

2025

SDIC POWER

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



Brighten Nature,
Brighter Power

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About the Report

The Report presents the efforts made by SDIC Power Holdings Co., Ltd. (hereinafter referred to as "SDIC Power", "the Company" or "We") and its holding investment enterprises in the environmental, social and governance (hereinafter referred to as "ESG") field in 2025, with the aim of strengthening communication and relations with stakeholders and responding to concerns and expectations.

◆ Reporting Period

The Report is an annual report, covering the reporting period from January 1, 2025 to December 31, 2025. To enhance the comparability and foresight of the Report, some data and contents are appropriately extended to the previous and subsequent years.

◆ Reporting Scope

Unless otherwise specified, the Report covers SDIC Power and its holding investment enterprises.

◆ References

Sustainability Reporting Guidelines (GRI Standards) issued by the Global Reporting Initiative

SDG Compass

Guiding Opinions on High-Standard Fulfillment of Social Responsibilities by Central Enterprises in the New Era and Work Plan for Improving the Quality of Listed Companies Controlled by Central Enterprises (SASAC)

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

Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE — Compilation of Sustainable Development Reports (Revised in January 2026)

LSEG Guide to ESG Reporting 2020 of the London Stock Exchange

Guidelines on Sustainability Reporting for Chinese Enterprises (CASS-ESG 6.0), China Enterprise Reform and Development Society, CSR Cloud Research Institute

◆ Data Sources

Unless otherwise specified, the information and data used in the Report are all from the official documents, statistical reports, financial reports or relevant public documents of the Company, as well as ESG information collected and audited by the Company. Unless otherwise stated, all monetary amounts are in RMB. The Company's Board of Directors guarantees no false records, misleading statements, or any significant omissions in the Report.

◆ Report Access

The Report is prepared in Simplified Chinese and English and is published in the form of PDF electronic documents. The Report is available on the websites of the Shanghai Stock Exchange, the London Stock Exchange, and the official website of the Company (www.sdipower.com). In the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

◆ Contact

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Message from the Chairman

In 2025, the global economic landscape underwent profound shifts as the construction of new power systems accelerated and the green energy transition moved forward in depth. Amidst a complex and volatile market, SDIC Power remained committed to the national energy security strategy. By focusing on high-quality development, the Company coordinated key priorities including work safety, operational growth, and technological innovation. We overcame challenges through proactive initiatives, achieving synergistic improvements in efficiency, scale, and quality, and delivering a new era for the sustainability of the power industry through steadfast dedication.

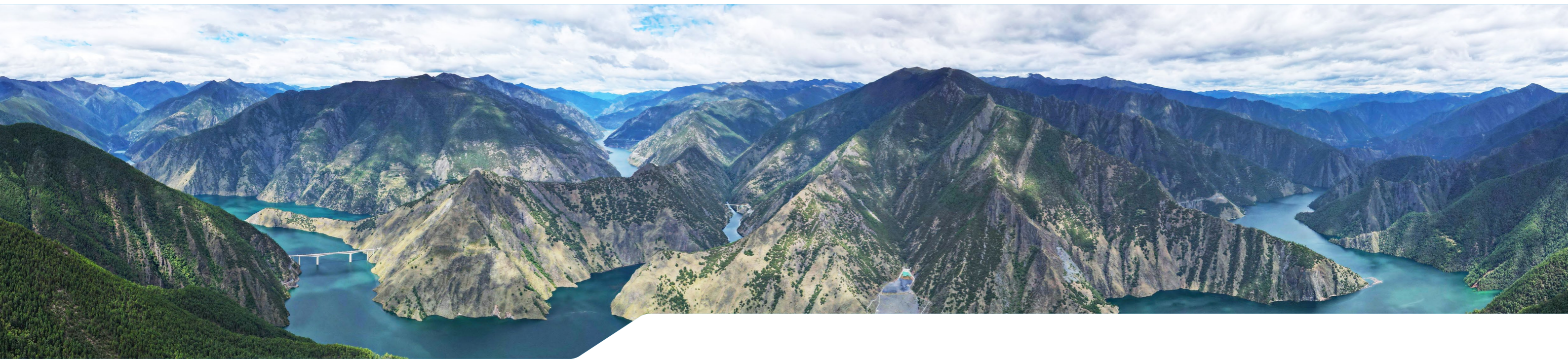
Advancing green development to strengthen environmental foundations through clean energy. SDIC Power is unwavering in its pursuit of a development path that prioritizes ecology and low-carbon growth. Throughout the year, we earnestly carried out the "Standardization Deepening Year" initiative for ecological and environmental protection, and steadily consolidate the supporting standardization system. The Company optimized its business layout, raising the proportion of installed capacity of clean energy to 72.12%. We reached significant milestones at the Yalong River clean energy base, where the Mengdigou and Kala hydropower stations successfully achieved river closure. Concurrently, we commissioned two million-kW solar power projects in Chabulang, Muli and Suorong, Litang. Further more , we actively expanded business in key areas such as large-scale "desert, Gobi, and wasteland" bases, next-generation thermal power, and offshore wind power. To safeguard regional energy security, the Company fully enhanced the heating guarantee and flexible regulation capabilities of its coal-fired power units, achieving full coverage of ultra-low emissions. The successful operation of Unit #5 of Huaxia Power further reinforced the green and low-carbon development of the region.

Pursuing quality through innovation to energize value creation. SDIC Power continued to strengthen its leading position in technological innovation, integrating digital and intelligent solutions across energy production. With an annual R&D investment of RMB 299 million and 167 new patents authorized, we have significantly expanded our intellectual property. The successful completion of the Jinping large-scale facilities, coupled with the official designation of the Jinping Underground Science Center and the Sichuan Provincial Key Laboratory of Jinping Underground Frontier Science and Dark Matter, has established a landmark model for collaborative innovation between enterprises and universities. The Company pioneered new pathways for the integrated development of "green power + computing power", marked by the successful operation of China's first high-altitude cave-type computing power module intelligent computing center. This initiative has effectively promoted the synergistic growth of green energy and the digital economy. Furthermore, SDIC Power deepened its energization through AI technology. The project "Intelligent Management and Control of the Full Life Cycle of Large-scale High-altitude Solar Power Stations" was selected as one of the first high-value strategic AI scenarios for central enterprises by SASAC.

Consolidating the foundation through refined management to win market trust. SDIC Power focused on building a professional operation and management platform. Anchoring its core objectives of "clear accountability, efficient operation, and effective control", the Company strengthened and expanded its professional capabilities in critical areas such as industry research, investment decision-making, marketing, and production. These efforts drive a comprehensive transition toward an industrial management model, thereby enhancing core competitiveness. The Company continued to improve its corporate governance, compliance, and risk management systems, while developing a unique ESG management system that addresses stakeholder expectations. In 2025, the Company received an "A" rating for information disclosure from the Shanghai Stock Exchange for the ninth consecutive year. With a dividend distribution of RMB 3,654 million, the Company has won extensive trust and recognition from investors through stable operations and standardized practices.

Prioritizing people and safety and fulfilling social expectations through responsibility and commitment. SDIC Power firmly upholds the philosophy of "Prioritizing People and Safety". We deepened the application of the HSE management system, steadily improved work safety performance, and advanced the three-year action plan for addressing root causes of safety issues. Simultaneously, we established a robust, full-chain safety management defense line for contractors. We regard employees as our most valuable asset, continuously optimizing the talent development system and providing clear career growth paths to ensure that dedicated contributors are recognized and rewarded. As a responsible central enterprise, the Company and its holding investment enterprises invested a total of RMB 44,705,600 in rural revitalization and public welfare. Through these practical actions, we fulfill our social responsibilities and ensure that our development achievements benefit the communities we serve.

Riding the wind and waves, we embark on a new voyage. At the critical junction of concluding the 14th Five-Year Plan and launching the 15th Five-Year Plan, SDIC Power will align its growth with national priorities from a broader perspective. We will work with focus and determination to lead the development of new power systems and ensure steady progress in the green and low-carbon transition. SDIC Power is dedicated to becoming a globally-trusted investor & operator in integrated energy, pumping stronger and cleaner power into economic and social development.



