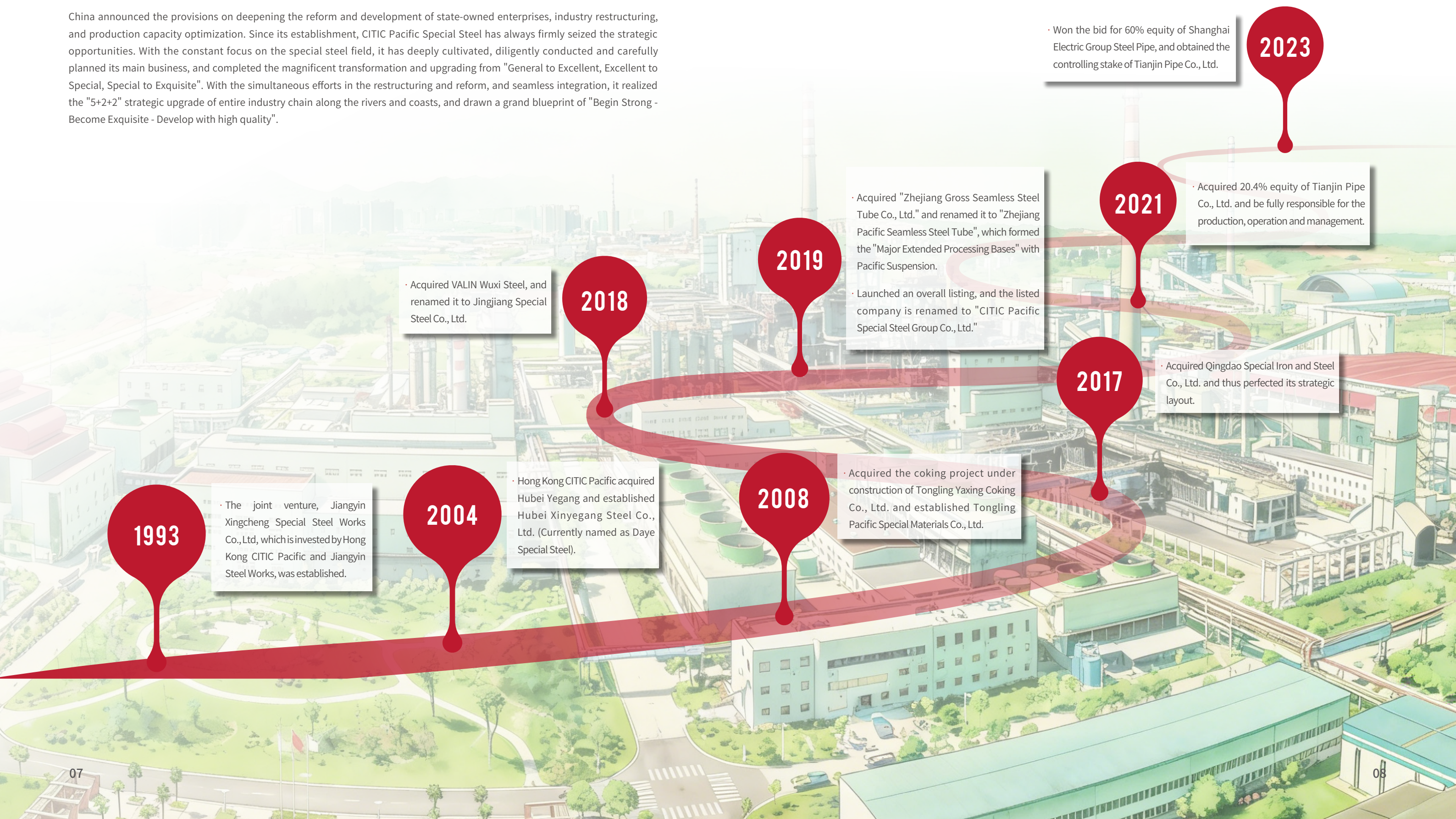


Corporate Culture

Corporate Mission Provide green and smart special steel for human civilization	Corporate Vision To be a respected world-leading special steel enterprise	Core Values Integrity, Innovation, Integration, Excellence
Corporate Spirit Diligent & Striving, Pragmatic & Responsible, Enterprising & Pioneering, Perfectionistic & Uncomplacent	Operation Concept Optimal cost and efficiency	Market Concept Operation follows market, Production follows operation, Others follow production
Quality Concept Quality is our life, Quality today will be market tomorrow, Quality concerns everyone	Innovation Concept Forged in Science and Technology	Human Resource Management Concept Run the enterprise like a school

Major Milestones

China announced the provisions on deepening the reform and development of state-owned enterprises, industry restructuring, and production capacity optimization. Since its establishment, CITIC Pacific Special Steel has always firmly seized the strategic opportunities. With the constant focus on the special steel field, it has deeply cultivated, diligently conducted and carefully planned its main business, and completed the magnificent transformation and upgrading from "General to Excellent, Excellent to Special, Special to Exquisite". With the simultaneous efforts in the restructuring and reform, and seamless integration, it realized the "5+2+2" strategic upgrade of entire industry chain along the rivers and coasts, and drawn a grand blueprint of "Begin Strong - Become Exquisite - Develop with high quality".



1993

· The joint venture, Jiangyin Xingcheng Special Steel Works Co., Ltd, which is invested by Hong Kong CITIC Pacific and Jiangyin Steel Works, was established.

2004

· Hong Kong CITIC Pacific acquired Hubei Yegang and established Hubei Xinyegang Steel Co., Ltd. (Currently named as Daye Special Steel).

2008

· Acquired the coking project under construction of Tongling Yaxing Coking Co., Ltd. and established Tongling Pacific Special Materials Co., Ltd.

2017

· Acquired Qingdao Special Iron and Steel Co., Ltd. and thus perfected its strategic layout.

2018

· Acquired VALIN Wuxi Steel, and renamed it to Jingjiang Special Steel Co., Ltd.

2019

· Acquired "Zhejiang Gross Seamless Steel Tube Co., Ltd." and renamed it to "Zhejiang Pacific Seamless Steel Tube", which formed the "Major Extended Processing Bases" with Pacific Suspension.
· Launched an overall listing, and the listed company is renamed to "CITIC Pacific Special Steel Group Co., Ltd."

2021

· Acquired 20.4% equity of Tianjin Pipe Co., Ltd. and be fully responsible for the production, operation and management.

2023

· Won the bid for 60% equity of Shanghai Electric Group Steel Pipe, and obtained the controlling stake of Tianjin Pipe Co., Ltd.

Important Awards for Sustainable Development

2025 Important Honors



Received the "Top 100 Chinese Listed Companies on ESG" of the 19th "China Listed Company Value Selection" event by Securities Times



Won "the Outstanding Employer Award" at the "2025 HRoot Human Resources Excellence Awards"



Received the "2025 Best Board Practices Award" from the China Listed Companies Association for Listed Companies



Received the "2025 Best Practice Award for the Board Office" from the China Listed Companies Association for Listed Companies



Selected as a case in the "Steel Industry Social Responsibility Blue Book (2025)"



Received the "2025 Golden Quality Company Governance Award" from the Shanghai Securities News



Received "the 6th Investor Relations Gold Award" – "Outstanding Chief Executive Officer", "Outstanding IR Team", "Outstanding Institutional Attention Award", and "Outstanding ESG Value Communication Award"

2025 ESG Rating Overview



MSCI ESG



S&P Global
ESG



Refinitiv ESG



Wind ESG



Xingcheng Special
Steel
EcoVadis



Xingcheng Special Steel
CDP Climate Change
Questionnaire



Daye Special Steel
CDP Climate Change
Questionnaire



Awarded the highest
level of ESG rating by the
Metallurgical Industry
Planning Research
Institute

ESG Governance

As part of its efforts to build a governance system, and by establishing a long-term ESG governance mechanism, actively responding to the expectations and demands of various stakeholders, and conducting substantial assessments, CITIC Pacific Special Steel is committed to continuously enhancing management quality and efficiency and laying a solid foundation for its sustainable development.

ESG Concept

CITIC Pacific Special Steel firmly believes that an outstanding enterprise is not only defined by its own achievements, but also by its ability to drive the overall industrial ecosystem towards a positive and upward direction. Therefore, we have elevated the ESG concept to "Forging the ecosystem for shared success", shifting from achieving "our own excellence" to leading "the prosperity of our ecosystem". Guided by this, the Company focuses on the "Resilient Governance, Green Coexistence, Innovation Molding, Talent Cultivation and Cohesion, and Responsibility and companionship" five pillars, integrating sustainable development deeply into the Company's strategy and daily operations, deepening management practices, driving the coordinated development of the environment, society and governance dimensions, and achieving value symbiosis.

To implement the ESG concept, we focus on leveraging the leading role of the main enterprises in the industrial chain. We extend the practice of sustainable development to the upstream supply chain and the downstream customer base, thereby constructing a responsible, resilient and sustainable industrial value chain.

Resilient Governance · Building the Foundation of Ecology

We have extended the "resilience" standard of corporate governance to the entire industrial chain, encouraging our partners to align their efforts with ours in the pursuit of sustainable development, and jointly enhancing the transparency and risk-resistance capabilities of the industrial chain.



Green Symbiosis · Empowering Low-Carbon Transformation

Not only do we strive for our own green and low-carbon development, but we also actively guide our suppliers to reduce energy consumption and emissions, provide green steel solutions to downstream customers, share environmental protection technologies and practices, and promote the green development of the entire industrial chain.



Innovation Molding · Driving Quality Ascension

We collaborate with upstream and downstream partners to conduct joint research and development, focusing on solving common technical problems in the industry, developing sustainable new materials and new processes, accelerating industrialization applications, and promoting innovation and upgrading of the industrial chain.



Educating Talent, Uniting Strengths · Empowering Talent to Reach New Heights

We regard talents as the core driving force for ecological sustainable development. We create an inclusive and diverse environment for the development of industry talents, help enhance their skills, and accumulate strength for the long-term prosperity of the industrial chain.



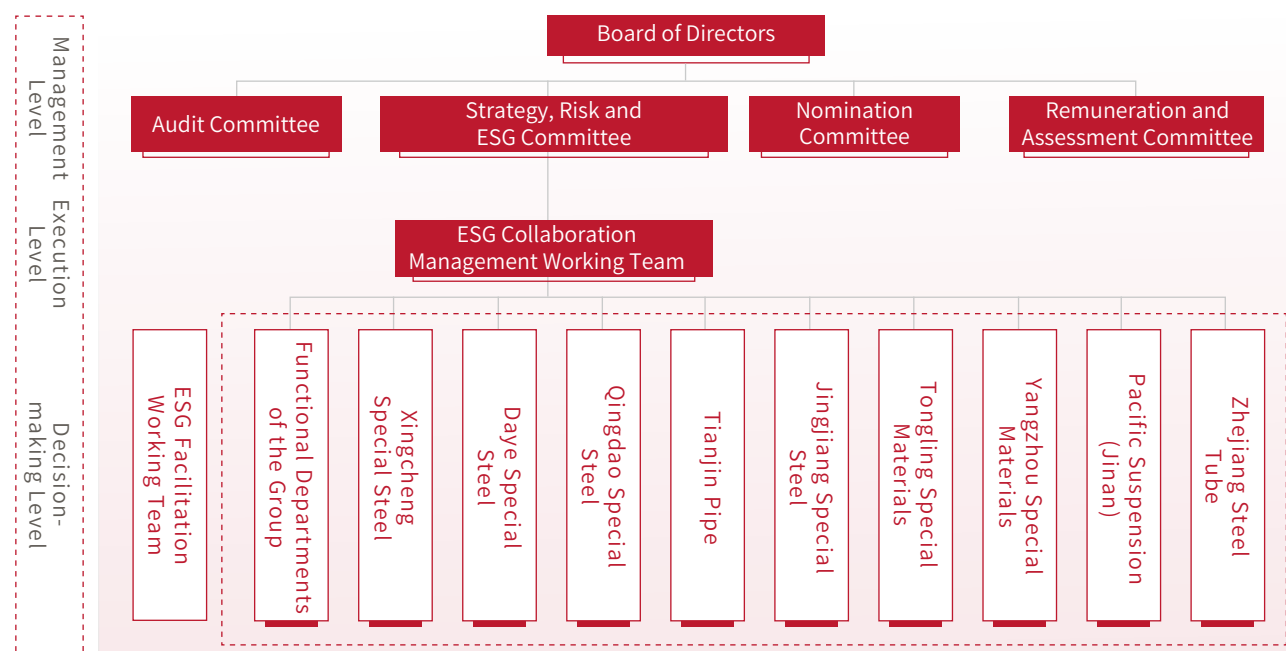
Responsibility as a Companion · Practice Ecological Prosperity Together

We integrate social responsibility practices with industrial chain activities, jointly focusing on community well-being, addressing social challenges, creating shared value on a broader scale, and enhancing the influence of the industrial chain.



ESG Governance Structure

Following the principles of "service strategy", "integration into governance" and "joint participation", the Company has established a "three-level and four-tier" ESG governance structure. The division of responsibilities is clear and the authorities are well-defined, ensuring that ESG matters are deeply integrated into the duty fulfillment process at all levels, comprehensively enhancing the Company's overall governance effectiveness and laying a solid foundation for sustainable development.



Board of Directors

- Regularly listen to and review the reports of the strategy, risk and ESG committee on ESG performance and related matters.
- In accordance with the legal regulatory requirements and relevant systems, supervise and guide the ESG work.
- Review and approve the Company's public ESG information, ESG-related risk situations and other important matters.



Strategy, Risk and ESG Committee

- Based on the Company's ESG performance, organize and coordinate the supervision and inspection of ESG-related matters, and propose improvement suggestions.
- Conduct research, analysis and risk assessment on the Company's ESG-related matters, provide decision-making plans, including climate-related matters, ESG strategies and goals, policies, systems and work plans, etc.
- Review and submit the Company's ESG public information to the board of directors.



ESG Collaboration Management Working Team

- Regularly report the Company's ESG performance and management progress to the strategic, risk and ESG committee.
- Be responsible for the overall coordination and assessment of ESG work, and manage matters such as the Company's ESG system, strategy and goals.
- Based on the relevant work situation and indicator achievement, provide management suggestions, evaluations and feedback to each unit.
- Uniformly manage the Company's ESG public information.



ESG Facilitation Working Team

- Be responsible for implementing specific ESG management measures and promoting the implementation of ESG-related matters.

To align with strategic and sustainable development requirements, the Company has formulated the *Measures for the Management of Environmental, Social, and Governance Work*, establishing a long-term ESG mechanism to effectively integrate sustainable development and ESG principles into the entire process of strategic planning, operational management, and business practices. Additionally, the Company regularly invites experts to conduct training sessions covering ESG trends, best practices, and specialized knowledge. This ensures that the ESG knowledge and practical capabilities of the Board of Directors, management, and relevant personnel meet the demands of the Company's ESG strategy, implementation, and oversight.

Sustainable-related Performance

We have clearly stipulated that the assessment results of the financial performance for this fiscal year and the evaluation of key management activities (such as carbon emission management, water resource management, health and safety, etc., which are related to sustainable development performance) will be incorporated into the compensation plans of senior management personnel, including the president. The ESG-related performance will be linked to the compensation performance of the Company's senior management.

The Company has established detailed qualitative and quantitative assessment standards. According to the division of responsibilities, different performance assessment weights ranging from 5% to 40% are set, covering aspects such as environmental protection, carbon emission management, energy conservation and consumption reduction, water resource management, health and safety, talent team building, information security, intellectual property rights, customer service, integrity building, ESG information disclosure, and ESG rating. At the same time, the company adopts reward and disciplinary measures for senior management personnel based on the assessment results to ensure the effective implementation of the Company's ESG core goals and measures, and to comprehensively enhance the Company's sustainable management level.

Communication with Stakeholders

The Company has established a normalized communication mechanism with stakeholders. Through formats such as questionnaires, surveys, interviews, and other methods, it comprehensively understands the expectations and requirements of various stakeholders.

Stakeholder group	Topics of concern	Communication/Feedback methods
 Government and regulatory agencies	- Compliance and risk control - Business ethics - Paying taxes according to laws	- On-site investigation - Official correspondences - Government visits - Information disclosure
 Shareholders and investors	- Corporate governance - Compliance and risk control - Business ethics - Investment returns	- Shareholder meetings - Performance briefings - On-site investigations - Investor exchanges - Press release/Announcement
 Directors	- Corporate governance - Compliance and risk control - Business ethics - Paying taxes according to laws	- Board of directors meeting - Performance briefings - Investor exchanges - Staff meeting
 Senior management	- Corporate governance - Compliance and risk control - Ensuring product quality - Occupational health and safe production - Innovation and intelligent manufacturing	- Internal management meetings and reports - Training related to corporate governance - Platform for internal information communication - Internal email communication
 Full-time employees	- Protection of employees' rights and interests - Employee training and development - Occupational well-being and care for employees - Occupational health and safe production	- Various employee activities - Internal publications (newspapers and magazines) - Employee performance evaluation - Multimedia (social platforms including WeChat official account, etc.)
 Customers	- Ensuring product quality - Customer services - Responsible sourcing - Information security	- Customer satisfaction surveys - Official media platform - Customer special line - Customer meetings
 Suppliers	- Responsible sourcing - Innovation and intelligent manufacturing - Ensuring product quality	- Supplier quality review - Supplier exchange meetings
 Peers/Industry associations	- Innovation and intelligent manufacturing - Industry co-creation and development - Ensuring product quality	- Industrial association - Communication and exchange visits - Exhibitions - Information disclosure
 Media	- Innovation and intelligent manufacturing - Public welfare and charity - Ensuring product quality	- Press conferences - Official media platform - Press release/Announcement
 Communities	- Public welfare and charity - Rural revitalization - Biodiversity	- Press release - Community voluntary activities - Public welfare projects - Questionnaires

Double Materiality Assessment

This year, based on its business scope and impact on stakeholders, the Company has comprehensively considered internationally recognized sustainable development goals and frameworks (such as the SDGs and GRI), laws and regulations in the countries and regions where it operates, exchange regulatory requirements, ESG rating standards, industry best management practices, and external expert consultations. Through this process, it has identified a total of 25 ESG topics across the three dimensions of environment, society, and governance. It then conducted a dual importance assessment based on the issue index table of the *Guidelines for Self-Regulatory Supervision of Listed Companies No. 17 – Sustainability Report (Trial)* issued by the Shenzhen Stock Exchange, in order to comprehensively identify the impact of ESG on the Company's own operations.

Method and process for identifying dual importance issues

01

Gain a thorough understanding of the Company's operations and business model, draw up the industrial value chain and clearly define the key business areas, identify the main stakeholders affected. At the same time, refer to regulatory requirements, industry standards, ESG rating standards, etc. to establish an ESG agenda list.

02

Through research, screening and other methods, identify the current or potential impacts, risks and opportunities related to ESG issues.

03

Carry out the assessment of impact significance and financial significance, determine the assessment mechanism, and evaluate the degree, scope and likelihood of occurrence. Distribute the impact significance survey questionnaires to employees, customers, suppliers and other stakeholders extensively. Distribute the financial significance and impact significance survey questionnaires to the Company's management and conduct the survey assessment.

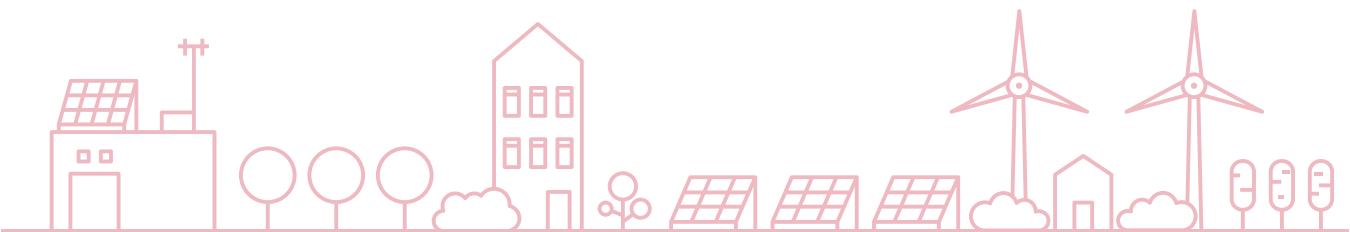
04

Based on the research results, ESG issues with significant impact and financial importance are identified. These issues are then reviewed and verified by internal and external experts, resulting in an importance matrix diagram. The major matters and important information that need to be disclosed are also clearly defined.



We classify the issues with "Materiality to impact" and "Materiality to finance" as "dual importance" issues, and present the priority of each issue's importance in a matrix list format.

ESG Topic Importance Assessment Matrix Chart



Topics	Impact period ¹	Description of Risks and Opportunities
Response to climate change	Medium-term	Risk:The "dual carbon" target, carbon taxes and carbon trading policies are becoming stricter, and the requirements for compliance disclosure are increasing, while operational costs are rising. The EU's Carbon Border Adjustment Mechanism (CBAM) imposes carbon emission requirements on imported products. If a company's products fail to meet the standards, they may face tariffs, which will increase the cost of product exports, reduce revenue, and decrease profits.
	Medium-term Long-term	Opportunity:The market demand for green and low-carbon steel products is increasing day by day. Meanwhile, the upgrading of the downstream industry (such as new energy vehicles, new energy equipment manufacturing, etc.) has led to an increase in the demand for special steel and other high-performance products, resulting in an increase in operating income.
Innovation and intelligent manufacturing	Medium-term Long-term	Opportunity:By leveraging intelligent manufacturing technology to enhance production efficiency and product quality, and through innovative research and development of high-performance special steel materials to meet the demands of the high-end manufacturing industry, the Company's revenue has increased.
Product quality guarantee	Short-term	Risk:If there are major quality issues with the products, it may damage the brand's reputation, result in loss of orders, lead to customer claims or legal disputes.
	Medium-term Long-term	Opportunity:Stable and high-quality products help the Company expand its market share, increase product sales, and enhance its revenue.
Energy Management	Medium-term	Risk:As a steel enterprise with high energy consumption, an increase in energy costs may lead to an increase in the Company's operating costs.
	Short-term Medium-term	Opportunity:Investing in energy-saving technologies and improving energy efficiency can reduce long-term operating costs and help build a green corporate image, thereby gaining policy support and market favor.

Due to the insufficient professional assessment tools and data accumulation, there is still some uncertainty in the related models and methods, making it difficult to reliably quantify the financial impact. Therefore, we have not yet conducted specific calculations of the relevant financial impact at present, but have actively carried out preparatory work. We are enhancing the team's risk awareness through internal training, and are also exploring cooperation with external professional institutions, investing relevant resources to strengthen the ability to identify risks and seize opportunities.

¹Definition of time periods: Short-term refers to within one year. Medium-term refers to from one year to five years. Long-term refers to more than five years. This is to align with the company's development plan, as well as the nature of the impact, risks and opportunities, and the resource allocation plan.

Special Topic: Green Transformation, Forging a Near-zero Carbon Benchmark

Against the backdrop of the global mission to combat climate change and achieve deep decarbonization of the industrial chain, CITIC Pacific Special Steel consistently places green and low-carbon production at the core of its development. Driven by forward-looking strategic layout and solid, innovative technology, the Company is accelerating its green transformation with "near-zero carbon emission" as the benchmark. The Company is not only committed to achieving comprehensive decarbonization of its own operations but also acts as an enabler and a transformative leader for the industrial chain. It actively collaborates with upstream and downstream partners to jointly advance the process of low-carbon and green transformation, shaping sustainable competitive advantages amidst challenges, and effectively playing a leading and exemplary role in the construction of ecological civilization.

The Company consistently practices the "Green Leadership" strategy. Leveraging the dual advantages of "technological innovation" and "Collaborative development", it implements multi-dimensional carbon reduction strategies. The Company aims to build a "Green Manufacturing" enterprise that is low-carbon, high-quality, and sustainable, to empower the clean energy industrial chain to "Manufacture Green," and fulfill the mission of special steel and corporate social responsibility.

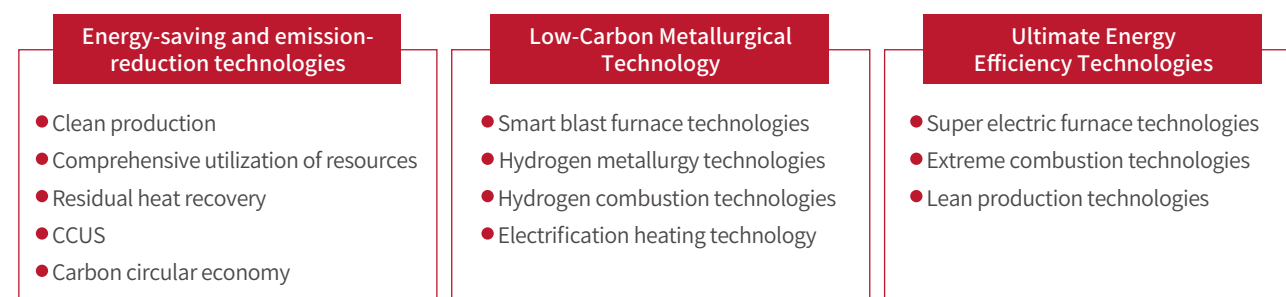
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Highlights and effectiveness for 2025

- In 2025, the Company's carbon emission intensity per ton of steel decreased by **0.44%** compared with 2024.
 - Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, and Tianjin Pipe all passed the acceptance of **"Energy Efficiency Benchmarking Demonstration Plants with Dual Carbon Best Practices"**.
 - Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, and Tianjin Pipe all successfully completed the **Environmental Product Declaration (EPD) certification**.

Green and Low-carbon Technology

Green and low-carbon development and high-quality transformation depend on CITIC Pacific Special Steel's continuous promotion of innovative technology R&D. This is a key path for the Company to lead the green upgrade of the special steel industry and help achieve the national "Dual Carbon" goals. The Company and its subsidiaries deploy the R&D and application of green and low-carbon technologies in a comprehensive manner, covering energy conservation and emission reduction, low-carbon metallurgy, ultimate energy efficiency, and other fields, thereby forming a technological system characterized by multi-technology synergy and full-process coverage.



The breakthroughs and implementation of this series of green and low-carbon technologies have effectively reduced carbon emissions throughout the entire process, filled gaps in areas such as high-end low-carbon materials and the construction of near-zero carbon emission factories, provided a replicable and scalable path for achieving carbon neutrality in the special steel industry, and demonstrated the responsibility and commitment of CITIC Pacific Special Steel in the industry's green transformation.



Case: Xingcheng Special Steel – Innovative Technologies Effectively Reduce Energy Consumption

Xingcheng Special Steel effectively reduced energy consumption through innovative technologies. By upgrading the ID fan to increase flue gas volume and heat exchange efficiency, and iterating evaporative cooling lance technology to reduce steam consumption, the recovery volume of converter gas increased by 7.9 m³/t, and the recovery volume of saturated steam per ton of steel rose by 16.6 kg/t, continuously breaking recovery records. Furthermore, the innovative application of collaborative smelting technology with closed furnace doors and burners in the electric furnace process reduced heat loss at the source of the process, resulting in an 11.4% reduction in smelting power consumption per ton of steel.



Case: Daye Special Steel – Hydrogen Energy Full-oxygen Combustion Heating Furnace Demonstration Project Achieves Deep Decarbonization

In 2025, Daye Special Steel's Hydrogen Energy Full-oxygen Combustion Heating Furnace demonstration project continued to optimize after deep decarbonization, achieving an 85% reduction in carbon dioxide emissions and a 25% reduction in energy consumption for a single heating furnace. This project provided a high-level, replicable technical path for deep decarbonization from the source process in the steel industry, holding significant economic benefits and environmental demonstration value.



Case: Qingdao Special Steel – Digital Low-carbon Metallurgical Technology Improves Quality and Reduces Costs to Aid "Dual Carbon"

Qingdao Special Steel focused on smelting pain points in the ironmaking industry and built a digital workshop for the entire ironmaking process based on a "Cloud-Edge-End" architecture. By integrating mechanistic models and artificial intelligence, the blast furnace fuel ratio was reduced by 7.11 kg/t, and the hot metal qualification rate improved by 2.03%, saving an annual cost of RMB 30.43 million.

Meanwhile, Qingdao Special Steel promoted research on the project "Industry-first: Intelligent Closed-loop Management and Control of the Entire Sintering Process through Deep Integration of Supervised Learning and Image Recognition". It innovatively integrated deep learning and image recognition, achieving a sinter size identification accuracy of over 98% and reducing carbon emissions by 114,300 tons.



▲ Digital Low-carbon Metallurgical Technology System

Case: Qingdao Special Steel – Waste Heat Heating Technology Wins First Prize at Provincial Science and Technology Awards, Empowering a Zero-carbon City

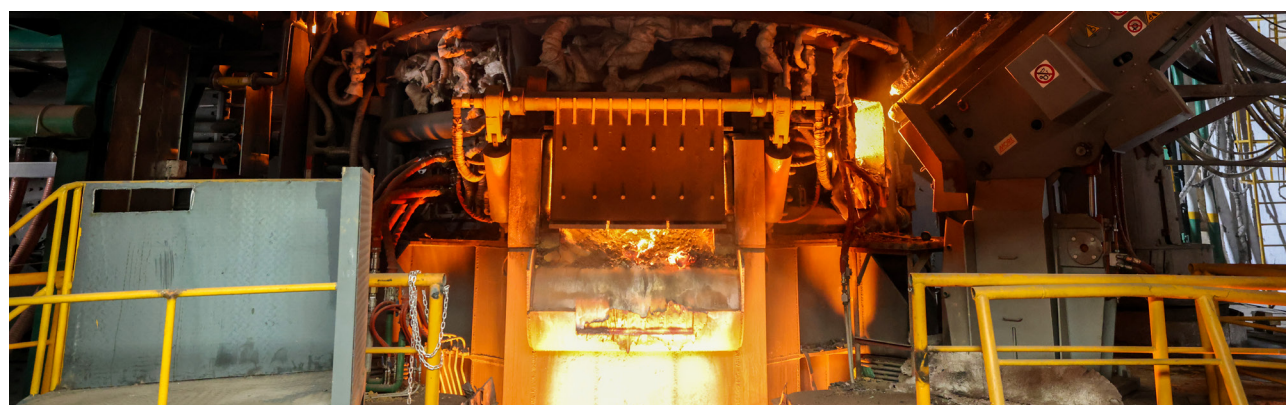
In February 2025, Qingdao Special Steel won the First Prize of the 2024 Shandong Province Circular Economy Science and Technology Award with its "Zero-carbon City Application of Composite Waste Heat Heating System in Steel Enterprises" project. The project established a composite waste heat heating system, following the principle of cascading utilization and applying technologies such as efficient heat exchange and pressure reduction and energy saving. It achieved efficient seasonal utilization of waste heat for heating in winter and cooling in summer. After the system was put into operation, the annual heat supply reached 3 million GJ, saving 117,000 tons of coal annually and reducing carbon dioxide emissions by 270,000 tons.

Case: Tianjin Pipe – Completion of China's First "Intelligent Full-oxygen Combustion Technology" Annular Furnace Retrofit

Tianjin Pipe completed the retrofit of China's first "Intelligent Full-oxygen Combustion Technology" annular furnace. Relying on the intelligent green and low-carbon retrofit of the 168-unit, the Company increased natural gas combustion efficiency by 26.8% and reduced nitrogen oxide emissions by 80%, achieving simultaneous efficiency gains in energy saving and emission reduction. The project was successfully selected for the National Development and Reform Commission's "List of Demonstration Projects for Advanced Green and Low-Carbon Technologies (Batch 1)", becoming the first green and low-carbon advanced technology demonstration and promotion project in Tianjin.

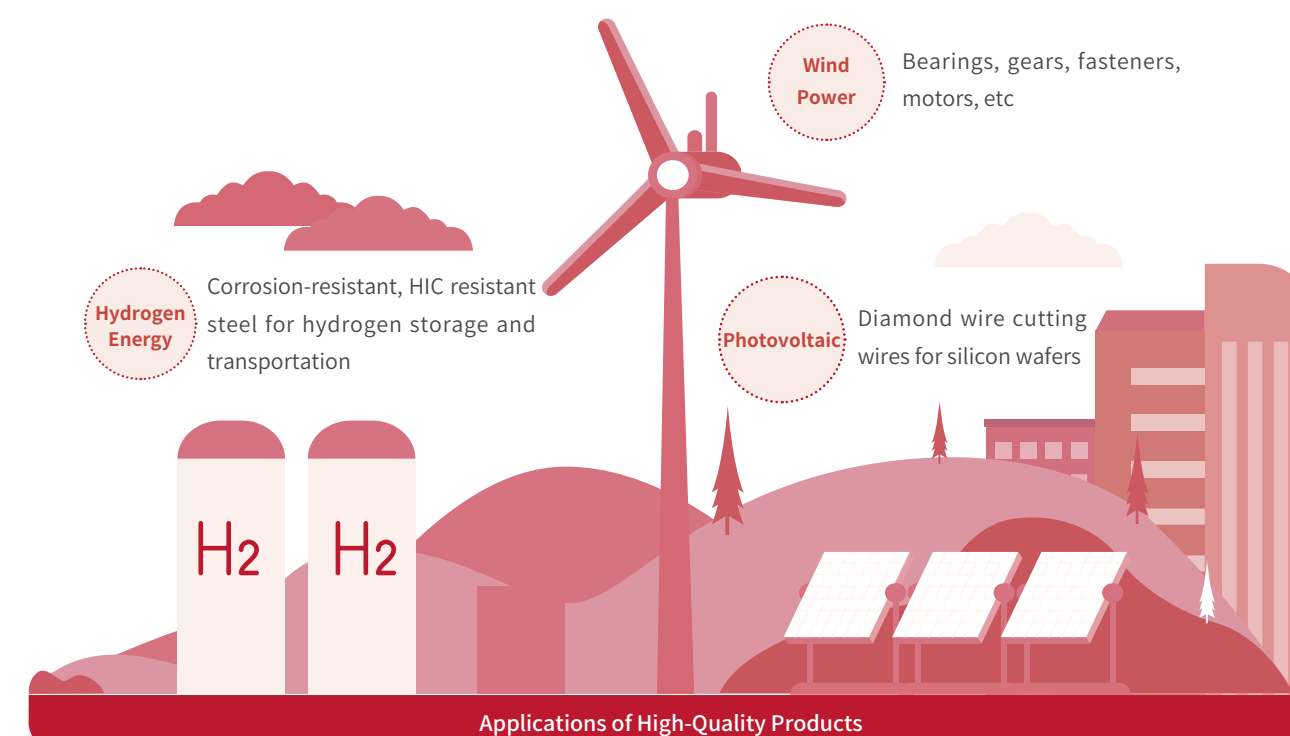
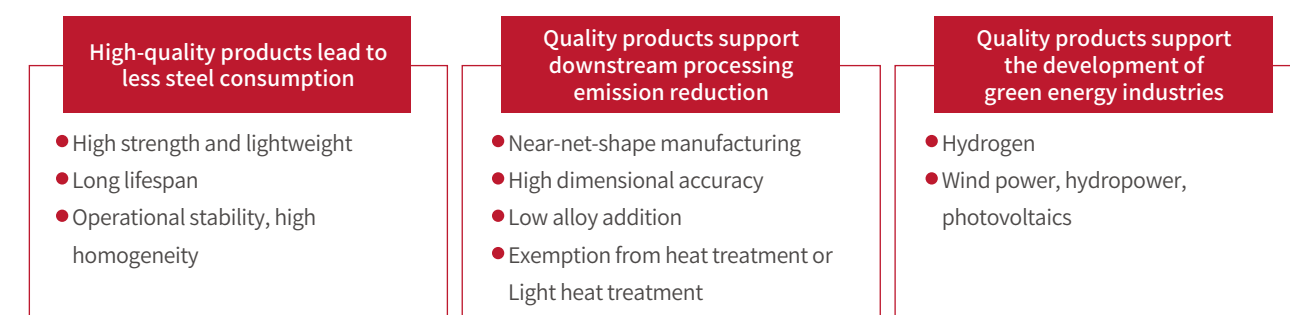
Case: Jingjiang Special Steel – Creating a National Pilot Project for Low-carbon Metallurgical Tackling: "Near-zero Carbon Emission Electric Furnace"

Jingjiang Special Steel developed the national low-carbon metallurgical pilot project "Near-zero Carbon Emission Electric Furnace", becoming the first national model for short-process steelmaking in electric furnaces in China. With "Source-Grid-Load-Storage Integration" as its core architecture, the project constructed a wind-solar-storage integrated microgrid. Paired with an energy-carbon integration platform and an intelligent microgrid platform for efficient dispatching, it significantly increased the proportion of green electricity and reduced carbon emissions per ton of steel to a national near-zero carbon demonstration level.



Green and Low-carbon Products

The Company upholds the philosophy of "Manufacturing Green Products, Empowering Emission Reduction in the Industrial Chain". Focusing on three core directions—"Supporting the Reduction of steel consumption", "Supporting Emission Reduction in Production and Processing", and "Supporting the Development of the Green Energy Industry"—the Company continuously promotes the green upgrading of products through high-intensity R&D investment, providing green and low-carbon steel solutions for the industrial chain. Addressing the demands of strategic emerging industries such as new energy and high-end equipment, we have developed a series of green and low-carbon products featuring high strength, lightweight design, and long service life.



- Ultra-high-strength bridge cable steel enables lightweight construction of large-span, mega-scale bridges
- Ultra-high-strength, fewer-leaf spring steel achieves lightweight construction in commercial vehicles.
- Key components manufactured from ultra-clean and ultra-long-life bearing steel meet the ultra-long service life requirements of wind turbines.



Case: Xingcheng Special Steel – Successfully Developed Φ1200mm Continuously Cast Round Bloom for Magnetic Yokes, Significantly Reducing Comprehensive Energy Consumption

In 2025, relying on its world-leading continuous casting technology, Xingcheng Special Steel successfully developed a Φ1200mm continuously cast round bloom for magnetic yokes, featuring high strength, high toughness, and excellent fatigue resistance. Applied to core components of pumped storage generators, this product directly improves power generation efficiency and extends equipment service life.

The product process route matches secondary refining, vacuum degassing, and continuous casting production, controlling non-metallic inclusions in the steel throughout the process to achieve a comprehensive improvement in material performance. Compared with traditional processes, the comprehensive energy consumption is 15% lower than that of the traditional ingot casting process.



Case: Qingdao Special Steel – Ultra-high-strength Green Products Support Major National Projects

Qingdao Special Steel successfully developed a new generation of green process ultra-high-strength bridge cable wire rods by precisely adjusting alloy compositions and innovatively optimizing controlled rolling and cooling processes. This material possesses excellent high strength and ductility in the hot-rolled state, reducing production energy consumption and carbon emissions at the source. The cables made from this material feature high strength and excellent fatigue resistance.

The product has been successfully applied to multiple major national projects, including the Guizhou Huajiang Grand Canyon Bridge, known as the "World's Highest Bridge," the Zhangjing'ao Yangtze River Bridge, and the Lingdingyang Bridge of the Shenzhen-Zhongshan Link.



Case: Developing Advanced Special Steel Materials to Support the Application of CCUS Technology

The Company is accelerating the large-scale application of Carbon Capture, Utilization, and Storage (CCUS) technology. By closely integrating geological sequestration or utilization and biological utilization, it actively conducts research on technical demonstration applications and strategic layout, striving to create a series of integrated pilot projects for carbon dioxide capture and utilization.

- In frontier technology fields such as hydrogen transmission pipelines and CCUS, Qingdao Special Steel successfully developed special welding materials for hydrogen transmission pipelines, meeting the urgent demand for high-performance welding materials for long-distance hydrogen pipelines and CCUS pipelines.
- To meet the demand for high-quality CCUS pipe materials, Tianjin Pipe overcame technical challenges such as low-temperature toughness enhancement, special test compliance, and material structure optimization, and successfully developed high-grade corrosion-resistant line pipes. The test results reached international advanced levels, strongly supporting the supply of key pipe materials for CCUS projects.

In 2025, aligning with the national new energy development strategy, the Company continued to achieve innovative breakthroughs in the field of key materials, supporting the manufacturing of clean energy equipment.



Wind Power Sector

- Successfully developed 700mm diameter ultra-large-size bearing steel, which has been supplied in bulk to the main bearings of China's first 18MW wind power platform. This product overcame the material bottleneck for core components of offshore ultra-large wind turbines, marking China's transition from a technology follower to a global leader in this field.
- The Company provided core bearing steel materials for the "Near-zero Carbon Bearing Solution," pioneered in China by its strategic partner SKF. This represents a significant practice in promoting the green and low-carbon transition of downstream industries in wind power.



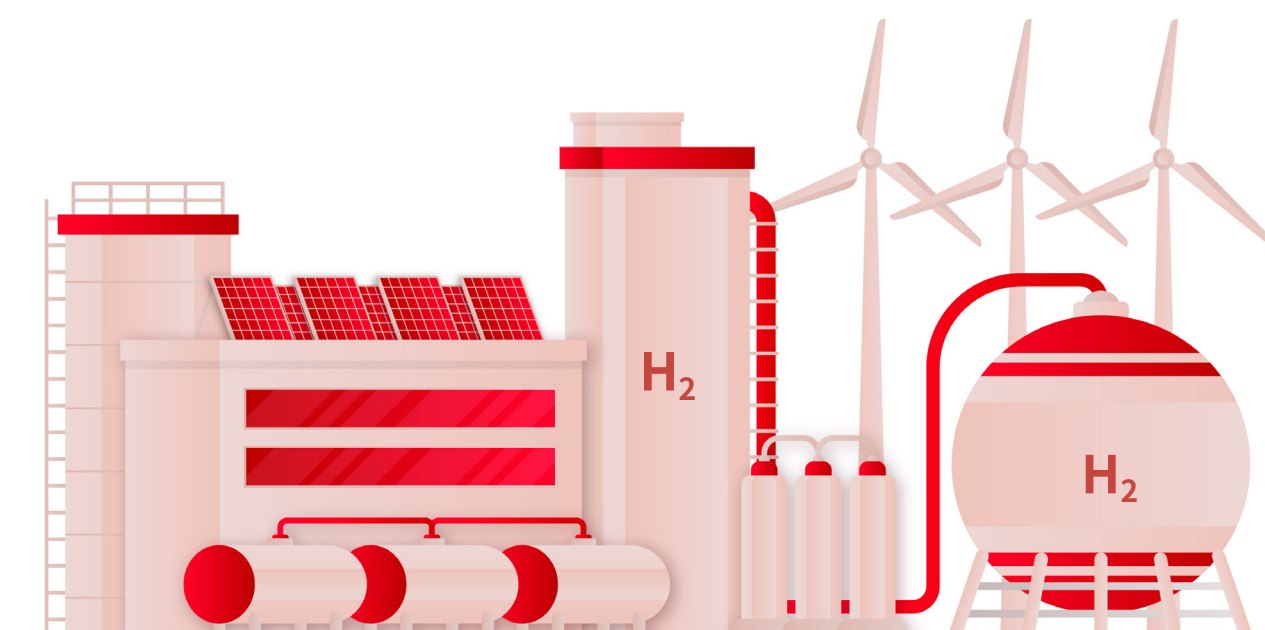
Hydropower Sector

- The "Key Technology for Clean Preparation of High-Quality Steel for Advanced Manufacturing," co-developed by Xingcheng Special Steel, achieved domestic substitution for more than 10 types of steel used in advanced manufacturing. The products were applied to the construction of major national projects, including the main shafts of the Baihetan Hydropower Station, holding significant national strategic importance and immense economic value. This technology won the First Prize of the 2025 Metallurgical Science and Technology Award.
- The supporting development and supply of steel for pumped storage generating units were completed.



Hydrogen Energy Sector

- The supporting development and supply of high-grade corrosion-resistant pipes for hydrogen transmission were completed. Additionally, the Company participated in the development of the national standard *Steel pipe for gaseous hydrogen storage and transportation pipeline (GB/T 46599-2025)*, which was published on October 31, 2025.



Green and Low-carbon Ecology

CITIC Pacific Special Steel actively grasps the frontier trends of global low-carbon development, deepens industrial chain collaboration and cooperation, and builds a green and low-carbon industrial ecology. The Company works together with upstream and downstream partners to jointly promote the formulation of industry low-carbon standards and the construction of certification systems, driving the improvement and upgrading of the green evaluation system.

Co-building Industry Standards

CITIC Pacific Special Steel is committed to promoting the green development of the special steel industry. By deeply participating in the co-building of green standards and the construction of carbon evaluation systems, the Company continues to play a leading role in the industry. In 2025, the Company further clarified key evaluation indicators for green products and actively promoted the improvement and upgrading of the industry green standard system, helping the industry's low-carbon transition move towards a higher level.

Green Standard

Green Standards Led or Participated in 2025

National Standards: GB/T 46599-2025 *Steel pipe for gaseous hydrogen storage and transportation pipeline*
GB/T 46598-2025 *Steel plate, sheet and strip for gaseous hydrogen transportation and storage pipeline*

Group Standards: T/CSTM 01297-2025 *Green Low-carbon Technology Evaluation Specification: Converter Scrap Ratio Increase Technology*
T/CIEP 0204-2024 *Fixed high-pressure hydrogen storage equipment technical specification*
T/CI 933-2025 *Technical Specification for Pipeline Design of Long-Distance Hydrogen Transmission Pipelines*

Carbon Footprint Evaluation

CITIC Pacific Special Steel stands at the forefront of the global green wave, using intelligent carbon management as a core engine to transform the challenges of international carbon regulations into innovative opportunities for collaborative tackling within the industrial chain. This year, the Company continued to optimize its self-developed "Dual Carbon" digital management platform. Focusing on carbon data management and carbon footprint accounting, the platform achieves refined calculation and dynamic analysis of carbon footprints across the entire process flow from both organizational and product levels. It provides downstream users with CBAM compliance declaration and product carbon footprint accounting services, helping partners enhance their carbon management capabilities and master professional methods.



Case: Self-developed Platform Becomes First Dual-Certified Digital Platform for Carbon Management in China

The "One Headquarters, Multiple Bases" carbon management platform independently developed by CITIC Pacific Special Steel is the first digital software in China to pass both the EU CBAM (the EU's Carbon Border Adjustment Mechanism) and PCF (Product Carbon Footprint) certifications, realizing real-time monitoring, precise quantification, and efficient management of carbon emission data.

The Company empowers carbon footprint management through digitalization, building a full-process, multi-level carbon footprint certification system. By the end of 2025, the Company completed carbon footprint certification for 6 major bearing products across 10 different process routes. Its subsidiaries—Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, and Tianjin Pipe—all successfully completed Environmental Product Declaration (EPD) certification. Specifically, Xingcheng Special Steel completed 7 product carbon footprint evaluations and certifications, as well as 4 EPD reports. Daye Special Steel completed 2 product carbon footprint evaluations and certifications, as well as 5 EPD reports. Qingdao Special Steel completed 6 product carbon footprint evaluations and certifications, as well as 3 EPD reports, and Tianjin Pipe completed 1 product carbon footprint evaluation and certification, as well as 1 EPD report.



Case: Partnering with National Carbon Metrology Center to Create China's First Differentiated Carbon Evaluation System for Special Steel

On September 16, 2025, CITIC Pacific Special Steel signed a strategic cooperation agreement with the National Carbon Metrology Center (Fujian). The two parties plan to co-construct a special steel "Dual Carbon" Innovation Research Institute and jointly build the first "Product Differentiated Low-carbon Assessment system" in China's special steel sector. By analyzing the full life cycle carbon footprint of special steel products, the system customizes quantifiable and traceable low-carbon "green ID cards" for products.



Case: Precise Prediction of Product Carbon Footprint, Defining a New Paradigm for Carbon Reduction in the High-end Automotive Industry Chain

In 2025, CITIC Pacific Special Steel continued to deepen its green and low-carbon strategic collaboration with partners including Schaeffler (Germany), ZF (Germany), SKF (Sweden), and Bekaert (Belgium), completing carbon footprint calculations for a total of over 100 products. This work provided critical data support for the R&D of low-carbon products and the construction of production systems for industrial chain users, further driving the green transformation and collaborative innovation of the global high-end automotive industry chain.

Industrial Chain Collaboration

The Company continues to deepen collaborative innovation with industrial chain partners, closely linking with industry associations, research institutions, and upstream and downstream enterprises. It carries out technology sharing, standard co-building, and green supply chain cooperation to jointly address carbon neutrality challenges.

In June 2025

The Company attended the Life Cycle Assessment (LCA) Expert Group Meeting hosted by the World Steel Association. The Company delivered a keynote presentation focusing on the eco-design of green and low-carbon special steel products, contributing to the R&D and manufacturing of global green and low-carbon products.

In August 2025

The Company was invited to attend the "Global Symposium on Low-Carbon Steel" hosted by the United Nations Industrial Development Organization (UNIDO). The Company elaborated on a low-carbon special steel innovation system centered on "Green Manufacturing, Manufacturing Green" and proposed the development initiative of "Scientific Sustainability – Innovation and Collaboration". This not only demonstrated the outstanding achievements and leadership of China's leading special steel enterprise in green transformation to the international community but also provided a feasible "Chinese Solution" for collaborative carbon reduction in the global steel industry chain.

In December 2025

At the "2025 Low-Carbon Steel Technology Development Conference" hosted by the World Steel Association in Singapore, the Company was invited to deliver a keynote report titled "Innovative Practice on the Coupled Application of New Hydrogen-Oxygen Intelligent Combustion Technologies," discussing pathways to accelerate steel decarbonization with global industry technical experts.

In January 2026

The Joint Statement on Deepening Steel-Auto Industry Collaboration for Carbon Reduction, jointly convened by the China Iron and Steel Association, the China Automotive Technology and Research Center (CATARC), and the Rocky Mountain Institute (RMI), and joined by steel enterprises including CITIC Pacific Special Steel and Nanjing Iron & Steel, as well as numerous automotive enterprises, was released. It aims to promote collaborative emission reduction in the steel and automotive industry chains and accelerate the large-scale application of low-carbon emission steel in the automotive industry.





Governance

- 01. Corporate Governance
- 02. Compliance and Risk Control
- 03. Business Ethics
- 04. Information Security

Highlights and effectiveness for 2025

- 100% coverage of employee risk management training activities
- 100% coverage of employee anti-corruption training
- 100% suppliers have signed the Transparent Cooperation Agreement
- 100% coverage of employee information security training

CITIC Pacific Special Steel has always adhered to the core values of "Integrity, Innovation, Integration, Excellence". By continuously improving the governance structure, strengthening compliance awareness, abiding by the principles of honest operation, and building a data security barrier, it has laid a solid foundation for the Company's steady and long-term development and delivered reliable value to the stakeholders.

Response to SDGs

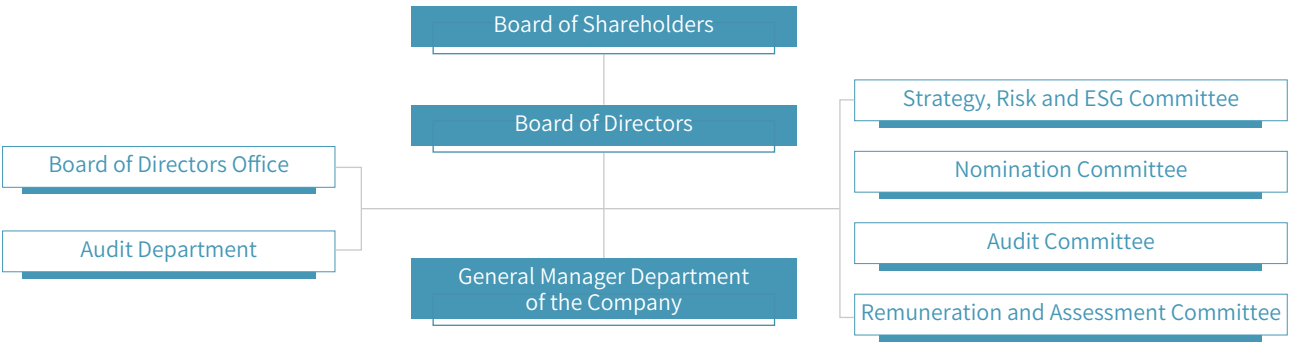


Corporate Governance

CITIC Pacific Special Steel has been continuously optimizing and improving the modern enterprise system with Chinese characteristics, and has been actively promoting the modernization of the governance system and governance capabilities. It ensures that the Company's decision-making is scientific, the checks and balances are effective, the operation is standardized, and the supervision is powerful. This has enabled the company to continuously enhance its competitiveness, innovation ability, control ability, influence, and risk-resistance capacity, and improve the governance efficiency of the enterprise.

Improve the Governance Structure

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies issued by the China Securities Regulatory Commission (CSRC)*, the *Rules Governing the Listing of Stocks* on Shenzhen Stock Exchange promulgated by the Shenzhen Stock Exchange, and other relevant regulations, the Company continuously improves its corporate governance structure. This year, the Company revised 9 regulations including the *Rules for the Conduct of the Board of Directors*, *Rules for the Conduct of the Shareholders' Meeting*, and the *Regulations on the Termination of Directors' Positions*.



The Company's Corporate Governance Structure

Board Diversity

The Company is committed to advancing board diversity and has developed the *Policy Statement on Board Diversity* to facilitate the achievement of its strategic vision and accelerate sustainability initiatives. The Company incorporates multi-dimensional factors into the selection criteria for board members, including but not limited to gender, age, cultural and educational backgrounds, ethnicity, professional competence, ethical standards, and industry-specific experience. The current Board of Directors comprises 9 members, including 3 independent directors and 1 female director. The current Board members boast professional expertise and extensive experience in diverse fields including steel industry, economic management, securities regulation, capital operations, risk management, and accounting & financial management. This multidisciplinary composition brings diverse perspectives to senior-level decision-making, enhancing the Company's long-term governance capabilities.



Name:Qian Gang | Age:60 | Gender:Male
☒ Strategy, Risk and ESG Committee ☐ Nomination Committee

He has successively served as a Dedicated Engineer, Production Technology Plant Manager, and Plant Manager of the No. 3 Steelmaking Plant at Xingcheng Special Steel, Assistant General Manager and Plant Manager of the Special Smelting Plant, and deputy Chief Engineer at Xingcheng Special Steel, Director and General Manager of Daye Special Steel, General Manager of Hubei Xinye Steel Co., Ltd., General Manager of Xingcheng Special Steel, Vice President and President of CITIC Pacific Special Steel Group, Vice President of CITIC Pacific Limited, and Executive Director of CITIC Mining International Limited, He currently holds the positions of Chairman of the Company, Director and President of CITIC Pacific Limited, Vice Chairman and General Manager of CITIC Pacific Special Steel Investment Co., Ltd., Chairman and General Manager of Taifu Special Steel (Jiangsu) Co., Ltd., Director of Nanjing Iron and Steel Group Co., Ltd., Director of Nanjing Nansteel United Co., Ltd., and Director of Nanjing Steel United Co., Ltd.



Name:Yang Feng | Age:43 | Gender:Male
☒ Audit Committee

He has successively served as Senior Manager of the Finance Department at CITIC Group Co., Ltd., Chief Financial Officer at CITIC Medical and Health Industry Group Co., Ltd., and Chief Financial Officer at CITIC Construction Co., Ltd. He currently holds the positions of Director of the Company, Chief Financial Officer and Chairperson of the Risk Management Committee at CITIC Pacific Limited, Deputy General Manager of the Finance Management Department at CITIC Limited, Director of Nanjing Iron and Steel Group Co., Ltd., Director of Nanjing Nansteel United Co., Ltd., Chairman of Nanjing Steel United Co., Ltd. and Yinxin Commercial Factoring Co., Ltd.



Name:Guo Jiahua | Age:53 | Gender:Male
☒ Remuneration and Assessment Committee

He has successively held the positions of General Manager of the Business Development Department, Assistant Director, and Director at CITIC Pacific Limited. He currently serves as Vice Chairman of the Company, Director and Vice President of CITIC Pacific Limited, a member of the Executive Committee and Risk Management Committee of CITIC Pacific Limited, a member and secretary of the Investment Committee, and a member of the Asset-liability Management Committee. He also holds the positions of Vice Chairman of CITIC Pacific Special Steel Investment Co., Ltd., Director of Hubei Xinye Steel Co., Ltd., Vice Chairman of Taifu Special Steel(Jiangsu) Co., Ltd., Director of Nanjing Iron and Steel Group Co., Ltd., Director of Nanjing Nansteel United Co., Ltd., Director of Nanjing Steel United Co., Ltd., Director of Nanjing Steel Co., Ltd., Director of CITIC Pacific (China) Investment Co., Ltd., Director of several member companies of CITIC Pacific related to special steel, health, and real estate projects, and Director of Dah Chong Hong Group Limited.



Name:Huang Guoyao | Age:50 | Gender:Male

○ Strategy, Risk and ESG Committee

He has successively held the positions of Senior Manager, Manager, General Manager, and Assistant Director in the Business Development Department of CITIC Pacific Limited. He currently serves as a Director of the Company, Director of the Business Development Department of CITIC Pacific Limited, Director of CITIC Pacific Special Steel Investment Limited, Director of Taifu Special Steel (Jiangsu) Co., Ltd. and Director of several member companies related to special steel, energy, infrastructure, and health projects under CITIC Group.



Name:Luo Yuandong | Age:54 | Gender:Male

○ Strategy, Risk and ESG Committee

He has served as the deputy manager and manager of the Shanghai branch of Xingcheng Special Steel Co., Ltd. Sales Department, Deputy General Manager of the sales company, the Deputy General Manager of Gross Seamless Steel Tube Co., Ltd., Assistant General Manager, Deputy General Manager, Executive Deputy General Manager and General Manager of Xingcheng Special Steel Co., Ltd., Deputy General Manager and General Manager of the Sales Headquarters of CITIC Pacific Special Steel Group, and Vice president of the Company. Currently, he is a Director and President of the Company, Director of CITIC Pacific Special Steel Investment Co., Ltd., Director of Taifu Special Steel (Jiangsu) Co., Ltd., Director of Nanjing Iron and Steel Group Co., Ltd., Director of Nanjing Nansteel United Co., Ltd., and Director of Nanjing Steel United Co., Ltd.



Name:Jia Jinghong | Age:57 | Gender:Male

○ Strategy, Risk and ESG Committee

He has served as the manager of the Shanghai Sales Branch of Jiangyin Xingcheng Iron & Steel Co., Ltd., Director of the General Office and Deputy Secretary of the Party Committee of Xingcheng Special Steel Co., Ltd., Chairman of the Company's Supervisory Board. Currently, he is a Director of the Company, Director of CITIC Pacific Special Steel Investment Limited, Director of Taifu Special Steel (Jiangsu) Co., Ltd.



Name:Zhang Xiaogang | Age:71 | Gender:Male

○ Nomination Committee ○ Audit Committee

He has successively served as the General Manager of Anshan Iron and Steel Group, President of the World Steel Association, President of the International Organization for Standardization, Chairman of the China Metal Society. He currently holds the positions of Independent Director of the Company.



Name:Li Jingshe | Age:67 | Gender:Male

○ Nomination Committee ○ Remuneration and Assessment Committee

He has successively held the positions of Executive Vice Dean of the Graduate School, Vice Dean of the School of Metallurgical Engineering, Doctoral Supervisor at the University of Science and Technology Beijing. He currently serves as an Independent Director of the Company, a Second-Tier Professor of Metallurgical Engineering at the University of Science and Technology Beijing, and an External Director at Hebei Iron and Steel Group Co., Ltd., while also serving as a member of the Electrometallurgy Branch of the China Metal Society.



Name:Liu Wei | Age:64 | Gender:Female

○ Audit Committee ○ Remuneration and Assessment Committee

She has successively held the positions of Chief of the Finance Department at Jiangyin Reducer Co., Ltd., Director of the Audit Department at Jiangyin Tianhua Certified Public Accountants Firm, and Manager of the Enterprise Management Department at Jiangyin Mould & Plastic Group. She currently serves as an Independent Director of the Company, Independent Director of Jiangsu Sihuan Bioengineering Co., Ltd., Independent Director of Jiangsu Ancan Technology Co., Ltd., General Manager of Compass Enterprise Management Consulting Co., Ltd., Partner-in-Charge of Jiangyin Compass Certified Public Accountants Firm (General Partnership), and Partner-in-Charge of Jiangyin Compass Tax Consulting Firm Co., Ltd.

Compensation Recovery and Deduction Mechanism

The Company has formulated the *Implementation Rules on Compensation Clawback*, established and continuously improved the performance-based compensation clawback mechanism for senior management personnel and key position holders, continuously improved the internal system for performance-based compensation recovery and deduction, and recovered a portion or even all of the performance-based compensation within the specified period based on the severity of the circumstances. At the same time, the Company has formulated short-term, medium-term and long-term incentive mechanisms for management personnel, including cash rewards and equity incentives, etc.

Strengthen Information Disclosure

The Company is committed to building a system of institutional rules centered on information disclosure, rigorously complying with the *Measures for the Administration of Information Disclosure by Listed Companies* of the CSRC, the *No.5 Guidelines for Self-discipline Regulation of Listed Companies - Information Disclosure Management* of the Shenzhen Stock Exchange, and the Company's internal provisions, such as the *Management Measures for Information Disclosure* and the "*Measures for Internal Reporting of Material Information*". These measures ensure timely and equitable disclosure practices, while guaranteeing the authenticity, accuracy, and completeness of disclosed content. The Company resolutely prohibits any occurrences of false records, misleading statements, or material omissions, while continuously elevating the quality of information disclosure. Through efficient and comprehensive communication of operational management updates and business development progress to investors, we safeguard the legitimate rights and interests of all shareholders, with particular emphasis on protecting public investors.

- Granted Grade A in information disclosure assessment from the Shenzhen Stock Exchange for **6** consecutive years.
- Released **32** regular announcements and **89** temporary announcements.
- Awarded the "2025 Best Board Practices Award" from the China Listed Companies Association for Listed Companies.
- Awarded the "2025 Best Practice Award for the Board Office" from the China Listed Companies Association for Listed Companies.
- Awarded the "2025 Golden Quality Company Governance Award" from the Shanghai Securities News.

Enhance Investor Communication

With investor relations management set as one of its top priorities, the Company adopts innovative methods to improve the quality and effectiveness of its services, and engage investors in ongoing communication through various channels and at different levels to build and maintain a positive and interactive relationship. The Company strictly complies with requirements of the *Guidelines on Investor Relations Management of Listed Companies* of the CSRC and the *Measures for Management of Investor Relation* of the Company, and effectively fulfills the responsibilities of investor relations management of listed companies. The Company actively engages in long-term and stable interactions with domestic and overseas investors through a variety of channels and formats. We promptly collect and respond to investors' feedback and concerns, deepening investors' understanding and recognition of the Company. We endeavor to convey our ESG concepts and core values to investors and are always committed to safeguarding the legitimate rights and interests of investors, particularly those of small- and medium-sized investors. This year, the Company has formulated the *Measures for Management of Market Value* to further standardize market value management practices, enhance corporate investment value, and achieve sustainable development.

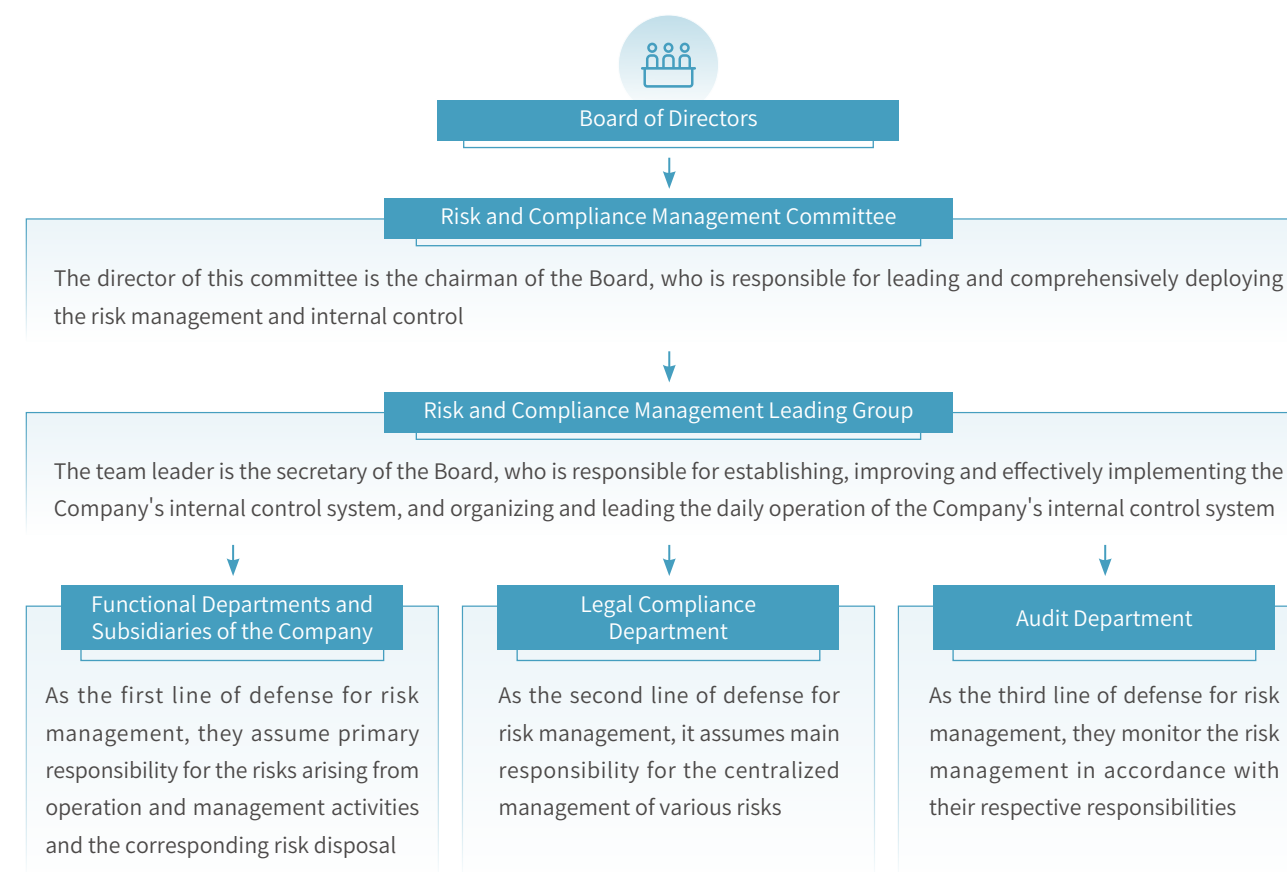
- The Company responded to a total of **332** questions from investors through interactive Q&A response rate was **100** %

Compliance and Risk Control

CITIC Pacific Special Steel adheres to following international advanced standards for risk compliance management. It focuses on corporate governance and continuously improves the integrated management mechanism led by risk preference, based on compliance management, benchmarked by good practices, and supported by internal control. It consolidates the foundation of risk compliance management and builds a risk management system that is in line with the development strategy and meets the needs of operation and management. This aims to promote the Company's high-quality development and enhance its core competitiveness.

Improving the Compliance and Risk Control System

In strict compliance with the *Compliance Management for Central State-owned Enterprises* and the *Basic Standard for Enterprise Internal Control* and its supporting guidelines, and in light of the current status and actual needs of its corporate governance, the Company has formulated internal management rules and procedures, including the *Measures for Comprehensive Risk Management*, *Compliance Management Measures* and *Internal Control Management Measures*, established a four-level and three-line risk management structure, and put in place a three-dimensional risk management model that combines departments which focus on their specific business lines and subsidiaries which take overall charge of their own operations, so as to fundamentally establish the long-term mechanism for risk prevention and mitigation and enable risk management from the very sources and in an integrated manner.



The Company's Organizational Structure of Risk Management

Risk Management Strategy

CITIC Pacific Special Steel has scientifically formulated the "15th Five-Year Plan" risk management plan. It clearly states that it will focus on areas such as consolidated risk management, isolation, and penetration management, improve supporting mechanisms, strengthen team building, ensure effective performance, and achieve stable and regular operation of risk management policies, systems and procedures.

The Company has developed a comprehensive risk management system that aligns with its development strategy and meets the needs of its business operations. The following specific measures are implemented to achieve effective risk control:

Risk Management to Safeguard the Bottom Line

By establishing mechanisms for risk identification, assessment, monitoring, and response, effectively prevent and mitigate various operational risks.

Compliance Management to Protect the Red Line

By strictly adhering to laws and regulations, industry standards, and internal corporate policies, ensure that all business activities are conducted in a legal and compliant manner.

Internal Controls as the Pillars

By optimizing business processes and strengthening the enforcement of policies, ensure the standardization and efficiency of operations.

Risk Preference Indicator

The Company's risk preference indicators cover 18 major risk categories such as strategic risks, financial risks, liquidity risks, legal compliance risks, and safety production risks. Each of the Company's subsidiaries has set key indicators for risk preference and regularly monitors the operation of these indicators.

Risk Penetration-based Management

CITIC Pacific Special Steel attaches great importance to the risk penetration management work and has achieved full coverage of risk management across the entire organization and all employees.

- The risk control work requires full coverage. All its subsidiaries have formulated integrated work plans for enterprise risk management, internal control management and compliance management. They have all established comprehensive risk management systems and risk incident accountability systems. The Company clearly defines the definition and classification of risk incidents, the organizational structure and responsibilities for accountability, the circumstances of accountability, the types of responsibility, the process of responsibility determination and accountability, further strengthening the bottom line of guarding against systemic risks and ensuring the Company's legal and compliant operation and development safety.

- Risk control information systems cover. The Company's risk control system fully covers the headquarters and its subsidiaries.

- Risk monitoring and reporting are fully covered. All subsidiaries regularly submit risk management reports, risk identification and assessment forms, and monitoring data of risk preference indicators. Four of the subsidiaries have formed risk archive views.

- Compliance supervision and inspection are fully covered. The Company's audit department supervises and audits its subsidiaries in areas such as procurement management, fixed asset management, product quality, and major projects. The Company's legal compliance department conducts comprehensive supervision of the risk management performance of its subsidiaries and uses the supervision results as the basis for the assessment of the general manager's department of the subsidiaries.

Strengthening Overseas Risk Management

In 2025, the Company formulated overseas integrity and compliance guidelines and established an overseas integrity and compliance negative list. At the same time, the Company promoted the institutionalized operation of the overseas risk compliance management working group, and systematically advanced the solid and stable overseas risk management. This year, the Company held 5 overseas risk management work meetings, formulated 16 work plans, and completed 15 of them.

Build a Compliance Culture

Constantly enhance employees' awareness of risk compliance and cultivate the Company's risk compliance culture. CITIC Pacific Special Steel, based on actual management needs, innovatively adopted various forms such as special lectures, knowledge competitions, scenario short videos, and online micro-lessons to conduct risk management and compliance training at different levels and categories, covering all employees. In 2025, the Company adopted various forms such as training, competitions, and legal clinics, and carried out risk management training activities in a hierarchical and categorized manner. Risk compliance publicity activities were held more than 30 times, and the number of online course learners reached 200,000. All employees were covered.



Case: CITIC Pacific Special Steel Holds a Strategic Planning Meeting on Risk and Compliance

In March 2025, CITIC Pacific Special Steel successfully held a strategic workshop on risk and compliance at Tianjin Steel Pipe. The event focused on the coordinated advancement of the "trinity" of risk management, compliance management, and internal control, and explored how to improve the risk control system, deepen compliance governance, and drive management innovation in the current environment. The meeting established a clear direction for the year's risk, compliance, and internal control efforts, providing a solid foundation for the Company's high-quality development.



▲ Risk and Compliance Meeting



Case: Risk Control Team Talent Competition Concludes Successfully of CITIC Pacific Special Steel.

In August 2025, CITIC Pacific Special Steel held a talent selection competition for its risk management team. Under the theme "Embracing Management Transformation, Building a World-Class Risk Management System for Special Steel," the competition brought together internal and external experts to conduct specialized training sessions on key areas such as bulk raw material procurement, sales, environmental protection, overseas compliance, and digital risk management. The event enhanced the professional capabilities and practical skills of risk management personnel and effectively advanced the development of a professional risk management talent pipeline.