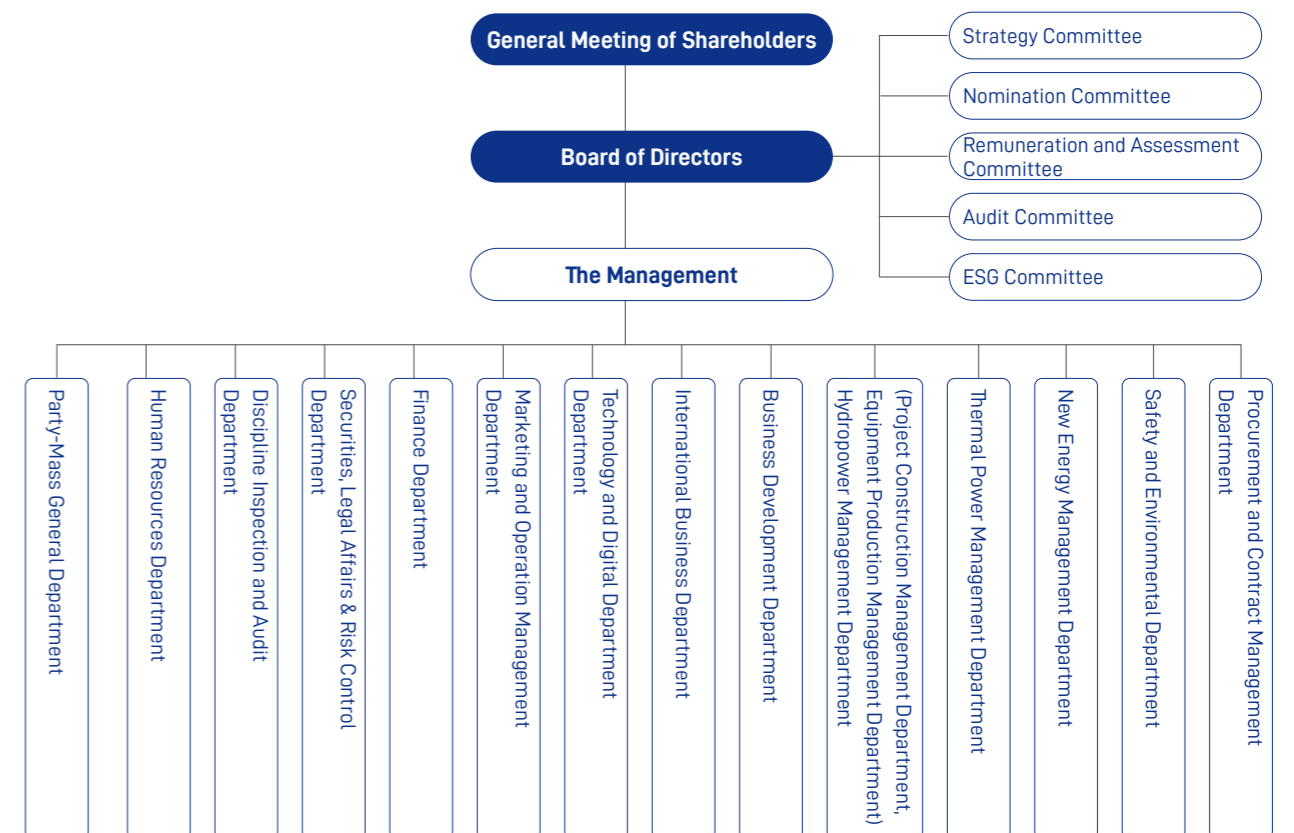
About SDIC Power

Company profile

SDIC Power Holdings Co., Ltd. (SDIC Power) is a holding enterprise of State Development & Investment Corp., Ltd. (SDIC). As a company listed on both the Shanghai Stock Exchange and the London Stock Exchange (A shares: 600886; GDR: SDIC), its business portfolio spans hydropower, thermal power, solar power, onshore and offshore wind power, energy storage, and power sales. Domestically, its projects are strategically located across 24 provinces, autonomous regions, and municipalities directly under the Central Government in China. Since its listing in 2002, SDIC Power has achieved remarkable leapfrog development, evolving into one of China's most efficient and profitable integrated energy companies. Today, the Company stands as the third-largest listed hydropower company in China and is the second Chinese enterprise to be awarded the Green Economy Mark by the London Stock Exchange.



Organizational structure



Key ESG Performance

Environmental performance

Clean energy accounted for	The proportion of installed clean energy capacity increased by	Invested in energy conservation and environmental protection	Comprehensive water consumption intensity of power generation was	Comprehensive energy consumption per RMB 10,000 of output value (comparable prices) was	Comprehensive energy consumption per RMB 10,000 of output value (comparable prices) decreased by
72.12% of installed capacity	1.7 percentage points year-on-year	RMB 777 million	0.15 kg/kWh	1.75 tce	9.3%
Completed energy-saving and carbon-reduction retrofits of	Completed flexibility retrofits for		Greenhouse gas emissions decreased by	Total volume of breeding and releasing reached	Environmental pollution liability incidents
900,000 kW	1 million kW		10% year-on-year	29.63 million fish for the year	Zero



Social performance

R&D investment reached RMB	Proportion in main business revenue	Total number of employees reached	Invested in work-related injury insurance for employees	Accidents and casualties throughout the year
299 million	0.56%	10,775	RMB 9,538,200	Zero
Created new jobs	Total employee training attendances reached	The cumulative training duration was	Invested in rural revitalization	
804	312,365	1,199,679.59 hours	RMB 44,705,600	



Governance performance

The ESG Committee held	Completed dividend distributions of RMB	The dividend per share was RMB	Rating for information disclosure from the Shanghai Stock Exchange for the ninth consecutive year
2 meetings	3,654 million	0.4565	received an "A"
Training on anti-corruption and integrity totaled	Signing rate of integrity agreements reached	Material or significant internal control deficiencies	
270,943.5 hours	100%	Zero	



ESG Honors

ESG ratings



Honors and awards

- Selected for the *Blue Book of ESG for Listed Companies Controlled by Central Enterprises (2025)* issued by the SASAC of the State Council
- Awarded "A-level Rating for Information Disclosure" by the Shanghai Stock Exchange
- Named to the "Supply Chain ESG Pioneers: Top 50 Companies" list by CMG Financial Program Center
- Named to the "China ESG Pioneers: Top 100 Listed Companies" list by CMG Financial Program Center
- Named to the "China ESG Pioneers: Top 100 Central Enterprise Listed Companies" list by CMG Financial Program Center
- Named to the "Beijing-Tianjin-Hebei ESG Pioneers: Top 50 Listed Companies" list by CMG Financial Program Center
- Awarded "Best Practice Case of Board of Directors of Listed Companies" by the China Association for Public Companies (CAPCO)
- Awarded "2025 Best Practice of Board Office of Listed Companies" by CAPCO
- Awarded "Best Practice Case of Sustainable Development of Listed Companies" by CAPCO
- Listed on the "2025 Cash Dividend List of Listed Companies" by CAPCO
- Awarded "2024 Best Listed Company" by *New Fortune magazine*
- Awarded "2025 Crystal Ball Award for Investor Relations of Listed Companies" by *Securities Market Weekly*
- Awarded "Excellent Chinese Corporate ESG Case" by the China Enterprise Reform and Development Society
- Awarded "China Sustainable Development (ESG) Evaluation Certificate" by the China Energy Research Society
- Awarded "Responsibility Jingniu Award" by CSR Cloud Research Institute
- Awarded "2025 Excellent Investor Relations Construction Award for Listed Companies" by Value Online
- Awarded "2025 Best ESG Practice Award for Listed Companies" by Value Online
- Awarded "China Corporate ESG Leaders" by SynTao Green Finance
- Awarded the Gold Medal of "The Most Beautiful Voice of Brand" by the China Culture Administration Association



ESG Management

ESG governance system

SDIC Power has established a robust ESG governance system by building a four-level management structure comprising the "Board of Directors – ESG Committee – ESG Working Group – Departments/Holding Investment Enterprises". This framework defines the responsibilities of each level to ensure the orderly advancement of ESG initiatives. Under the leadership of the Board of Directors and its ESG Committee, the Company deeply integrates ESG principles into all operational stages and core business processes. Furthermore, the Company actively leverages external expertise by establishing regular exchange mechanisms with industry experts and partners. By absorbing professional insights and scientific recommendations, the Company provides a solid foundation for the efficient implementation of various ESG measures.

ESG management structure

Board of Directors	
Primary responsibilities	<ul style="list-style-type: none"> Approve basic management policies for the ESG work of the Company Decide on the establishment of the ESG Committee, appoint or remove its members, and approve relevant committee rules Approve the Company's annual ESG reports Approve ESG management targets and supervise their implementation and assessment Approve ESG-related strategies and medium-to-long-term plans of the Company Fulfill other ESG-related duties
ESG Committee	
Chairman	Guo Xuyuan, Chairman and Non-independent Director
Members	Liu Guojun, Vice Chairman and Non-independent Director Yu Haimiao, General Manager and Non-independent Director Ma Yongyi ¹ , Independent Director Gao Hai ² , Employee Director
Daily Office	Securities, Legal Affairs and Risk Control Department
Primary responsibilities	<ul style="list-style-type: none"> Review ESG disclosure documents, including but not limited to annual ESG reports Study and provide recommendations on ESG strategies and medium-to-long-term plans Approve ESG material issues Supervise the identification, assessment, and management of ESG governance matters, such as targets, risks, and opportunities Study other significant ESG matters affecting the Company and provide recommendations Handle other matters authorized by the Board of Directors

¹Ma Yongyi has served as an independent director and a member of the ESG Committee since September 2025.

²Gao Hai has served as an Employee Director since December 2025 and a member of the ESG Committee since February 2026.

ESG Working Group	
Group Leader	Secretary of the Board of Directors
Vice Group Leader	Head of the Securities, Legal Affairs and Risk Control Department
Members	Heads of various departments
Primary responsibilities	<ul style="list-style-type: none"> The Secretary of the Board of Directors organizes and coordinates the Company's ESG work and oversees ESG management. Specialized task forces, such as a report preparation group, may be established under the ESG Working Group as needed. The Securities, Legal Affairs and Risk Control Department coordinates and implements ESG management tasks, leads the preparation of ESG reports, and handles ESG information disclosure.

Departments/Holding Investment Enterprises	
Primary responsibilities	<ul style="list-style-type: none"> Departments are responsible for ESG management matters within their respective functions and drive the implementation of ESG initiatives and management measures. Holding investment enterprises serve as the primary executive bodies for ESG work. They actively cooperate with departments to carry out ESG management according to the requirements of the Board of Directors, the ESG Committee, and the ESG Working Group, while consistently integrating and improving ESG principles in their operations.

ESG system

SDIC Power has systematically reviewed its ESG management processes and established a "1+N" system, with the *ESG Management Policy* as the core, supported by the *Detailed Rules for the Work of the ESG Committee* and *Detailed Rules for ESG Implementation*. This framework defines the fundamental principles for ESG implementation, achieves deep integration between ESG work and daily operations, and forms an efficient ESG mechanism that is vertically aligned and horizontally integrated.

ESG capacity building

SDIC Power prioritizes the systematic enhancement of its ESG capabilities and fosters ESG principles across all levels of the Company. On one hand, the Company organizes internal ESG training and invites industry experts to energize internal teams and enhance their professional performance. On the other hand, the Company actively participates in specialized training organized by regulatory authorities and industry associations to stay abreast of frontier trends and compliance requirements. In 2025, the Company invited external experts to conduct a kick-off and training session for annual ESG report preparation and participated in the "High-Quality Development Training Series for Listed Companies: Sustainable Development (ESG) Reporting" organized by the Shanghai Stock Exchange.

ESG indicators and assessment

By benchmarking against various guidelines and considering the characteristics of the power industry, SDIC Power has developed an ESG indicator system covering both industry-standard and company-specific indicators. This system has served as a vital tool for defining responsibilities, meeting regulatory requirements, preparing reports, benchmarking, and conducting supervision and assessment. It is also a key pathway for ensuring the implementation of the ESG management system. In 2025, through industry benchmarking and alignment with rating agencies, the Company iteratively optimized its indicators, expanding the set to 541 items. These have been assigned to specific departments based on their functions, further enhancing the precision and comprehensiveness of ESG management.