▲ Risk and Compliance Talent Selection Competition

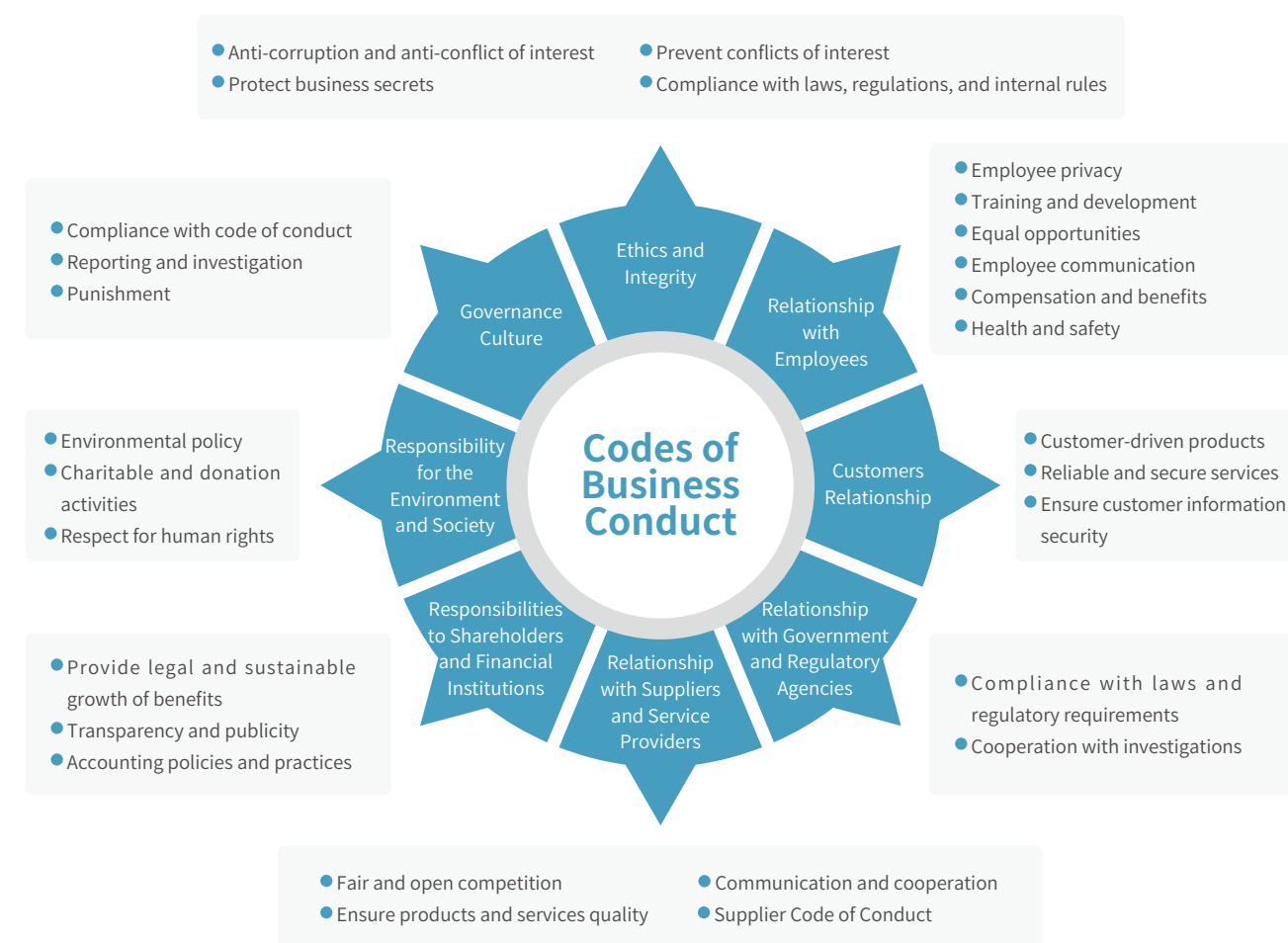
Implementing the Digital Transformation of Risk Control

Since 2020, the Company has actively leveraged next-generation information technologies and integrated its own risk management expertise to drive the digital transformation of risk prevention and control. By 2025, following three phases of development, the system had achieved online internal control self-assessments, visualized risk views, standardized compliance evaluations, and intelligent risk prevention and control. It now comprehensively covers the company and its subsidiaries, promoting the integrated development of prevention and control mechanisms, the convergence of business data, and a coordinated response to risk prevention.

The Company has taken the lead within CITIC Group's industrial sector and the steel industry in applying new technologies such as AI to create a "Risk Control Brain", forming a comprehensive suite of intelligent risk control solutions. These solutions have been applied across multiple domains, including risk sentiment monitoring, the marketing risk diamond model, compliance consulting, and compliance audits. By 2025, the Company had established comprehensive systems including a contract management system, case management system, intelligent supervision system, digital marketing system, digital supply chain system, and financial shared services platform, embedding key internal control points throughout the entire process.

Business Ethics

The Company strictly complies with various laws and regulations, including the *Oversight Law of the People's Republic of China*, the *Law of the People's Republic of China on Anti-money Laundering*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Guidelines for Multinational Enterprises* by the Organization for Economic Co-operation and Development (OECD). we have revised relevant management policies, including the *Implementing Rules for the Treatment of Responsible Persons in the Performance of Their Duties and Business Expenses*, *Regulations on Business Hospitality Management*, and *Codes of Business Conduct*. During the reporting year, the Company revised the *CITIC Pacific Special Steel Risk Incident Accountability Measures* and the *CITIC Pacific Special Steel Tendering Management Measures*, and issued relevant management systems such as the *Negative List for Daily Interactions Between CITIC Pacific Special Steel Staff and Partners*. These measures stipulate the Company's principles concerning anti-bribery, anti-conflict of interest, and anti-unfair competition, continuously improving the business ethics framework and providing a solid foundation for compliant operations.



Codes of Business Conduct

The Company strictly prohibits any form of bribery and corruption. No employee is permitted to offer, solicit, or accept bribes, including demanding or providing any improper benefits to or from clients, suppliers, legislative or enforcement personnel, or any other parties related to the Company's business, nor may they act as intermediaries to offer, solicit, or accept such benefits. Anyone who, whether with or without permission from superiors, abuses their authority to solicit or accept benefits in any form violates the Company's anti-corruption and anti-bribery policies.

Implement the Supervision System

All the enterprises under CITIC Pacific Special Steel have been continuously strengthening the construction of a comprehensive supervision system, promoting the implementation of clean business practices, strictly fulfilling the responsibility system for clean governance, and continuously enhancing the internal audit supervision function. The Company has achieved this through the collaborative efforts of multiple departments such as discipline inspection, auditing, and risk control, improving compliance management and governance efficiency, and providing a solid guarantee for the Company's clean construction.

The Company conducts internal system audits of business ethics standards covering all business and operational departments at least once a year, as well as third-party system audits, including a surveillance audit of the ISO 37301 *Compliance Management System*. Additionally, the Company increases the frequency of audits based on specific business needs to identify and correct potential business ethics risks in a timely manner. The Company strictly complies with the *Implementation Opinions on the Implementation of Full Coverage Audit*, conducting annual audits on key departments and critical business processes. The Company conducts at least one audit during the tenure of a leader in a crucial unit or in a critical position, to ensure full coverage of the audits. For units and leaders more troubled by issues or negative reports, the Company will conduct audits more frequently and in greater depth. For employees who violate regulations, the Company will impose corresponding punishments according to relevant regulations, and the results will be linked to aspects such as salary and benefits, evaluation, promotion and appointment.

This year, the Company has conducted and completed a total of 46 specialized audits across various business processes, and has carried out 72 audit-related tasks, including audit investigations, rapid tests, and the issuance of risk alert letters. The Company has not experienced any negative incidents such as corruption and bribery, conflicts of interest, money laundering, insider trading or harassment.

Establish a Sound Reporting Mechanism

The Company has established a comprehensive reporting mechanism, and in accordance with the Rules for the Supervision and Enforcement of Discipline by the Discipline Inspection Organs of the Communist Party of China, the Rules for the Handling of Reports and Accusations by Discipline Inspection and Supervision Organs, the Regulations on the Work of Petition Reporting (Trial) and the Regulations on the Management of Problem Clues by the Discipline Inspection and Supervision Group stationed at CITIC Group, managing the reporting process and the handling of related issues. The Company strictly implements the Whistleblowing Management Measures of the Company, issues the Disposal Specifications for Letters and Visits and Reports of Complaints and Accusations, and clearly defines the criteria for identifying and prioritizing the handling of anonymous and named reports of complaints and accusations.

The Company has established diverse and transparent reporting channels, including hotlines, mailboxes, and online reporting platforms, and ensures that these channels remain open and accessible. The Company accepts anonymous reports and has implemented a confidentiality policy for whistleblowing and complaints, strictly prohibiting any form of retaliation against whistleblowers or witnesses. The Company strictly manages the personal information of whistleblowers, as well as records and documents related to reports. During the handling of such information, the Company masks the whistleblower's identifying details, such as name, phone number, and email address. In addition, the Company regularly organizes training sessions for relevant personnel on the confidentiality of whistleblower information, emphasizing the importance of protecting whistleblowers' privacy.

Whistleblowing channels at CITIC Pacific Special Steel		
Tel. 0510-80676699	E-mail hr@citicsteel.com	Mail address The Human Resources Department of CITIC Pacific Special Steel, No. 1, Changshan Avenue, Jiangyin City, Jiangsu Province

Strengthening Integrity Education

The Company places great emphasis on integrity education and uses a variety of formats and media for such education, including warning and education conferences, integrity warning videos, disciplinary and legal knowledge tests, and the signing of commitment statements—we actively foster a corporate culture of integrity and transparency. We work hand in hand with all employees to build a harmonious, trustworthy, and ethical business environment and enhance employees' awareness of integrity. In 2025, the Company will conduct specialized business ethics training covering all full-time employees, part-time staff, and temporary workers. The training will address key topics including compliance management, anti-bribery, whistleblower protection, conflict of interest prevention, and anti-unfair competition, thereby solidifying the ideological foundation for integrity in professional conduct and compliance in business operations among all personnel.

This year, the Company organized 121 educational sessions on integrity and discipline in various formats, reaching more than 11,000 participants. It incorporated training on work conduct and integrity into the curriculum for young and middle-aged cadres, and hosted a competition and touring exhibition of integrity-themed works, as well as an integrity-themed film screening combined with a knowledge quiz. These initiatives were designed to guide management and employees to cultivate a sense of reverence, maintain a sense of caution, and adhere to ethical boundaries.

.100% Party-member leading cadres and employees in sensitive positions had signed the *Commitment to Integrity*.
.100% suppliers had signed the *Transparent Cooperation Agreement*.


Case: CITIC Pacific Special Steel Integrity Culture Contest

In 2025, the Company implemented the *Guiding Opinions of the CITIC Group Party Committee on Strengthening the Development of a Culture of Integrity* and CITIC Pacific's "Eight Integrity" initiative. It organized the CITIC Pacific Integrity Culture Works Competition, collecting 161 entries, including calligraphy and photography. Of these, 29 works received awards, and three subsidiaries were honored with the Collective Ethos Award.

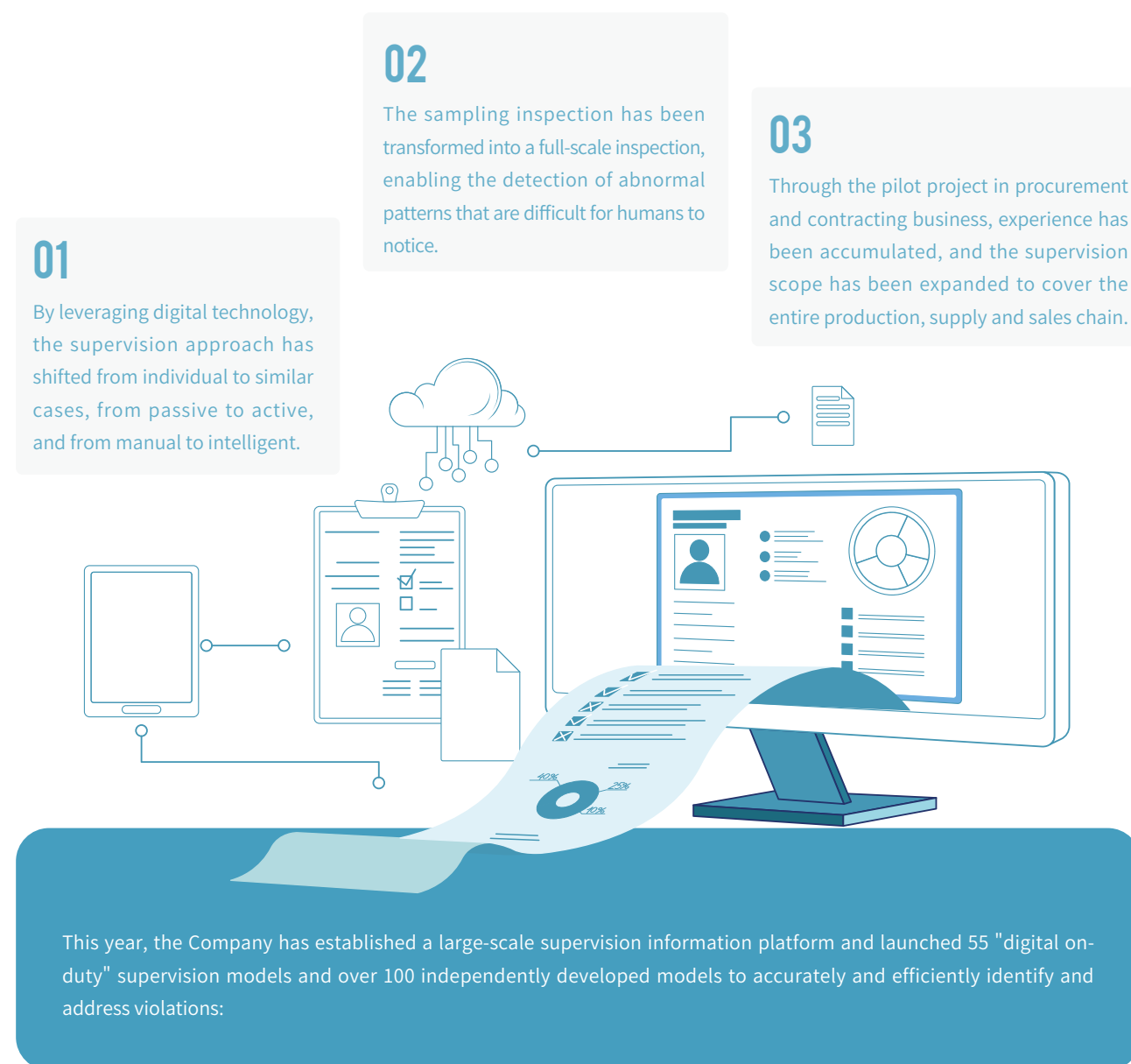
The integrity culture exhibition adopted a hybrid model combining "on-site exhibitions with online cloud displays" to showcase the works, and the Company has organized all employees to visit and learn from the exhibition.


Case: CITIC Pacific Special Steel's "Integrity Film Screening and Knowledge Quiz"

In 2025, the Company collaborated with its subsidiaries to organize the "Integrity Film Screenings and Knowledge Challenge," holding a total of 82 events in partnership with various enterprises. Through this engaging "film screening plus challenge" format, participants gained a deeper appreciation for the power of integrity culture and strengthened their ideological defenses against corruption.

Intelligent Risk Prevention and Control

The Company has implemented intelligent measures to prevent fraud across all stages of production and operations, thereby strengthening its defenses against integrity risks. In 2025, the Company accelerated the advancement of intelligent risk prevention and control measures, deeply integrating digital technology into supervisory practices. It will implement the "Five Timings" (anytime, promptly, within a time limit, on time, and continuously) comprehensive supervision system through daily real-time data monitoring and early warnings for abnormal behavior. online tracking of rectification tasks and countdown reminders. intelligent supervision systems and automated milestone alerts. and the use of big data analysis to establish routine risk profiles, the Company systematically identifies various types of abnormal business activities. By independently developing early warning analysis models and adopting a modern approach characterized by "data-driven, intelligent early warning, panoramic insight, and collaborative coordination," the Company enhances the comprehensiveness, continuity, and depth of its oversight efforts.



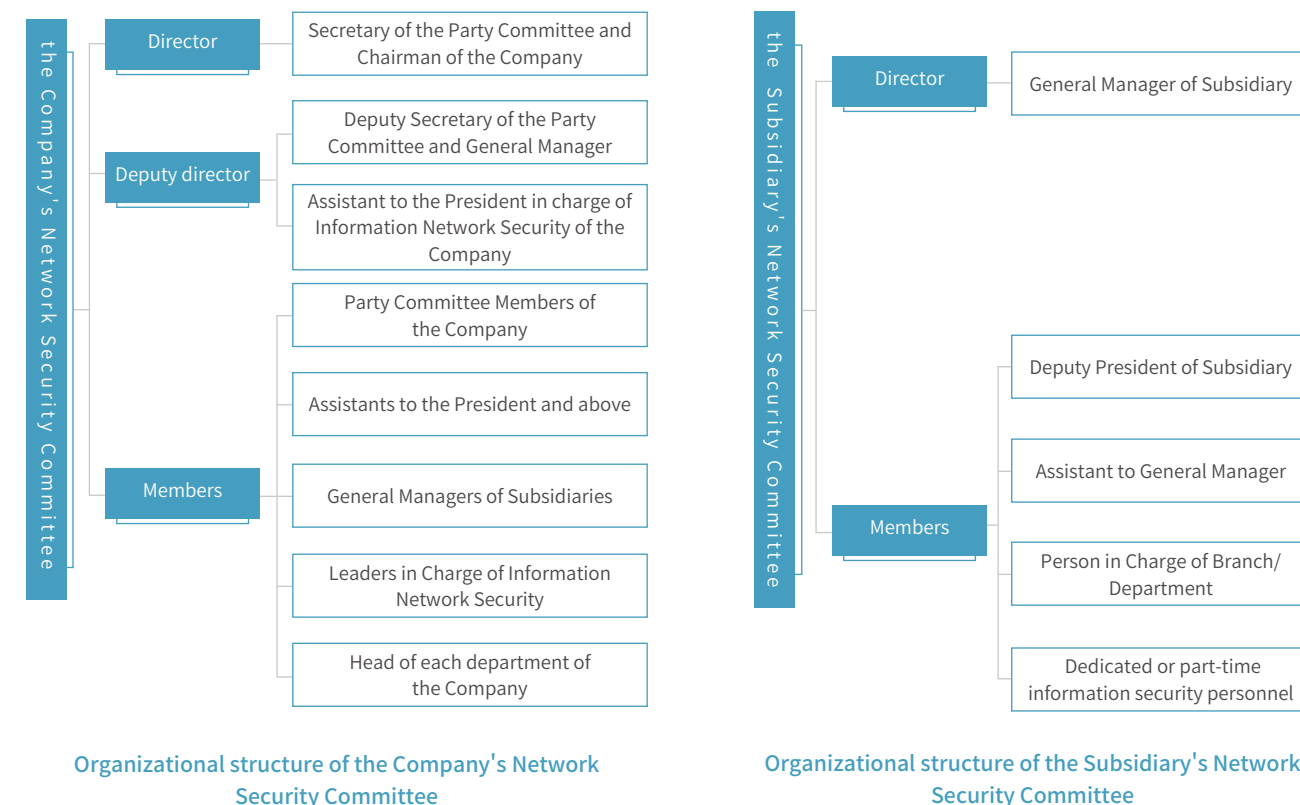
Information Security

Against the backdrop of digital transformation and intelligent development, CITIC Pacific Special Steel has consistently prioritized information security as a strategic focus, continuously strengthening the full-cycle protection of trade secrets and data assets. The Company continuously updates and optimizes its information security policies, refines its information security management framework, and systematically implements multi-layered security measures to enhance its capabilities in identifying, preventing, and managing information security risks, thereby building a robust digital security barrier to support high-quality development.

Information Security Management System

In accordance with the laws and regulations of the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the Company has formulated the information security management systems including the *Information Network Security Committee Working Institution and Responsibilities Management System*, the *Information Network Security Management System*, the *Management System on Commercial Secrets and the Information Security Emergency Management System (Applicable to Headquarters)*. This year, the Company introduced a new "Data Security Management Policy" to enhance its information security management system.

The Company has established a two-tier Information Network Security Committee, including the Company's Network Security Committee and the Subsidiary's Network Security Committee. The Company's Network Security Committee is responsible for formulating development plans and work objectives, addressing significant matters, and convening quarterly thematic meetings to assess corporate performance and oversee work implementation. The Subsidiary's Network Security Committee executes the Company's management systems, accomplishes the objectives set by the Company's Network Security Committee, establishes a security management organization, and deploys, summarizes, and inspects the implementation of work.



Information Security Management System Certifications

In order to deepen the establishment of the information security management system and continue to support its safe and stable operation, the Company has conducted a number of projects on information security management system certifications. By the end of 2024, CITIC Pacific Special Steel, Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, Tianjin Pipe, Jiangsu Special Steel, Tongling Special Materials, Yangzhou Special Materials, Zhejiang Steel Pipe have all passed the ISO 27001 Information Security Management Systems certification.



▲ ISO 27001 Information Security Management System Certification

The Company places a strong emphasis on strengthening the security of its information systems and advancing efforts related to the Cybersecurity Level Protection System. Based on the nature of the business operations supported by the information systems and the importance of the data, the Company conducts comprehensive security classification assessments and strictly adheres to the requirement that Level 3 systems undergo an assessment annually and Level 2 systems every two years. The Company's information systems have a 100% compliance rate with the security classification requirements.

Information Security Risk Management

The Company conducts information system authority audits, backup recovery tests, information systems vulnerability scanning and information system emergency drills every year to improve information security risk response capabilities and ensure the stable operation of information system.

The Company has deeply integrated information security into its strategic development plan. By establishing a comprehensive security framework that encompasses technology, management, and operations, we systematically ensure security across multiple dimensions—including physical and environmental security, network and communications security, device and computing security, and application and data security—thereby comprehensively enhancing the protection, detection, response, and recovery capabilities of our network and digital-intelligent systems. In the realm of data security, the Company implements an end-to-end management mechanism, utilizing SSL certificates and other measures to strengthen data transmission security, and employing document encryption systems to prevent the risk of electronic document information leaks, thereby fortifying the data security defense line.

In addition, to effectively manage and oversee information security, each subsidiary of the Company has established dedicated or part-time information security personnel who are responsible for the day-to-day management and supervision of information security. When information security issues are identified, these personnel will notify the information security authorities, which will then handle and report the situation accordingly.

This year, CITIC Pacific Special Steel and its subsidiaries actively participated in cyber defense drills, successfully completing their tasks with zero incidents. By proactively conducting vulnerability scans and penetration tests, the Company systematically identified and eliminated information security risks, continuously enhancing the inherent security capabilities of its systems. At the same time, the Company has gradually established an internal security technology team by organizing specialized penetration testing training and conducting monthly joint tests with professional agencies. Through a combination of online and offline methods, the Company has routinely conducted information security education and training for employees to strengthen security awareness.

In 2025, the Company experienced no incidents involving data security breaches or customer privacy leaks.



Commercial Secrets Protection

The Company continuously refines its trade secret protection system, optimizes confidentiality control mechanisms, and strengthens the management of personnel handling classified information to effectively safeguard its core competitive advantages and provide a solid foundation for high-quality development. For areas containing classified information, the Company implements multi-layered security measures that combine human, physical, and technological safeguards to ensure the security and controllability of classified materials. For personnel handling confidential information, the Company applies management measures covering the entire lifecycle—from onboarding through employment to departure. By requiring the signing of confidentiality agreements and conducting regular reminders, the Company helps employees understand their confidentiality responsibilities and fortifies the confidentiality defense line. The Company's submission, "Construction and Practice of a Comprehensive Intelligent Protection System for Trade Secrets in a Large Steel Group," was awarded the Second Prize at the 22nd (2025) Metallurgical Enterprise Management Modernization Innovation Awards.



Environmental

- 01. Responding to Climate Change
- 02. Compliant Emissions
- 03. Resource Conservation
- 04. Circular Economy
- 05. Protecting Biodiversity

Highlights and Achievements for 2025

A total investment of RMB **220** million in **18** environmental protection projects

A total investment of RMB **230** million in **29** energy-saving projects

Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, Tianjin Pipe and Tongling Special Materials have been included "Green Factory" list, Jingjiang Special Steel and Yangzhou Special Materials have been included in the Jiangsu Province's "Green Factory" list.

Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, and Tianjin Pipe were rated as "Grade A Enterprises" for environmental performance.

Qingdao Special Steel has established a zero-waste factory and successfully passed the re-evaluation for the Clean Production and Environmentally Friendly Enterprise in China's steel industry.

Daye Special Steel was listed among China's industrial carbon peaking "Front-Runners"

Tianjin Pipe's 168-unit has achieved an annual greenhouse gas offset ratio of **50.19** % and has been awarded the Type I 3-Star "Zero-Carbon Factory" certification.

Xingcheng Special Steel has successfully passed the acceptance process for the "Dual-Carbon Best Practice Energy Efficiency Benchmark Demonstration Enterprise" certification across all production processes.

CITIC Pacific Special Steel is deeply committed to the national green development strategy, fully integrating the concept of sustainable development into every aspect of its production and operations. It continuously improves its environmental governance system and explores practical pathways for synergizing business growth with ecological conservation. In response to climate change, the Company optimizes green production processes, enhances energy and resource efficiency, deepens circular economy models, and promotes biodiversity conservation. These efforts contribute to advancing green manufacturing innovation and fostering high-quality industrial development in line with national goals.

Responses to the SDGs



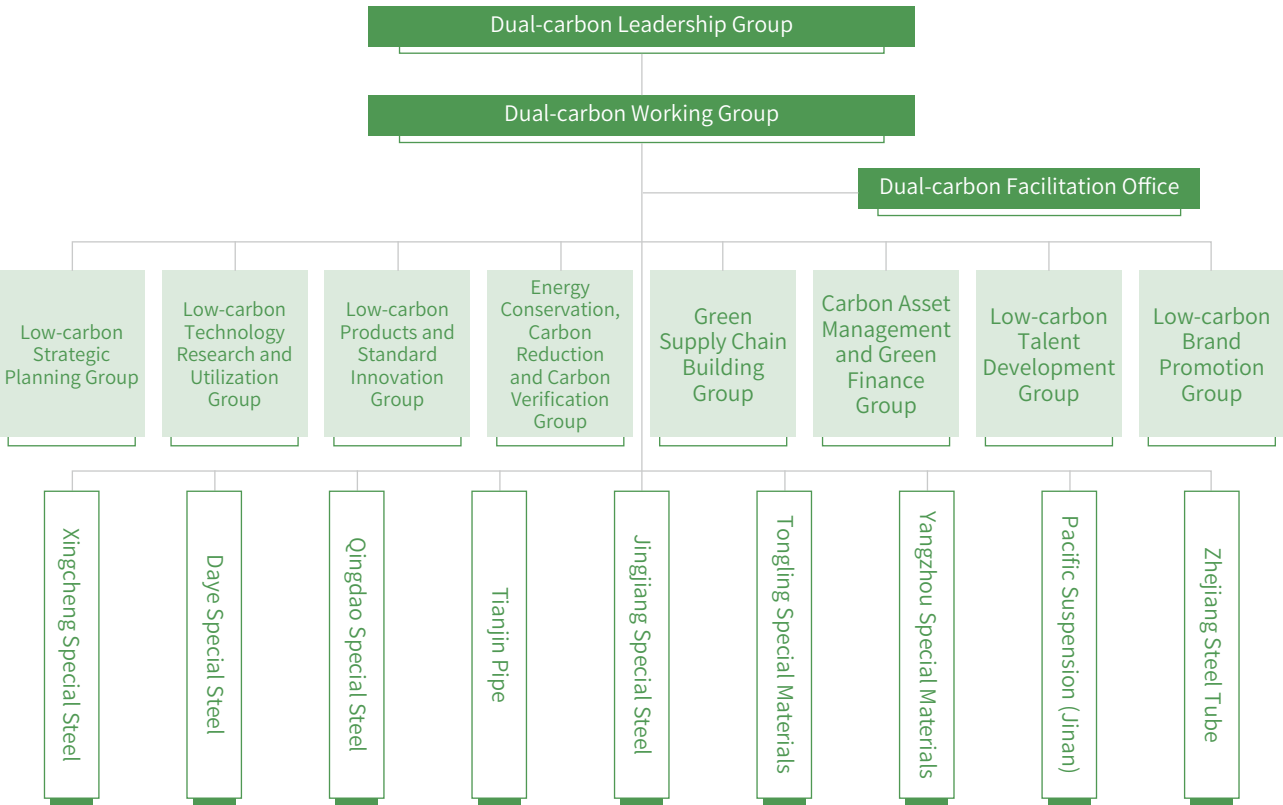
Responding to Climate Change

Responding to climate change is a common issue that concerns the future of humanity. CITIC Pacific Special Steel Group has deeply grasped the requirements of the era for green transformation, actively responded to the national "Dual-carbon" strategic deployment, systematically identified and assessed climate-related risks and opportunities facing the Company, and formulated targeted climate risk management and response mechanisms. It promotes the integration of climate governance into all aspects of the Company's operations and unwaveringly practices a low-carbon sustainable development path.

Governance

To effectively respond to climate change risks and seize related opportunities, CITIC Pacific Special Steel has established a comprehensive climate change management system to ensure the effective implementation of climate-related policies, strategies, and objectives set by the Board of Directors. As the highest decision-making body on climate issues, the Board is responsible for overseeing and reviewing related efforts, while the Strategy, Risk, and ESG Committee assists the Board in establishing the Company's overarching strategy and policy direction for climate change response.

Building on this foundation, the Company has established a Dual-carbon Leadership Group and a Dual-carbon Working Group, which are further subdivided into eight functional teams: the Low-Carbon Strategy Planning Group, the Low-carbon Technology Research and Utilization Group, the Low-carbon Product and Standard Innovation Group, the Energy Conservation, Carbon Reduction and Carbon Inspection Group, the Green Supply Chain Building Group among others. This structure forms a coordinated advancement mechanism. Under the guidance of the dual-carbon leadership group, each subsidiary actively carries out their local climate-related activities.



Dual carbon organization chart

Strategy

On the basis of policy research and peer benchmarking and drawing on recommendations from internal and external experts, comprehensively identified and assessed the potential impacts of climate-related risks and opportunities on its business development, and developed response measures in light of the insights. The Company used qualitative analysis methods to assess the potential financial impacts of various risks and opportunities.

Title	Description of Major Climate-related Risks and Opportunities	Financial Impact	Response Measures
Transformation risk	Policy and Legal Risks	Operating Income ↓ Operating Costs ↑ Credit risk ↑	Strengthen research on energy consumption and low-carbon policies and respond to policy changes in a timely manner. the Company has formulated a carbon-neutral roadmap and invests in energy-saving and emission reduction projects every year. the Company actively promotes the construction of a digital platform for carbon management and continuously improves the declaration workflow.
	Technical risks	Operating Income ↓ R&D investment cost ↑	Continuously promoting product green upgrading with high-intensity R&D investment, we have developed a series of high-strength, lightweight, and long-life green and low-carbon products to meet the needs of strategic emerging industries such as new energy and high-end equipment.
	Market risks	Operating Income ↓ R&D investment cost ↑	Leveraging its advantageous physical locations along the rivers and coasts, the Company explores the potential of photovoltaic and wind power, increase the proportion of green power, and develop and promote low-carbon products.
	Reputational risks	Operating Income ↓ Operating Costs ↑	Communicate the Company's achievements in addressing climate change to stakeholders through sustainable development reports and other channels.

Title		Description of Major Climate-related Risks and Opportunities	Financial Impact	Response Measures
Physical risk	Acute physical risks	The increasing frequency of natural disasters such as typhoons, extreme precipitation, and floods may affect the product transportation, and supplier deliveries, and ultimately impact the stability of the Company's production and operations.	Operating Income ↓ Operating Costs ↑ Fixed Asset Value ↓	Develop an emergency management program for extreme natural disasters. promote the social responsibility assessment of suppliers to reduce supply chain risks
	Chronic physical risks	Persistent high temperatures, increased rainfall, and other phenomena may increase the failure rate and reduce the normal operation time of the machine. The discomfort in the work environment may affect the health and work efficiency of employees, thereby increasing operational costs.	Operating Costs ↑ Fixed Asset Value ↓	
Opportunity	Products and Services	Customers' demand for green and low-carbon steel products is gradually rising, at the same time, the upgrading of downstream industries (such as new energy vehicles, new energy equipment manufacturing, etc.) has increased the demand for high-performance special steel products produced by the Company, bringing profit growth.	Operating Income ↑ Credit risk ↓	Carry out special planning for low-carbon transformation, guide subsidiaries to save energy and reduce carbon, and green production. Carry out relevant training and publicity to enhance energy-saving and low-carbon awareness.
	Resource Efficiency	The steel industry belongs to the high-energy consumption industry. China implements "total energy and energy intensity" control, and the Company adopts advanced energy-saving technologies to better meet the energy consumption requirements of regulatory agencies	Operating Costs ↓	Join hands with domestic and foreign research institutions, increase scientific and technological research and development, and carry out research on low-carbon technologies in an orderly manner.
	Energy Sources	In recent years, the costs of distributed energy, energy storage, hydrogen energy, etc. have continued to decline. Expanding investment and use of renewable energy can help companies optimize their energy structure and accelerate their low-carbon transformation.	Operating Costs ↓	Utilize the advantageous physical locations along the rivers and the coasts, and dig deep into the potential of photovoltaic and wind power, so as to enhance the proportion of green power.
	Resilience	Conducting climate change-related business research and industry exchanges will help improve the Company's ability to cope with climate risks and seize climate opportunities, as well as enhance the brand image of fulfilling social responsibilities.	Operating Income ↑ Credit Risk ↓	Carry out relevant training and publicity to enhance energy conservation and low-carbon awareness.

In order to actively respond to climate change and support the green transformation of the industry, CITIC Pacific Special Steel deeply integrates "technological innovation" and "coordinated development", and systematically promotes "green technology breakthroughs, green product upgrades, and green ecological co construction" to achieve comprehensive carbon reduction and steadily move towards the goal of carbon neutrality.



CITIC Pacific Special Steel Carbon Neutral Pathway		
Green Technologies	Green Products	Green Collaboration
Continuously invest in the innovation, research and development, and application of cutting-edge, green, and low-carbon technologies. establish a systematic, efficient, and Company-wide collaborative platform for low-carbon technology innovation and R&D. to focus on energy-saving and emission-reduction technologies, extreme energy efficiency technologies, and advanced disruptive ultra-low greenhouse gas emission metallurgical technologies to strongly promote the Company's own carbon reduction.	From the two aspects of supporting the development of green energy industries and supporting downstream processing emission reduction, continuously research and promote the next generation of advanced green materials to provide strong support for carbon reduction throughout the product life cycle.	Strengthen internal and external collaboration, focusing on the green supply chain, low-carbon standards and policy formulation, and green finance, to create a special steel ecosystem and achieve low-carbon development throughout the entire process and the entire industry chain.

Action Plan for Green and Low-Carbon Development

To seize development opportunities and effectively meet challenges, we will continue to focus on promoting green and low-carbon transformation from the following six aspects:

- **Optimizing and Adjusting Industrial Structure:** In the short term, the Company will focus on expanding its scrap steel recycling operations, improve the utilization of scrap steel resources and steadily promote electric furnace short-process smelting. In the medium and long term, it will step up the research and development of low-carbon technologies, including hydrogen-enriched blast furnace and hydrogen-based shaft furnace, and promote fossil-fuel-free smelting, to minimize pollution and reduce carbon emission from the source.
- **Promoting Ultra-Low Emission Retrofit:** The Company will steadily advance the work of ultra-low emission retrofit. According to policy guidance, it will further expand the Company's environmental protection competitive advantage.
- **Valuing Energy-saving and Consumption-reducing Management:** The Company will continue to use systematic energy-saving diagnosis and benchmarking to identify shortcomings in energy and resource use and control, formulate feasible improvement plans, and use advanced technologies to improve energy-efficiency management levels.
- **Planning to Lead Low-carbon Transformation:** The Company will deeply integrate the carbon peak and carbon neutrality strategy with the Company's medium-and long-term development. It will regularly conduct planning assessments to promote the coordinated development of various projects and ensure that the implementation of dual-carbon goals is consistent with the Company's development direction.
- **Actively Promoting Industrial Collaboration:** In addressing the by-products and solid metallurgical waste from steel-making, the Company will work with downstream industries to produce high-value-added products, replace raw materials in the cement building materials industry, and develop carbon sequestration industries. It will join forces with the chemical industry to study the innovative co-production platform and the recycling of hydrogen-containing chemical tail gas to ensure hydrogen-energy smelting resources. It will explore carbon sequestration technologies and study carbon dioxide capture and storage technologies to truly achieve zero greenhouse gas emissions.
- **Making Full Use of Intelligent Management and Control:** The Company will use environmental monitoring facilities and intelligent platforms to improve management levels and decision-making efficiency. It will build a carbon emission monitoring and management platform to achieve automatic collection and calculation of energy and material consumption data, help promote the full-life-cycle carbon footprint evaluation, and quantify carbon emissions throughout the steel-making industry chain.