Annual ESG targets

In 2026, the comprehensive energy consumption per RMB 10,000 of output value (comparable prices) shall not exceed the target set by the Company.
Ensure that no environmental pollution liability incidents occur in 2026.

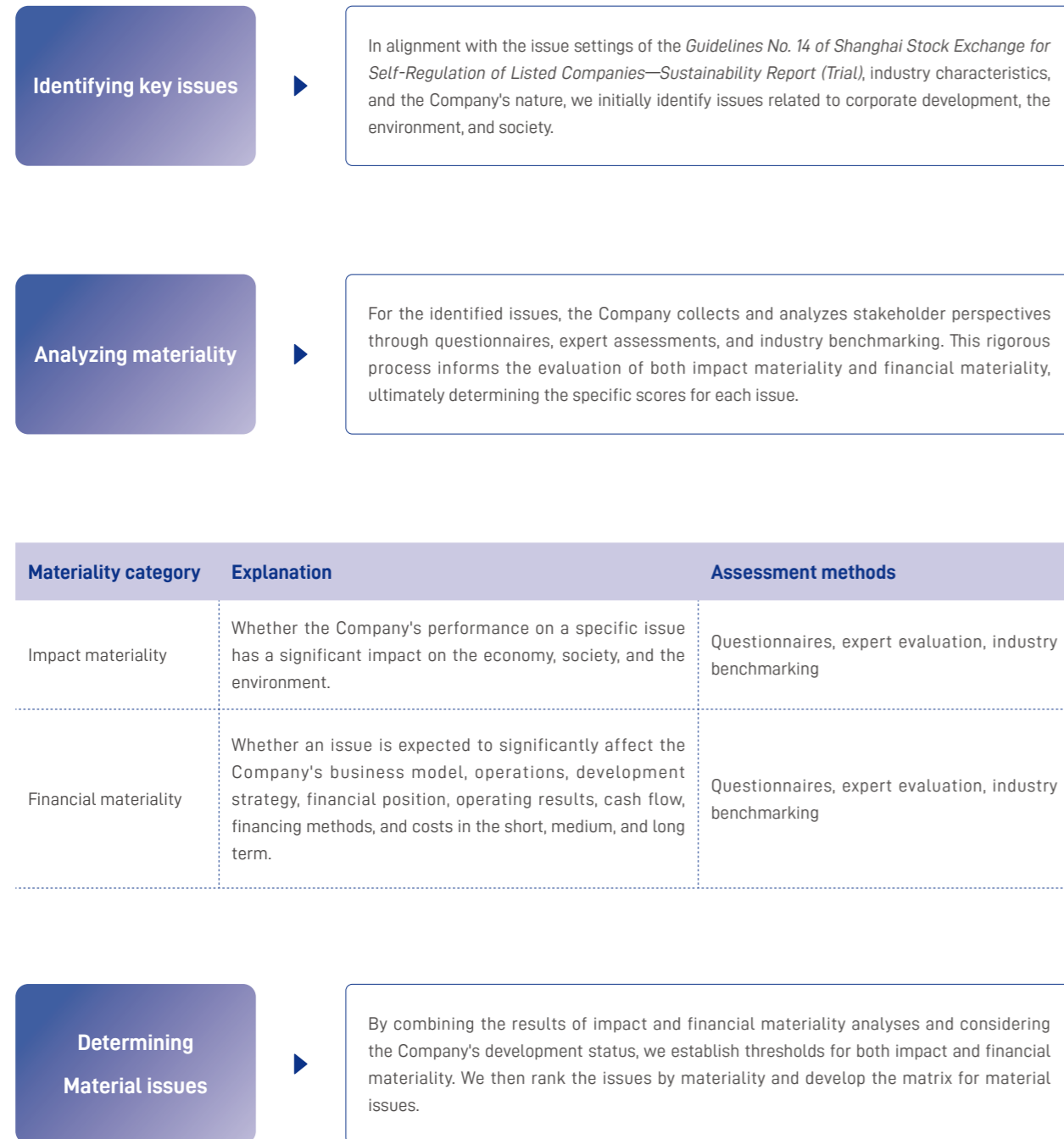
Communication with stakeholders

SDIC Power deeply understands the critical role of stakeholder opinions. We actively identify and listen to the expectations of all parties regarding the Company's ESG management strategies and practices, using these insights as an essential basis for optimization. Based on our business characteristics and operational status, the Company has identified key stakeholders, including the government, shareholders, business partners, employees, customers, and communities. Through diverse communication mechanisms, we respond to stakeholder concerns, build consensus, and work together to create greater value.

Stakeholders	Expectations and demands	Communication channels and frequency
 Government	Response to national strategies Compliance with laws and regulations Energy security assurance Optimization of energy structure Local economic development	Information submission (irregular) Work reporting (irregular) Exchanges and visits (irregular) Cooperation with special inspections and supervision (as needed) Participation in policy research and formulation (as needed)
 Shareholders	Maintenance and appreciation of asset value Corporate sustainability Transparent information disclosure	Shareholders' Meetings (irregular) Investor meetings and roadshows (irregular) Results presentations (regular) Annual financial reports (annual) Investor communication manuals (annual) Official website and WeChat account (irregular) Communication with minority shareholders (irregular) SSE e-interaction platform (real-time)
 Business partners	Business ethics Transparent procurement Mutual benefit and win-win cooperation	Supplier meetings (irregular) Daily business communication and visits (irregular) Communication via SDIC's electronic procurement platform (real-time)
 Customers	Integrity and high-quality service Safe and stable supply Work safety and operation	Customer satisfaction surveys (irregular) Market research (regular) Customer meetings (irregular) Exchanges and visits (irregular)
 Employees	Protection of fundamental rights Compensation and benefits assurance Employee career development Occupational health and safety Humanistic care for employees	Employee Representative Congress (regular) Internal communications, intranet announcements, and WeChat account (real-time) Employee satisfaction surveys (irregular) Employee Assistant Program (EAP) (as needed)
 Communities	Promotion of community development Participation in social public welfare Supporting local economic development	Public welfare projects and donations (irregular) Public ESG reports (annual) Volunteer activities (irregular)

Identification of material issues

SDIC Power strictly adheres to the principle of "double materiality", systematically identifying and evaluating the financial impact of ESG issues on the Company, as well as the impact of the Company's operations on the environment, society, and stakeholders. Based on the results of the double materiality assessment, the ESG issue matrix is dynamically updated.



Management of ESG impacts, risks, and opportunities

Building upon the identification and ranking of material issues subject to double materiality, SDIC Power has further consolidated the impacts, risks, and opportunities associated with these issues. The Report focuses on disclosing the relevant management progress and strategic actions.

Issue		Environmental Compliance Management
Impact analysis	Impact type	Actual positive impact <input type="checkbox"/> Actual negative impact <input checked="" type="checkbox"/> Potential positive impact <input type="checkbox"/> Potential negative impact <input checked="" type="checkbox"/>
	Scope of impact	<input checked="" type="checkbox"/> Upstream value chain <input checked="" type="checkbox"/> Corporate operations Downstream value chain
Financial impact type		Revenue <input type="checkbox"/> Asset value <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Operating costs <input type="checkbox"/> Cash flow <input checked="" type="checkbox"/> Capital expenditure <input type="checkbox"/> Financing capacity
Risk and/or opportunity analysis	Risk and/or opportunity type	Risks
	Risk and/or opportunity description	<ul style="list-style-type: none"> Inadequate operation of the environmental compliance management system may trigger administrative penalties, production restrictions, or project approval constraints. Such events could adversely affect the Company's normal power generation operations, project construction schedules, and operating costs, potentially exerting a negative impact on asset value and operational stability.
	Impact time horizon of risks and/or opportunities	<input checked="" type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input checked="" type="checkbox"/> Long-term

Issue		Climate Change Mitigation
Impact analysis	Impact type	Actual positive impact <input type="checkbox"/> Actual negative impact <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Potential positive impact <input checked="" type="checkbox"/> Potential negative impact
	Scope of impact	<input checked="" type="checkbox"/> Upstream value chain <input checked="" type="checkbox"/> Corporate operations Downstream value chain
Financial impact type		<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Asset value <input checked="" type="checkbox"/> Operating costs <input type="checkbox"/> Cash flow <input checked="" type="checkbox"/> Capital expenditure <input type="checkbox"/> Financing capacity
Risk and/or opportunity analysis	Risk and/or opportunity type	Risk + opportunity
	Risk and/or opportunity description	<ul style="list-style-type: none"> Please refer to the "More proactive climate action" section for details.
	Impact time horizon of risks and/or opportunities	<input checked="" type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input checked="" type="checkbox"/> Long-term

Issue		Work Safety
Impact analysis	Impact type	<input checked="" type="checkbox"/> Actual positive impact <input checked="" type="checkbox"/> Actual negative impact Potential positive impact <input type="checkbox"/> Potential negative impact
	Scope of impact	<input checked="" type="checkbox"/> Upstream value chain <input checked="" type="checkbox"/> Corporate operations Downstream value chain
Financial impact type		Revenue <input type="checkbox"/> Asset value <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Operating costs <input checked="" type="checkbox"/> Cash flow Capital expenditure <input type="checkbox"/> Financing capacity
Risk and/or opportunity analysis	Risk and/or opportunity type	Risks
	Risk and/or opportunity description	<ul style="list-style-type: none"> Deficiencies in the work safety management system, equipment operation management, or risk identification mechanisms could lead to work safety accidents. These may result in casualties, equipment damage, and risks of production suspension for rectification, adversely impacting the Company's operating costs, cash flow, and asset security, while threatening operational stability.
	Impact time horizon of risks and/or opportunities	<input checked="" type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input checked="" type="checkbox"/> Long-term