Risk and Opportunity Management

To deepen the response to climate change, CITIC Pacific Special Steel has established a comprehensive climate change risk management process, incorporating climate change risks into the Company's overall risk management framework to ensure timely and effective response strategies when facing the challenges brought by climate change. We assess and classify climate risks, form cross departmental project teams, and regularly conduct assessments, prioritize, monitor and manage, integrate and adjust the entire process to ensure the effectiveness of climate risk related work.

For more information on the Company's management of climate change related risks and opportunities, please refer to the "Special Topic: Green Transformation, Forging a Near-Zero Carbon Benchmark" section and the "Energy Management" section of this report.

Metrics and Targets

In response to the national strategy, the Company has set the goal of achieving "carbon peak" before 2030 and "carbon neutrality" before 2060, and has established phased plans²:

01

The first phase is the carbon peak phase (2021-2030): The total carbon emissions will peak before 2030, and the carbon emission intensity per ton of steel will decrease by 10% compared with the base year (2021) before 2030.

02

The second phase is the stable-with-a-downward-trend phase (peak year-2035): After peaking, the total carbon emissions will gradually enter a downward channel, achieving a stable-with-a-downward-trend, and by 2035, the Company will have the technological capability to reduce carbon emissions by 20%.

03

The third phase is the carbon neutrality phase (2035-2060): By transforming technology, processes, and energy mix to be more low-carbon, the Company will achieve deep decarbonization, striving to reduce carbon emissions by about 80% from the peak level. Meanwhile, the Company will deeply integrate with society in carbon reduction to ensure the achievement of the carbon neutrality target before 2060.

Target completion progress:

- In 2025, the Company's carbon emission intensity per ton of steel decreased by **6.36%** compared with the base year (2021).

²The target covers the greenhouse gas emissions of the Company and its subsidiaries in Scope 1 and Scope 2.

Construction of Carbon Management System

The Company has always deepened the carbon management system through continuous efforts. Relying on a systematic control mechanism, it effectively manage carbon emissions, continuous improvement of carbon performance, achieve sustainable development goals, and upgrade green sustainable development throughout the industry value chain.

- Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, and Tianjin Steel Pipe have all passed the EATNS Carbon Management System certification.
- the annual greenhouse gas offsetting ratio of the 168-unit of Tianjin Pipe reached 50.19%, and it was successfully awarded the Type I 3-Star "Zero-carbon Factory" evaluation certificate.
- Daye Special Steel and Tianjin Steel Pipe have won the national green and low-carbon award in the industrial sector in China's industrial carbon peaking "Front-Runners"
- Daye Special Steel has been awarded an "A -" rating by the Global Environmental Disclosure Platform (CDP), becoming the first enterprise under CITIC Pacific Special Steel to receive this rating.

Daye Special Steel has been awarded an "A -" rating by CDP



By 2025, each subsidiary has achieved:

- Xingcheng Special Steel**
- Focus on promoting energy targets and achieving full capacity grid connection of **26** MW photovoltaics.
 - Accumulated investment of RMB **300** million to implement **11** energy-saving renovation projects.
 - Achieve a **2.31%** reduction in carbon emission intensity throughout the year, reducing carbon emissions by **310,000** tons.
- Daye Special Steel**
- The comprehensive energy consumption per ton of steel for the whole year has decreased by **1.6%** compared to 2024, the carbon emission intensity has decreased by **5.42%**, and the cumulative carbon emissions have been reduced by **360,000** tons.
 - By 2026, we aim to further reduce the comprehensive energy consumption and carbon emission intensity per ton of steel by **2%** on the basis of 2025, and continue to lead the industry in green development.

Carbon Market and Carbon Tax Response

The Company actively responds to the development of the carbon market, and constructs a special management mechanism and response plan based on the actual situation of the Company, comprehensively covering key aspects such as data quality management, carbon emission report preparation, work execution supervision, and carbon quota allocation analysis. We invite experts to interpret cutting-edge policies and enhance the professional abilities of relevant personnel.

At the same time, the Company continues to improve the compliance system of the European Union Carbon Border Adjustment Mechanism (CBAM), draws on mature experience in the domestic carbon market, and constructs a Monitoring, Reporting, and Verification (MRV) system suitable for CBAM, providing accurate data support for sales teams and customers, effectively enhancing the low-carbon competitiveness of products in the international market. In 2025, the Company used the "dual carbon" management platform to assist the sales department in completing 73 international customer research questionnaires and the 2025 CBAM application.

Case:Xingcheng Special Steel - Proactively Responding to the EU Carbon Border Adjustment Mechanism, Resolving Trade Barriers through Global Operation Layout

In response to the substantial impact of CBAM, Xingcheng Special Steel has taken the lead in completing full product carbon accounting that complies with EU regulations, achieving precise management of carbon emissions. On this basis, Xingcheng Special Steel has taken strategic measures to optimize its global operational layout, transforming external compliance challenges into internal driving forces to enhance international competitiveness and operational efficiency.

Compliant Emissions

CITIC Pacific Special Steel strictly complies with laws and regulations including the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, and the *Ecological Environment Administrative Penalty Measures*. We continuously improve our environmental management system, implement diversified and innovative environmental protection measures, and reduce the impact on the ecological environment.

The Company has released an *Environmental Policy Statement*, which clarifies its responsibilities and obligations in environmental protection, including compliance with relevant laws and regulations, strengthening environmental risk management, and paying attention to communication and exchange with stakeholders, to ensure that the Company not only pursues economic benefits but also assumes its social responsibilities, demonstrating the Company's determination and commitment.

The Company has established regulations such as the *Environmental Facility Operation Management System*, the *Environmental Pollution Prevention and Control Management System*, and the *Environmental Target Responsibility System*. Subsidiaries have formulated corresponding environmental protection regulations applicable to their own operations based on Company policies. The Company continuously strengthens its environmental management system construction, and 100% of its own and its subsidiaries having obtained ISO 14001 "*Environmental Management System*" certification. To maintain continuous environmental monitoring and effectively identify and prevent environmental risks, the Company organizes annual internal environmental management system audits for all subsidiaries and engages third-party teams to conduct external environmental management system audits. No major environmental incidents occurred this year.

Waste Gas Management

CITIC Pacific Special Steel strictly complies with laws, regulations, and industry standards such as the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Emission Standard of Air Pollutants for Sintering and Pelletizing of Iron and Steel Industry*, and the *Emission Standard of Air Pollutants for Steelmaking Industry*. It strengthens production waste gas control and emission monitoring, continuously improves the quality and effectiveness of ultra-low emission transformation projects, and implements air pollution prevention and control work. By the end of 2025, Xingcheng Special Steel, Qingdao Special Steel, and Tianjin Pipe had completed full-process ultra-low emission transformations and were rated as "Grade A Enterprises" for environmental performance.

To ensure the effectiveness of data monitoring, the Company coordinates a professional operation and maintenance team to ensure the stable operation of various environmental protection facilities, and strictly controls the compliance of various exhaust emissions and pollutant disposal with standards. At the same time, the Company achieves the goal of ultra-low emissions of exhaust gas through the dual drive of management innovation and technological innovation. In 2025, we continued to promote various environmental innovation projects, including the design of horizontal feeding electric furnace dedusting system, intelligent control technology of converter process dedusting fan, application scenarios of low-temperature catalysts, and ultra-low emission transformation of coking.

Waste Gas Emission Target Indicators ³		2025 Target (Not Exceeding)	2025 Actual	2026 Target (Not Exceeding)
Sintering Machine Head	Average NO _x Concentration	42mg/m ³	35mg/m ³ ,Target Achieved	40mg/m ³
	Average SO ₂ Concentration	30mg/m ³	25mg/m ³ ,Target Achieved	28mg/m ³
	Average Particulate Matter Concentration	7mg/m ³	5mg/m ³ ,Target Achieved	6mg/m ³
Captive Power Plant	Average NO _x Concentration	40mg/m ³	32mg/m ³ ,Target Achieved	38mg/m ³
	Average SO ₂ Concentration	30mg/m ³	23mg/m ³ ,Target Achieved	28mg/m ³
	Average Particulate Matter Concentration	7mg/m ³	4mg/m ³ ,Target Achieved	6mg/m ³



³Target indicators coverage of the Company and its subsidiaries.

Ultra low emission management measures

Equipment renovation: Promote the upgrading and renovation of dust collectors, build new sintering, pelletizing and coking desulphurization and denitrification facilities, and ensure that pollutants meet ultra-low emission requirements.

Organized ultra-low emission transformation

Source control: Advanced blast furnace gas fine desulfurization technology is adopted to deeply purify the gas and convert it into clean energy for utilization, effectively controlling the emission of waste gas pollutants from the source.

Unorganized emission source control: Comprehensive closed management has been implemented for the raw material yard, and special rectification has been carried out for scattered points such as material dropping points, belt corridors, and workshop interiors that are prone to generating unorganized dust. The problem of unorganized emissions has been systematically solved, effectively curbing dust pollution.

Unorganized ultra-low emission transformation

Installation of unorganized emission monitoring facilities: For key pollution risk areas such as the top of the steelmaking workshop, install high-definition video monitoring systems to implement comprehensive and real-time monitoring without blind spots. Install total suspended particulate matter (TSP) concentration monitoring equipment in raw material storage yards and other places to monitor air quality. Install micro air monitoring stations in areas such as material yards and road intersections within the factory.

Improve transportation methods: Adjust the transportation methods of bulk materials and products according to local conditions, increase the proportion of clean transportation such as waterways, railways, pipelines, or tubular belt conveyors, and make the proportion of clean transportation reach over 80%.

Actively promoting clean transportation

Improve the requirements for transportation equipment within the factory: The transportation vehicles within the Company's factory area have been fully upgraded to new energy vehicles or vehicles that meet the National VI emission standards to reduce exhaust emissions and pollution. All non road mobile machinery within the Company's factory area has been driven by new energy or the latest emission standards, and all environmental registration coding work has been completed.

Case:Xingcheng Special Steel - Achieving ultra-low emissions standards, innovative breakthroughs in energy conservation and consumption reduction for blast furnace No. 3

By the end of 2025, Xingcheng Special Steel has invested nearly RMB3 billion to promote ultra-low emission transformation, adopting advanced treatment technologies to meet the standards for flue gas pollutant concentration, and improving energy utilization efficiency through multiple technological innovations. Among them, the innovative application of intelligent systems and digital intelligence collaboration mechanisms in blast furnace No. 3 has repeatedly achieved low key energy consumption indicators, and has won the title of "Excellent Furnace" for the ninth time.



Case:Qingdao Special Steel - Actively Promoting Technical Renovation of Waste Gas Treatment

In 2025, Qingdao Special Steel continued to promote refined control of exhaust emissions, orderly implement the construction of dedusting renovation equipment and optimization of dedusting in the steelmaking process, and simultaneously carry out technical renovation projects such as dedusting renovation of the logistics center coke line transfer station and construction of the coke oven side dedusting system.

Qingdao Special Steel has set clear annual emission intensity and concentration control targets, strictly implementing ultra-low emission standards: the sulfur dioxide concentration in the sintering machine head is controlled below 25mg/m³, nitrogen oxides strive to be below 40mg/m³, and particulate matter is controlled below 7mg/m³. The average concentration of nitrogen oxides in the self owned power plant is not higher than 40mg/m³, sulfur dioxide is not higher than 30mg/m³, and particulate matter is not more than 5mg/m³. All indicators meet the standards and have room for further optimization.

Waste Management

The solid waste generated in the production and operation activities of CITIC Pacific Special Steel includes steel sludge, water sludge, dust removal ash, desulphurization gypsum, harmless sludge, etc. The Company strictly adheres to laws and regulations such as the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and systematically strengthens the compliance management of waste throughout its entire life cycle from six aspects: system improvement, management process optimization, process technology upgrading, key project implementation, information technology control construction, and internal supervision and audit, continuously consolidating and improving the effectiveness of waste control. The Company has formulated the Solid Waste Management System, which clarifies management requirements for solid waste and enhances supervision and oversight.

The Company implements full process supervision of solid waste management, conducts special inspections on the implementation of solid waste management systems, conducts research on the solid waste management of multiple subsidiaries, such as steelmaking sludge disposal, rotary hearth operation, sulfuric acid disposal, etc., and supervises their implementation of legal and compliant disposal requirements to prevent risks in solid waste disposal.



Waste Disposal Targets

- Solid Waste: 100% returned to production plants or entrusted to external agencies for recycling
- Hazardous Waste: 100% compliant disposal



2025 Target Progress

- Solid Waste: 100% returned to production plants or entrusted to external agencies for recycling
- Hazardous Waste: 100% compliant disposal



Future Target

- Solid Waste: 100% returned to production plants or entrusted to external agencies for recycling
- Hazardous Waste: 100% compliant disposal

While ensuring lawful and compliant disposal of solid waste, the Company actively explores recycling potential and implements comprehensive resource utilization projects for solid waste, continuously improving the overall utilization rate and the added value of waste-derived products. Additionally, the Company collaborates with neighboring enterprises and government agencies to jointly promote resource recycling initiatives.

The Company conducts in-depth exploration of new solid waste treatment technologies

- Magnetic separation powder is recycled for sintering processes
- Tailings are sold to cement plants and brick factories for reuse
- Iron oxide scale and dust removal ash are recovered and reused as raw materials for sintering
- Scrap steel is recycled and reused in electric arc furnace steelmaking

Case:Daye Special Steel - Promoting the Green Benchmark Project of "Rotary Hearth Furnace " Industry

Daye Special Steel Rotary Hearth Furnace is a benchmark project for the green transformation of the steel industry. The project adopts efficient green disposal technology, which can achieve the resource utilization and zero emission goals of solid waste containing iron and zinc.

Case:Qingdao Special Steel - Realizing Solid Waste Resource Utilization and Environmental Protection Disposal

Qingdao Special Steel focuses on the resource utilization and compliant disposal of solid waste, and uses most of the solid waste such as iron oxide scale and dust removal ash after special treatment for production processes such as sintering and coking coal blending. After processing, blast furnace sludge and converter sludge are exported as building materials, and desulphurization by-products are also comprehensively utilized for export. Waste refractory materials are professionally recycled by the original manufacturer. Entrust qualified third-party organizations to dispose of waste oil and waste oil drums in compliance, comprehensively improving the efficiency of solid waste utilization and environmental compliance level.

The hazardous waste generated during the Company's production and operational activities primarily includes: waste oil, used oil drums, waste paint cans, spent lead-acid batteries, paint sludge, surface treatment sludge, and emulsions. In strict compliance with relevant laws and regulations, the Company entrusts qualified third-party agencies to ensure proper disposal of all hazardous waste.

In order to properly store hazardous waste, the Company has specially established hazardous waste warehouses that meet a series of strict storage requirements such as anti-seepage, leakage prevention, rainproofing, and sun protection, so as to avoid negative environmental impacts caused by improper disposal of hazardous waste in hardware facilities. The Company strictly implement standardized procedures, package, weigh, and label the generated hazardous waste, and carry out timely classification and treatment. In addition, in accordance with the Emergency Plan for Sudden Environmental Events, the Company organizes emergency drills every year to improve hazardous waste management capabilities and risk prevention levels.

Resource Conservation

Resource conservation is a crucial link for the Company in achieving sustainable development. In active response to the national strategies on resource conservation and green development, CITIC Pacific Special Steel focuses on energy management, water resource management, and green office practices to optimize resource utilization efficiency and conservation potential. The Company has formulated and implemented detailed control measures to steadfastly pursue a path of low-carbon sustainable development.

Energy Management

CITIC Pacific Special Steel adheres to the national policies and guidelines on energy conservation and emission reduction, continuously refines its energy management system, advances the pursuit of ultimate energy efficiency improvements and optimization of the energy structure, and accelerates the development of a resource-efficient enterprise.

Governance

CITIC Pacific Special Steel strictly complies with laws and regulations such as the Energy Conservation Law of the People's Republic of China and has established internal energy management systems. The Company establishes an energy management system, organizes internal audits at least once a year, and hires a third-party team to conduct an external audit to continuously optimize the level of energy efficiency management and ensure that all management requirements are implemented effectively. By 2025, CITIC Pacific Special Steel and its subsidiaries have achieved a 100% pass rate in the ISO 50001 "*Energy Management System*" certification.

The Company has established a comprehensive energy management framework, and the relevant management personnel have a background and skills in energy management. The board of directors of the Company is the highest body in energy management, responsible for listening to and reviewing relevant strategies, systems, risks, and opportunities. The Strategy, Risk, and ESG Committee is a subsidiary body of the Board of Directors responsible for conducting risk and opportunity assessments and analyses on energy management related matters, providing important decision-making plans, including energy management strategies, goals, systems, action plans, etc. The ESG Collaborative Management Working Group and ESG Promotion Working Group are responsible for promoting and managing specific matters related to energy management, including energy management performance, goal achievement, and public information disclosure.

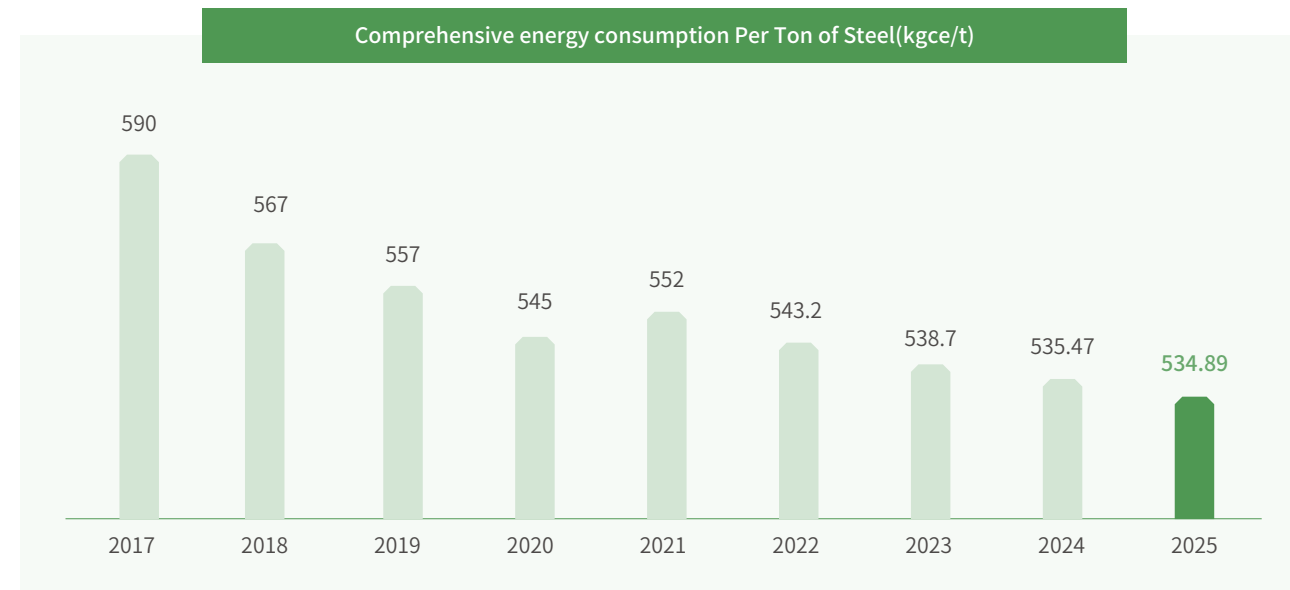
Strategy

CITIC Pacific Special Steel actively responds to the national call for "ultimate energy efficiency", integrating technological upgrading and innovation with systematic management throughout all aspects of production and operation, and establishing a normalized mechanism for improving energy efficiency management. Based on the *Catalogue for the Promotion of Key National Energy-saving and Low-carbon Technologies*, applies a series of highly efficient energy-saving and carbon-reducing technologies in all production processes and links. It achieves efficient use and conservation of energy through energy recovery and system utilization, and solidly promote the creation of energy efficiency benchmarks for the best practices of dual carbon. In 2025, the Company promoted 29 energy-saving projects with a total investment of RMB230 million. For detailed information on the potential impacts, risks, and opportunities that energy utilization may bring to the Company, please refer to the "Double Materiality Assessment" section of this report.

Risk and Opportunity Management

CITIC Pacific Special Steel relies on the first full process digital intelligence center in the special steel industry to establish an intelligent energy management and control system. Through advanced analysis, it drives the optimization of energy, water, and carbon resource allocation, achieving low-carbon and efficient operation throughout the production process. This digital intelligence center can play a role in information fusion, multi departmental collaboration, and intelligent decision-making, ensuring efficient utilization of data assets, providing core support for project energy scheduling and low-carbon production, and helping to improve management efficiency and green development level.

By 2025, the energy consumption of key processes such as coking, ironmaking, electric furnace, and converter had all reached the national energy efficiency benchmark level. Among them, Xingcheng Special Steel's entire process has passed the ultimate energy efficiency acceptance, and some processes of Daye Special Steel, Qingdao Special Steel, and Tianjin Steel Pipe have passed the acceptance, marking that its key processes have reached the advanced level of the national steel industry.

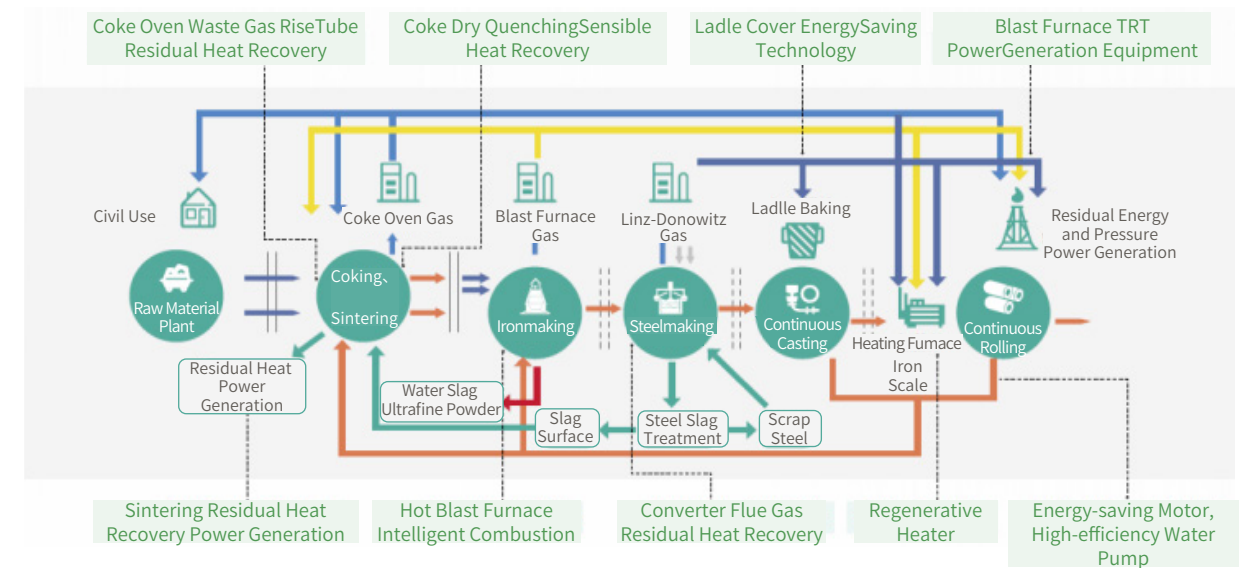


01

Energy consumption optimization of key processes

This year, the Company continued to focus on the three directions of technological energy conservation, structural energy conservation, and management energy conservation, continuously promoting the improvement of energy efficiency in key processes, green and low-carbon processes and technological transformation of energy consuming equipment, and completing the iteration and update of waste heat recovery technology.

- **General equipment energy-saving renovation:** Implement renovation on general equipment such as water pumps, fans, motors, hydraulic servos, etc., effectively reducing power consumption.
- **Sintering low-temperature catalyst replacement:** Replace the low-temperature catalyst in the sintering process to optimize reaction efficiency and reduce energy consumption.
- **Application of oxygen enrichment technology in ladle process:** Applying oxygen enrichment technology in ladle process to optimize smelting process and improve energy utilization efficiency.



▲ Flow Chart of Carbon Reduction Measures in Production

Case: Xingcheng Special Steel - With RMB1 billion investment to promote energy conservation and efficiency improvement in multiple processes, it has been awarded the title of Outstanding Enterprise in Energy Efficiency Progress

In January 2025, Xingcheng Special Steel was awarded the title of "Outstanding Enterprise for Progress" in the three-year action plan for energy efficiency benchmarking. Xingcheng Special Steel has invested nearly RMB800 million to implement multiple advanced energy-saving technologies, carrying out technological transformation and process innovation in processes such as blast furnaces, TRT power generation systems, converters, and electric furnaces. The energy consumption of each process has been reduced, energy efficiency has been improved, and the amount of residual energy recovered continues to break records, laying a solid foundation for the ultimate energy efficiency goal.

02 Energy Recovery and Utilization

The Company rely on self-produced gas as the main energy source and build a diversified and balanced energy flow system that combines "residual pressure, residual energy, residual heat, gas, heat, and electricity" to achieve complementary use of various energies, solve the contradiction between energy supply and demand, and reduce dependence on purchased energy.

- **Residual heat recovery from coke oven raw gas riser:** Recover residual heat from coke oven raw gas risers for power generation.
- **Sensible heat recovery from coke dry quenching:** Recover sensible heat during the coke dry quenching process and integrate it into the high-temperature and high-pressure steam network for power generation.
- **Power generation from recovered residual heat from sintering:** Recover residual heat from the sintering process for power generation.
- **Residual heat recovery from converter flue gas:** Recover residual heat from converter flue gas for use in plant equipment, with surplus concentrated for power generation.
- **Blast furnace TRT power generation equipment:** Utilize the pressure difference at the blast furnace top for power generation and recover residual energy and pressure from blast furnace gas.

Case:Tianjin Steel Pipe - Electric Furnace Process Passes Energy Efficiency Benchmark Acceptance, Becoming Tianjin's First Steel Benchmark Enterprise

In August 2025, Tianjin Steel Pipe successfully completed the on-site acceptance of the energy efficiency benchmark demonstration for the 150 ton and 90 ton alloy steel electric furnace processes of No. 1 and No. 2, becoming the first steel enterprise in Tianjin to pass the energy efficiency benchmark public announcement.

This acceptance mainly relies on efficient electric furnaces and waste heat recovery equipment, exquisite smelting technology, and refined management teams, making the energy consumption of the electric furnace process better than the industry's energy efficiency benchmark value.

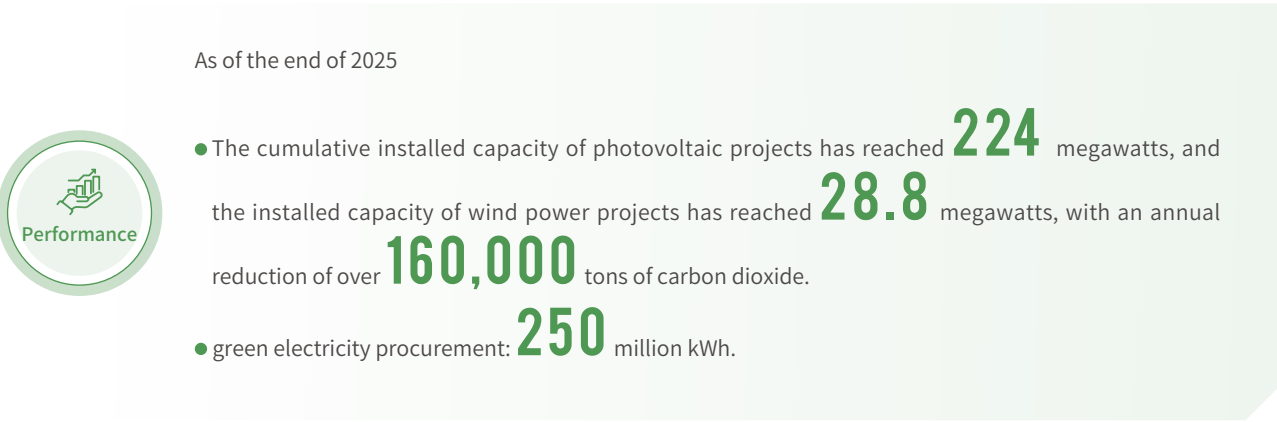
In addition, the Company's steel production process continues to focus on energy processing and conversion functions, providing heating and coke oven gas to the surrounding areas. Promote the comprehensive utilization of waste heat projects to provide strong support for serving the people's livelihood. Qingdao Special Steel innovatively utilizes industrial waste heat, with an annual heat supply of 3 million GJ and an annual reduction of 270,000 tons of carbon dioxide emissions.



03 Energy Recovery and Utilization

CITIC Pacific Special Steel continuously explores investment in affordable, reliable, and scalable renewable energy, and continuously optimizes the energy structure within its operational scope through a combination of "self built clean energy+market-oriented procurement of green electricity". In 2025, the Company focused on building wind, solar, and storage new energy power projects to achieve near zero carbon development.

- **Green power self construction:** The Company actively leverages its extensive high-quality rooftop resources to advance rooftop photovoltaic projects across its facilities, including the addition of solar carports. Installed photovoltaic capacity demonstrates a year-on-year growth trend. Continuously promote the construction of wind towers.
- **Green power procurement:** Through renewable energy trading platforms, the Company has established partnerships with renewable power generators to facilitate green electricity transactions. By securing long-term agreements with premium green electricity suppliers, it ensures stable procurement of renewable energy. Prioritizing green power procurement, we has achieved consistent annual growth in traded volumes.



Green Electricity Market Procurement Volume (GWh)

2021	2022	2023	2024	2025
11.64	20.80	211.00	302.05	250.00

Green Electricity Installed Capacity (MW)

2021	2022	2023	2024	2025
58.16	74.16	141.53	197.24	252.8



Case:Xingcheng Special Steel - Increasing investment in renewable energy and implementing multiple measures to promote clean and low-carbon transformation of energy structure

Xingcheng Special Steel continues to invest in the fields of clean energy substitution and new energy applications. Relying on its own rooftop resources to build distributed photovoltaic projects, a 24MW photovoltaic project has been completed by 2025, generating approximately 20 million kWh of green electricity annually. At the same time, Xingcheng Special Steel increased external procurement of green electricity and promote the electrification of clean transportation. By 2025, a total of 250 million kWh of green electricity had been purchased, effectively promoting the transformation of energy structure towards clean and low-carbon.



Case: Jingjiang Special Steel - User Energy Storage Power Station Successfully Connected to the Grid

Jingjiang Special Steel combines energy demand to construct distributed photovoltaic and wind power generation, and cooperates with electrochemical energy storage solutions to achieve green and efficient energy supply in the factory area. In 2025, Jingjiang Special Steel's 120 MW/240 MWh user side energy storage power station had successfully connected to the grid, increasing green electricity consumption by 160 million kWh annually, equivalent to saving 19,700 tons of standard coal and reducing carbon dioxide emissions by 85,000 tons.



04

Capacity Building

CITIC Pacific Special Steel regularly conducts energy-saving training for all employees, including promoting daily operations, energy-saving and emission reduction requirements for processes, and teaching management to use energy-saving and carbon reduction software applications. In 2025, the Company carried out energy-saving and environmental protection training in a hierarchical and classified manner, organize internal and external experts to complete on-site practical training at various subsidiaries under the pilot program, and jointly form an environmental management capability evaluation report with the training units. Organize environmental protection professional technical course training to assist in enhancing the capabilities of environmental protection reserve experts. Organize learning and exchange of environmental protection and energy-saving technologies and applications.

In addition, the Company attaches great importance to talent reserve and cultivation in the field of "dual carbon". During this reporting period, it organized 8 "dual carbon" training sessions, covering enterprise data management, data quality control plans, CBAM mechanisms, product carbon, low-carbon training for sales teams, and low-carbon promotion for suppliers under the inclusion of steel in the national carbon market data, to help employees and partners improve their "dual carbon" related skills.

Covered Group	Training Contents
Management	Conducting executive workshops to continuously advance energy-saving targets.
Technical Personnel	Holding the "CITIC Pacific Special Steel Lecture Series": In collaboration with the Metallurgical Industry Planning and Research Institute, focus on the steel industry's "ultimate energy efficiency" topic. Share policy interpretations, implementation paths, and new energy-saving technologies to continuously promote energy saving and carbon reduction.
Frontline Workers	Participating in basic energy knowledge learning through mini-programs and short videos, with a coverage rate of 100%.

Metrics and Targets

The Company has set goals for energy management, monitoring the completion of goals and work progress, supervising energy efficiency improvement and structural optimization, and promoting its own green transformation and development.



Energy Management Targets

Using 2021 as the base year, until 2025:

- The comprehensive energy consumption per ton of steel has decreased by 5% compared to the benchmark year.
- Energy consumption decreased by 35,000 tons of standard coal.
- The installed capacity of green power has reached 350 megawatts.



2025 Target Progress⁴

- In 2025, the comprehensive energy consumption per ton of steel (excluding power plants) was 534.89 kgce/t, decreased by 3.1%.
- Energy consumption decreased by 33,400 tons of standard coal.
- The installed capacity of green power has reached 240 megawatts.



2030 Target⁵

Using 2021 as the base year, by 2030:

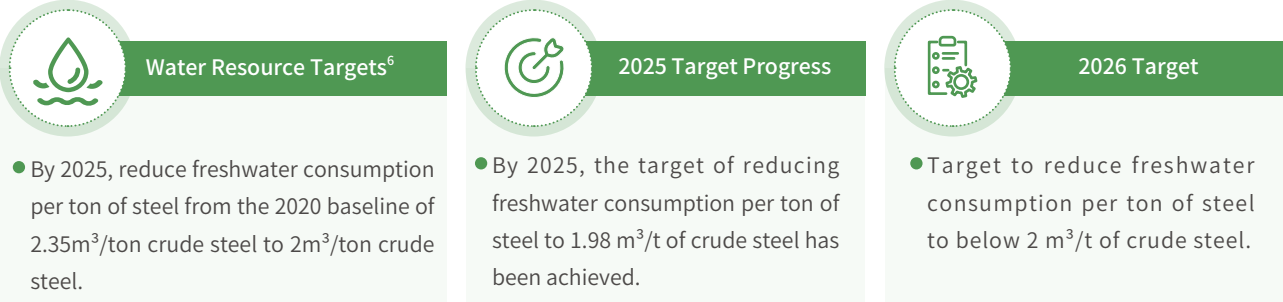
- The comprehensive energy consumption per ton of steel has decreased by 5.8% compared to the benchmark year.
- The proportion of renewable energy consumption reaches 25%.

⁴Starting from 2021, due to the expansion of the Company's business, the production process has become more complex and the number of high energy consuming links has increased, which has pushed up the overall comprehensive energy consumption per ton of steel, resulting in the failure to achieve the original energy management goals. Based on this, we have scientifically formulated energy management goals for 2030, combined with the latest business structure, and systematically deployed them to promote implementation. The installed capacity of green electricity did not meet the original target due to policy reasons.

⁵Targets coverage of the Company and its subsidiaries.

Water Resources Management

CITIC Pacific Special Steel strictly adheres to laws and regulations including the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *State Council's Opinions on Implementing the Strictest Water Resource Management System*. It is committed to improving the efficiency of water resource utilization and actively building a model of water-saving enterprises. This year, with continuous efforts and significant achievements in water resource management, Qingdao Special Steel successfully won the title of "Water Efficiency Leader" among key water using enterprises in Shandong Province.



To achieve water management objectives, the Strategy, Risk & ESG Committee, under the guidance of the Board of Directors, is responsible for formulating the "Water Resource Management Strategy", and building a water resource performance management system that covers all subsidiaries. The Company president is responsible for systematic supervision and management of water resource management strategies and key performance indicators, and regularly reviews their performance and progress. The Company has established a water-saving leadership group, composed of senior management personnel, dedicated to water resource risk assessment, strategy formulation, and implementation promotion, supervised by the Vice President of Production. The team supervises and assesses the Company's water usage status, standardizes management processes, and ensures effective implementation and continuous optimization of measures. We incorporated key water efficiency indicators into executive assessments to effectively implement management responsibilities.

Diversified Water Sources

The Company actively builds a diversified and stable water supply system, enriches the usage scenarios of municipal pipeline water, surface water, and circulating water, and explores alternative water sources through methods such as seawater desalination, reclaimed water reuse, and rainwater recovery to promote efficient utilization of water resources.