Issue		Anti-bribery and Anti-corruption
Impact analysis	Impact type	<input checked="" type="checkbox"/> Actual positive impact <input checked="" type="checkbox"/> Actual negative impact Potential positive impact <input type="checkbox"/> Potential negative impact
	Scope of impact	<input checked="" type="checkbox"/> Upstream value chain <input checked="" type="checkbox"/> Corporate operations <input checked="" type="checkbox"/> Downstream value chain
Financial impact type		Revenue <input type="checkbox"/> Asset value <input type="checkbox"/> <input checked="" type="checkbox"/> Operating costs <input checked="" type="checkbox"/> Cash flow Capital expenditure <input type="checkbox"/> Financing capacity
Risk and/or opportunity analysis	Risk and/or opportunity type	Risks
	Risk and/or opportunity description	<ul style="list-style-type: none"> Inadequate anti-corruption management systems and internal control mechanisms may lead to commercial bribery or corruption incidents in key business areas such as engineering construction, procurement, project investment, and contractor management. This could trigger legal liabilities, economic losses, and regulatory penalties, adversely affecting the Company's operating costs, cash flow, and capital market reputation.
	Impact time horizon of risks and/or opportunities	<input checked="" type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input checked="" type="checkbox"/> Long-term

Responsibility Focus

Forging Ahead in the 14th Five-Year Plan Period, Gathering Strength for a New Journey

The 14th Five-Year Plan period is a critical stage for China to practice its "Dual Carbon" goals and drive a profound adjustment of the energy structure. It is also a pivotal phase for the power industry to accelerate green and low-carbon transformation and build a new power system. SDIC Power has anchored its core positioning as a "globally trusted integrated energy investment and operation service provider", focusing on key tasks such as the large-scale development of clean energy, the construction of integrated hydro-wind-solar bases, and the enhancement of the quality of listed companies, fully promoting the alignment of corporate development with national strategies. Through five years of arduous endeavor, the Company has achieved a steady increase in asset scale and a continuous rise in clean energy installed capacity. Our core operating indicators have consistently improved, while the Company's recognition within the capital market has further strengthened. Meanwhile, our ESG governance system has matured. Through these solid actions and achievements, SDIC Power effectively demonstrates the responsibility and commitment expected of a central enterprise in the energy industry.

Reflecting on Our Journey: Delivering Excellence in High-Quality Development During the 14th Five-Year Plan Period

Remaining true to national priorities and fulfilling the mission of a central enterprise

Accelerated deployment of clean energy and sustained manifestation of green and low-carbon momentum

Clean energy development has evolved from extensive scale expansion to systematic high-quality advancement establishing a highly competitive industrial landscape. The successive commissioning of major hydropower projects, such as the Lianghekou and Yangfanggou projects, marked the accelerated maturation of the Yalong River cascade development system. A solid foundation for enhancing power system regulation was established with the milestone commencement of the Lianghekou mixed pumped storage project. Guided by the top-level design for integrated hydro-wind-solar development, our model has shifted from standalone hydropower to multi-energy complementarity and collaborative development. The concentrated operation of "hydro-solar complementarity" and high-altitude new energy projects signifies that our new energy development has entered a new phase of large-scale, cluster-based growth.

The scale of our clean energy industry has expanded, fueling continuous green development. Several million-kilowatt-class clean energy projects have commenced operations, driving comprehensive acceleration across multiple fronts. Clean energy now accounts for 72.12% of the Company's installed capacity, with the Yalong River Basin integrated base exceeding 22 million kW. By deepening the entire clean energy value chain, our carbon reduction efforts have yielded significant results in all sectors. This not only supports energy security and structural optimization in the Sichuan-Chongqing region but also provides a powerful impetus for the national low-carbon transition.

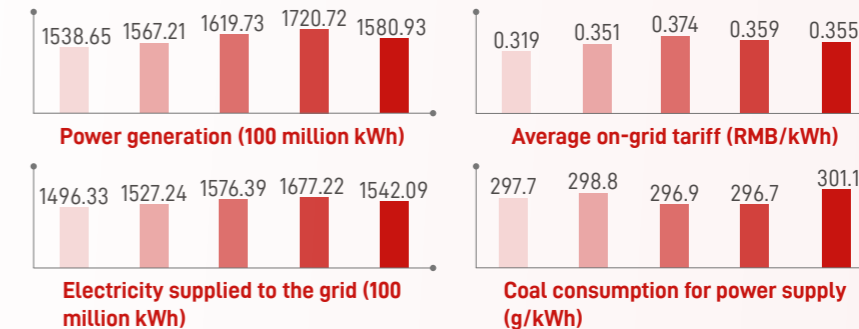
Clean energy now accounts for

72.12%

with the Yalong River Basin integrated base exceeding

22 million kW

Holding installed capacity(10,000 kW)	2021	2022	2023	2024	2025
Hydropower	2076.50	2128.00	2128.00	2130.45	2130.45
Thermal power	1188.08	1188.08	1254.08	1320.08	1307.48
New energy (including energy storage)	358.25	462.34	712.68	1012.94	1251.63
Total	3622.83	3778.42	4094.76	4463.47	4689.56



Intensive upgrading of thermal power deployment and tangible enhancement of energy security capacity

We have steadily expanded and upgraded high-quality thermal power projects, transforming from a single power generator into an integrated energy provider offering heating, steam, and other diversified services. This shift has expanded our industrial value boundaries beyond traditional thermal power profit models. With the commissioning of high-efficiency units like SDIC Qinzhou Phase III, we have prioritized the "three-way linkage" of energy-saving, flexibility, and heating retrofits. Through continuous improvements in power generation efficiency and environmental performance, we have revitalized coal-fired power with green and low-carbon vitality.

We remained steadfast in our responsibility for energy supply, acting as the "ballast stone" and "main pillar" of national energy security. Adhering to the principle of "safety first" and ensuring stable, full-capacity generation, we coordinated the synergy of hydro, thermal, wind, and solar units to ensure all available capacity was dispatched. By precisely leveraging the core role of thermal power in providing baseline supply, flexible peak shaving, and supporting new energy consumption, we fully safeguarded the safe and stable operation of the power grid. Throughout the 14th Five-Year Plan period, our average daily power supply remained at high levels during peak summer and winter periods. During the 2022 summer peak, amidst severe supply challenges caused by persistent extreme heat, Yalong Hydro maximized its generation capacity with an average daily supply exceeding 360 million kWh, successfully fulfilling its mission. Our thermal power enterprises, including SDIC Beijiang, SDIC Qinzhou, and Huaxia Power, remained steadfast under immense pressure. Their outstanding performance earned high recognition and formal letters of appreciation from national ministries and local governments, delivering a solid result in stabilizing energy supply, safeguarding people's livelihoods and driving high-quality development.

In-depth advancement of safety management and sustained stability in production and operations

We have consistently improved the work safety accountability system to ensure rigorous responsibility implementation at every level and across all tiers. The standardization, institutionalization, and precision of safety management have significantly improved, fostering a strong culture where "everyone focuses on safety, every task prioritizes safety, safety is always on the mind, and safety is required everywhere". This has built a robust ideological foundation and defensive line for work safety.

We persisted in the development of the HSE (Health, Safety, and Environment) management system, coordinating all work safety initiatives with a systematic, standardized, and integrated approach. A total of 33 external system audits were conducted, identifying 7,251 specific issues and 135 general improvement recommendations to ensure the system's effective operation and continuous improvement. During the 14th Five-Year Plan period, no fatal accidents occurred within our production and operation enterprises, further solidifying the foundation of safe operations.

Through continuous system innovation and the advancement of methods and tools, we integrated work safety standardization with safety culture construction. We established 11 benchmark new energy stations, 55 Level 1 and 11 Level 2 standardized enterprises, and 14 national safety culture demonstration enterprises, leading the improvement of safety management across the entire domain through benchmarking.

We deeply advanced the dual prevention mechanism of risk classification control and hidden danger investigation and management. This achieved dynamic risk control and closed-loop rectification, effectively preventing and mitigating various safety risks in a timely manner and safeguarding the Company's high-quality development with high-level security.

Lean innovation in operational control models and steady improvement in quality and efficiency

Aligned with high-quality development requirements, we focused on enhancing operational efficiency and addressing management gaps. By optimizing our full-process control system, we coordinated efforts across all dimensions, including production operations, cost control, financial management, internal compliance, and digital energization. This resulted in a modern operational management system characterized by clear responsibilities, efficient control, and standardized performance.

We continued to drive industrial restructuring and innovative transformation. This included accelerating the upgrade of existing thermal power assets and expanding our presence in high-quality clean energy. By deeply cultivating the power and coal markets while implementing dual measures of cost reduction, efficiency enhancement, and financing optimization, we significantly improved asset efficiency and profitability. This allowed the Company to achieve synchronized growth in scale and efficiency, while enhancing both development quality and resilience.



2024 annual general meeting

Focusing on value creation and strengthening the foundation of a listed company

Steady growth in asset scale and a strengthening financial foundation

Asset scale has grown steadily, and comprehensive strength has significantly improved. By adhering to prudent operations, quality enhancement, and efficiency gains, we have expanded our asset scale, continuously optimized asset quality, and solidified our development foundation. By the end of the 14th Five-Year Plan period, the Company's total assets climbed to RMB 313.58 billion, with installed capacity reaching 46.8956 million kW, representing increases of 36.99% and 47.35%, respectively, compared with the 2020 levels. Our comprehensive strength has notably increased, and our industry influence continues to expand.

The financial structure has been continuously optimized, and risk resistance capacity has steadily strengthened. We have remained committed to risk management bottom lines, scientifically controlling debt scales to maintain a reasonable and improving asset-liability ratio. By the end of the 14th Five-Year Plan period, the Company's asset-liability ratio dropped to 60.52%, a decrease of 3.4 percentage points from the beginning of the period. We have achieved a healthy development trend of "growing asset scale with declining liabilities levels", significantly enhancing financial stability.

Capital operations have yielded remarkable results, providing abundant momentum for development. We have fully leveraged our platform advantages as a listed company, actively broadening financing channels and reducing financing costs. During the 14th Five-Year Plan period, we raised a cumulative total of RMB 10.633 billion in equity funds through two successive capital operations, providing strong support for the expansion of clean energy businesses and ensuring the sustained, healthy development of the Company.