The Company and its subsidiaries actively promote the Company's water resource management philosophy, develop and implement water resource management measures that are tailored to their own development, optimize water use technology and management models, and jointly promote the efficient utilization and protection of water resources. By 2025, desalinated seawater has become an important alternative water source for Qingdao Special Steel, accounting for over 60% of the total water consumption. The Daye Special Steel Plant area has established rainwater collection facilities and gradually improved the evaluation and calculation of rainwater utilization.

Water Saving Measures

The Company adheres to the principle of water conservation and actively implements various measures for efficient management of water resources. We achieve multi-dimensional water resource opening and throttling through the construction of smart water systems, equipment upgrades and technological transformations, and the implementation of differentiated water supply and cascade utilization strategies.

⁶Targets coverage of Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, and Tianjin Steel Pipe.

Types of Water Conservation Measures	Specific Measures Descriptions	
Smart Water System	Established a 5G+Industrial Internet smart water system, creating an intelligent control system covering the entire water process from source abstraction and purification to pipeline distribution, point-of-use delivery, and wastewater reclamation. - Achieves automatic control and adjustment of water supply - Automatically balances pressure and flow at water usage points - Optimizes cooling distribution in circulating water systems automatically	
Equipment Upgrades & Technical Renovations	Equipment Upgrades: - Updated water-intensive facilities. - Adopted water-saving equipment and processes. - Implemented efficient cooling, washing, water recycling, and wastewater reuse.	Technical Renovations: - Replaced high water-consumption production processes with water-saving alternatives. - Upgraded water metering systems including pipeline replacements and meter updates.
Steam Condensate Recovery	Established partnerships with heating system users to recover and reuse steam condensate generated during heating processes.	
Reclaimed water recovery	- Construct rainwater recycling facilities and actively utilize recycled rainwater. - Self built RO water purification systems and other advanced treatment facilities significantly improve wastewater recovery and regeneration rates.	

The Company strictly distinguishes the usage scenarios of municipal pipeline water, surface water, and recycled water. Recycled water is given priority in production processes, while recycled rainwater and surface water are given priority in non production processes to reduce water resource consumption. At the same time, the Company conducts water footprint analysis exploration and conducts monthly water balance tests to continuously improve the level of refined water resource management.

Case:Xingcheng Special Steel - Creating Efficiency with Intelligent Water saving Technology and Setting Industry Benchmark

Xingcheng Special Steel deeply integrates water conservation and intelligent manufacturing. Through the Smart Pump Room Retrofit and the standardization of water intake construction, it has built an intelligent control system covering the entire process of water intake, supply, use, and drainage, accurately controlling the leakage rate of the pipeline network at 0.68%.

At the same time, Xingcheng Special Steel relies on optimized circulating cooling systems and efficient heat exchange technology to achieve a direct cooling water circulation rate of 95% and an indirect cooling water circulation rate of 99.26%. The industrial water reuse rate is as high as 98.83%, saving 1.75 million cubic meters of fresh water annually, setting an intelligent water-saving benchmark for the industry.

Case: Daye Special Steel - Establishing the "Five Z" water-saving work method and forming a scientific and efficient water-saving management system.

Daye Special Steel System has established the "Five Z" water-saving work method of "controlling" water, scientifically "managing" water, dividing "quality" water use, "intelligent" water-saving, and improving "value" of water, forming a scientific and efficient water-saving management system, promoting the continuous reduction of fresh water consumption per ton of steel, and reaching the domestic advanced level. Build a zero emission closed-loop system to achieve 100% resource utilization and cascade utilization of industrial wastewater. Build a smart water management platform and proactively layout deep utilization projects for the 15th Five Year Plan.

Case:Qingdao Special Steel - Using desalinated seawater and water-saving technology to save water and achieve zero discharge of water resources circulation

In 2025, the Department of Industry and Information Technology of Shandong Province, together with four other departments including the Provincial Department of Water Resources, announced the list of "Water Efficiency Leaders" for key water use enterprises in 2025, and Qingdao Special Steel's strength was listed on the list. At this point, the Company has successfully collected all top honors in the field of water-saving at the national, provincial, and municipal levels, becoming a benchmark water-saving enterprise in the industry.

This year, Qingdao Special Steel regards water-saving work as an important lever to promote green and low-carbon development, promoting the use of desalinated seawater and achieving a utilization rate of over 65% for unconventional water sources. At the same time, advanced water-saving processes such as dry quenching, blast furnace gas dry dust removal, and converter gas electrostatic dust removal are adopted to significantly reduce fresh water consumption.

Wastewater Management

The Company is promoting the construction of a sewage resource utilization system, optimizing the implementation of the drainage layout of "rain and sewage separation, clear and turbid separation", and achieving the graded recycling of production wastewater. After meeting the standards, the tail water is recycled by the sewage treatment plant and used in the production process, effectively improving the water resource recycling rate, reducing the discharge of wastewater, and steadily moving towards the goal of zero discharge of production wastewater. By 2025, the Company has achieved zero discharge of production wastewater, with all treated wastewater being reused and a wastewater recycling rate of over 95%.

Case:Xingcheng Special Steel - Upgrading Water Treatment Projects to Achieve Industry Breakthrough in Wastewater Reuse Rate

In 2025, Xingcheng Special Steel innovatively implemented the "Xingchengyuan" Ecological Water Treatment Project and the Continuous Casting Spray System Renovation Project, constructing a water recycling system with graded treatment and quality reuse. Through precise treatment of wastewater of different qualities, the system achieves a wastewater reuse rate of 95%.

Case:Qingdao Special Steel - Implementing diversified wastewater treatment and reuse projects to achieve zero discharge of wastewater

In 2025, Qingdao Special Steel focused on wastewater recovery and efficiently operate projects such as coking phenol cyanide wastewater treatment and deep treatment of reclaimed water reuse. Coking wastewater is treated and reused in the circulating water system, while production wastewater from other processes is pretreated to produce reclaimed water, which is then further treated using the "full membrane method" to produce desalinated water and pure water. The project recycles 6 million tons of medium water annually, achieving zero discharge of wastewater.

Water Risk Management

The Company continuously monitors the current status of water resources in the factory operation areas, and uses external tools such as the World Wildlife Fund's Water Risk Database (WWF Water Risk Filter) to conduct a preliminary assessment of the water resource risks faced by each operation site, classifying the risk levels into low, medium, and high.

Based on the risk assessment results, the Company has formulated targeted water resource management strategies, implementation of efficient water-saving measures, and promotion of water resource recycling and other diversified means to alleviate potential water shortage challenges in the future. The Company deepens the application level of risk assessment results, and through detailed analysis of the water risk situation of surrounding communities and all stakeholders, strives to minimize potential internal and external negative impacts, promoting harmonious integration and joint development between the enterprise and society.

This year, the Company has not had any incidents of illegal sewage discharge or other water resource-related risk accidents, and has not received any penalties for water resource management issues.

Value Chain Water Conservation

The Company is promoting collaborative water conservation across the entire value chain. In the upstream, we included energy and water conservation in the supplier selection criteria, understand the supplier's water conservation certification situation, and promote energy-saving and water-saving content to contractors. In the downstream, we continuously carry out water-saving technological upgrades to provide customers with low water consumption products, corrosion-resistant and lightweight special steel, extending the service life of end products. We are committed to driving the industrial chain to jointly alleviate the pressure on water resources around mining areas and achieve a balance between resource development and ecological protection.

Green Office

CITIC Pacific Special Steel integrates green and sustainable concepts into daily operations and corporate culture, strictly adhering to the fundamental principles of environmentally responsible business practices while implementing eco-friendly measures in every detail of office operations.

- Energy saving and consumption reduction: Optimize energy consumption management in office areas, use timed switches, induction switches and other devices, strengthen control of the on/off time of various electrical equipment, and reduce electricity consumption of lighting, air conditioning, LED screens and other equipment.
- Resource Efficiency: Implemented office supply recycling and reuse programs to reduce procurement costs, and put up "Save More, Waste Less" signage in cafeterias to promote thrifty habits among employees.
- Environmental Education: Conducted dual-carbon concept training sessions, advocated for green commuting, and organized professional workshops on environmental protection and low-carbon technologies.

Circular Economy

The Company actively practices the concept of circular economy, uploading the "3R" principle⁷ and the work policy of "minimizing generation, standardizing disposal, and maximizing utilization", and focuses on the three directions of reducing solid (hazardous) waste at the source, resource utilization, and harmless disposal. It deeply promotes the construction of "waste free factories", continuously improves the comprehensive utilization rate, utilization efficiency, and utilization value of solid waste, and accelerates the construction of a resource-saving and environmentally friendly green production system.

In terms of utilizing scrap steel resources, the Company established the Solid Waste Management System to standardize the recycling process of self-produced scrap steel, encourage steel mills to classify self-produced alloy scrap steel, and facilitate the resource reuse of alloy scrap steel by steel mills. For many years, the Company has been continuously promoting the comprehensive utilization of rotary hearth furnace and steelmaking sludge resources, utilizing steelmaking sludge, water sludge, and desulphurization gypsum from surrounding power plants to achieve 100% high value-added comprehensive utilization of iron and zinc containing dust and sludge. In 2025, the Company recycles 5,069,450 tons of scrap steel, including 3,792,950 tons of purchased scrap steel.

Case: Joining hands with Bekaert to build an international certification system for recycled steel

On September 10, 2025, the Company invited a team of experts from Bekaert to the headquarters for exchange and training, systematically explaining core content such as certification standards for recycled steel and quality traceability systems. Relevant personnel from multiple departments and subsidiaries of the Company participated in the learning. This training helped the Company accurately meet the compliance requirements of the European market and promote the construction of a recycling steel project management system that meets international standards.

Case: Xingcheng Special Steel - Implementing the "Five in One" Model Throughout the Whole Life Cycle, Anchoring Green Development with Circular Economy

Xingcheng Special Steel strictly adheres to the concept of circular economy and green development, focusing on the full life cycle of raw material procurement, logistics transportation, production organization, process structure, and product services, and implementing a green development model that integrates clean production, green procurement, and waste resource utilization.

Case: Tongling Special Materials - Deeply cultivating resource recycling to achieve efficient utilization of resources

By 2025, Tongling Special Materials had fully recycle and reuse solid waste such as tar sludge and fly ash, convert desulphurization waste liquid into ammonium thiocyanate, and use surplus coke oven gas and steam for power generation. This established a core production mode of efficient resource recycling and clean production, improved the comprehensive utilization level of resources, and achieve a win-win situation of ecological, economic, and social benefits.

⁷3R Principles (the rules of 3R) refers to the abbreviation of three fundamental principles: Reducing, Reusing, and Recycling.

Protecting Biodiversity

CITIC Pacific Special Steel strictly complies with the *Environmental Impact Assessment Law of the People's Republic of China* and other relevant laws and regulations. In accordance with the *Convention on Biological Diversity*, the *Opinions on Further Strengthening Biodiversity Conservation*, and the "Kunming Declaration," the Company has formulated and published the Biodiversity Policy Statement, committing to ensuring that its production and business operations do not damage the ecology or harm biodiversity, and is dedicated to building a harmonious coexistence between humans and nature on Earth.

Risk Identification and Assessment

CITIC Pacific Special Steel continuously strengthens the identification of biodiversity-related risks, improves the assessment and prevention mechanisms for biodiversity risks, and correctly assesses the potential environmental pollution and possible natural disasters associated with production and business activities' impact on biodiversity.

The Company has performed quantitative biodiversity risk assessments employing the World Wildlife Fund's Biodiversity Risk Filter. The assessment framework incorporates dual analytical dimensions: operational dependence on ecosystems and potential environmental impacts. This methodology enables systematic evaluation of critical risk parameters, such as regional biodiversity importance, basin-level physical risks, and ecosystem dependency metrics, across all Company-operated locations. Based on authoritative data, the Company has conducted a preliminary multi-dimensional assessment of biodiversity risks in the current operating areas and surrounding environments, as well as upstream and downstream watersheds. The assessment results show that the Company's operating locations face medium and high levels of biodiversity risks.

According to the conclusions of the biodiversity risk assessment, the Company has formulated short-term and long-term management plans aimed at minimizing the impact of business operations on biodiversity. The Company has specially developed biodiversity risk mitigation action plans for high-risk areas and has widely implemented ecological protection and compensation measures to ensure that business activities do not have any negative impact on biodiversity. In addition, the Company is optimizing its operations and supply chain layout to ensure that operating locations are away from biodiversity-sensitive areas and is promoting suppliers to follow the same principles. At the same time, the Company is actively seeking external cooperation to more deeply engage in biodiversity protection and ecological restoration work.

Operational Area Initiatives

CITIC Pacific Special Steel, in accordance with policies guiding the ecological protection red line, strengthens the concept of ecological protection and conducts strict research and deliberations to justify the location and layout of factories, to keep away from ecologically sensitive areas.

New Projects	Existing Plant Areas
Throughout the entire process of construction and operation of new projects, biodiversity protection and land use assessments must be conducted in accordance with relevant requirements. This ensures that project development and operational sites are far from ecological protection red lines and ecologically fragile areas, protecting natural habitats, wetlands, forests, wildlife corridors, and agricultural land, and minimizing adverse impacts on the surrounding environment and communities.	Some of the Company's plant areas include animal sanctuaries with animals such as sika deer, peacocks, and swans. The air quality, water quality, and noise levels in these plant areas meet the environmental requirements for the survival of wild animals. The Company regularly monitors the water quality of breeding waters, ensuring that the water used for animal breeding is production water that has been treated to meet quality standards.

The Company focuses on shifting from primarily creating corporate economic benefits to a dual improvement of social and economic benefits through green manufacturing, and in accordance with requirements such as creating provincial industrial tourism and cultural scenic spots, the Company carries out activities for the "Yangtze River Protection," conducts routine monitoring of soil and groundwater, and constructs a harmonious ecological circle.



Case: Subsidiary companies carry out tree planting activities to convey the concept of green development

In 2025, each subsidiary of the Company carried out tree planting activities to convey the values of green and sustainable through practical actions, and promote the integrated development of each subsidiary and its operating location.

- Daye Special Steel held a tree planting activity with the theme of "Planting Trees to Create Landscapes and Walk towards Greenery", with active participation from the management and young volunteers. In this event, Daye Special Steel practiced the concept of "green mountains and clear waters are as valuable as mountains of gold and silver" through practical actions, actively promoted green development, and has been awarded the title of "Green Development Benchmark Enterprise" for three consecutive years.
- Xingcheng Special Steel organized the theme activity of "fulfilling the obligation of planting trees and jointly building a beautiful China", and successfully planted 411 trees such as Podocarpus grosvenorii, Orange Tree and Faqing, helping to improve the ecological environment of the plant and its surroundings.
- Yangzhou Special Materials and Sanjiangying Police Station jointly carried out tree planting activities with the theme of "Party building leading, reform and efficiency improvement, police enterprise joint construction, and green development", consolidating green partnerships and innovating ecological joint construction models.



▲ Tree Planting Day activity



Case: Qingdao Special Steel - Carrying out marine stock enhancement and releasing to protect the blue sea and sky through ecological practices

In 2025, Qingdao Special Steel carried out stock enhancement and releasing, releasing a total of 20117900 Chinese shrimp, 15.9099 million three spotted swimming crabs, and 823500 brown flounder. The total amount of seedlings released exceeds 36 million units. This large-scale proliferation and release has effectively replenished the population of regional organisms, improved the structure and function of marine ecosystems, and played a positive role in maintaining marine ecological balance and enhancing marine biodiversity.



Collaboration and Awareness Building

CITIC Pacific Special Steel actively seeks external cooperation opportunities to make more profound and substantive contributions to biodiversity conservation and ecological environment restoration.

Through multi-channel communication and publicity, the Company strengthens interaction with social organizations and media to enhance biodiversity awareness among the Company, suppliers, partners, and the public. Biodiversity-themed education and training are conducted for employees and stakeholders to raise awareness and professionalism in biodiversity protection.



Social

- 01. Technological Innovation
- 02. Quality Assurance
- 03. Service Quality and Efficiency
- 04. Supply Chain Management
- 05. Employee Rights and Interests
- 06. Employee Growth
- 07. Safe Production
- 08. Social Good Deeds

Highlights and effectiveness for 2025

The Company has obtained **480** authorized patents, among which there are **130** invention patents.

The Company has led or participated in the formulation and revision of **14** national standards.

The Company has won **10** science and technology awards at or above the provincial and ministerial level.

Xingcheng Special Steel, Daye Special Steel, and Yangzhou Special Materials have been rated as National Excellence-Class Smart Factories.

Daye Special Steel and Qingdao Special Steel have passed the Level 4 assessment of Intelligent Manufacturing Capability Maturity.

Xingcheng Special Steel's project "'Data + AI' Empowering the High-Quality Development of Specialty Steel" has been the only case in the special steel field selected for the third batch of "Data Elements ×" typical cases by the National Data Bureau.

Daye Special Steel's "Innovation in Key Technologies for Efficient and Intelligent Production in Specialty Steel Hot Working Processes" has won the First Prize of the 2025 Metallurgical Science and Technology Award.

In 2025, The Company's overall production equipment digitization rate has reached **90.39**%.

All subsidiaries have passed the ISO 45001 "Occupational Health and Safety Management Systems" certification **100**%, among which Xingcheng Special Steel has successfully passed the SA8000 Social Accountability System certification.

The total person-times of employee training has reached 178,020, and training expenses have amounted to RMB **13.72** million.

Consumer assistance has exceeded RMB 4 million, and external donations have amounted to RMB **750,000**.

CITIC Pacific Special Steel adheres to the innovative concept that "forged in science and technology", and courageously assumes the mission of "provide green and smart special steel for human civilization". The Company insists on leading with science and technology, deepening independent innovation, continuously improving product quality, optimizing service efficiency, strengthens supply chain management, safeguards employee rights and interests, fulfills social responsibilities, and wins the future together with all stakeholders.

Response to SDGs



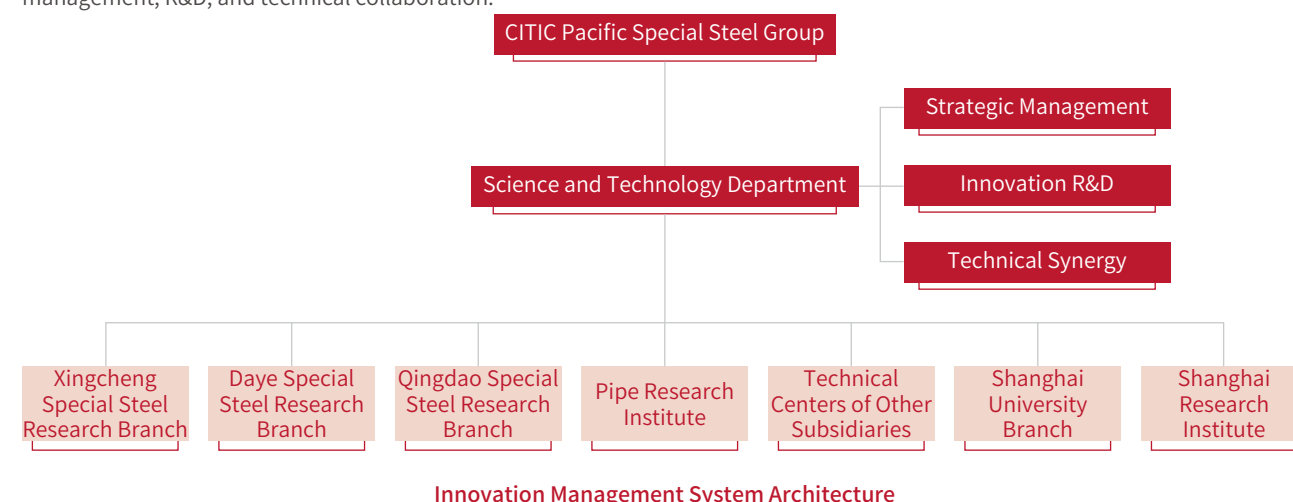
Technological Innovation

Technological innovation is the core driving force for the development of new quality productive forces. The Company always takes technological innovation as its guide, focusing on industrial upgrading and high-quality development demands, and strives to build an integrated innovation ecosystem of "R&D - Transformation - Application." The Company steadily advances R&D projects, continuously deepens product innovation, and actively promotes the deep integration and collaborative innovation of cutting-edge technologies with the special steel industry.

Governance

The Company has established a sound technological innovation management architecture, and relevant management personnel possess R&D backgrounds and skills. The Board of Directors is the highest authority for technological innovation, responsible for listening to and reviewing relevant strategies, systems, risks, and opportunities. The Strategy, Risk and ESG Committee is a subordinate body of the Board of Directors, responsible for conducting risk and opportunity assessments and analysis on matters related to technological innovation, and providing relevant important decision-making proposals, including technological innovation strategies, goals, systems, and action plans. The ESG Collaboration Management Working Team and the ESG Facilitation Working Team are responsible for the promotion and management of specific matters related to technological innovation, including technological innovation management performance, goal achievement, and public information disclosure.

The Company has established an innovation management architecture system with the Science and Technology Department as the core, covering the research institutes and technology centers of its subsidiaries, to promote technological innovation strategic management, R&D, and technical collaboration.



Strategy

The Company upholds the innovation concept that "Forged in Science and Technology" continuously improving the construction of the technological innovation system and optimizing the top-level design of the innovation system, deeply integrating it into the entire process of the Company's operation and management. The Company clarifies R&D directions, advances R&D projects and technologies, and promotes the application and transformation of technological innovation achievements. In 2025, to promote technological innovation, the Company invested a total of RMB 4,402.69 million in R&D expenses.

For details on the potential impacts, risks, and opportunities that technological innovation may bring to the Company, please refer to the "Double Materiality Assessment" section of this report.

Risk and Opportunity Management

01

Staying Committed to the Right Way While Pursuing Innovation

The Company has defined three core directions: high-end performance, digital-intelligent transformation, and green and low-carbon. Focusing on major national demands, the Company continuously promotes breakthroughs at the frontier and innovative R&D, enhancing the resilience of the industrial chain and competitiveness in sustainable development.

- **Oriented towards frontier technology, persisting in internationalization.** Aiming at international high-end products, actively participating in international market cooperation and technical exchanges, building high-end technology R&D teams, and further improving the Company's technical capabilities and standards.
- **Oriented towards green and low-carbon development, promoting "Green Manufacturing, Manufacturing Green".** Cooperating with international high-end users, the World Steel Association, and other authoritative organizations to promote the green transformation of the industrial chain.
- **Oriented towards digital-intelligent development, practicing the "Lighthouse Factory" leadership.** Accelerating the leapfrog upgrade from "traditional manufacturing" to "advanced intelligent manufacturing" and fully building a digital special steel enterprise.

In 2025, to meet user needs, the Company and its subsidiaries promoted the development of high-difficulty new processes and high-tech-content new products, and cooperated with international clients to explore frontier technological directions.



Case: Xingcheng Special Steel – Breaking Through Frontier Technologies with Independent Innovation, Casting the "Steel Backbone" of China's High-end Manufacturing

In May 2025, Xingcheng Special Steel, in collaboration with industry-academia-research teams, broke through the technology for steel used in key components of high-end equipment through independent innovation, building a full lifecycle innovation system of "Material - Process - Equipment". Through full-process breakthroughs in "composition design - smelting - rolling - heat treatment", Xingcheng Special Steel created globally leading high-end special steel, achieving ultra-high purity and excellent performance, with core indicators reaching top international levels.

This technology realized the domestic substitution of steel for high-end components, ensuring the autonomy and controllability of the industrial chain and promoting a 30% cost reduction in high-end equipment. Meanwhile, it won multiple patents and led the formulation of 1 industry standard.



Case: Daye Special Steel – Independently Conquering Core Technology for Steel Used in Main Bearings of Shield Tunneling Machines

On November 5, the special steel developed by Daye Special Steel was showcased at the "Sharp Blade" technical tackling project achievement exhibition. The project was successfully applied to the world's largest 18-meter class shield tunneling machine. Its supporting main bearing set three world records, solving the key puzzle of core materials for high-end equipment in China.

Daye Special Steel carried out technical tackling around the full process, breaking through the core technology of solidification for extra-large bearing steel ingots. This met the extremely high requirements of the main bearing of the shield tunneling machine for material purity, uniformity, strength/toughness, and fatigue life. This achievement significantly improved China's independent R&D capability and market competitiveness for shield tunneling machines, marking a key leap from following to leading in the field of core basic materials for high-end equipment in China.



Case: Qingdao Special Steel – Green Steel Casts the Peak of the World. Guizhou Huajiang Grand Canyon Bridge Officially Opens to Traffic

In September 2025, the world-renowned Guizhou Huajiang Grand Canyon Bridge successfully completed its opening to traffic. This project, known as "number one in the world both vertically and horizontally," stands tall on the Yunnan-Guizhou Plateau. It refreshed the dual world records for bridge span and height with a deck height of 625 meters above the water surface and a main bridge span of 1,420 meters. Qingdao Special Steel, in collaboration with partners, tackled the development of ultra-high-strength cable steel. The strength grade has been upgraded to 2,200 MPa. By breaking through the puzzle of balancing ultra-high strength and toughness through the independently developed online isothermal heat treatment technology, it achieved a "double breakthrough" in material performance and green manufacturing, successfully applied to the Guizhou Huajiang Grand Canyon Bridge.

The wire rods developed by Qingdao Special Steel possess both strong bearing capacity and excellent plasticity, ensuring the safety and stability of the bridge under harsh environments such as strong winds and heavy loads. This extends the service life and reduces maintenance costs, laying the foundation for the century-long life of the super project.



Case: Tianjin Pipe – Conquering the "Bottleneck" Problem of Deep-sea Energy Pipe Materials, Achieving Industrialization Breakthrough

In 2025, Tianjin Pipe successfully conquered the key technical problem of "Industrialization of High-Performance Titanium Alloy OCTG and Premium Connections for Drilling in Harsh Environments". Addressing the urgent demand for high-corrosion-resistant and lightweight pipe materials for deep-sea oil and gas and combustible ice drilling and extraction in China, the independently developed Ti90 titanium alloy tubing and special threaded connections have passed the most stringent third-party Level 4 evaluation tests.

This achievement realized major breakthroughs in core links such as special thread design, manufacturing processes, and connection technology. It significantly improved the sealing performance, connection strength, and bearing capacity of pipe materials in extreme corrosive environments, with key performance indicators reaching international advanced levels. This marks an important breakthrough for China in the field of high-performance energy drilling and extraction pipe materials, providing key material assurance for the safe and efficient development of deep-sea energy resources in China.

R&D Support System

The Company has built a comprehensive R&D innovation support system, driven by strategy, systems, talent, projects, and strategic collaboration to form a complete innovation ecosystem from guarantee to transformation.

At the system level

The Company has established a sound innovation talent incentive mechanism, formulated documents such as the Management Measures for Incentives in Addition to the Science and Technology Awards and the Management System for Scientific and Technological Achievements, and adopted relevant incentive measures to effectively stimulate the vitality of employees for innovation. Meanwhile, through continuous deepening of management innovation, applying scientific management concepts, methods, and tools, and adopting a large number of innovative suggestions, the Company promoted projects, cultivated lean management backbones, and achieved significant efficiency results. In August 2025, the Company's scientific research results won a total of 10 awards for the "Metallurgical Science and Technology Award," the highest science and technology award in China's metallurgical industry, including 1 Special Prize, fully demonstrating the Company's scientific research strength and innovation effectiveness.

In terms of talent development:

The Company focuses on implementing the "Star Shine Program" plan, providing new recruits with 3 years of concentrated training, job rotation internships, and project experience, and establishing three career and development paths, technology, and skills to build a perfect talent growth system. In 2025, to accelerate digital-intelligent transformation and cultivate innovation capabilities facing the future, the Company officially launched the "AI Series Training" covering all employees, aiming to transform AI capabilities into core competitiveness and create a good atmosphere of "everyone is good at using AI".



02 Intelligent Manufacturing

2025 is a key year for the deepened development of digital-intelligence at CITIC Pacific Special Steel. With "Digital Intelligence Transformation" as the core strategy, focusing on building the "Four Centers" of Manufacturing Center, Operation Center, Data Decision Center, and Service Center, the Company is accelerating the deep integration of new-generation information technology and steel manufacturing, fully advancing the construction of full-process digital-intelligent factories, systematically building the "Digital-Intelligent Special Steel" brand, and continuously consolidating the position of a benchmark enterprise for intelligent manufacturing in the industry.



Performance

- The Company promoted the construction of intelligent manufacturing demonstration lines with high standards, building the industry's first full-chain intelligent manufacturing demonstration line covering coking, ironmaking, steelmaking, and rolling, with a total of **12** demonstration lines completed.
- In 2025, the overall digitization rate of the Company's production equipment reached **90.39**%, and the basic capability for intelligent manufacturing was significantly enhanced.
- Xingcheng Special Steel, Daye Special Steel, and Yangzhou Special Materials were rated as national outstanding intelligent.
- Xingcheng Special Steel's project "'Data + AI' Empowering High-Quality Development of Specialty Steel" was the only case in the special steel field selected for the third batch of "Data Elements ×" typical cases by the National Data Bureau.
- Daye Special Steel and Qingdao Special Steel passed the Level **4** assessment of I Smart Manufacturing Capability Maturity.
- Daye Special Steel's "Innovation in Key Technologies for Efficient and Intelligent Production in Specialty Steel Hot Working Processes" won the First Prize of the 2025 Metallurgical Science and Technology Award.

CITIC Pacific Special Steel established a digital-intelligent independent innovation and technical tackling team. Through forms such as joint project construction and technical collaboration, it systematically built the Company's unified service center and approval platform, continuously promoted the deep integration of new technologies and business scenarios, and provided solid organizational and mechanism support for the long-term development of intelligent manufacturing.

Leading Brand Co-construction Plan	Leading Intelligent Manufacturing Standards	Hosting the Annual Meeting of the Intelligent Manufacturing Alliance
In 2025, the Company completed the sorting out of the CITIC Pacific Special Steel Digital-Intelligence Brand Panorama. Currently, 76 awards have been declared, and 30 awards have been won, including 15 national-level, 7 provincial/ministerial-level, and 7 industry-level awards. Among them, Xingcheng Special Steel won the First Prize of the Guanghua Cup. the joint application with Zijiang Laboratory for "AI Empowering Special Steel R&D" was selected for the 2025 Top 20 AI Pioneer Cases.	In 2025, the Company collaborated with various enterprises to promote the formulation of a total of 7 standards, including <i>Assessment of Digital Transformation Maturity in the Steel Industry</i> , <i>Industrial Internet Platform - Digital Management of Work Safety Part 6:Steel Industry</i> , <i>Specification for Evaluation of Intelligent Manufacturing Capability Maturity in the Iron and Steel Industry</i> , and <i>Technical Standard for 2D/3D General Drawing Information Systems for Iron and Steel Enterprises</i> .	n April 2025, responding to the China Iron and Steel Association, the Company actively assisted in hosting the "2025 Steel Industry Intelligent Manufacturing Alliance Annual Meeting," fully implementing the "14th Five-Year Plan" <i>Intelligent Manufacturing Development Plan and the Steel Industry Digital Transformation Engineering Three-Year Action Plan (2024-2026)</i> , and fully exerting the benchmark demonstration role of special steel digital transformation.

Deepening of Data Governance and Intelligent Application

The Company systematically promoted the construction of a data governance system, completing over 1,200 hours of data development covering core business areas such as finance, sales, procurement, and production. Data assets reached 1,403 items, and data volume exceeded 3.5 billion records. 696 data standards and 1,677 indicators were established, laying a solid foundation for data-driven decision-making.

In terms of data empowering business, the Company supported the construction of a smart supervision and early warning analysis platform, developing 52 risk models, 2 risk maps, and 7 full-process wide tables, achieving full-path imperceptible supervision of core business and ensuring the transparency and compliance of business processes. In the procurement field, AI models were piloted, and a raw material quality inspection large screen was built to realize full-process traceability of supplier quality, continuously improving the quality control system. Price prediction models were introduced, combining externally collected data with the Company's own data to realize price-aided decision-making. Assisting Qingdao Special Steel in building 32 analysis dashboards and over a hundred refined indicators promoted business visualization and real-time insights.

Case: Xingcheng Special Steel – "Outstanding Intelligent Factory" Achieves a Leap in Energy Efficiency

In 2025, the intelligent factory of Xingcheng Special Steel, based on "Lighthouse Factory" construction, was selected as an "Outstanding Intelligent Factory" by the Ministry of Industry and Information Technology. Through the deep integration of technologies such as digital twins and AI quality prediction with industrial mechanisms, the project achieved precise control of the full process, successfully shortening the R&D cycle of high-end bearing steel by 50%, marking a new stage where the carbon reduction model has upgraded from equipment energy saving to quality-driven efficiency.

Case: Daye Special Steel – AI-Driven Collaborative Intelligent Dispatching of Multi-Media Energy in Steel Enterprises

Daye Special Steel applied technologies such as artificial intelligence and big data to build a dynamic simulation model of the process network coupled with production energy, optimizing energy management and realizing intelligent closed-loop control of energy. The model can timely and accurately predict and optimize multi-scenario energy dispatching problems through energy fluctuation prediction based on working condition changes and multi-period multi-media energy optimization dispatching technology. Through the gas power generation furnace unit collaborative optimization closed-loop control technology, it realized the integrated closed-loop control of gas dispatch instructions and furnace unit collaborative operations. After the system went online, zero dispersion of blast furnace gas was achieved, reducing carbon dioxide emissions by more than 170,000 tons. This project won the 2025 Hubei Province AI Application Typical Scenario Award.

Integration and Innovative Application of AI Technology

The Company clarified the "1+1+N" special steel vertical large model technology architecture, actively promoted the construction of six core scenarios such as thick plate surface inspection, steel pipe performance prediction, and metallographic inspection, and systematically planned 70 AI application scenarios. In 2025, the Company completed 30 AI independent tackling projects. At the same time, the Company independently completed the access to the DeepSeek-R1 large model, tackling and landing more than 10 application projects such as the "Procurement AI Assistant". The "Procurement AI Assistant" has covered a hundred users, processing over 70 questions daily, significantly improving business process efficiency.

The Company deeply advanced the "AI+" special action, completed the formulation of the "AI+" Three-Year Action Plan, organized its subsidiaries to complete the formulation of the 2025 AI promotion work plan, and 30 AI independent tackling innovation application projects. coordinated the promotion of special steel vertical large model construction, determined the "1+1+N" vertical model technology architecture, completed a high-Xinchuang ratio and high-compatibility computing power base, built 1 special steel vertical large model hub, realized the integration of large models and mechanism models, and systematically promoted the construction of six core scenarios such as steel pipe performance prediction. organized the completion of DeepSeek-R1 large model access, and completed the tackling of more than 10 agents such as procurement, sales, finance, and safety.

The Company continuously cultivated new quality productive forces through industry-academia-research collaboration. Relying on the CITIC Hong Kong AI Sci-Tech Innovation Center and using Xingcheng Special Steel as a carrier, we jointly conducted research on the "Intelligent Special Steel Production Scheduling Optimization Model". cooperated with scientific research institutes to carry out the construction of a high-end bar material pilot base, converting discrete process experience into reusable digital assets, and currently completed the submission and defense of the application. aiming at "AI for Science: transforming traditional trial and error into digital trial and error, innovating a new paradigm of R&D." In the process of advancing digital-intelligent manufacturing and AI application, the Company attached great importance to technology ethics matters to ensure technological development conforms to social ethical norms. We established and executed strict ethical review and risk control mechanisms, continuously supervise the technology application process, and prevent ethical risks to promote responsible innovation.

03 Participation in Standard Formulation

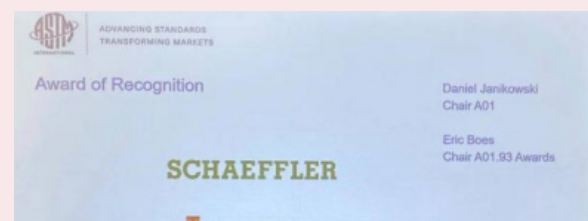
The Company has continuously deepened the industry-academia-research cooperation mechanism, established an operational system that meets the market-oriented demands of the special steel industry, and successfully explored an integrated development model that combines "new product R&D, scientific and technological innovation, and standard development". Under this framework, the Company has focused on strengthening the research of standards in key technology areas, aiming to continuously enhance the advancement and applicability of standards through technological innovation. By the end of 2025, the Company had led or participated in the publication of 290 national/industry/group standards, including 177 national standards, with 82 published as the first drafter, contributing to the new development of the industry standardization cause.