Indicator	2021	2022	2023	2024	2025
Total assets (RMB 100 million)	2414.06	2583.00	2773.63	2965.37	3135.80
Operating revenue (RMB 100 million)	437.66	504.89	567.12	578.19	530.14
Total profit (RMB 100 million)	65.85	94.33	142.15	157.06	163.18
Net profit attributable to the parent company (RMB 100 million)	24.56	40.81	67.05	66.43	73.93
Return on equity (%)	5.39	8.25	12.78	11.80	11.35
Asset-liability ratio (%)	63.51	63.75	63.18	63.22	60.52

Continuous refinement of the Board governance system and the full release of modern governance efficiency

The governance system of the Board of Directors has been continuously optimized, significantly enhancing governance efficiency. The Board of Directors has steadfastly performed its core functions of strategic guidance, scientific decision-making, and risk prevention. Strictly following legal procedures, the Board of Directors has exercised decision-making power over major corporate issues with rigor and prudence. Precise efforts and scientific deployments have been made in key areas such as core business development, capital operations, strategic optimization, and investor returns. Our decisions align with national policy orientations and the practical realities of corporate development, building a solid foundation for high-quality, sustainable growth.

The Board's construction efforts have repeatedly won awards such as "Best Practice Case for Board of Directors" and "Best Practice Case for Corporate Governance" from CAPCO. *New Fortune* magazine named SDIC Power the "Best Listed Company". The SASAC of the State Council included SDIC Power in the scope of "Demonstration Enterprises for Corporate Governance of State-Owned Enterprises".

Major project investment decisions

- September 2021: Approved the investment and construction of the Mengdigou Hydropower Station, as the fifth cascade hydropower station in the middle reaches of the Yalong River, Mengdigou Hydropower Station boasts a total installed capacity of 2.4 million kilowatts. It is scheduled to see the commissioning of its first generating unit in 2032 and full completion and operation in 2033. Upon commissioning, the station will further optimize the power supply structure of Sichuan's power system, unlock the potential of joint dispatching with Lianghekou Hydropower Station—the leading reservoir power station—and help enhance the profitability of Yalong Hydro.

Capital operation and refinancing decisions

- July 2021: Approved the proposal for private placement of shares, raising a total of 3.633 billion RMB for the construction of the Lianghekou Hydropower Station, aligning with national policies for Southwest hydropower base construction and creating a landmark project for hydropower development in high-altitude, cold regions.
- September 2024: Approved the proposal to issue shares to the National Council for Social Security Fund (NCSSF), raising a total of 7 billion RMB for the construction of the Mengdigou and Kala Hydropower Stations, introducing long-term strategic capital to optimize capital structure and market resource allocation.



Strategic optimization decisions

- December 2023: Approved the optimization and adjustment plan for the Company's 14th Five-Year Plan, refining top-level strategic design to adapt to new situation and environments.



Quality enhancement, efficiency, and investor return decisions

- August 2024: Approved the action plan for "Enhancing Quality and Efficiency for Better Returns".
- September 2024: Approved the shareholder return proposal for the next three years, committing to a cash dividend ratio of no less than 55% of distributable profits for the period 2024-2026, to create stable, predictable long-term value and enhance investor satisfaction and trust.

Synergistic advancement of investor relations and information disclosure, with steady leaps in market value

SDIC Power adheres to the bottom line of compliant operations and continuously improves the quality of information disclosure. In strict accordance with regulatory requirements, we ensure that all types of operational information are disclosed truthfully, accurately, completely, timely, and fairly to protect investors' right to know.

We have continued to deepen investor relations management, hosting annual and interim results presentations with high standards and quality. By strictly controlling the quality of information disclosure, we have built an efficient communication bridge with various investors, enhancing market recognition of the Company's value. The Company has received a Grade A rating for information disclosure from the Shanghai Stock Exchange for the ninth consecutive year.

Operating performance has maintained steady growth, and capital market performance remains robust, with our market capitalization successfully reaching the RMB 100 billion milestone. The participation of the NCSSF as a strategic investor in our refinancing, becoming the third-largest shareholder, serves as a market-leading example, strengthening the influence of the "SDIC brand" in the capital market and fully demonstrating high market recognition of the Company's development.

Shareholder returns have been continuously increased: The dividend ratio was raised from 35% to 50% in 2021, and further to 55% in 2023. With a commitment to maintain a dividend ratio of no less than 55% for 2024-2026 in 2024, we are achieving simultaneous growth in both shareholder and market value.

The dividend ratio was raised from 35% to 50% in 2021	The dividend ratio was raised from 50% to 55% in 2023	With a commitment to maintain a dividend ratio of no less than 55% for 2024-2026	Shanghai Stock Exchange information disclosure rating was A for the 9th consecutive year
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Indicator	2021	2022	2023	2024	2025
Average daily total market value (RMB 100 million)	680	774	894	1184	1149
Basic earnings per share (RMB/share)	0.3229	0.5215	0.8754	0.8669	0.9166
Dividend per share (RMB/share)	0.1635	0.2750	0.4948	0.4565	0.5081 ³
Cash dividend amount (RMB 100 million)	12.19	20.50	36.88	36.54	40.67 ⁴

Systematic construction of the ESG management system and the continuous accumulation of sustainable momentum

SDIC Power has promoted the construction of its ESG system comprehensively and deeply. In 2021, we prepared our first *Corporate Social Responsibility Report* in accordance with GRI international standards. In 2022, we upgraded this to an *Environmental, Social, and Governance (ESG) Report* and released our ESG report in both China and the U.K. for the first time, achieving a standardized and systematic upgrade of ESG disclosure. In 2024, the Company officially established the ESG Committee, building a four-level closed-loop management structure consisting of the "Board of Directors – ESG Committee – ESG Working Group – Departments/Holding Investment Enterprises". This efficient mechanism provides a solid organizational guarantee for the orderly advancement of ESG management, marking a milestone in our journey toward sustainability.

We have systematically solidified the foundations of environmental, social, and governance management. In 2022, we developed our first ESG indicator system that reflects both industry characteristics and corporate features. Through continuous iteration, these indicators have expanded to 541 items and will be further optimized to provide solid support for the Company's ESG management and practice. We actively benchmark against authoritative ESG evaluation standards both at home and abroad and participate in industry ESG ratings.

MSCI ESG Rating	Upgraded from B to BB
Wind ESG Rating	Rated AA Consistently ranked among the "Top 100 A-share Companies" and leading the power industry
Sino-Securities Index (SNSI) ESG Rating	Upgraded from BBB to A
Listed in the "Central Enterprise · ESG Pioneer 100 Index" for three consecutive years ⁵	
Listed in the "Supply Chain ESG Pioneers: Top 50 Companies" "China ESG Pioneers: Top 100 Listed Companies""China ESG Pioneers: Top 100 Central Enterprise Listed Companies" "Beijing-Tianjin-Hebei ESG Pioneers: Top 50 Listed Companies" by CMG Financial Program Center in 2025	

Looking Ahead to a New Journey: Mapping the Strategic Blueprint for High-Quality Development During the 15th Five-Year Plan Period

Standing at the critical juncture of successfully concluding the 14th Five-Year Plan and strategically planning for the 15th Five-Year Plan, SDIC Power will comprehensively summarize our high-quality development achievements during the 14th Five-Year Plan period. We remain committed to consolidating our core advantages and accumulating development momentum. Closely aligning with the national energy security strategy and "Dual Carbon" goals, the Company remains true to our original mission as an energy-sector central enterprise. By actively serving the overall national development framework with a long-term vision, systematic thinking, and pragmatic actions, we scientifically map out the strategic blueprint for high-quality development during the 15th Five-Year Plan period.

The Company steadfastly adheres to the direction of green and low-carbon development, continuously optimizing our energy structure, enhancing core competitiveness, and strengthening value-creation capabilities. We push forward the development and construction of the Yalong River Basin integrated hydro-wind-solar base, advance the acquisition of high-quality thermal power resources, and actively pursue opportunities in large-scale "desert, Gobi, and wasteland" bases and offshore wind power. Furthermore, we explore emerging sectors for industry transformation, such as virtual power plants, direct green power connection, "source-grid-load-storage" integration, zero-carbon industrial parks, and green hydrogen, ammonia, and methanol. By actively leading the transformation and upgrading of the energy industry, SDIC Power strives to demonstrate new levels of responsibility and achieve greater contributions in serving national strategies, driving industrial progress, and promoting high-quality and sustainable socio-economic development.

³Tax inclusive. Subject to shareholders' meeting approval.

⁴Tax inclusive. Subject to shareholders' meeting approval.

⁵This index was named the ESG Pioneer 50 Index in 2022 and has been expanded to the ESG Pioneer 100 Index since 2023.

Leading with Green Power: Acting as a Pioneer in Clean Energy

SDIC Power is firmly anchored in the strategic requirements of the "Dual Carbon" goals. We deeply cultivate green energy as our primary development path, continuously optimizing our power source structure and increasing the proportion of clean energy installed capacity. By strictly implementing environmental protection and energy-saving control requirements, we promote clean production and resource recycling while rigorously controlling all pollutant emissions. We integrate green development principles into the entire process of our production and operations, driving the synergy between energy development and ecological protection.

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- More eco-friendly emission reduction solutions 34

SDGs addressed in this chapter



Stronger ecological protection

SDIC Power adheres to the guidance under China's ecological civilization policy framework. We continuously refine our environmental management system, enhance our environmental protection performance, and firmly establish and practice the concepts that "lucid waters and lush mountains are invaluable assets" and "harmony between humanity and nature".

Environmental Compliance Management

The Company deeply integrates environmental compliance management into its production and operations. By strengthening environmental risk identification and process control, and through robust institutional development and rigorous supervision, we ensure that all environmental protection measures are effectively implemented.

Governance

We have established the Leading Group for Resource Conservation and Ecological Environmental Protection and its subordinate bodies. The Chairman of the Company serves as the group leader, while the General Manager and the Deputy General Manager in charge serve as deputy leaders. The group's office is located within the Company's Thermal Power Management Department. We continue to improve the environmental management system and deeply implement the standardization deepening for our ecological environmental protection throughout the year. Following the issuance of the *2025 Construction Plan for the Ecological Environmental Protection Standardization System*, each holding investment enterprise has established a dedicated leading group and formulated implementation plans to coordinate and advance the construction of the standardization system, further enhancing energy conservation and environmental management levels.