In 2025, CITIC Pacific Special Steel actively contributed to the formulation of global steel industry-wide low-carbon standards and the exploration of decarbonization pathways, demonstrating the green transformation leadership and technical strength of a benchmark enterprise in the industry, and also providing a "Chinese Solution" for collaborative carbon reduction in the global industrial chain.



Case: CITIC Pacific Special Steel Wins ASTM "Award of Merit"

In May 2025, at the Technical Committee Meeting on Steel for Bearings and Drivetrains hosted by ASTM (American Society for Testing and Materials) in Toronto, Canada, CITIC Pacific Special Steel released scientific research achievements focusing on technological innovation and high-quality development of steel for aero-engine main shaft bearings, and was awarded the ASTM "Award of Merit."



▲ ASTM Presents CITIC Pacific Special Steel with the "Award of Merit"

Important standards that the Company led or participated in developing in 2025

National Standards

- GB/T 1222-2025 Spring steels
- GB/T 24595-2025 Hot-rolled steel bars for quenched and tempered crankshafts
- GB/T 241-2025 Metallic materials—Tube—Hydrostatic pressure test
- GB/T 32959-2025 Bearing steels for forged bars, rings and blanks
- GB/T 45781-2025 Seamless steel tubes for mechanical structures
- GB/T 46599-2025 Steel pipe for gaseous hydrogen storage and transportation pipeline
- GB/T 9948-2025 Seamless steel tubes and pipes for petrochemical and chemical facilities
- GB/T 18669-2025 teel for ship anchor chain and offshore mooring chain cables
- GB/T 29913-2025 Medium carbon alloy bearing steel
- GB/T 14977-2025 General requirement for surface condition of hot-rolled steel sheet and plate
- GB/T 28410-2025 Structural steel plate for wind power tower
- GB/T 11251-2025 Alloy structural steel plate, sheet and strip
- GB/T 3207-2025 Bright steel
- GB/T 46598-2025 Steel plate, sheet and strip for gaseous hydrogen transportation and storage pipeline
- GB/T 14999.2-2025 Test methods for superalloys—Part 2:Microstructure
- GB/T 17107-2025 Structural steel bars for forgings
- GB/T 1299-2025 Tool and mould steels
- GB/T 28906-2025 Hot-rolled steel wire rod for cold heading
- GB/T 28300-2025 Surface quality classes for hot-rolled bars and wire rod
- GB/T 8731-2025 Free-cutting structural steels
- GB/T 20972.2-2025 Petroleum and natural gas industries—Materials for use in H2S-containing environments in oil and gas production—Part 2: Cracking-resistant carbon and low alloy steels, and the use of cast irons
- GB/T 23512-2025 Petroleum and natural gas industries—Evaluation and testing of thread compounds for use with casing, tubing, line pipe and drill stem elements
- GB/T 18052-2025 Methods of gauging and inspection of casing, tubing and line pipe threads
- GB/T 46418-2025 Titanium alloy tubing and casing
- GB/T 31940-2025 Bi-metal composite steel pipes for fluid transportation
- GB/T 14976-2025 Seamless stainless steel pipes for fluid transport

Industry Standard

- YB/T 6360-2025 Bearing Steel for Main Bearings of Shield Tunneling Machines
- YB/T 6339-2025 General Requirements for EAF Short Process Steelmaking Production
- YB/T 6378-2025 High-Carbon Chromium Bearing Steel for Rail Transit

Group Standard

- T/CSTM 01297-2025 Specification for evaluation and verification of green and low carbon technology —Converter technology to improve scrap steel ratio
- T/CISA 518-2025 Wire Rods for Extra-Long Span Cable-Supported Bridges(Draft for Comment)
- T/CSTM 01279-2025 Evaluation method for fracture flow line and fracture fiber ratio of steel
- T/CSM 2-2025 Carbon Structural Steel for Quenching and Tempering
- T/CSM 3-2025 Alloy Structural Steel for Quenching and Tempering
- T/CISA 541-2025 Wear resistant steel plate for light rail turnouts
- T/CISA 542-2025 Wear resistant steel plate for wood-based panel machinery
- T/JSGT 018-2025 Specification for Carbon Emission Accounting in Electric Arc Furnace Steelmaking
- T/CISA 510.1-2025 High quality forged die steel—Part 1: Hot work die steel
- T/CISA 510.2-2025 High quality forged die steel—Part 2: Plastic mold steel
- T/CISA 510.3-2025 High quality forged die steel—Part 3: Cold work die steel
- T/CAMT 26-2025 Technical specification for hot rolled flat steel products
- T/CERS 0083-2025 Guidelines for regional collaborative management of material supply chain in oil and gas enterprises
- T/CI 933-2025 Technical Specification for Design of Pipelines for Long-distance Hydrogen Transmission
- T/CIET 985-2025 Fired power plant units use large diameter thick-walled seamless steel pipe
- T/CIET 0271-2025 Technical requirements of alloy seamless tube for boiler of ultra-supercritical thermal power unit



Case: Daye Special Steel – Wind Power Special Steel Technology Wins Gold Medal at National Invention Exhibition

In October 2025, at the 19th National Invention Exhibition, Daye Special Steel won the Gold Medal with its project "Key Technology Development and Application of High-Quality Special Steel for High-Power Wind Power Main Bearings."

To solve the problem of import dependency for materials of large power wind power main bearings in the wind power industry, Daye Special Steel focused on the core issues of large steel ingots and uniformity of large bars, continuously optimized production processes and parameters, completed the key technology development of special steel for large megawatt wind power main bearings and bearing ring manufacturing, and achieved stable supply in batches. The 25MW wind power main shaft bearing steel developed by it provided high-end special steel material support for wind power development.



▲ Wind Power Special Steel Technology Wins Gold Medal at National Invention Exhibition

04 Intellectual Property Protection

The Company always regards intellectual property protection as a strategic cornerstone for driving innovation and safeguarding core competitiveness. It has formulated internal systems such as the *Intellectual Property Compliance Management Manual*, established a sound intellectual property management process, and realized comprehensive management of intellectual property rights such as trademarks, software copyrights, and trade secrets.

The Company integrates digital-intelligent technology into the intellectual property protection process and establishes an information-based management system for the entire lifecycle of patents. Through online processes, it sets up key stages such as departmental review, expert evaluation, and leadership approval to strictly control the innovativeness and confidentiality of patent applications. The Company assigns dedicated personnel to review and monitor the entire process of patent application, ensuring systematic, standardized, and efficient management of patent work. To effectively guard against intellectual property risks, the Company fully utilizes patent database resources and leverages its collaborative R&D advantages to identify and avoid potential infringement risks in advance, safeguarding the Company's innovative development.

Case: Xingcheng Special Steel – Passes New Version of IP Compliance Management System Certification, Building a Solid Foundation for Innovative Development

In 2025, Xingcheng Special Steel successfully passed the review certification of the new national standard *Enterprise intellectual property compliance management system—Requirements* (GB/T 29490-2023) and obtained the Intellectual Property Compliance Management System Certificate.

As an innovation benchmark in the special steel industry, since its first implementation of the standard in 2020, Xingcheng Special Steel has adhered to the policy of "Tech Innovation Leading, IP Protecting," built and continuously improved the intellectual property management system, laid out multiple high-value patents, and led the formulation of many national and industry standards.



▲ Xingcheng Special Steel Intellectual Property Compliance Management System Certification Certificate

To continuously improve the professional capability and protection awareness of all employees regarding intellectual property, in 2025, on the basis of the existing management system, the Company, through various forms such as systematically improving internal system processes, organizing special training and dissemination, and integrating into daily R&D management, deeply planted the culture of respecting intellectual property and protecting innovative achievements into the Company's operations, providing a solid guarantee for the Company's sustainable innovation and high-quality development.

Metrics and Targets

CITIC Pacific Special Steel will take technological innovation as the core driving force and focus on the following work goals to promote the deep integration of the special steel industry with frontier technologies:



Reinforce technological innovation system: Improve the governance architecture, continuously invest R&D resources, and promote frontier tackling in the three major directions of high-end performance, green and low-carbon, and digital-intelligent transformation.



Deepen intelligent manufacturing and digital transformation: Build full-process smart factories, promote the integration of artificial intelligence and big data with production scenarios, and create an industry benchmark for intelligent manufacturing.



Promote green and low-carbon development: Centering on "Green Manufacturing, Manufacturing Green," promote the low-carbon transformation of the industrial chain, develop high-performance green materials, and support the construction of major infrastructure projects.



Cultivate innovation talent and ecosystem: Through mechanisms such as the "Star Shine" plan and AI empowerment training, build a multi-level talent echelon, create a culture of all-staff innovation, and enhance continuous innovation capabilities.

Target Indicators	Target Year	Target Value
Total number of new patents granted in the year	2030	547
R&D expenditure	2030	Not Less Than 4%
Ratio of R&D personnel	2030	Not less than 19%

Quality Assurance

The Company upholds the quality philosophy that "Quality is our life," continuously optimizes full-process quality control of products, and is committed to promoting the quality management system to higher standards, consolidating market trust with excellent product quality, and building a special steel brand with international competitiveness.

Governance

The Company has established a sound quality management architecture, and relevant management personnel possess quality management backgrounds and skills. The Board of Directors is the highest authority for quality management, responsible for listening to and reviewing relevant strategies, systems, risks, and opportunities. The Strategy, Risk and ESG Committee is a subordinate body of the Board of Directors, responsible for conducting risk and opportunity assessments and analysis on matters related to quality management, and providing relevant important decision-making proposals, including quality management strategies, goals, systems, and action plans. The ESG Collaboration Management Working Team and the ESG Facilitation Working Team are responsible for the promotion and management of specific matters related to quality management, including quality management performance, goal achievement, and public information disclosure. Under the guidance of the Company, its subsidiaries have created quality management architectures and systems to strengthen product quality management.

Strategy

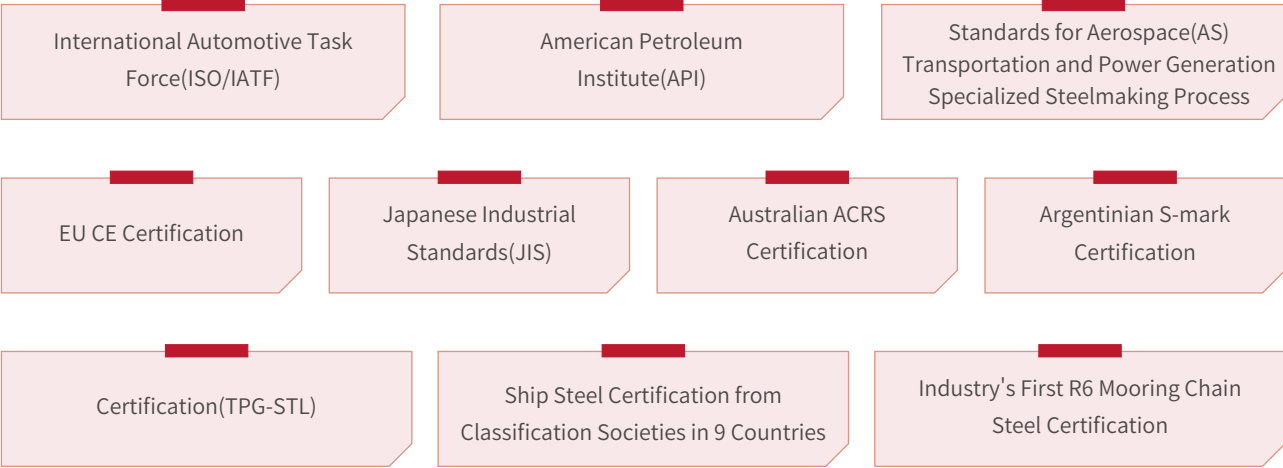
CITIC Pacific Special Steel's product quality management strategy focuses on full-process lean control and digital empowerment, running through the complete chain from R&D and design to terminal service. By strictly implementing domestic and international standard certifications and relying on intelligent production systems to achieve precise monitoring and optimization of process parameters, the Company ensures the consistency and reliability of products. Meanwhile, the Company has built a full lifecycle traceability system covering raw material procurement, production and manufacturing, to customer application. Through industry-academia-research collaborative innovation, it transforms frontier technologies into actual quality control capabilities, constructing a quality competitive advantage centered on technology-driven and customer-oriented approaches in the high-end special steel field, continuously driving process improvement and product upgrades.

For details on the potential impacts, risks, and opportunities that product quality may bring to the Company, please refer to the "Double Materiality Assessment" section of this report.

Risk and Opportunity Management

The Company strictly complies with the requirements of laws and regulations such as the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Certification and Accreditation*, and the *Regulation of the People's Republic of China on the Administration of Production License for Industrial Products*. It has formulated internal management systems such as the Quality Manual, the *Quality Records Management Procedures*, the *Control Procedures for Non-conforming Products*, and the *Regulations on Handling and Management of Product Quality Objections*,improving the construction of the quality management system. In 2025, the Company passed a number of authoritative certifications such as ISO 9001 Quality Management System and IATF 16949 Automotive Industry Quality Management Specification. The Company's quality management system coverage and certification levels achieved important breakthroughs, fully aligning with international leading standards and laying a solid foundation for expanding domestic and international markets. Relying on the full-process quality control system, all products strictly comply with relevant health and safety standards and industry certification requirements. No product recalls caused by product health and safety issues occurred during the year.

- Xingcheng Special Steel obtained ISO 22163:2023 Railway Quality Management System certification, becoming the first enterprise in the domestic special steel industry to achieve quality system certification covering the full industrial fields of energy, automotive, aviation, and railway.
- Xingcheng Special Steel and Daye Special Steel successfully passed the TPG-STL Transportation and Power Generation Specialized Steelmaking Process certification, laying the foundation for entering the high-end markets of global transportation and energy industries.



Building a Quality Culture

The Company continuously deepens the quality culture construction, enhances the quality awareness of all employees through systematic quality education and training, creates a positive atmosphere where everyone pays attention to and pursues excellent quality. During the year, taking the "Quality Month" campaign as an opportunity, the Company helped all employees and relevant parties strengthen quality awareness through various forms such as professional standard training, warning education, and supply chain collaborative exchanges.

- Organized a customized API standard training class for the technology, quality, and production teams of the steel pipe sector, specially inviting experts from the American Petroleum Institute Standards Committee to give on-site lectures, deeply interpreting core standards such as API 5CT and API 5L to precisely align with international requirements and improve employees' professional capabilities.
- Organized an all-staff quality warning education meeting, building the ideological foundation of quality and safety for all staff through collective reading of quality commitment letters, watching warning education exhibition boards, and viewing problematic physical items.
- Organized special exchange on scrap steel management certification, inviting the expert team of partner Bekaert to train personnel from the Science and Technology Department, the Safety and Environmental Protection Department, Xingcheng Special Steel, Qingdao Special Steel, and other relevant units, systematically learning the international scrap steel management system to guarantee green product quality from the source of raw materials.

In 2025, relying on the full-process quality control system, and through measures such as digital-intelligent traceability, special quality clauses for high-end products, and full-chain training, all products strictly complied with relevant health and safety standards and industry certification requirements. No product recalls caused by product health and safety issues occurred during the year.

Metrics and Targets

CITIC Pacific Special Steel focuses on the continuous optimization of full-process quality and safety control, and will promote the achievement of the following work goals to consolidate market reputation with excellent product quality and shape a special steel brand with global competitiveness:

Deepen full-process quality control system	Strengthen quality risk prevention and compliance construction	Reinforce customer orientation and technology drive
Improve full-chain lean quality management, strengthen digital traceability and intelligent monitoring capabilities, and continuously promote the Company to obtain international leading quality management system certifications.	Strictly comply with domestic and international product quality laws and regulations, improve internal quality management systems and emergency mechanisms, comprehensively prevent quality and safety risks, and ensure "zero recalls" of products.	Relying on industry-academia-research cooperation and technological innovation, respond to high-end market demands, and provide safe, reliable, and green special steel products.

Target Indicator	Target Year	Target Value
Product Inspection Pass Rate	2030	100%
Customer Satisfaction	2030	94
Number of complaints received about products and services	2030	≤ 580
Number of recalls due to product quality issues	2030	0

Service Quality and Efficiency

CITIC Pacific Special Steel always adheres to a customer-centric approach. By continuously improving service quality, strictly controlling product standards, listening to customer demands, and practicing responsible marketing to perfect the customer service system, the Company is committed to achieving value co-creation, result sharing, and mutual benefit and win-win with customers, consolidating long-term, stable, and mutually trusting cooperative relationships.

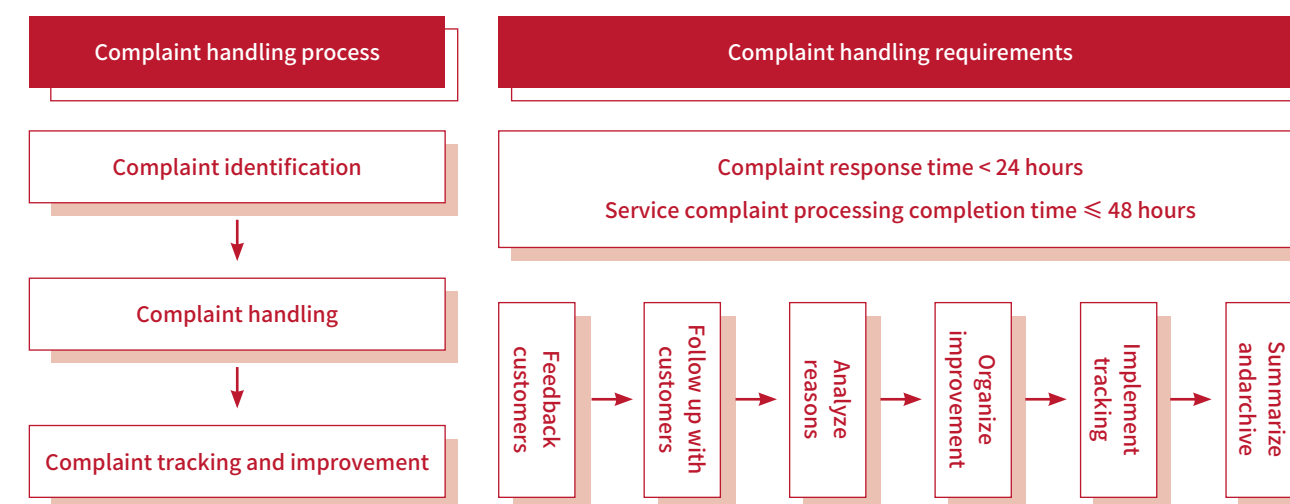
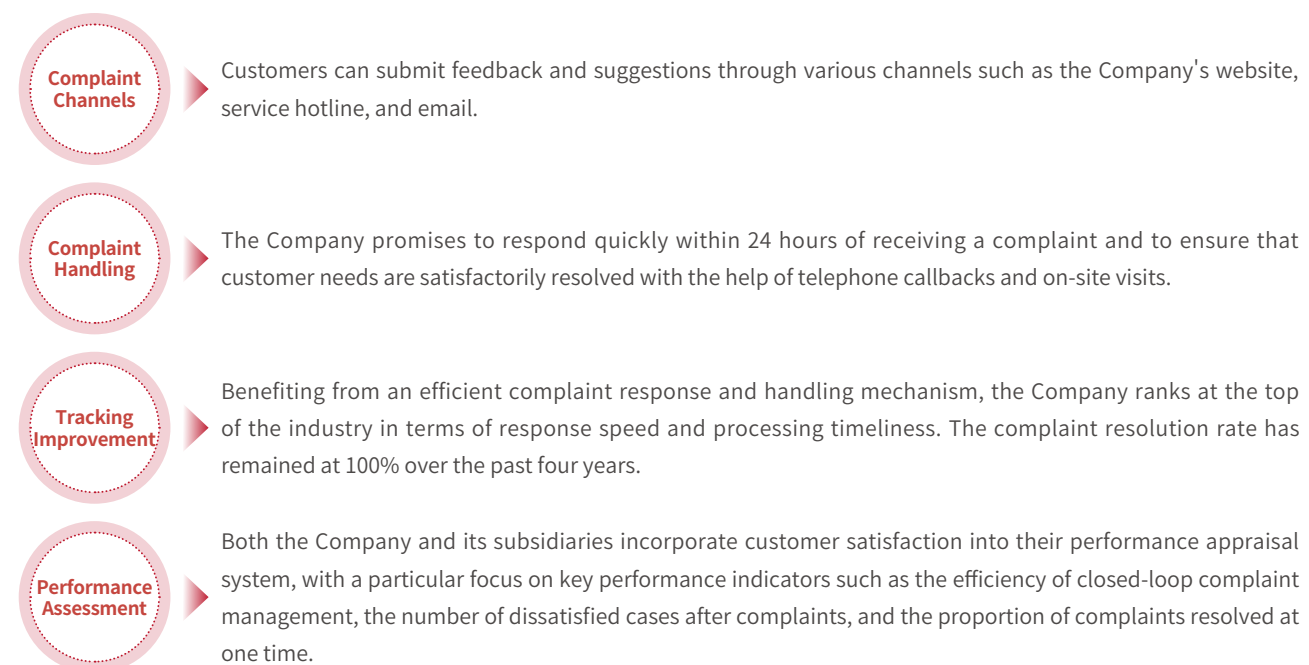
Customer Service Management

The Company has established a customer-centric service organizational structure and working mechanisms and processes, dedicated to providing customers with excellent products, integrated solutions, and high-quality services. The Company has formulated and implemented a series of rules and regulations such as the *Process Control Procedures Related to Customers*, *Service Specifications for Complaint Handling*, *Regulations for Satisfaction Appraisal Related to Customers*, *Service Specifications for Training of Service Personnel*, and *Service Specifications for Crisis Event Handling*, comprehensively consolidating the foundation of the customer service system and systematically improving customer service capabilities. In 2025, the Company formulated the *Key Account Management System* to strengthen the service management of key customers.

Upholding the principles of "accurate information, quick response, efficient processing, and satisfied customers," the Company built a customer after-sales service system, actively promoted innovation in the service mode, and realized the three major transformations of "from passive response to proactive service, from after-sales support extending to pre-sales collaboration, and from individual post responsibility upgrading to all-staff participation," significantly enhancing market service capabilities. In 2025, the Company continued to exert efforts in strengthening service concepts, optimizing service modes, and deepening service mechanisms, focusing on promoting the normalization, regularization, and long-term effectiveness of the service mechanism. The User Application Technology Research Institute conducted user technical services 24 times, helping users achieve quality improvement by optimizing processes and effectively increasing user stickiness. Compiled 10 user application manuals and provided 14 sets of solutions or analysis reports for customers, and promoted industrial chain cooperation through multi-dimensional technical exchange services.

Customer Demand and Complaint Response

To understand customer needs in a timely manner, the Company set up a user service center and opened a 24-hour service on the hotline. Meanwhile, the Company built an innovative full-process complaint management system with "one platform for three specialized responsibilities", centering on the three key stages of complaint identification, handling execution, and tracking improvement, continuously promoting the standardization, closed-looping, and high-efficiency enhancement of complaint management, and earnestly safeguarding customer rights and interests and experience.



User Complaint Handling Procedure

Customer Satisfaction Survey

The Company has established a customer relationship management system to statistically analyze customer information, including basic information, quality objections, satisfaction survey results, special needs, and changes in needs. The analysis results are then promptly communicated to the relevant departments to formulate continuous improvement measures and enhance customer satisfaction. Meanwhile, in order to accurately grasp the needs of customers, the Company conducts annual customer satisfaction surveys and issues a "Customer Satisfaction Assessment Report". In 2025, the Company's customer satisfaction score for the year was 93.0, and 85% of the interviewed customers were major customers.

Deepening Customer Collaboration

The Company continuously optimizes deep connections with customers. By regularly organizing customer symposiums, seminars, and visit exchanges, the Company earnestly understands customer needs and constantly strengthens two-way communication. During the year, focusing on key industries such as new energy vehicles, bearing steel, and high-quality wire rods, and 8 product categories, the Company successfully held multiple strategic user seminars and customer visit exchange meetings, engaged in in-depth exchanges with industry-leading enterprises on development status and trends, and deepened strategic cooperative relationships. During the year, CITIC Pacific Special Steel won the "Strategic Partner Award" at the 2025 Asia-Pacific Supplier Conference hosted by ZF (Germany).

Case: CITIC Pacific Special Steel Holds 2025 Strategic User Seminar for High-Quality Steel Pipes

In May 2025, CITIC Pacific Special Steel held the Strategic User Seminar for High-Q Steel Pipes. The meeting advocated the promotion of the construction of a community with a shared future by the upstream and downstream of the industrial chain and reached multiple intentions for domestic substitution and joint technology development.

This seminar not only demonstrated the core strength of CITIC Pacific Special Steel's high-quality steel pipes but also clarified the upgrade path of high-end, internationalization, and service-oriented development in the industry during the "15th Five-Year Plan" period, which is of great significance to consolidating the Company's leading position in the global steel pipe industry and promoting the high-quality development of the steel pipe industry.

Case: CITIC Pacific Special Steel Holds Strategic User Seminar for Commodity Billets and High-Quality Wire Rods

In June 2025, CITIC Pacific Special Steel held the Strategic User Seminar for Commodity Billets and High-Quality Wire Rods, attracting numerous user representatives from the upstream and downstream of the industrial chain.

The meeting focused on core issues such as changes in the supply and demand pattern currently facing the industry, structural overcapacity, price competition pressures, and green and low-carbon transformation, and deeply explored new cooperation models under the path of high-quality development. Through this seminar, CITIC Pacific Special Steel and strategic users further gathered consensus and worked together to promote the enhancement of industrial chain resilience and sustainable development.

Case: CITIC Pacific Special Steel Holds 2025 Strategic User Seminar for Automotive Steel and Bearing Steel

In July 2025, the 11th Strategic User Seminar for Automotive Steel and Bearing Steel hosted by CITIC Pacific Special Steel was successfully held. The meeting gathered numerous strategic partners from the upstream and downstream of the automotive steel and bearing steel industrial chains.

Based on the industry status and market trends, the meeting focused on the pain points and challenges of development under the new normal in the industry, and discussed topics such as integrating industrial resources, promoting the deep integration of production, marketing, and research, and industrial chain innovation collaboration. Strategic partners actively participated, and all parties reached a consensus of "promoting collaboration and opposing involution," expressing that they continued to work together with the Company to co-create the future.

Responsible Marketing

The Company strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, the *Advertising Law of the People's Republic of China*, and other relevant laws and regulations. In its marketing activities, the Company consistently maintains fair and transparent market principles and resolutely opposes any exaggerated or misleading false advertising practices. To ensure compliant operations, the Company continuously strengthens the internal management system, rigorously implementing established rules and regulations in all business processes such as contract signing, customer service, and brand promotion, eliminating unfair competitive practices, ensuring products comply with health and safety standards, and safeguarding the legitimate rights of customers from infringement.

Supply Chain Management

CITIC Pacific Special Steel deepens supplier cooperation and continuously strengthens supply chain management, committed to building a responsible supply chain system. Through measures such as implementing ESG risk assessment, promoting green supply chain construction, optimizing smart supply chain operation, and strengthening conflict mineral management, the Company has significantly enhanced the ESG management effectiveness of its supply chain.

Supply Chain Compliance Management

The Company has formulated and implemented stringent procurement and supplier management standards, including the "Measures for Management of Supplier," "Procedure of Procurement and Sales for Unified Purchase Materials," and the "Centralized Procurement Bidding Management Detailed Rules," to ensure the compliance and efficiency of the procurement process. The Company requires all suppliers to sign and implement the Supplier Code of Conduct, which clarifies requirements for suppliers in terms of laws and regulations, business ethics, human rights and labor rights, environmental protection, work safety, and information and privacy security, aiming to effectively reduce ESG-related risks in the supply chain. In 2025, all suppliers signed the *CITIC Pacific Special Steel Procurement Center Supplier Code of Conduct*.

Supplier Admittance

At the access stage, the Company reviews their business scope, registered capital, reputation capability, legal compliance, and social responsibility performance. Suppliers who pass the review enter the candidate supplier pool or qualified supplier pool in accordance with system requirements.

Supplier Review

The Company implements a regular supplier cooperation evaluation system, evaluating their actual supply situation, after-sales service, and information exchange, and classifies suppliers into A, B, and C grades based on the evaluation results. The Company formulates differentiated procurement selection strategies based on the evaluation grades to incentivize suppliers to improve cooperation efficiency and quality.

- **A-level Suppliers:** Recognized as preferred partners, A-level suppliers are given priority in collaboration opportunities and are offered the expansion of multi-layered cooperation , realizing strategic cooperation.
- **B-level Suppliers:** Maintain regular procurement cooperative relationships while providing necessary guidance and support to facilitate their further development.
- **C-level Suppliers:** For C-level suppliers, specific issues and deficiencies were clearly identified, along with concrete requirements for rectification.

At the same time, the Company regularly assesses suppliers' environmental and social risks in accordance with the "Control Sheet on Risk Indicators and Risk Rule", organizes on-site inspections, scientifically categorizes risks, clarifies risk levels, reports issues, and supervises rectification to ensure a robust and secure supply chain.

Supplier Exit

After the review, the Company classifies suppliers into A-level, B-level, C-level, blacklisted, or returned to the potential pool. For blacklisted suppliers, the Company stipulates that no procurement business would be conducted with them for at least 5 years. Suppliers returned to the potential pool may conduct business when they become qualified according to the new addition process if there is a business need.

Supplier Incentives

The Company actively implements a supplier incentive mechanism, regularly organizes supplier selection activities, and commends Gold suppliers, Silver suppliers, and Best Service Providers to stimulate suppliers to improve product and service quality. The Company provides multiple incentives and preferential treatment to excellent licensed suppliers, including signing long-term supply agreements and carrying out diversified cooperation.

- **Gold and silver supplier selection conditions:** Have a supply history of more than 3 years, signed a strategic agreement or signed an annual cooperation agreement, annual review level of A-supplier, high annual supply and not reduced or suspended.
- **The best service provider selection conditions:** Have a cooperation history of more than 2 years, signed a strategic agreement or signed an annual cooperation agreement, annual review level of A-supplier, annual business volume, not reduced or suspended.

Building a Responsible Supply Chain

Supply Chain Labor Rights

The Company requires suppliers to provide employees with personal protective equipment and ensure that the working environment complies with occupational safety and health regulations. At the same time, their business activities must not threaten the health and safety of their employees and the local population, and they must provide their employees with the necessary training in the areas of environment, hygiene and occupational health and safety.

Developing a Low-Carbon Supply Chain

Building a green supply chain is of strategic significance for the special steel industry to realize green transformation and upgrading. Through close collaboration between upstream and downstream enterprises in the supply chain, we jointly built a new paradigm of green, circular and low-carbon economic development. The Company actively responds to the national "Dual-carbon" strategic goals, takes the lead in forming a green and low-carbon supply chain promotion group, jointly promotes the overall work plan of the green supply chain, takes multiple measures to effectively reduce the environmental impact of the supply chain as a whole, and sets a model for the green development of the industry.

Collaborative Efforts to Manage Low-Carbon Initiatives

The Company continuously optimizes the supply chain ecology and promotes the green development of upstream and downstream enterprises in the industrial chain. Through the industrial chain collaborative carbon reduction mechanism, the Company worked hand in hand with suppliers and customers to jointly optimize the green manufacturing process from raw materials to terminal products, empowering the green transformation of the entire industrial chain.

The Research Institute strengthens carbon data management, conducts technical tackling in carbon accounting, monitoring, and verification, helping customers clearly grasp the carbon data of their supply chains and effectively respond to increasingly strict international trade rules such as carbon tariffs and green procurement. At the same time, the Company is jointly building the "Greenhouse Gas Emission Factor Database (Special Steel Module)" with the National Carbon Metrology Center, filling the gap in national special steel carbon measurement data. In 2025, the Company focused on promoting the compilation of the green and low-carbon material list, having received a total of 345 product carbon accounting reports, and promoted 21 suppliers to sign product carbon accounting reports with CITIC Pacific Special Steel, providing reliable data support for formulating supply chain carbon reduction strategies.

Practicing Green Procurement

The Company continuously purchases energy-saving and environment-friendly products that comply with environmental labeling product certification, energy-saving product certification or other nationally recognized certifications, and prohibits the procurement of "highly polluting and environmentally risky" products, thus contributing to the further promotion of an environment-friendly society. In 2025, the Company had a total of 398 qualified suppliers.

Promoting Low-Carbon Awareness

The Company has established a good green and low-carbon communication and cooperation mechanism with its suppliers. It regularly holds green supply chain management dissemination meetings, conducting in-depth discussions on topics such as improving supplier management levels and green procurement efficiency. At the same time, the Company regularly invites renowned experts to cultivate and guide suppliers on low-carbon emission awareness, conveying the Company's latest green concepts in procurement strategies, and proposes targeted suggestions regarding potential environmental risks suppliers might encounter during the access and execution stages, aiming to promote win-win cooperation in the upstream and downstream supply chain and drive green collaborative development.



Case: CITIC Pacific Special Steel Holds Symposium for Key Suppliers of Coal, Coke, and Alloys, Conducting In-depth Exchanges

On November 7, 2025, the Company organized a symposium for key suppliers of coal, coke, and alloys in Qingdao, inviting 55 key supplier units from the two core categories of coal/coke and alloys to participate. In-depth exchanges were held on topics such as industry trends, technical collaboration, and quality control.

The meeting unified strategic cognition. While solving specific technical and quality issues, it further consolidated the strategic mutual trust and partnership relationships with core suppliers. This symposium laid a solid foundation for jointly building a more resilient and competitive industrial community, holding profound significance for the Company's medium-to-long-term supply chain security and stability.

Supplier Integrity Construction

Supplier Integrity Management

- Policy and Rules** → The Company requires suppliers to formulate anti-corruption policies, clarify principles of integrity-based cooperation, formulate anti-corruption plans, and implement them.
- Signing of Required Documents** → Suppliers are required to publicly sign documents such as the "*Transparent Cooperation Agreement*" and the "*Supplier Code of Conduct*", committing to adhere to the integrity-based cooperation regulations.
- Due Diligence** → Conducting due diligence on suppliers through compliance mechanisms to ensure they meet the Company's standards for integrity-compliant collaboration.

Supplier Code of Conduct

- Daily compliance** → In day-to-day management, the Company focuses on the suppliers' integrity performance, credit records, legal compliance, delivery quality, production safety, environmental protection, and any violations or disciplinary issues.
- Prohibitive Measures** → If a supplier meets the Company's prohibitive criteria, immediate measures will be taken to enforce the prohibition to safeguard the Company's integrity-compliant collaborative environment.
- Integrity Awareness Training** → Through the organization of supplier integrity promotion, integrity symposium and other activities, to enhance the supplier integrity awareness, and build a harmonious and clean business relationship.

Integrity Management of Internal and Related Party Employees

- Internal Regulations** → All procurement personnel within the Company are required to sign the "Commitment to Integrity," which explicitly prohibits bribery, solicitation of bribes, or acceptance of bribes.
- Scope of Application** → This requirement applies not only to the Company's employees but also extends to other individuals who have business dealings with the Company, including third-party intermediaries.
- Prohibition of personal gains** → Employees are strictly forbidden from soliciting from or offering to customers, suppliers, legislative bodies, law enforcement agencies, among others, any form of personal gains to ensure the integrity of interactions between procurement personnel and the suppliers.

Innovative Digital Supply Chains

The Company is committed to creating a more efficient, transparent, intelligent, and standardized digital supply chain system. Based on the existing system functionalities, it is fully advancing system upgrades, and coordinating the development and optimization of functions such as supplier management, bidding operations, centralized purchasing, smart shopping malls, and compliance supervision, to achieve a comprehensive digital transformation of supply chain management. In 2025, the Company's digital supply chain system completed the Phase II retrofit and upgrade, mainly centering on function enhancements such as supplier evaluation, quality objection closed-loop, electronic contracts, and delayed delivery tracking, fully achieving 100% online operation of the full procurement process.

Meanwhile, the Company utilizes mature mobile software to empower procurement work, realizing the deep integration of daily work such as data analysis and project tracking with mobile applications. Subsequently, the Company further promoted the digital construction of supply chain management, striving to build a full-link digital procurement platform centered on "platform thinking, standard capability, flexible customization, and autonomous evolution," realizing the integrated collaboration of business, process, data, and control. The New *Paradigm for Grouped Special Steel Enterprise Supply Chain and Value Chain Ecosystem Operation: From Dual-Wheel Drive to Four-Dimensional Collaboration* submitted by the Company won the Second Prize of the 12th (2025) Metallurgical Enterprise Management Modernization Innovation Achievements.

Ensuring Supply Chain Stability

The Company is committed to establishing long-term and stable cooperative relationships with its suppliers, and also forging strategic partnerships with key suppliers, to ensure the timely supply of essential materials, mitigate supply shortages, and foster a positive and stable cooperative environment. To effectively address potential production delays and material shortages that may arise from supply chain disruptions, the Company has implemented a strategy to diversify its bulk commodities suppliers, and ensure a diverse geographical distribution of the suppliers. This enables the Company to source required materials from suppliers in other regions in the event of supply chain obstructions in a particular area, and ensure supply continuity. Furthermore, adopting a precise inventory management strategy, the Company conducts scientific forecasts based on customer demand to minimize unnecessary inventory stockpiling and ensure the stability of supply chain management.

The Company treats supplier partners equally, safeguards the rights and interests of small and medium-sized enterprises (SMEs), and pays corresponding procurement amounts as agreed. During the year, there was no situation where the Company needed to publicize information on overdue payments to SMEs via the National Enterprise Credit Information Publicity System.

Implementing Conflict Minerals Management

The Company attaches great importance to the issue of conflict minerals, strictly adhering to relevant international and domestic regulations, including the *DoDD-Frank Wall Street Reform and Consumer Protection Act* in the United States, the *EU Conflict Minerals Regulation* in Europe, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, and the *Chinese Due Diligence Guidelines for Mineral Supply Chain*. In 2025, the Company formulated the "Supplier Management Measures of the Procurement Center," which list conflict minerals as a veto item and require suppliers to sign a "Statement of Non-Use of Conflict Mineral".

The Company pledges not to procure raw materials from conflict-affected and high-risk areas, including products such as 3TG (metallic minerals such as tantalum, tin, tungsten and gold, etc.). The Company has integrated conflict minerals due diligence into its supplier admission review process and will terminate cooperation with any suppliers involved in conflict minerals disputes. Additionally, the Company explicitly requires suppliers to provide certification information regarding responsible minerals, ensuring supply chain transparency while fulfilling ethical responsibilities.

Collaborating for Industry Progress

The Company continues to strengthen cooperative relationships with enterprises, governments, industry associations and universities, strengthen the integration of industry-academia-research, optimize the cooperation mechanism, achieve resource sharing, build a full chain of scientific and technological innovation ecology, and explore mutually beneficial, win-win and sustainable strategic partnerships.

The Company actively promotes cooperation and co-construction between enterprises and universities. It has established strategic partnerships with several organizations, including Schaeffler (China) Co., Ltd., SKF (China) Co., Ltd., ZF (China) Co., Ltd., Volvo Car Corporation, Metallurgical Industry Information Standardization Institute, Central Iron & Steel Research Institute, Southeast University, Northeastern University, University of Science and Technology Beijing, Nanjing University of Aeronautics and Astronautics, Shanghai University, and North China University of Technology. These partnerships cover multiple fields such as product research and development, talent cultivation, supply and marketing cooperation, and sustainable development. In addition, as a member of the World Steel Association, the President of the China Iron and Steel Industry Association, the President of the China Special Steel Enterprise Association, and a member of the China Metal Society, the Company actively participates in cutting-edge academic exchanges in the industry and collaborates with the industry for common progress.

Employee Rights and Interests

Talent is the core driving force for the sustainable and stable development of an enterprise and the key factor in promoting and realizing the creation of corporate value. CITIC Pacific Special Steel is committed to building a workplace that is equal, fair, and transparent. We focus on the occupational health and safety of our employees, enhance their well-being.

Safeguarding of Human Rights

CITIC Pacific Special Steel strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and based on international standards such as the *Universal Declaration of Human Rights*, the *Declaration on the Protection of All Persons from Enforced Disappearance*, and the *ILO Declaration on Fundamental Principles and Rights at Work*, has formulated documents such as the *Management System on Labor Employment* and the *Human Rights Policy Statement* to implement human rights protection measures. The Company and its subsidiaries, in conducting business dealings, abide by and respect the guidelines and laws regarding the statement of employee rights and interests, and abide by the same employee rights and interests standards as contractors, suppliers, and business partners.



The Company signs collective agreements with trade union representatives or employee representatives, specifying the rights and obligations of both parties in terms of remuneration, working hours, and welfare protection. This year, the Company's social insurance coverage rate reached 100%, and the signing rate of employee collective agreements reached 100%.

Insurance System	Formulated systems such as the <i>Employee Supplementary Medical Insurance Management Measures</i> , paying basic old-age insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund for all employees.
Working Hours and Leave	Formulated the <i>Employee Work and Rest and Vacation Management Regulations</i> , safeguarding employees' legal working hours and rest time, strictly avoiding excessive overtime, and providing reasonable overtime wages for employees. providing various types of paid leave such as statutory holidays, annual leave, sick leave, and family visit leave.
Health Protection	Formulated health protection plans, providing safeguards such as health checkups.

The Company regularly conducts surveys and assessments on human rights-related issues and Responsible Business Alliance (RBA) audits, and based on the assessment results, continuously improves its internal human rights-related management mechanisms to ensure that contractors, suppliers, and business partners adhere to the same employee rights and interests standards. During the year, the Company discovered no violations or human rights protection issues.

Equal Employment

CITIC Pacific Special Steel strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and has formulated the *Employee Recruitment Management Measures*. The Company adheres to the principles of equal employment, clarifying the basic principles in aspects such as employee management, workplace, and remuneration and benefits. It prohibits any discriminatory acts based on personal characteristics such as race, nationality, ethnicity, belief, religion, social status, age, and gender (strictly prohibiting any form of discrimination against female workers, especially pregnant women). The Company also strictly forbids the recruitment of child labor, forced labor, physical punishment of employees, and mental coercion and verbal abuse. Through diversified communication channels, regular reviews, and a comprehensive training system, the Company continuously builds a workplace environment that respects differences, safeguards dignity, and ensures fair development.

In 2025, the Company continued to deepen school-enterprise cooperation, continuously optimizing the talent structure, completing campus recruitment with high quality and systematically planning future talent introduction plans, actively building a highland for the gathering of young talents.

Labor contract signing rate

100%

Number of people with disabilities employed

137 employees

Compensation and Performance

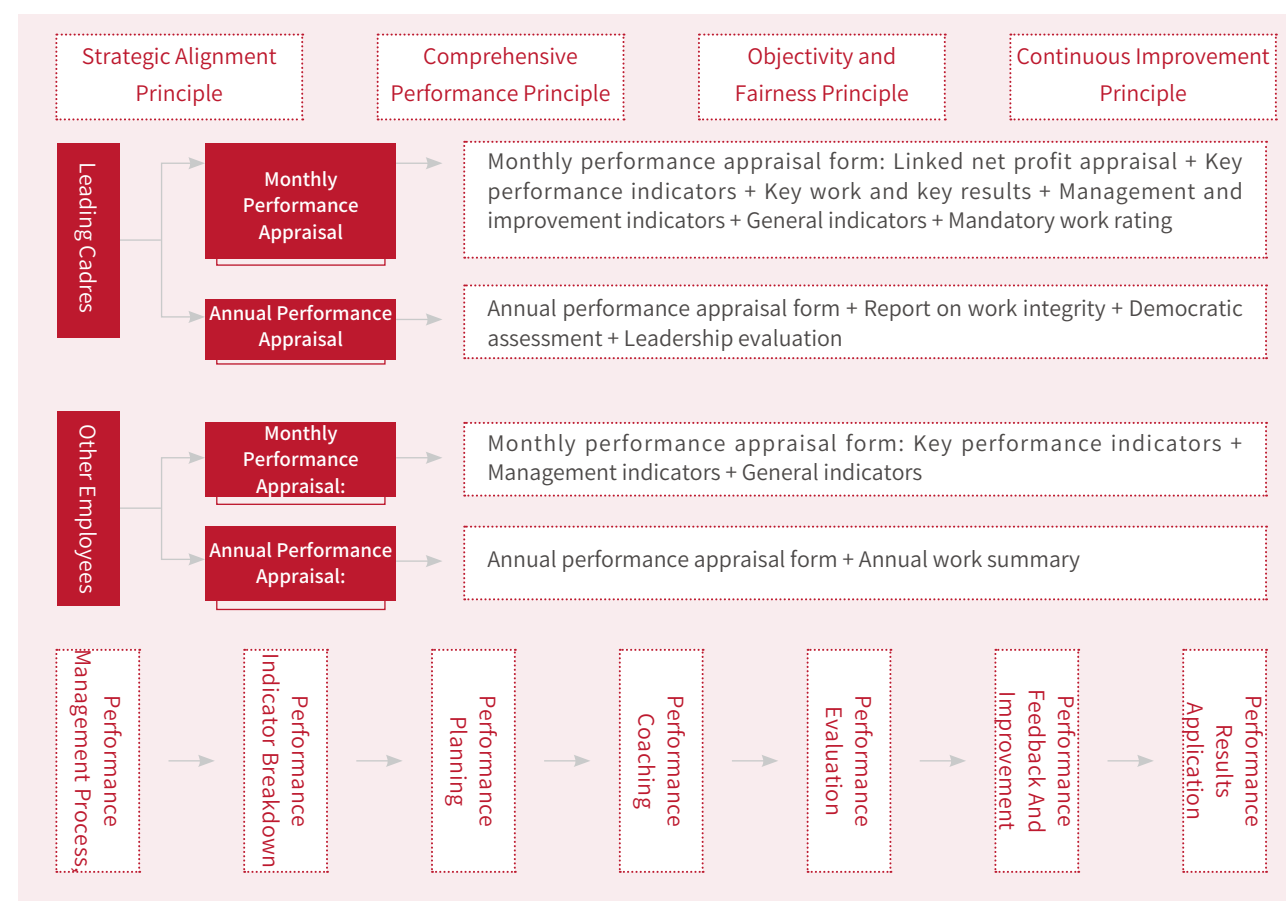
The compensation system structure of CITIC Pacific Special Steel is comprehensive and diverse, with a framework of "Basic Salary + Performance-based Salary," establishing a performance-oriented compensation incentive mechanism. In addition to basic salary, it provides performance-based salary and other floating compensation arrangements for all employees (including management and non-management). Relevant incentives are linked to individual performance, team performance, and the Company's overall operating performance, applicable to different positions and business systems, ensuring the broad coverage of performance-linked compensation among the employee group. The Company has formulated systems such as the *Management Measures for Employee Remuneration and Career Paths*, the *Employee Allowances, Subsidies, and Benefits Management Regulations*, and the *Employee Long - service Award Implementation Details* to safeguard the effective implementation of the compensation system.

The Company clarifies the business objectives of each department and subsidiary through strategic decoding, breaks down these objectives layer by layer to leading cadres and employees, synchronously clarifies measurement indicators and assessment methods, and implements regular tracking and evaluation. In 2025, the Company continuously strengthened the full-process management of compensation, further enhancing the internal fairness and incentive efficacy of the compensation system, and reinforcing the systematicity and standardization of compensation incentives.

Performance Appraisal

CITIC Pacific Special Steel adopts a performance appraisal method combining monthly performance-based assessment with annual comprehensive evaluation. The monthly assessment focuses on the completion of key performance indicators, while the annual evaluation conducts comprehensive assessments from multiple dimensions, and dynamically adjusts employee compensation based on the results of the performance appraisal. To enhance the adaptability and precision of the assessment, the system has set up a tiered assessment coefficient and established an elastic adjustment mechanism in response to market fluctuations, ensuring a rapid response to changes in the operating environment. Meanwhile, the Company has formulated the *Employee Performance Management System* to conduct performance coaching and improvement, and has established an employee performance appeal mechanism to enhance the consensus and credibility of assessment results.

The Company's staff performance appraisal system



The Company has formulated incentive mechanisms, providing employees with efficiency awards, special rewards, etc. For employees participating in scientific and technological projects, profit-sharing incentives are established. For R&D employees, accumulation incentives for contributions by technological innovation talents are established, and for young R&D employees, growth incentives for young R&D backbones are established. In 2025, the Company created a "Starlink Program" pilot project with special steel characteristics — the Scientific Research Project Benefit Sharing Incentive Plan. It innovatively applied mechanisms such as project grading, benefit dividends, deferred distribution, and contribution coefficients to fully implement the policy orientation of "remuneration according to contribution" for technological talents, strengthening the precision and sustainability of compensation incentives, and fully stimulating the innovation vitality of technological talents.

Employee Welfare

CITIC Pacific Special Steel has established a non-compensation welfare system covering all employees, providing unified and comprehensive welfare guarantees for all employees. In addition to statutory benefits such as social insurance and housing provident fund paid according to law, the Company also provides non-compensation welfare arrangements such as supplementary medical insurance and company special paid leave. Relevant welfare applies to all employees.

Employee Non-compensation Welfare System	
Enterprise Annuity	Formulated the <i>Enterprise Annuity Plan Implementation Details</i> to provide enterprise annuity for employees.
Health Welfare	Continuously optimizing the supplementary medical insurance management system and purchasing supplementary medical insurance. Optimizing employee supplementary health checkups and adding free examination items. Providing psychological counseling services to offer professional psychological support to employees and their families. organizing recuperation for model workers, employees with special contributions, etc.
Leave Welfare	In addition to statutory holidays, providing paid marriage leave, maternity leave/paternity leave, etc. The Company provides employees with 5 days of childcare leave annually in accordance with relevant regulations.
Difficulty Assistance	Established a health fund and a hardship assistance fund to provide timely help when employees and their families encounter major illnesses or disaster accidents. In 2025, the Company helped 239 employees in difficulty. As of the end of this reporting period, the Company has cumulatively distributed over RMB 4.63 million from the funds.
Life Care	Organized "Golden Autumn Financial Aid and Scholarship" activities to provide financial aid and scholarships to 198 children of eligible employees of the Company and its subsidiaries, totaling nearly RMB 630,000. 3 children of employees received 7,500 RMB from the CITIC Group Union's "Golden Autumn Financial Aid".
	Building the "Project for Helping Singles" brand. In 2025, 212 young people of the Company and its subsidiaries found partners through the project. Xingcheng Special Steel and Daye Special Steel held collective weddings for more than 60 couples.
Female Employee Care	Actively implementing the <i>the China Women's Development Outline (2021-2030)</i> , comprehensively safeguarding the legitimate rights and interests of female employees and their special interests, and providing multiple welfare measures: Distributing sanitary fees for female workers, holding thematic knowledge lectures on female reproductive health, providing free gynecological examinations, etc. Carrying out Women's Day activities and providing regular yoga interest classes. Setting up baby-care rooms (mommy rooms), female employee care rooms, etc.

Cultural and Sports Activities

CITIC Pacific Special Steel enhances team cohesion and promotes employees' physical and mental health by holding a rich variety of cultural and sports activities. Its subsidiaries also organized a series of wonderful activities, including youth social networking events, cultural and sports competitions, and employee wedding banquets, further enriching the cultural lives of employees and providing a platform for employees to showcase themselves.

In 2025, the Company successfully held the 5th "Innovation Cup" Basketball Match, showcasing the talent and vitality of employees. In addition, the Company actively participated in the employee choral competition and employee sports conference organized by CITIC Group, achieving excellent results and demonstrating the spirit of unity and striving.



Case: CITIC Pacific Special Steel Holds 5th "Innovation Cup" Basketball Match

To improve the health level of employees and condense team synergy, CITIC Pacific Special Steel held the 5th "Innovation Cup" Basketball Match, with a total of 11 teams participating. This activity promoted the spirit of hard work, condensed team strength, was beneficial for employees to exercise their bodies and strengthen their physiques, and promoted the healthy development of body and mind.



▲ Basketball Match Scene

Democratic Communication

CITIC Pacific Special Steel is dedicated to ensuring smooth communication channels for employees. Each subsidiary has established trade union homes and employee homes to facilitate feedback from employees. In addition, the Company regularly holds democracy symposium and college graduate symposiums to build harmonious labor relations with employees.

The Company conducts satisfaction surveys covering all employees, categorizing them by age group, gender, position level, and ethnicity to understand their satisfaction with the work environment, job content, and benefits. This helps establish good communication channels with employees and enables the Company to promptly adjust and improve management strategies. In 2025, the Company's employee satisfaction reached 95.5%.

Employee Growth

CITIC Pacific Special Steel attaches great importance to talent development, provides employees with diverse career and development paths, builds a layered and classified training system, and is committed to achieving the resonance of employee growth and Company development at the same frequency.

Employee Promotion

The Company formulates and continuously optimizes the Management Measures for Employee Remuneration and Career Paths to provide a solid institutional guarantee for building fair and transparent employee career development paths. The Company provides three major career promotion channels for employees: the management sequence, the professional sequence, and the operation sequence, broadening employees' career development paths and realizing the organic integration of individual development and Company development. Each subsidiary, based on the work type, nature, and development direction, and combined with the strategy and employees' career development needs, formulates personalized employee career development management measures to provide employees with multiple types and systematic career development planning, promoting the institutionalization, standardization, and scientificization of talent team construction.

The Company has built a job qualification system centered on "3D+E," centering on the overall idea of "building standards, assessing qualifications, and expanding development," selecting key product lines to carry out pilot projects for job qualification standards and gradually covering the whole company. Simultaneously conducting initial certification of job qualifications to help employees clarify capability gaps and identify high-potential talents. Subsequently, we will continue to promote the effective linkage of this system with job grades and compensation performance, laying a solid foundation for talent team construction.

The Company actively promotes an internal competitive recruitment system, encouraging employees to combine their own career planning and actively participate in cross-department and cross-sequence position competitions to further stimulate organizational vitality and revitalize internal talent resources. At the same time, the Company continuously strengthens the construction of talent exchange and job rotation mechanisms. Through various forms such as cross-enterprise exchange and tackling special tasks, it promotes the reasonable flow and systematic learning of employees between different positions, striving to build a high-quality, composite, and specialized talent team.

Enhancing Employee Training

CITIC Pacific Special Steel further advanced its "driven by talent" initiative and adhered to the philosophy of "running a business like running a school" in its human resources management. It established a talent development mechanism covering all levels and built a multi-level, comprehensive, and effective talent training system based on employees' different career and development paths. This year, the Company systematically formulated the overall planning and special schemes for talent training and development. By consolidating the team of cultural backbones, accelerating the construction of low-carbon professional capabilities, deepening empowerment at all levels, and orderly promoting talent training projects in key business segments, the Company comprehensively strengthened the construction of talent echelons, providing continuous and strong talent support for the Company's high-quality development. This training plan was released to all employees, covering all age groups and job levels, ensuring 100% employee participation.

The Company independently carried out:

Total training participants

178,020

Training satisfaction rate

97.93%

Total training hours

1,050,178

Training expense

RMB 13.72 million

In terms of cadre education and training	In terms of training for cultural workers
the focus is on the theoretical education of the Party, the education of Party nature, and the training of job performance capabilities, with an emphasis on knowledge training. The study of intra-party regulations and national laws and regulations by leading cadres is incorporated into the cadre education system to comprehensively improve the quality and capabilities of cadres.	The Company selected and formed three teams—"management," "lecturers," and "reporters"—for corporate culture construction across its subsidiaries. It simultaneously carried out special training for cultural workers, forming a cultural construction work framework supported and coordinated by these three teams.
In terms of business and technical research	In terms of improving operational skills:
The Company systematically promoted the training of management and professional technical talents and accelerated the construction of the Company's "low-carbon" talent training system. Closely revolving around the low-carbon development strategy, it established an integrated training mode of "theory + practice + application." It designed training content covering themes such as "carbon market policy interpretation, corporate carbon data management, internal simulated verification, and carbon trading strategies," helping employees systematically master "Dual-carbon" professional knowledge, respond to green transformation challenges, and provide solid talent support for the implementation of the Company's low-carbon strategy.	The Company improved course resources and updated them dynamically. It carried out targeted training focusing on key positions and key groups such as new employees and transferred employees. It improved the skill evaluation and career development mechanism, explored the integration of skills and professional titles, and stimulated the growth motivation of frontline talents, continuously consolidating the foundation of skills training.

In terms of college student training
in combination with the Company's "Star Plan", college students are organized to undergo rotational training in batches to help outstanding college students grow and develop.



Professional Talents	
1. CITIC Group "Star River" Action Plan	CITIC Pacific Special Steel undertook the CITIC Group "Star River" Action Plan, recommending 1 Chief Scientist, 11 Senior Experts, 52 Young Scientific and Technological Talents, and 5 Outstanding Young Scientific and Technological Talents, and organized the signing of talent task plan documents.
2. Phase II "Elite Navigation" Plan	The "Elite Navigation" Plan built a "passing on knowledge, helping, and guiding" working mechanism covering a three-tier echelon of 3 scientists, 33 core scientific and technological talents, and 100 young scientific and technological backbones. Taking 16 major scientific research projects, strategic product R&D, and "chokepoint" technology tackling projects as the starting points, it promoted the accelerated growth of the scientific and technological talent team.
3. Digital Talent "Golden Seed" Training Plan	Focusing on the "Artificial Intelligence +" special action, the Company promoted the digital "talent energy gathering" project to cultivate "digital intelligence elites." It implemented the "Golden Seed" training plan in collaboration with Zhejiang Lab, striving to promote the training of 100 "business + AI" dual-channel talents.
4. Low-carbon Talent Training Plan	Focusing on the low-carbon development strategy, the Company built a "theory + practice + application" training system, designing training content covering themes such as "carbon market policy interpretation, corporate carbon data

Management Talents	
1. Mount Tai Assembly of the Climbing Action 2025	Newly appointed young cadres participated in the "Mount Tai Assembly 2025" organized by the Company. Adopting a mode of "3 weeks of self-study + 1 week of practical training + 7 months of three inspections," the entire process lasted 8 months. The micro-course training content obtained over 216,600 views on the "CITIC Special Steel Cloud Classroom" platform.
2. Huashan Forum 2025	The "Huashan Forum 2025" gathered 50 middle-level backbones. Through 76 hours of intensive teaching and action learning, a total of 49 project achievements were produced.
3. Zhufu Meeting 2025	The "Zhufu Meeting 2025" was dedicated to enhancing the strategic vision and Party spirit cultivation of senior management personnel. 53 newly appointed cadres participated in this training.

Operational Talents

"Elite Blue-Collar" Program

The Company continued to deepen the "Elite Blue-Collar" skill talent training project. This year, a total of 320 key process indicators were sorted out. Through systematic training, the indicator improvement rate reached 91.21%. A total of 34,000 person-times were trained, with more than 3,800 people achieving skill level upgrades and more than 600 people obtaining skill honorary titles.

Simultaneously, independent skill evaluation and recognition were carried out. This year, a total of 2,342 people completed skill level recognition, of whom 1,592 obtained certificates, covering 207 technicians and 89 senior technicians.

The Company actively promoted pilot projects in subsidiaries such as Qingdao Special Steel to establish a mechanism for mutual recognition of professional titles and skill levels, broadening the career and development paths for skilled talents.



Case : Xingcheng Special Steel – Implementing a Three-Level Reserve Talent Project to Systematically Build a Youth Backbone Echelon

To ensure the continuous supply and vitality of corporate talent, Xingcheng Special Steel innovatively implemented the "Jincheng, Lancheng, Qingcheng" three-level reserve talent project. In 2025, the project completed general training for 233 core talents and carried out 11 special technical seminars focusing on process R&D and technology transmission, covering 495 person-times cumulatively.

Through systematic and hierarchical talent echelon construction, Xingcheng Special Steel fulfilled the responsibility of planning employee career and development paths, effectively promoting the transmission of key knowledge and the cultivation of innovation capabilities.



▲ Three-Level Reserve Talent Project Courses



Case : Daye Special Steel – Carrying Out Certification Training for Key Positions to Precisely Improve the Skill Quality of All Employees

In 2025, focusing on frontline production skill upgrades, Daye Special Steel conducted targeted certification training averaging 24 hours per person for 1,672 employees in operational positions across 29 key trades.

The project verified training effectiveness through examinations and capability assessments to ensure that skill improvement was substantive. By implementing standardized skill training with broad coverage and rigorous assessment, this training significantly promoted the standardization and professionalization of the overall skill quality of the production team.



▲ Certification Training for Key Positions



Case : Qingdao Special Steel – Systematically Empowering the Team Leader Team to Strengthen Grassroots Management Efficiency

In 2025, Qingdao Special Steel conducted systematic training for 527 team leaders, with an average of 24 training hours per person. The curriculum focused on production management, team collaboration, and on-site improvement, and promoted the launch of 415 practical projects to track the transformation of learning outcomes. Through systematic empowerment of grassroots managers and the supervision of practical transformation, this training effectively promoted the transition of grassroots management from an experience-based approach to a scientific and systematic one, strengthening grassroots management efficiency.



▲ Systematic Training for Team Leaders



Case: Jingjiang Special Steel – Promoting the "Master-Apprentice" Dual-Drive Plan to Guarantee Core Technology Transmission

In 2025, to precisely fill the gap of technical backbones, Jingjiang Special Steel selected 46 reserve talents through an "application + assessment" mechanism. It implemented a two-year "master-apprentice" on-site cultivation program, supplemented by 36 hours of theoretical teaching. Additionally, an accelerated growth plan featuring "dual selection + assessment empowerment closed-loop" was implemented for high-potential employees with 2-5 years of experience.

The dual-drive cultivation mode ensured the effective transmission of core processes and technical know-how, promoted the rapid growth of high-potential talents, and guaranteed the stability and iteration of the technical team.



▲ "Master-Apprentice" Dual-Drive Plan



Case: Tianjin Pipe – Creating an International Talent Training Program to Support Global Market Expansion

In 2025, to meet the needs of the globalization strategy, Tianjin Pipe and Nankai University jointly created an international talent training program. A total of 39 key personnel were strictly selected and completed an integrated curriculum covering "language, culture, and professional empowerment" through both online and offline channels. Trainees were also selected for overseas practical training.

This deep integration of industry, academia, and research for cultivating international elites helped Tianjin Pipe proactively deploy its overseas business talent strategy. It effectively improved the cross-cultural communication and global business operation capabilities of key employees, providing critical talent support for international market expansion.



▲ International Talent Training Program

Safe Production

Safety is the lifeline of the stable development of an enterprise. CITIC Pacific Special Steel adheres to the work safety policy of "Safety First, Prevention Foremost, Comprehensive Governance," practices the philosophy of "People-oriented, Safety Development," and holds the red line that "Development must never be at the expense of safety." Focusing on building work safety standardization enterprises, with the core of improving the dual prevention mechanism for risk grading control and hidden danger investigation and management, and taking the implementation of work safety responsibility for all employees as the starting point, the Company carries out various tasks centering on standardizing employee work behaviors, improving on-site intrinsic safety, and promoting the application of intelligent technology in the safety field, further consolidating the foundation of work safety.

Safety Management System

CITIC Pacific Special Steel has built a safety management responsibility system based on the all-employee work safety responsibility system, with the "leading cadres assume an dividing areas and assigning responsibility" mechanism as the core, safety duty assessment as the handle, and the related party safety management responsibility network, hazard source control responsibility system, and safety inspection mechanism as key priorities. The Company has formulated and continuously improved its safety management regulations. This year, the Company revised 8 safety management regulations, including the CITIC Pacific Special Steel Group Work Safety Responsibility System for All Employees, the *CITIC Pacific Special Steel Work Safety Accident Reporting and Investigation Handling System*, the *CITIC Pacific Special Steel Hazardous Operation Safety Management System*, and the *CITIC Pacific Special Steel Group Safety Management System for Relevant Parties*. It also compiled and issued a series of guiding documents such as work at heights guidelines, confined space operation standards, and key risk safety interlock guides, improving the safety management regulation system and standardizing various safety management tasks.

100% of the Company's subsidiaries have passed the ISO 45001 "Occupational Health and Safety Management System" certification. The Company organizes an internal audit of the occupational health and safety management system once a year and hires a third-party team to conduct an external audit of the occupational health and safety management system once a year.

All subsidiaries of the Company have passed the assessment for secondary standardization enterprises for work safety, organize work safety standardization self-assessments annually, and carry out standardization review work as required. Seven production units of Daye Special Steel under the Company have passed the assessment for primary standardization enterprises for work safety.

CITIC Pacific Special Steel and all its subsidiaries have established Work Safety Committees, which are responsible for implementing national laws, regulations, and policies on work safety, ensuring safety investment, and organizing the completion of work safety targets set by the Board of Directors. In addition, the Company continues to strengthen the supervision and inspection of safety duty performance, building a responsibility mechanism where "everyone is responsible for safety."



Safety Management Objectives and Assessment

The Company has set the long-term goal of "building a long-term safety management mechanism and creating an intrinsically safe special steel group." This year, the Company has formulated the following safety work objectives:

Objectives and Achievement Status:

Indicator Name	Unit	Target Value for 2025	Actual Value for 2025	Target Value for 2026
Work-related Injury Frequency (including contractors)	Number of injuries per million total working hours	<0.18	0.04(Goal achieved)	<0.15
Work-related Injury Severity Rate (including related parties)	Total lost working hours per million total working hours	<148	26(Goal achieved)	<123

The Company, in combination with actual production and business operations, breaks down health and safety-related work and effectively links it with the performance of the Company and its subsidiaries, establishing a comprehensive safety performance evaluation system to promote the orderly development of the Company's health and safety work.

CITIC Pacific Special Steel Safety Performance Evaluation System

Strong Linkage with the Performance of the Safety and Environmental Protection Department

The Safety and Environmental Protection Department oversees the Company's safety production work. In the organizational performance indicators of the Safety and Environmental Protection Department, key indicators are quantified, with targets set for "zero serious and above work-related accidents per month" and "100% timely handling rate of work-related accidents," steadily advancing the management of occupational health and safety.

Development Department Tasked with Key Project Safety

The Development Department is involved in the process management of the Company's engineering and technical transformation projects. In the organizational performance indicators of the Development Department, a "key project management" assessment indicator is established, with the goal of "0 safety and quality accidents in projects," specifically implementing safety control for the Company's engineering and technical transformation projects.

Subsidiary General Manager's Office Tasked with Health and Safety Indicators

The General Manager's Office of each subsidiary has established a "major work-related accidents" indicator in its major business risk projects, implementing safety management from top to bottom at the subsidiary level, with evaluation by the Company's Safety and Environmental Protection Department.

Safety Management Measures

CITIC Pacific Special Steel actively improves and implements diverse safety management measures, systematically standardizing the Company's work safety management, and comprehensively enhancing production safety.

Safety Risk Management and Control

The Company organizes and carries out various work safety tasks centering on the dual prevention mechanism for risk grading control and hidden danger investigation and management. It establishes and effectively operates safety risk control responsibility systems at all levels, constructing a unique "Dividing areas and assigning responsibility" mechanism to comprehensively control risks and guarantee production safety.

In terms of risk control, the Company conducts risk identification and evaluation for operational activities and sites annually, formulates risk control measures, establishes post safety risk control lists and post anomaly handling cards, and continuously improves frontline employees' ability to identify and respond to safety risks. Meanwhile, the Company actively utilizes digital intelligence technology to eliminate on-site risks, continuously maintaining the control of major hazard sources and major safety risks, and comprehensively enhancing the ability of all personnel to identify risks and handle anomalies.

Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, Tianjin Pipe, and Jingjiang Special Steel under CITIC Pacific Special Steel have all established major safety risk monitoring and early warning systems. All subsidiaries have established centralized monitoring platforms for plant area cameras. At the same time, they are actively introducing digital intelligence control measures such as AI-based intelligent violation recognition, robots, and centralized monitoring systems for major hazard sources, continuously improving the safety control of the "3 Highs and 1 Heavy"⁸, namely high-risk operations, high-density operations, high-intensity operations, and major hazard sources, to effectively enhance on-site intrinsic safety.

In terms of hidden danger investigation and management, the Company has established a sound hidden danger investigation system. From top to bottom, the Company carries out hidden danger investigation and management work at various levels, including comprehensive, professional, seasonal, holiday, and job levels. At the same time, through themed publicity activities, it increases employees' enthusiasm and participation in hidden danger investigation, establishes and improves post hidden danger investigation lists, enhances the ability of frontline employees to investigate and manage hidden dangers, and gradually forms a good atmosphere where "everyone is responsible for safety." The Company earnestly implements the work deployment of national ministries and commissions, deeply studies and effectively applies the criteria for identifying major accident hidden dangers, and continuously carries out special investigation and management of major accident hidden dangers to ensure dynamic zeroing of major accident hidden dangers. This year, the Company organized safety supervision and inspections such as pre- and post-holiday safety inspections, summer safety inspections, safety management system operation inspections, and related party safety inspections 8 times.



⁸High-risk operations, high-density operations, high-intensity operations, and major hazard sources.

Emergency Response and Drills

In compliance with legal requirements such as the *Law of the People's Republic of China on Emergency Response to Sudden Incidents*, the *Regulations on Emergency Response to Production Safety Accidents*, and the *Measures for the Administration of Emergency Response Plans for Production Safety Accidents*, and in combination with the results of safety risk identification and evaluation, the Company has established a comprehensive emergency management organization for safety accidents, an emergency management system for safety accidents, and an emergency rescue plan for safety accidents.

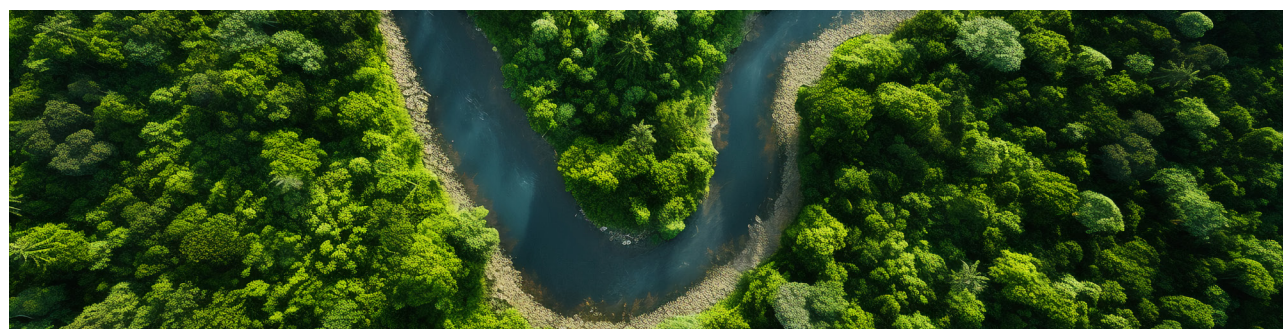
The Company provides supervision and guidance to its subsidiaries regarding accident emergency rescue management mechanisms, the compilation and execution of regulations, the allocation and management of emergency resources, the compilation of emergency plans, drills, the construction of emergency liaison mechanisms, and personnel education and training, urging them to continuously improve their emergency management systems. The subsidiaries allocate emergency rescue personnel, equipment, and supplies, and regularly carry out employee emergency capability training and drills, effectively enhancing employees' emergency disposal capabilities.

In 2025, the subsidiaries strengthened the frequency of emergency drills for sudden accidents and nighttime scenarios to verify the Company's emergency disposal procedures and capabilities. Daye Special Steel, in collaboration with the Xisaishan District Fire and Rescue Brigade, conducted a fire and explosion evacuation emergency rescue and fire safety drill in the oil depot area of the Coking Plant. This drill verified the coordination and cooperation capabilities between the Company's functional departments and branches, and improved the Company's ability to coordinate and link with government departments, respond rapidly, and cooperate in disposal. Qingdao Special Steel participated in the Western Coast New District Micro Fire Station Skills Competition hosted by the Huangdao District and the Economic Development Zone Fire and Rescue Brigade, winning the second prize in the team competition.

Safety Management of Related Parties

The Company has formulated the *Safety Management System for Relevant Parties* to set out the safety management requirements for its related parties, establishing a safety supervision responsibility system for related parties and fortifying the Company's safety supervision responsibility and the related parties' autonomous safety management responsibility. Each subsidiary has developed its own safety management system and framework for related parties based on this system, refining management throughout the entire process and continuously promoting the improvement of the related parties' safety management performance levels.

The Company pays serious attention to the safety management of its related parties and has established an evaluation system for the safety-related performance of the related parties. Its dedicated efforts to improve the safety awareness and safety management capabilities include regular assessment of the safety-related performance of related parties, disciplinary measures against those in violation of safety-related prohibitions, and requiring 100% participation of all employees of the related parties in safety-related meetings and training programs.