2025

- ◆ SDIC Xiaosanxia successfully passed the annual supervisory audit of its environmental management system.
- ◆ Guandi Hydropower Station, Yalong Hydro, and SDIC Genting Meizhouwan Electric Power were newly recognized as "Demonstration" enterprises under the ecological environmental protection standardization system.
- ◆ SDIC Panjiang and Huaxia Power passed the "Basic" re-examination of the ecological environmental protection standardization system.
- ◆ SDIC Qinzhou Second Power, Guizhou New Energy, Jinping Hydropower Station, Yalong Hydro, and Ertan Hydropower Station, Yalong Hydro, passed the "Basic" acceptance of the ecological environmental protection standardization system.
- ◆ Achieved full coverage of the "Basic" ecological environmental protection standardization system across all thermal power enterprises.

Strategy

We strictly comply with the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, and the laws and regulations of the locations where we operate. We have established and refined the Company's environmental management systems and mechanisms, formulating or revising a series of management standards. These standards detail the responsibilities of each department in environmental protection work, building a comprehensive environmental responsibility system for all employees, and providing a solid institutional foundation for the Company's environmental efforts.

SDIC Power environmental management systems (selected)

- *Administrative Measures for the Supervision of Resource Conservation*
- *Detailed Rules for the Implementation of Environmental Protection Technical Supervision*
- *Detailed Rules for the Implementation of Thermal Power Energy Conservation Technical Supervision*
- *Detailed Rules for the Implementation of hydropower Energy Conservation Technical Supervision*
- *Regulations on the Supervision and Management of Environmental Monitoring Data*
- *Regulations on the Supervision and Inspection of Resource Conservation and Ecological Environmental Protection*
- *Provisions on the Implementation of Assessment and Accountability for Resource Conservation and Ecological Environmental Protection*
- *Administrative Measures for Information Reporting on Resource Conservation and Ecological Environmental Protection*
- *Provisions on the Ecological Environmental Protection Responsibility System*
- *Administrative Measures for Ecological Environmental Protection Risk Prevention and Control, and Hidden Danger Investigation and Rectification*
- *Emergency Response Plans for Environmental Emergencies*

Specific measures

Environmental impact assessment (EIA)

We conduct EIA for construction projects in strict accordance with laws and regulations, adhering to the "Three Simultaneities" policy, which requires environmental protection facilities to be designed, built, and put into operation simultaneously with the main project. We urge holding investment enterprises to conduct EIAs, energy conservation assessments, water and soil conservation assessments, and final environmental and water conservation inspections for new, renovated, and expanded projects in accordance with the law.

Self-monitoring of the environment

We implement dynamic monitoring of production and consumption processes through automatic monitoring systems. Qualified third-party monitoring agencies are commissioned to monitor discharge outlets of relevant pollution sources to ensure compliant emissions.

Environmental risk investigation

We maintain a firm awareness of environmental risks and apply systematic thinking to control major risks, eliminate significant hazards, and prevent major incidents. We carry out continuous and in-depth investigations and rectifications of prominent environmental issues, ensuring that all types of potential environmental hazards are identified and addressed promptly. Special inspections are organized for key risk areas to ensure the implementation of environmental measures. We strictly implement closed-loop management for problem rectification, urging holding investment enterprises to establish a full-process "inspection-rectification-feedback" mechanism. In 2025, the Company conducted 14 special ecological environmental protection inspections, with a 100% on-time rectification rate for all identified hazards.

Environmental incident prevention

We have established the *Emergency Response Plans for Environmental Emergencies* to standardize the Company's emergency mechanisms. This effectively enhances our ability to prevent and handle environmental emergencies. By establishing emergency mechanisms for rapid, scientific, and effective organization of accident rescue and relief, we can control the spread of environmental pollution and minimize the losses to personnel, property, and the environment.

Indicators and targets

Key environmental management targets of SDIC Power	2025 target achievement	2026 target
Ensure that no environmental pollution liability incidents occur	Achieved	Continuously ensure that no environmental pollution liability incidents occur

Indicator	Unit	2023	2024	2025
Investment in energy conservation	RMB 100 million	1.06	1.16	1.25
Investment in environmental protection	RMB 100 million	7.80	7.46	6.52
Percentage of energy conservation and environmental protection investment in total output value	%	1.57	1.49	1.47

Enhancing environmental awareness

The Company attaches great importance to enhancing the environmental awareness of all employees. We have adopted a diversified training model that integrates self-study with lectures from industry experts. Training courses and seminars covering environmental laws and regulations, professional technical knowledge, and water resource management are organized regularly. These initiatives effectively improve employees' general environmental knowledge and professional technical capacity while strengthening the professional competence of personnel in energy conservation and environmental protection roles. Each holding investment enterprise fully utilizes the *Ecological Environmental Protection Series Courses for SDIC Power Generation Enterprises* to conduct in-depth internal training for personnel subject to the three-level environmental management network, continuously improving their professional expertise.



SDIC Xiaosanxia invites external experts to conduct specialized environmental protection training

Protecting natural ecosystems

The Company strictly implements the requirements of the *Regulations on the Administration of Environmental Protection for Construction Projects* and other relevant laws and regulations. We explicitly include "ecological protection tasks such as soil and water conservation, soil remediation, and species protection" within the scope of our supervision and inspections. We standardize the use of land for hydropower, mountain solar power, and wind power projects in accordance with the law to minimize damage and impact on forest vegetation and the ecological environment. Furthermore, we rigorously prevent illegal and non-compliant behaviors, such as "starting construction before approval", "deviating from approved plans", "starting production before final inspection", and "discharging pollutants without a permit", to minimize our ecological footprint.

The Company actively protects and restores natural habitats and conducts ecological monitoring to ensure the sustainability of flora and fauna resources. In key ecological areas, we implement biodiversity conservation actions tailored to local conditions, promoting ecosystem balance through vegetation restoration, and breeding and releasing.



SDIC Xiaosanxia invested RMB 1.3 million to clear floating debris from the river surfaces of three stations. A cumulative total of 14,071 cubic meters of debris was cleared and disposed of in full compliance with regulations



The site of the breeding and releasing activity of Jinping Hydropower Station and Guandi Hydropower Station in 2025

Indicator	Unit	2023	2024	2025
Total amount of breeding and releasing	Ten thousand fish	308.1	280.4 ⁵	2963 ⁷

More proactive climate action

SDIC Power attaches great importance to climate change governance. We systematically identify climate-related risks and opportunities, continuously drive energy structure optimization and low-carbon transition, and advance carbon asset management to effectively reduce greenhouse gas emissions.

Governance

The Leading Group for Peak Carbon Dioxide Emissions and Carbon Neutrality (Dual Carbon Group) serves as the Company's leading body for carbon emissions and carbon asset management. It is responsible for researching and arranging major matters related to low-carbon development, low-carbon technologies, and carbon emissions and asset management, as well as resolving critical issues and organizing the promotion of the Company's peak carbon dioxide emissions and carbon neutrality work plans. The Dual Carbon Group includes peak carbon dioxide emissions indicators as key assessment criteria for the performance of the heads of holding investment enterprises, incorporating them into the scope of inspections and audits.

Strategy

In alignment with the characteristics of the energy industry, the Company has integrated climate change mitigation into its corporate development strategy. We drive the flexibility transformation of thermal power, promote energy structure optimization, and continuously increase the installed capacity and proportion of clean energy, such as hydropower, wind power, and solar power.

⁴In 2024, SDIC Qinzhou Second Power conducted breeding and releasing of 293.82 million fish pieces into the sea area of Qinzhou Port, which were not included in the statistics.

⁷The data in 2025 covers SDIC Qinzhou, Yalong Hydro, SDIC Dachaoshan, and SDIC Xiaosanxia.

Climate change risk and opportunity management

The Company systematically identifies the risks and opportunities brought by climate change, effectively resisting the impact of climate risks while transforming the opportunities of green transition into core drivers for high-quality development.

Risk factors	Risk description	Response measures
Physical risk Acute risk: extreme weather	The increasing frequency and intensity of extreme weather events, such as typhoons, rainstorms, and floods, may damage infrastructure like hydropower dams and power transmission facilities, impacting power generation capacity and transmission stability.	<ul style="list-style-type: none"> • Enhancing infrastructure resilience: Strengthen the flood and wind resistance designs of hydropower dams and transmission facilities to improve climate adaptability. • Risk monitoring and emergency management: Establish climate disaster monitoring and early warning systems and formulate emergency response plans. • Optimizing regional power source layout: Rationally plan the layout of power sources across different regions to reduce dependence on the climatic conditions of a single area.
Physical Risk Chronic risk: rising temperatures and water resource changes	Rising temperatures and shifting precipitation patterns may lead to uneven spatial and temporal distribution of water resources, affecting water inflow conditions and the generation efficiency of hydropower stations. Hydropower assets in key basins, such as Southwest China, face risks of generation volatility.	<ul style="list-style-type: none"> • Advancing multi-energy complementarity: Accelerate the deployment of integrated "hydro-wind-solar-storage" projects to diversify operational risks caused by single-source hydrological fluctuations. • Enhancing dispatch and forecasting capabilities: Utilize digital tools to improve water inflow forecasting, power dispatch, and cross-regional resource allocation capabilities.
Transition risk Policy and legal risk	Under the "Dual Carbon" goals, the state has imposed stricter requirements on the carbon emissions of thermal power units, placing compliance pressure on traditional thermal power businesses.	<ul style="list-style-type: none"> • Promoting the upgrading of thermal power units: Continuously carry out ultra-low emission and flexibility retrofits to enhance peak shaving capabilities and compliance levels. • Strengthening policy and carbon market research: Closely track power system reforms, carbon markets, and related policy changes to optimize carbon asset management and reduce compliance costs.
Transition Risk Technology risk	Increasing demands for new energy grid connections and energy storage technology necessitate addressing cost challenges brought by technical investment and increased system complexity.	<ul style="list-style-type: none"> • Strengthening key technology deployment and assessment: Conduct maturity and economic assessments in areas such as energy storage and direct green power connection, advancing demonstrations and applications in stages. • Promoting technical synergy and system optimization: Enhance new energy consumption capacity and system operational efficiency through technological upgrades.
Transition Risk Market risk	New energy businesses may squeeze the profit margins of traditional thermal power. As social demand for green electricity rises, the grid and users are increasingly favoring the procurement of clean energy.	<ul style="list-style-type: none"> • Accelerating clean energy deployment: Speed up clean energy project layouts and optimize the energy structure to enhance market competitiveness. • Actively participating in electric power market transactions: Proactively adapt to the construction of new power systems and market-oriented trends, leveraging our advantages to realize diversified value and enhance the market value and competitiveness of clean energy assets.