Safety Management Initiatives of Major Subsidiaries for Related parties:

Xingcheng Special Steel

Xingcheng Special Steel manages related parties in accordance with the principles that "work can be outsourced, but safety and labor supervision cannot be outsourced," "whoever employs the labor is responsible," and "whoever is in charge is responsible." In addition, the Company fully implements the "five-level management model", and specifically carries out the following work:

Management system: The Company's internal systems, management mechanisms, and organizational structure have all been optimized. By adding safety supervision, formulating duty performance lists, establishing long-term mechanisms, and setting up professional committees, the Company has comprehensively strengthened and improved the safety management and self-management capabilities of related parties.

Behavioral norms: Related party units are required to configure safety management organizations and personnel as required, hold regular safety meetings, strengthen labor management, and establish a guardian database and small-class management mechanism to comprehensively improve on-site operation safety management levels.

Inspection and training: The Company compiles safety training materials and question banks to enhance project safety training. Business management departments regularly conduct special inspections, discuss management challenges, and carry out duty performance spot checks to reinforce the safety management capabilities of related party units.

Daye Special Steel

Management mechanism: A mechanism for dividing areas of responsibility and providing assistance from the local level to departments has been established to ensure the implementation of the "three managements and three musts" requirements.

Behavioral norms: Regularly organize and hold promotion meetings for "related party safety management improvement" to continuously enhance the related parties' ability for independent safety management.

Safety assessment: Conduct annual comprehensive safety management reviews for long-term related party units, with the evaluation results serving as an important basis for the annual assessment of related parties.

Qingdao Special Steel

Management Mechanism: A long-term mechanism for whole-process supervision throughout the production cycle has been constructed, covering bidding, contract signing, project commencement, process supervision, project acceptance, and project exit.

Behavioral Norms: Fully mobilize the management of contract and territorial management units, build a mechanism for pre-factory training and regular project process training, train and assess guardianship management personnel, and regularly organize meetings and inspections to comprehensively improve on-site operation safety management levels.

Process Control: Conduct monthly and annual performance assessments, provide assistance to lagging related parties, and combine assessment with rewards to help improve their autonomous management capabilities.

Tianjin Pipe

Management Mechanism: The "Twelve Safety Audits" have been formulated, requiring related parties to establish regulations, ensure safety investment, appoint full-time safety officers and certified workers, regularly provide safety production education and training for employees, prohibit the use of overage workers and child labor, and implement occupational disease prevention measures.

Jingjiang Special Steel

Management Mechanism: The "six-in-one" management model is implemented, covering six dimensions of responsibility implementation, hidden danger investigation, safety training, emergency drills, risk control, and evaluation and renewal. A unified management model with integrated arrangements, requirements, standards, management, and assessment is established.

Safety Audit: Clarify the management requirements for related parties in all links, including bidding and tendering, factory entry review, and process control.

Occupational Health Protection

CITIC Pacific Special Steel and its subsidiaries regularly organize and carry out occupational hazard factor detection. For identified occupational hazards in the production process (such as high temperature, dust, noise, carbon monoxide, benzene, coke oven emissions, etc.) and have implemented various measures to effectively protect employees' occupational health and continuously improve the management level of occupational health and safety.

Informing Employees of Occupational Hazards in the Workplace: Before starting their jobs, employees are informed of the occupational hazards in the workplace. This ensures that personnel in hazardous positions are aware of the existing hazards and measures to deal with them, and can correctly use occupational protective equipment.

Detection and Evaluation of Occupational Disease Hazards at the Workplace: The Company commissions qualified occupational health institutions to conduct annual detection and evaluation of all occupational disease hazard at the workplaces. It strengthens the supervision and inspection of the effectiveness of on-site occupational disease prevention facilities and the use of individual protective equipment to ensure that the working environment meets standards and that personnel protection is effective.

Occupational Health Examination for Employees: The Company commissions medical institutions with qualifications for occupational disease physical examinations to conduct pre-employment, on-the-job, and post-employment occupational health checks for employees. The results of these examinations are truthfully communicated to the employees. The Company also establishes and improves employees' occupational health surveillance files, providing a scientific basis for occupational disease monitoring.

Enhancing Emergency Response to Sudden Illnesses: The Company enhances emergency response to sudden illnesses that may occur while employees are on the job. It has equipped hundreds of AEDs and other first-aid facilities and devices, and conducts occupational first-aid skill training to strengthen employees' ability to protect themselves during labor.

Enhancing Emergency Response to Sudden Illnesses

CITIC Pacific Special Steel has formulated the Safety Culture Charter, and its subsidiaries have established and improved their own safety cultures based on this document. Through various means such as publicity, education and training, and themed activities, the Company continuously enhances the atmosphere of safety culture. By leading with culture, the Company continuously standardizes employees' work behaviors and improves safety management performance. To promote the comprehensive development of employees and the sustainable development of the Company, this year the subsidiaries systematically promoted a series of important measures aimed at improving their professional skills and comprehensive qualities.



Case: CITIC Pacific Special Steel Carries Out "Work Safety Month" Activities

In 2025, centering on the theme "Safety for all, response-ready for all — finding hidden dangers around us," CITIC Pacific Special Steel comprehensively deployed a series of activities for "Work Safety Month." It carried out the publicity and implementation of safety regulations and systems as well as hidden danger investigation and management, organized emergency drills and skills training, and created a good atmosphere for all-employee participation through methods such as looping playback on display screens, posters, and quiz competitions.

The subsidiaries actively implemented these measures through activities such as special meetings, launching ceremonies, case studies, and hidden danger investigation and management, further strengthening all-employee safety awareness and emergency capabilities, and driving the concept of safety development to take root.



▲ Work Safety Month Activities

Social Good Deeds

CITIC Pacific Special Steel, with a strong sense of social responsibility, actively engages in public welfare undertakings, interpreting corporate commitment through concrete actions. The Company actively responds to the national rural revitalization strategy, pays attention to social development hotspots, and carries out charitable public welfare activities using its industrial and resource advantages. It strengthens targeted assistance and fulfills social good deeds.

Rural Revitalization

The Company actively responds to the call of the CPC Central Committee to "comprehensively promote rural revitalization work" and has long been committed to rural assistance, rural construction, and rural development. Focusing on directions such as consumer assistance and agricultural donations, the Company consolidates the achievements of poverty alleviation, supports rural revitalization work, and promotes common prosperity. This year, the Company and its subsidiaries purchased agricultural aid products such as pomegranates from Yuanyang, Yunnan, with a total value of consumer assistance exceeding RMB 4 million. External donations amounted to RMB 750,000.



Case: Focusing on Educational Assistance and Deepening Rural Revitalization Development

To respond to the call for educational assistance, CITIC Pacific Special Steel actively selects key employees to participate in teaching support work, continuously selecting outstanding talents from within to devote themselves to frontline teaching support.

In November 2025, the Company officially signed a pairing and co-construction agreement with Yucai Primary School in Qianjiang District, Chongqing. This promoted the upgrade of bilateral cooperation from a single assistance model to a long-term model of "deep co-construction and coordinated development." Through Party building leadership, resource sharing, and cultural co-construction, it continuously injects development momentum into the school. By the end of 2025, the Company had donated more than 400 sets of school supplies to Yucai Primary School, continuously assisting local educational development.



Voluntary Service

CITIC Pacific Special Steel is committed to building a stable and friendly relationship with the local communities where it operates. It advocates for employees to actively participate in community construction projects and public welfare volunteer activities, sharing the benefits of development with the communities. It provides assistance for the diversified development of the local economy and the improvement of residents' quality of life. This year, the Company organized employees to participate in various community volunteer activities such as community service, visits and condolences, and voluntary blood donation, with 1,517 employee participations.



Case: Title Sponsorship of the Wuxi Team in the Chinese Super League, Integrating Sports Public Welfare and Social Responsibility

Sports is an important driving force for promoting economic and social development. To further expand the extension of sports public welfare, in 2025, CITIC Pacific Special Steel became the title sponsor of the Wuxi Team and donated team uniforms to support the development of local sports, promote the integration of mass sports and competitive sports, strengthen integrated development with the region where it operates, and continuously transmit positive energy to employees and society, practicing the Company's long-term commitment in sports promotion and social harmony.





Case: Guarding Life and Health, Encouraging Employees to Practice Public Welfare Dedication

- CITIC Pacific Special Steel actively responded to the national call for voluntary blood donation and widely mobilized employees to participate. In 2025, 354 employees of the Company participated in blood donation activities, with a total blood donation volume of over 120,000 milliliters.
- Tianjin Pipe actively carried out publicity on emergency rescue and hematopoiesis stem cell donation knowledge, and provided condolences and care to 2 donors.
- Daye Special Steel conducted 15 sessions of Red Cross emergency rescuer certification training, with a total of 1,502 employees obtaining qualifications. It also organized psychological care special activities and special training on the prevention of seasonal frequent diseases.





Glimmer Warms Hearts, "Warm Winter Action" Successfully Concluded

In December 2025, the Company's fifth "Warm Winter Action" was successfully completed. Yangzhou Special Materials actively responded to the call, paying attention to the actual needs of adolescents and special groups who need care and help. It voluntarily claimed 3 youth wish lists, organized visits to families in difficulty in the community, children, and students at Jiangdu District Special Education School, and provided tangible care through one-on-one communication, delivering corporate warmth through precise assistance.



Appendix

Appendix 1: ESG Data Indicators

Indicator	Unit	2025	2024	2023
Energy Management				
Total energy consumption	MWh	84,432,943.3	86,280,115.00	83,222,983.00
Installed renewable energy capacity				
Photovoltaic	MW	224.00	185.00	123.00
Wind power	MW	28.80	12.00	0.00
Renewable energy consumption				
Self-generated green power (rooftop PV, wind power)	MWh	236,637.37	105,387.00	115,000.00
Purchased green electricity	MWh	253,619.00	302,054.00	53,000.00
Non-Renewable energy consumption	MWh	84,427,708.07	85,872,674.00	83,206,183.00
Waste heat power generation				
Installed capacity of waste heat power generation systems	MW	700.00	700.00	610.00
Consumption of own waste heat for power generation	MWh	6,665,735.98	5,686,404.00	5,800,000.00
Electricity consumption				
Mainland China	kWh	5,235,224,053.29	5,954,661,373.00	6,252,132,070.00
Direct energy consumption				
Diesel	Tonnes	5,120.96	4,918.00	5,424.00
Gasoline	Tonnes	488.78	646.00	851.00
Natural gas	m³	318,723,355.69	261,199,931.00	315,103,601.00
Liquefied petroleum gas	kg	2,456,960.00	8,659,810.00	17,188,880.00
Anthracite consumption	10,000 tonnes	176.96	160.00	156.00
Bituminous coal consumption	10,000 tonnes	182.20	208.00	156.00
Washed and refined coal consumption	10,000 tonnes	814.55	708.00	798.00
Coke consumption	10,000 tonnes	168.89	196.00	119.00
Energy consumption intensity	kg coal equivalent / tonnes of crude steel	535.00	535.47	538.70

Indicator	Unit	2025	2024	2023
Greenhouse Gas Emissions ⁹				
Total GHG emissions (Scope 1)	tCO ₂ e	34,081,088.82	32,589,133.38	35,633,457.10
Total GHG emissions (Scope 2)	tCO ₂ e	2,448,652.29	3,022,921.73	3,076,899.98
Total GHG emissions (Scope 1 & 2)	tCO ₂ e	36,529,741.1	35,612,055.11	38,710,357.08
GHG emissions intensity (Scope 1 & 2)	tCO ₂ e / RMB 1 million in revenue	341.06	326.11	382.64
Total GHG emissions (Scope 3)	tCO ₂ e	6,795,256.84	-	-
Category 4 Upstream transport and distribution	tCO ₂ e	5,430,428.93	-	-
Category 5 Waste generated in operations	tCO ₂ e	1,321,682.49	-	-
Category 6 Business travel	tCO ₂ e	8,339.31	-	-
Category 7 Employee commuting	tCO ₂ e	34,806.11	-	-
Water Management				
Total water consumption	m ³	49,713,136.00	50,146,778.00	49,760,661.00
Freshwater consumption				
Municipal water supply volume	m ³	5,963,599.00	5,046,865.00	4,804,778.00
Other types of water supply volume	m ³	43,749,537.00	45,099,913.00	44,955,883.00
Desalinated seawater consumption	m ³	7,395,717.00	5,446,181.00	5,385,844.00
Water reuse rate	%	98.09	98.00	97.00
Water consumption intensity	m ³ /tonnes of crude steel	1.98	2.49	2.51
Air Pollutants				
Nitrogen oxides (NOx) emissions	Tonnes	6,571.85	6,182.66	6,103.38
Sulphur dioxide (SO2) emissions	Tonnes	2,653.40	2,504.66	2,665.59
Particulate matter (PM) emissions	Tonnes	6,057.11	5,922.97	5,962.46
Water Pollutants				
Total Discharge of Harmless Wastewater	m ³	3,321,694.00	3,224,992.00	4,108,719.00
Chemical oxygen demand (COD) emissions	Tonnes	111.42	112.72	155.99
Waste Management				
Total waste	Tonnes	10,021,669.00	10,787,669.00	11,079,030.00
Total hazardous waste	Tonnes	148,968.00	97,753.00	204,018.00

⁹The Company's greenhouse gas emission data is based on the relevant emissions provided in the "Guidelines for Accounting Methods and Reporting on Greenhouse Gas Emissions of China's Steel Production Enterprises (Trial)" issued by the National Development and Reform Commission of the People's Republic of China Coefficients and conversion factors were calculated.

Indicator	Unit	2025	2024	2023
Total general industrial solid waste	Tonnes	9,872,701.00	10,689,916.00	10,875,012.00
Recycling waste	Tonnes	10,019,964.00	10,785,146.00	11,037,195.00
Recycling waste rate	%	99.98	99.97	99.62
Other waste entering disposal				
Total weight	Tonnes	1,705.00	2,523.00	2,605.00
Waste Incineration for Energy Recovery (Power Generation, Heat Supply, etc.), Waste Incineration without Energy Recovery	Tonnes	1,403.00	1,990.00	2,353.00
Landfilled	Tonnes	302.00	533.00	252.00
Raw Material Use				
Iron ore consumption	kg/tonnes of crude steel	1,687.04	1,686.25	1,676.96
Blast Furnace Fuel Ratio	kg/tonnes of iron	520.68	514.68	512.20
Steelmaking material consumption	kg/tonnes of crude steel	1,063.69	1,069.52	1,068.40
Employee Information				
Total number of employees	Person	31,584	30,960	30,336
Rate of signing of labor contracts	%	100.00	100.00	100.00
Number of ethnic minority employees ¹⁰	Person	443	361	405
Number of disabled persons supported	Person	137	140	302
Social insurance coverage rate	%	100.00	100.00	100.00
Proportion of employees covered by collective bargaining agreements	%	100.00	100.00	100.00
Coverage rate of occupational health check-ups	%	100.00	100.00	100.00
By gender				
Male	Person	29,145	28,534	27,847
Female ¹¹	Person	2,439	2,426	2,489
By region				
Mainland, China	Person	31,530	30,921	30,334
Hong Kong, Macao and Taiwan, China	Person	2	1	0
Overseas	Person	52	38	2

¹⁰Among them, there are 154 Hui employees, 101 Manchu employees, 41 Mongol employees, and 36 Tujia employees. Among the ethnic minority employees in these four categories, the number of management personnel is 55, 64, 25, and 17, respectively.

¹¹Among them, there are 1,286 management personnel, including 11 senior management personnel, 72 mid-level management personnel, 1,203 other office workers, and 1,153 ordinary workers and skilled workers. In addition, there are 404 R&D personnel.

Indicator	Unit	2025	2024	2023
By age				
30 and under 30 years old	Person	6,055	5,939	5,711
31-35 years old	Person	4,765	5,274	5,819
36-40 years old	Person	7,346	7,016	6,670
41-45 years old	Person	5,059	4,625	4,186
46-50 years old	Person	3,327	3,171	3,190
51-55 years old	Person	3,148	3,601	3,530
56 and over 56 years old	Person	1,884	1,334	1,230
By job level				
High-level management	Person	117	119	119
Mid-level management	Person	1,061	1,014	967
Other office workers (refers to employees below senior and middle management, other than production workers)	Person	9,525	11,310	12,088
Ordinary workers, skilled workers	Person	20,881	18,517	17,162
Number of new employees	Person	1,651	1,942	1,095
Number of new graduates hires	Person	669	820	462
Number of new employees by gender				
Male	Person	1,560	1,830	965
Female	Person	91	112	130
By region				
Mainland, China	Person	1,647	1,903	1,094
Hong Kong, Macao and Taiwan, China	Person	0	0	0
Overseas	Person	4	39	1
Number of new employees by age				
Over 50 years old	Person	15	14	12
30-50 years old	Person	331	467	233
Under 30 years old	Person	1,305	1,461	850
By ethnicity				
Number of new ethnic minority employees	Person	48	49	38
Number of new Han Chinese employees	Person	1,603	1,893	1,057

Indicator	Unit	2025	2024	2023
Voluntary Employee Turnover Rate	%	2.06	2.32	2.15
Total employee turnover rate	%	2.02	2.26	2.10
Employee turnover rate by gender				
Male	%	2.06	2.29	2.07
Female	%	1.53	1.94	2.39
Employee turnover rate by age				
30 and under 30 years old	%	6.39	7.04	5.42
31-40 years old	%	1.36	1.51	1.65
41-50 years old	%	0.63	0.71	1.10
51-59 years old	%	0.38	0.44	0.67
60 and over 60 years old	%	0.00	0.00	0.00
Employee turnover rate by region				
Mainland, China	%	2.02	2.26	2.10
Hong Kong, Macao and Taiwan, China	%	0.00	0.00	0.00
Overseas	%	3.70	0.00	0.00
Return rate of female employees on parental leave	%	100.00	100.00	100.00
Retention rate of female employees on parental leave	%	100.00	100.00	100.00
Employee Training ¹²				
Number of Employee Training Programs	Number	2,067	253	184
Number of Employee Training Participants	Person-time	178,020	72,029	110,344
Total number of trainees	Person	32,594	30,960	30,336
Total training costs	RMB 10,000	1,371.50	865.13	1,602
Number of employees trained by job-level				
High-level management	Person	117	119	119
Mid-level management	Person	1,061	1,014	967
Other office workers (refers to employees below senior and middle management, other than production workers)	Person	9,525	11,310	12,088
Ordinary workers, skilled workers	Person	20,881	18,517	17,162

¹²This year, the Company launched a new learning platform, and the statistics for training program data were expanded to the post level. Additionally, multiple training projects such as artificial intelligence and low-carbon talent capabilities were initiated. Consequently, the number of training programs and the number of participants increased significantly.

Indicator	Unit	2025	2024	2023
Number of employees trained by gender				
Male	Person	29,145	28,534	27,847
Female	Person	2,439	2,426	2,489
Percentage of employees trained by gender				
Male	%	100.00	100.00	96.00
Female	%	100.00	100.00	96.00
Percentage of employee trained By job-level				
Management level	%	100.00	100.00	96.00
Non-Management level	%	100.00	100.00	96.00
Average number of hours of training received	Hour/person	32.22	35.21	23.30
Average number of hours of training received by job level				
High-level management	Hour/person	106.17	95.05	82.40
Mid-level management	Hour/person	71.11	70.01	24.60
Other office workers (refers to below High-level management and Mid-level management, other than production workers)	Hour/person	38.61	37.03	16.10
Ordinary workers, skilled workers	Hour/person	26.76	31.81	23.80
Average number of hours of training received by gender				
Male	Hour/person	31.89	35.07	24.00
Female	Hour/person	36.21	36.91	16.60
Production Safety and Occupational Health				
Number of work-related fatalities	Case	0.00	0.00	0.00
Number of work-related deaths	Person	0.00	0.00	0.00
Number of Employees Deceased Due to Work-Related Causes	Person	0	0	0
Fatality Rate Due to Work-Related Causes	%	0	0	0
Number of work-related injuries	Person	2	2	0
Number of employees at risk of occupational diseases	Person	11,922	11,985	11,800
Number of occupational diseases	Person	0	0	0
Proportion of employees who died due to work-related injuries	%	0	0	0

Indicator	Unit	2025	2024	2023
Number of workdays lost due to work-related injuries	Hour	976	1,184	0
Employee Lost Time Injury Frequency Rate (per million man-hours)	Per Million hours	0.03	0.03	0.00
Employee Lost Time Injury Frequency Rate (per million man-hours) Data Coverage	%	100.00	100.00	100.00
Incidence rate of work-related accidents	Times per RMB 1 million of revenue	0.00	0.00	0.00
Total investment in work safety	RMB 10,000	26,825.00	25,851.00	28,173.62
Number of work-related fatalities of suppliers	Case	0	0	-
Number of work-related deaths of suppliers	Person	0	0	-
Number of work-related injuries of suppliers	Person	3	0	-
Number of workdays lost due to work-related injuries of suppliers	Hour	1,420.00	0.00	-
Suppliers Lost Time Injury Frequency Rate (per million man-hours)	/	0.09	0.00	-
Suppliers Lost Time Injury Frequency Rate (per million man-hours) Data Coverage	%	100.00	100.00	-
Work Safety Training				
Number of Work Safety Training	Session	3,321	3,211	3,058
Number of participants in work safety training	Person-time	372,546	356,731	316,254
Total duration of work safety training	Hour	168,250.00	121,721.00	114,770.00
Safety training coverage rate	%	100.00	100.00	100.00
Number of Work Safety Training for suppliers	Session	3,321.00	3,211.00	-
Number of participants in work safety training for suppliers	Person-time	372,546	356,731	-
Total duration of work safety training for suppliers	Hour	168,250.00	121,721.00	-
Safety training coverage rate of suppliers	%	100.00	100.00	-
Products and Customer Service				
Product Inspection Pass Rate	%	100.00	100.00	100.00
Number of complaints received about products and services	Case	600	716	771
Customer Complaint Resolution Rate	%	100.00	100.00	100.00
Customer Satisfaction	%	93.00	92.50	91.89
Number of recalls due to product quality issues	Pieces	0	0	0

Indicator	Unit	2025	2024	2023
Amount of products sold or shipped that were recalled for safety and health reasons	RMB 10,000	0.00	0.00	0.00
Percentage of the total number of products sold or shipped that were subject to recall for safety and health reasons	%	0.00	0.00	0.00
Total number of breaches of customer privacy law	Case	0	0	0
Suppliers Management ¹³				
Total number of suppliers	Number	398	371	365
Annual new suppliers	Number	74	82	90
Number of suppliers by region				
Mainland China	Number	369	339	341
Overseas, Hong Kong, Macao and Taiwan	Number	29	32	24
Number of suppliers by level				
Grade A Suppliers	Number	102	63	69
Grade B Suppliers	Number	132	162	137
Grade C Suppliers	Number	111	96	110
Other (Unrated Suppliers)	Number	53	50	49
Rejected potential suppliers	Number	47	76	45
Supplier assessment				
Proportion of suppliers certified to ISO 9001 certification	%	32.51	48.00	46.00
Proportion of suppliers certified to ISO 14001 certification	%	23.82	30.00	22.00
Proportion of suppliers certified to ISO 45001 certification	%	21.09	27.00	20.00
Supplier Training				
Number of suppliers conducting ESG training	Number	92	90	15
Number of suppliers ESG trainings conducted	Session	2	2	2
Supplier termination/rejection				
Number of suppliers suspended for non-compliance	Number	0	0	0
Number of potential suppliers rejected for non-compliance	Number	0	0	0

¹³During the year, the Company made a scientific judgment to adjust the statistical caliber of suppliers and retrospectively adjusted the data for 2023. In 2024, the suppliers were adjusted from ABCD four-level division to ABC three-level division.

Indicator	Unit	2025	2024	2023
Innovation and Intellectual Property				
Total number of new patents granted in the year	Pieces	499	476	472
Cumulative number of patents	Pieces	3,593	2,934	2,454
R&D expenditure	RMB 10,000	440,269.06	460,234.09	445,161.46
Number of R&D personnel	Person	5,666	5,590	4,867
Ratio of R&D personnel	%	17.94	18.06	16.04
Public Charity and Community Engagement				
Charitable donations	RMB 10,000	75.00	75.00	75.00
Number of volunteer activity programs	Number	73	51	36
Volunteer Service Hours	Hour	2,428.00	1,955.00	626.50
Number of participants in voluntary activities	Person-time	1,517	1,514	695
Business Ethics				
Number of corruption-related legal proceedings concluded by the Company or its employees	Times	0	0	0
Total number of confirmed incidents of corruption	Case	0	0	0
Total incidents resulting in employee dismissal or discipline due to corruption	Case	0	0	0
Total number of confirmed incidents where contracts with business partners were terminated or not renewed due to corruption-related offences	Case	0	0	0
Number of anti-corruption Training Sessions	Number	40	41	27
Coverage of anti-corruption Training	%	100.00	100.00	100.00
Anti-Corruption Training for Directors				
Number of board members participating in anti-corruption training	Person	9	9	9
Participation in anti-corruption training	Times	38	41	27
Coverage of board members participating in anti-corruption training	%	100.00	100.00	100.00
Employee anti-corruption training				
Number of employees participating in anti-corruption training	Person	31,584	30,960	30,336
Participation in anti-corruption training	Times	40	41	27
Coverage of employees participating in anti-corruption training	%	100.00	100.00	100.00

Appendix: GRI Standard Content Index

GRI Standard Content Index

Instructions for use	CITIC Pacific Special Steel has prepared the report for the period January 1, 2025 to December 31, 2025 according to the GRI Standard
GRI 1 used	GRI 1: Foundations 2021
Applicable GRI Industry Standard	No applicable industry standard

	Disclosure Project Contents	Disclosure Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Overview
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-5 External assurance	Not Applicable
	2-6 Activities, value chain and other business relationships	Company Overview Service Quality and Efficiency Supply Chain Management
	2-7 Employees	Employee Rights and Interests; Appendix: ESG Data Indicators
	2-8 Workers who are not employees	Safety Production Supply Chain Management
	2-9 Governance structure and composition	Optimizing the Corporate Governance System
	2-10 Nomination and selection of the highest governance body	Please refer to the Company's 2025 Annual Report for further information
	2-11 Chair of the highest governance body	Please refer to the Company's 2025 Annual Report for further information
	2-12 Role of the highest governance body in overseeing the management of impacts	Please refer to the Company's 2025 Annual Report for further information
	2-13 Delegation of responsibility for managing impacts	Please refer to the Company's 2025 Annual Report for further information
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance
	2-15 Conflicts of interest	Business Ethics
	2-16 Communication of critical concerns	Corporate Governance
	2-17 Collective knowledge of the highest governance body	ESG Governance
	2-18 Evaluation of the performance of the highest governance body	Due to information confidentiality requirements, no public disclosure is made at this time
	2-19 Remuneration policies	Employee Rights and Interests
	2-20 Process to determine remuneration	Employee Rights and Interests
	2-21 Annual total compensation ratio	Due to information confidentiality requirements, no public disclosure is made at this time

	Disclosure Project Contents	Disclosure Location
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Message from the Chairman
	2-23 Policy commitments	Employee Rights and Interests
	2-24 Embedding policy commitments	Compliance and Risk Control Supply Chain Management
	2-25 Processes to remediate negative impacts	Business Ethics Service Quality and Efficiency
	2-26 Mechanisms for seeking advice and raising concerns	Communication with Stakeholders Employee Rights and Interests
	2-27 Compliance with laws and regulations	Please refer to each chapter of the report for details
	2-28 Membership associations	Company Overview Technological Innovation
	2-29 Approach to stakeholder engagement	Communication with Stakeholders
	2-30 Collective bargaining agreements	Employee Rights and Interests
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double Materiality Assessment
	3-2 List of material topics	Double Materiality Assessment
	3-3 Management of material topics	Double Materiality Assessment
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Appendix: ESG Data Indicators
	201-2 Financial implications and other risks and opportunities due to climate change	Responding to Climate Change
	201-3 Mandatory defined benefit plan and other retirement plans	Employee Rights and Interests
	201-4 Financial assistance received from government	Please refer to the Company's 2024 Annual Report for further information
Market Presence		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Due to information confidentiality requirements, no public disclosure is made at this time
	202-2 Proportion of senior management hired from the local community	Due to information confidentiality requirements, no public disclosure is made at this time
Indirect Economic Impacts		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Good Deeds
	203-2 Significant indirect economic impacts	Social Good Deeds
Procurement Practices		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Due to information confidentiality requirements, no public disclosure is made at this time
Anti-corruption		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics Appendix: ESG Data Indicators

	Disclosure Project Contents	Disclosure Location
Inappropriate Competitive Behavior		
GRI 206: Inappropriate Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	The Company has not been involved in any related legal proceedings
	207-1 Tax administration methods	Please refer to the Company's 2025 Annual Report for further information
GRI 207: Taxation 2016	207-2 Tax governance, control and risk management	Please refer to the Company's 2025 Annual Report for further information
	207-3 Stakeholder engagement and management of tax implications	Please refer to the Company's 2025 Annual Report for further information
	207-4 CbC reporting	Please refer to the Company's 2025 Annual Report for further information
Materials		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Appendix: ESG Data Indicators
	301-2 Recycled input materials used	Compliant Emissions
	301-3 Reclaimed products and their packaging materials	Compliant Emissions
Energy		
GRI 302:Energy 2016	302-1 Energy consumption within the organization	Appendix: ESG Data Indicators
	302-2 Energy consumption outside of the organization	Due to information confidentiality requirements, no public disclosure is made at this time
	302-3 Energy intensity	Appendix: ESG Data Indicators
	302-4 Reduction of energy consumption	Energy Management
	302-5 Reductions in energy requirements of products and services	Energy Management
Water Resources and Sewage		
GRI 303: Water Resources and Effluents 2018	303-1 Interaction Between Organizations and Water as A Shared Resource	Resource Conservation
	303-2 Management of Drainage-related Impacts	Resource Conservation
	303-3 Water Abstraction	Appendix: ESG Data Indicators
	303-4 Drainage	Appendix: ESG Data Indicators
	303-5 Water Consumption	Appendix: ESG Data Indicators
Biodiversity		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	Protecting Biodiversity
	304-3 Habitats protected or restored	Protecting Biodiversity
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	The Company's core business has less relevance or significance to this information and is therefore not disclosed

	Disclosure Project Contents	Disclosure Location
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Appendix: ESG Data Indicators
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix: ESG Data Indicators
	305-3 Other indirect (Scope 3) GHG emissions	Due to information confidentiality requirements, no public disclosure is made at this time
	305-4 GHG emissions intensity	Appendix: ESG Data Indicators
	305-5 Reduction of GHG emissions	Compliant Emissions
	305-6 Emissions of ozone-depleting substances (ODS)	The Company does not generate ODS from its production and operation activities and therefore does not disclose it.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix: ESG Data Indicators
Waste		
GRI 306: Waste 2020	306-1 Waste generation and waste-related significant impacts	Compliant Emission
	306-2 Management of significant impacts related to waste	Compliant Emission
	306-3 Waste Generated	Appendix: ESG Data Indicators
	306-4 Waste Transferred from Disposal	Appendix: ESG Data Indicators
	306-5 Waste Entering Disposal	Appendix: ESG Data Indicators
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management Appendix: ESG Data Indicators
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix: ESG Data Indicators
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Interests
	401-3 Parental leave	Appendix: ESG Data Indicators
Labor/Management Relations		
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	The Company has no significant operational changes for the time being
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	Safe Production
	403-2 Hazard identification, risk assessment and accident investigation.	Safe Production
	403-3 Occupational health services	Safe Production
	403-4 Occupational health and safety matters: worker participation, consultation and communication	Safe Production
	403-5 Occupational health and safety training for workers	Safe Production
	403-6 Promoting the health of workers	Safe Production
	403-7 Prevention and mitigation of OHS impacts directly related to business relationships	Safe Production
	403-8 Workers covered by the OHS management system	Safe Production

	Disclosure Project Contents	Disclosure Location
GRI 403: Occupational Health and Safety 2018	403-9 Work injuries	Appendix: ESG Data Indicators
	403-10 Work-related health problems	Appendix: ESG Data Indicators
Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Appendix: ESG Data Indicators
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Growth
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Rights and Interests
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Employee Rights and Interests Appendix: ESG Data Indicators
	405-2 Ratio of basic salary and remuneration of women to men	Due to information confidentiality requirements, no public disclosure is made at this time
Non-discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Interests
Freedom of Association and Collective Bargaining		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Rights and Interests Supply Chain Management
Child Labor		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Rights and Interests Supply Chain Management
Forced or Compulsory Labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Rights and Interests Supply Chain Management
Security Practices		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	The Company will gradually integrate ESG management in the future
Rights of Indigenous Peoples		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	The Company's core business has less relevance or significance to this information and is therefore not disclosed

	Disclosure Project Contents	Disclosure Location
Local Communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Good Deeds
	413-2 Operations with significant actual and potential negative impacts on local communities	The Company has not identified any operating sites that have actual or potential significant negative impacts on local communities
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management Appendix: ESG Data Indicators
Public Policy		
GRI 415: Public Policy 2016	415-1 Political contributions	The Company's core business has less relevance or significance to this information and is therefore not disclosed
Customer Health and Safety		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Quality Assurance
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Appendix: ESG Data Indicators
Marketing and Labeling		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Service Quality and Efficiency
	417-2 Incidents of non-compliance concerning product and service information and labeling	Appendix: ESG Data Indicators
	417-3 Incidents of non-compliance concerning marketing	Appendix: ESG Data Indicators
Customer Privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Appendix: ESG Data Indicators
Socioeconomic Compliance		
GRI 419: Socioeconomic Compliance 2016	419-1 Violations of laws and regulations in the social and economic fields	The Company has not violated laws and regulations in the social and economic sphere.

Appendix: Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial) Index

Dimension	Item No.	Disclosure Topic	Applicable Article	Report Chapter
Environmental	1	Responding to Climate Change	Articles 21 to 28	Responding to Climate Change
	2	Pollutant Emissions	Article 30	Compliant Emissions
	3	Waste Disposal	Article 31	Compliant Emissions
	4	Ecosystem and Biodiversity Protection	Article 32	Protecting Biodiversity
	5	Environmental Compliance Management	Article 33	Compliant Emissions
	6	Energy Utilization	Article 35	Resource Conservation
	7	Water Utilization	Article 36	Resource Conservation
	8	Circular Economy	Article 37	Circular Economy
Social	9	Rural Revitalization	Article 39	Social Good Deeds
	10	Social Contribution	Article 40	Social Good Deeds
	11	Innovation Drive	Article 42	Technological Innovation
	12	Ethics of Science and Technology	Article 43	Not Applicable
	13	Supply Chain Security	Article 45	Supply Chain Management
	14	Equal Treatment of Small and Medium-sized Enterprises	Article 46	Not Applicable
	15	Product and Service Safety and Quality	Article 47	Quality Assurance; Service Quality and Efficiency
	16	Data Security and Customer Privacy Protection	Article 48	Information Security
Governance related to sustainable development	17	Employees	Article 50	Employee Rights and Interests; Employee Growth
	18	Due Diligence	Article 52	Supply Chain Management
	19	Stakeholder Engagement	Article 53	ESG Governance
	20	Anti-Commercial Bribery and Anti-Corruption	Article 55	Business Ethics
	21	Anti-Unfair Competition	Article 56	Business Ethics

Appendix: Readers' Feedback Form

Dear readers,

We sincerely appreciate your time!

Thank you for reading the 2025 Sustainability Report of CITIC Pacific Special Steel Group Co., Ltd. We sincerely welcome your comments and suggestions in order to provide you and other stakeholders with more valuable information and effectively promote the Company's ability and level to perform its social responsibility.

Choice question (please give a $\sqrt{\quad}$ in the appropriate position)

1. Which of the following stakeholders do you belong to?

☐ Regulators ☐ Shareholders and Investors ☐ Employees ☐ Customers ☐ Suppliers and Partners ☐ Community Residents

☐ ESG Practitioners ☐ Peer Enterprises ☐ Others

2. What is your overall evaluation for this report?

☐ Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor

3. What do you think of the reply and disclosure related to issues of the stakeholders' interests?

☐ Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor

4. What do you think of the quality of ESG information disclosed in this report?

☐ Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor

5. What do you think of the structure of this report?

☐ Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor

6. Open-ended question

What are your comments or suggestions to CITIC Pacific Special Steel Group Co., Ltd. on its practice of ESG or this report?

Feedback Email: xztgdm@citicsteel.com



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