Risk factors	Risk description	Response measures
Transition Risk Reputational risk	As a listed central enterprise, the public and capital markets have rising expectations for the Company's green and low-carbon transformation. Progress falling short of expectations may impact the corporate brand and reputation.	<ul style="list-style-type: none"> • Defining staged carbon neutrality goals: Formulate clear work arrangements for peak carbon dioxide emissions and carbon neutrality, and strengthen management and supervision of holding investment enterprises. • Strengthening public communication: Proactively communicate the Company's green development strategies and practical progress to the public.
Legal and liability risk Environmental compliance risk	Facing increased environmental compliance risks, failure to meet standards for carbon emissions or wastewater treatment may lead to regulatory penalties and public complaints.	<ul style="list-style-type: none"> • Improving the environmental management system: Strengthen environmental compliance management throughout the project lifecycle and enhance environmental risk monitoring during operations. • Proactive risk prevention and control: Identify potential compliance risks in a timely manner to reduce legal liabilities and operational impacts.
Legal and liability risk Market and investor risk	Under the ESG investment trend, investors have higher requirements for green development and information disclosure. Failure to transform in a timely manner may result in a loss of market attractiveness.	<ul style="list-style-type: none"> • Improving ESG disclosure quality: Continuously refine the systematic nature and comparability of climate-related information disclosure, enhancing quantitative disclosures. • Strengthening investor communication: Communicate green transformation achievements to investors and rating agencies through multiple channels.

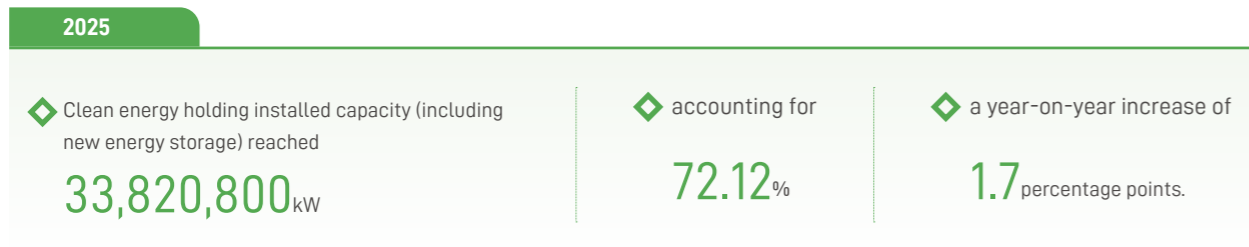
Opportunity type	Opportunity description	Response Measures
Resources and business opportunities Clean energy development	The acceleration of "Dual Carbon" goals and energy structure transformation continues to drive demand for clean energy, providing space for the Company to expand its installed capacity and optimize its asset structure.	<ul style="list-style-type: none"> • Intensify the development of clean energy projects to steadily raise the proportion of clean energy installed capacity and power generation. • Advance the construction of large-scale and base-based clean energy projects.
Market opportunity Green power and GEC trading	The deepening of electric power market reforms and the continuous improvement of trading mechanisms for green power and Green Electricity Certificates (GECs) are making the environmental value of green power increasingly explicit, helping to enhance the comprehensive returns of clean energy projects.	<ul style="list-style-type: none"> • Proactively engage in green power and GEC trading while exploring diversified power sales models. • Refine mechanisms for clean energy consumption and market response to enhance the market competitiveness of clean power.

Opportunity type	Opportunity description	Response Measures
Technological and efficiency opportunities New power system construction	The accelerated construction of new power systems and the development of technologies such as energy storage, smart grids, and digital dispatching create conditions for improving new energy consumption capacity and system operational efficiency.	<ul style="list-style-type: none"> Promote energy storage projects and pilot applications to enhance system peak shaving and stable operation capabilities. Increase the use of digital and intelligent technologies in power production and dispatching to improve operational efficiency.
Management and cost opportunities Energy efficiency and lean operations	Energy-saving and carbon-reduction targets require the Company to improve energy utilization efficiency and management levels, which helps reduce unit power generation costs and enhance asset operation quality.	<ul style="list-style-type: none"> Continuously promote energy-saving retrofits and refined operational management to improve unit energy efficiency levels. Combine energy-saving and carbon-reduction achievements with production management to promote cost reduction and efficiency enhancement.
Financing and capital market opportunities Green finance support	The continuous enrichment of green finance and transition finance products enables the Company to obtain funds at lower costs, supporting the development of clean energy and low-carbon projects.	<ul style="list-style-type: none"> Actively use financial tools such as green bonds and green loans to broaden financing channels for green projects. Enhance communication with financial institutions to improve capital market recognition of green projects.
Brand and value opportunities ESG performance improvement	Systematically advancing climate change response and green transformation helps improve the Company's ESG ratings and its image as a listed central enterprise, strengthening trust among investors and the public.	<ul style="list-style-type: none"> Continuously improve climate-related governance and information disclosure to enhance ESG transparency. Use multiple channels to demonstrate green development practices and achievements, enhancing the Company's brand value.

Specific measures

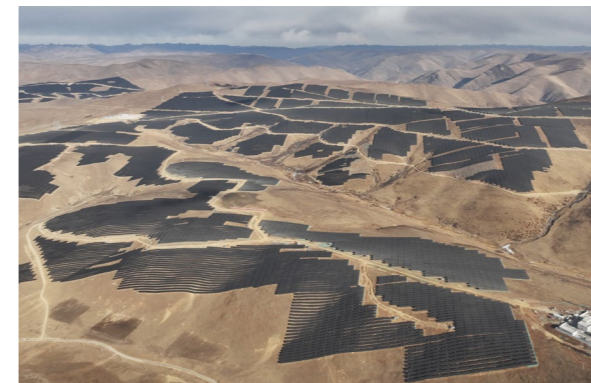
■ Contributing clean energy

In line with China's national energy strategy, the Company has continued to advance the energy transition and optimize its energy mix. We have built a multi-energy, complementary clean energy supply system. By providing high-quality and stable clean power, we contribute to the construction of China's new power system, energy structure optimization, and global low-carbon development.



Case | Simultaneous Commissioning of Two Million-Kilowatt-Class Solar Power Stations in the Yalong River Basin Integrated Hydro-Wind-Solar Base

In December 2025, the Yalong Sorong Solar Power Station and Chabulang Solar Power Station, two million-kilowatt-class projects, commenced operations simultaneously, accelerating the construction of the Yalong River Basin integrated hydro-wind-solar base. Located in Litang County, Garzê Tibetan Autonomous Prefecture, Sichuan Province, the Sorong Solar Power Station has an installed capacity of 1 million kW. Together with the Kela Phase I and II solar power stations and the Lianghekou Hydropower Station, it forms a "3 million kW hydropower + 3 million kW solar power" complementary project. The Chabulang Solar Power Station, located in Muli County, Liangshan Yi Autonomous Prefecture, Sichuan Province, also features an installed capacity of 1 million kW. Upon operation, these two million-kilowatt-class solar power stations will contribute approximately 3.9 billion kWh of clean electricity annually, saving about 1.2 million tce and reducing CO2 emissions by approximately 3.1 million tons per year.



Sorong Solar Power Station



Chabulang Solar Power Station

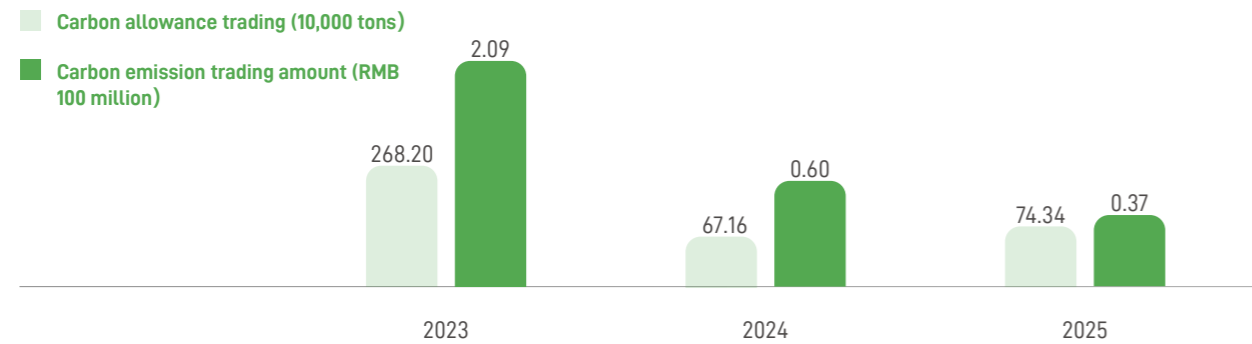
Case | Full-Capacity Grid Connection of the SDIC Heinipo Solar Power Project

In December 2025, the SDIC Heinipo 0.15 million kW solar power project achieved full-capacity grid-connected power generation. Located in Panxi Town, Huaning County, Yuxi Municipality, the SDIC Heinipo project is expected to generate an average of 230 million kWh annually with average utilization hours of approximately 1,337 hours. It will save about 93,000 tce and reduce CO2 emissions by 232,000 tons annually, providing green and clean power security for local industrial production and residents.



Advancing carbon asset management

We formulated the *Standardized Process for Carbon Emission Data Accounting and Carbon Emission Rights Trading* and the *Detailed Rules for Carbon Emission and Carbon Asset Management* to standardize the entire carbon asset management process. In 2025, all key emitting enterprises of the Company completed their compliance obligations and participated in the national carbon emission rights trading market. A cumulative total of 743,400 tons was traded through bulk agreements and listed trading. Meanwhile, the Company vigorously expanded green power and Green Electricity Certificate (GEC) trading. In 2025, we completed 2.66 billion kWh of green power transactions and sold 7,167,100 GECs, generating GEC revenue of RMB 24.47 million and driving low-carbon value conversion through market-based means.



Indicators and targets

In 2025, significant progress has been made in the adjustment and optimization of the industrial and energy structures. Energy utilization efficiency in key industries was improved significantly, the promotion and application of green and low-carbon technologies have made positive progress, and international competitiveness and influence were substantially increased. Comprehensive energy consumption per unit of output value decreased by more than 20% compared to 2020, and CO2 emissions per unit of output value decreased by more than 19% compared to 2020. In 2026, the comprehensive energy consumption per RMB 10,000 of output value (comparable prices) shall not exceed the target set by the Company.

Indicator	Unit	2020	2025	Decrease rate	Target achievement
Comprehensive energy consumption per RMB 10,000 of output value (comparable prices)	tce/RMB 10,000	2.40	1.75	27%	Achieved
CO2 emissions per RMB 10,000 of output value (comparable prices)	tCO2eq/RMB 10,000	11.84	8.82	26%	Achieved

Indicator	Unit	2023	2024	2025
Total greenhouse gas emissions (Scope 1 + Scope 2) ⁸	tCO2eq	50,027,884	46,671,253	42,022,814
Scope 1 greenhouse gas emissions	tCO2eq	50,018,850	46,666,322	42,008,555
Scope 2 greenhouse gas emissions ⁹	tCO2eq	9034	4931	14,259
Carbon emission intensity of power generation	tCO2eq/MWh	0.8037	0.8669	0.8155
Carbon emission intensity of heating supply	tCO2eq/GJ	0.0946	0.1042	0.1047

⁸To continuously improve data accuracy, the greenhouse gas emission data in 2024 has been updated based on the results of carbon verification completed in 2025. The greenhouse gas emission data in 2025 is the result of the Company's internal accounting and has not yet completed the third-party verification. The relevant data may be adjusted according to the subsequent verification results.

⁹The data only covers thermal power enterprises.

More efficient energy utilization

SDIC Power continues to explore energy-saving potential across all production stages, optimizes water management processes, and integrates energy and water conservation into the entire lifecycle of daily operations. We implement a hierarchical management system and a resource conservation assessment and accountability mechanism across the Company and its holding investment enterprises. The Company is responsible for supervision, guidance, coordination, and professional management, bearing primary oversight responsibility. Holding investment enterprises are responsible for the specific implementation of resource conservation tasks and bear direct responsibility. The principal person in charge of each holding investment enterprise serves as the primary person responsible for resource conservation, bearing major leadership responsibility for the enterprise's resource conservation efforts. The designated executive in charge is responsible for the overall organization and implementation of various systems and measures, bearing executive leadership responsibility. Other relevant executives in charge are responsible for coordinating resource conservation tasks within their respective purviews to continuously improve the efficiency of energy and resource utilization.

Water resource management

The Company strictly complies with national laws and regulations, including the *Water Law of the People's Republic of China*, the *Administrative Measures for the Demonstration of Water Resources for Construction Projects*, and the *Administrative Measures for Water Abstraction Permits*. The Leading Group for Resource Conservation and Ecological Environmental Protection is authorized to study and decide on major resource conservation matters, including water conservation. The Company's main water sources include surface water, reclaimed water, and reservoir water. All projects obtain water abstraction permits in accordance with national and local laws and standardize water use within the permitted scope.

The Company has formulated water resource management systems to supervise water conservation during production, maintenance, and daily technical management. During the production and operation phase, the Company supervises and manages reservoir dispatch, unit operation, maintenance, and technical retrofits. We implement joint dispatch for cascade reservoirs, continuously monitor hydrological conditions and water levels, and establish and refine automated water-dispatch systems. By rationally arranging unit operation modes, we strive to maximize the utilization efficiency of hydropower resources. We also actively apply water-saving technologies to improve cooling water circulation efficiency and reduce fresh water intake, ensuring the sustainable use of water resources and harmony with the surrounding environment.

Indicator	Unit	2023	2024	2025
Water withdrawal	10,000 tons	2309.45	2566.19	2318.79
Water consumption	10,000 tons	202,249.92	239,628.97	211,157.17
Fresh water consumption per RMB 10,000 output value (comparable prices)	Tons/RMB 10,000	4.91	5.17	4.92
Water recycling rate	%	98.86	98.93	98.90
Volume of recycled water	10,000 tons	199,940.47	237,062.79	208,838.38

Case | SDIC Xiaosanxia Standardizes Water Source Management to Protect the "Mother River"

The production water for the three stations of SDIC Xiaosanxia is sourced from the surface water of the Yellow River, located within a water source protection zone. To standardize water use, SDIC Xiaosanxia established a Water Management Leading Group, chaired by the Chairman, to oversee daily water abstraction. The leading group standardizes water source protection across all departments and levels, advocating for the "Protection of the Mother River". Inspections of mountains, slopes, and drainage ditches along the river are conducted before, during, and after the flood season to promptly address natural disasters such as landslides caused by local rainfall, fully ensuring the safety of water sources.

Energy conservation management

In accordance with the *Energy Conservation Law of the People's Republic of China*, the Company continuously promotes energy efficiency through energy benchmarking, energy audits, energy-saving diagnosis, energy system reviews, and clean production audits.

For holding investment enterprises in thermal power, the Company supervises and guides the implementation of technical energy-saving supervision, conducting regular inspections and evaluations of their progress. We encourage these enterprises to strengthen energy efficiency benchmarking between similar units. Through continuous knowledge sharing and exchange, we aim to consistently reduce coal consumption for power supply and enhance energy utilization efficiency. In 2025, we continued to drive energy-saving, heating, and flexibility retrofits for thermal power units, completing the low-pressure cylinder flexible heating retrofit for SDIC Beijing Unit #4, as well as the ultra-low emission and cooling tower filler optimization retrofits for SDIC Panjiang Unit #2.

For key energy-consuming enterprises, the Company requires holding investment enterprises to formulate annual energy-saving plans and systematically advance the retrofit, upgrading, and recycling of products and equipment in key areas. We conduct comprehensive screenings and assessments of high-energy-consuming electromechanical facilities, formulate phase-out and replacement plans, and promote the upgrading of high-energy-consuming equipment to reduce energy consumption.

Case | Huaxia Power Unit #5 Commences Operation, Supporting Green City Construction



As the first coal-fired power "equal capacity replacement" project in Fujian Province since the implementation of the national "Dual Carbon" strategy, Huaxia Power Unit #5 represents international advanced levels of clean and efficient coal use. Utilizing ultra-supercritical double-reheat technology, Unit #5 features high parameters, low coal consumption, strong peak-shaving capabilities, and ultra-low emissions. With a boiler thermal efficiency of 95% and coal consumption for power supply of only 265g/kWh, it saves approximately 90,000 tce and reduces carbon emissions by 250,000 tons annually compared to the original Phase I units.



Case | SDIC Genting Meizhouwan Electric Power Steadily Advances the Implementation of Energy-Saving Retrofit Projects



SDIC Genting Meizhouwan Electric Power focuses on enhancing unit energy efficiency by steadily advancing energy-saving retrofit projects. SDIC Genting Meizhouwan Electric Power has completed several key engineering projects, including the energy-saving retrofit of Phase II forced wind turbines and the modification of discharge chutes and guide troughs at the coal handling system transfer stations, achieving a triple improvement in green operations, energy conservation, and safety. The project to add intelligent flushing and online shell-removal devices to the Unit #4 condenser, led by young technical talents, innovatively realized horizontal movement and automatic blowdown functions. This project reduces CO2 emissions by 18,300 tons and dust by nearly 5,000 tons annually, saves RMB 7.35 million in coal costs, and was awarded the second prize in the SDIC Group Youth Innovation and Efficiency Competition.



The first batch of pure electric heavy-duty trucks in the Yalong River Basin was officially put into operation at the Kala Hydropower Station, Yalong Hydro

Indicator	Unit	2023	2024	2025
Raw coal consumption (standard amount)	10,000 tce	1755.88	1717.64	1481.85
Gasoline consumption	Ton	1042.49	1223.95	1204.40
Diesel consumption	Ton	3078.89	3295.34	3197.20
Fuel oil consumption	Ton	117.66	132.44	218.87
Purchased electricity by holding investment enterprises	kWh	1,258,979,528	843,756,903	877,248,543
Purchased electricity by the Company headquarters	kWh	315,345.22	335,521.99	379,200.73
Auxiliary power consumption rate of power plants	%	2.24	1.81	1.62
Comprehensive auxiliary power consumption rate%	%	2.98	2.60	2.52
Total energy consumption	10,000 tce	984.54	959.35	822.20
Comprehensive energy consumption per RMB 10,000 of output value (comparable prices)	tce/RMB 10,000	2.11	1.93	1.75

Green office

The Company regularly compiles specialized environmental protection publications covering news, laws, and policies for internal promotion. We advocate for green office practices, paper and electricity conservation, and green travel, guiding all employees to establish a low-carbon mindset and making green operations a hallmark of the Company.

More eco-friendly emission reduction solutions

SDIC Power strictly implements ecological environmental protection requirements by integrating pollutant reduction into its production and operational workflows. We continue to advance the ultra-low emission upgrading of coal-fired power units, promote the application of advanced environmental governance technologies, and deepen the standardized disposal and resource utilization of wastewater and solid waste, achieving effective control and continuous reduction of pollutant emissions.

Waste gas management

The Company strictly abides by the *Air Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations. We operate in accordance with the *Environmental Compliance Guidelines for Coal-fired Thermal Power Plants* and discharge permit requirements, implementing ultra-low emission and emission rights management while deepening the supervision and governance of atmospheric pollutants.

2025

◆ Nitrogen oxide (NOx) emissions per unit of output value (comparable prices)

0.0013

tons/RMB 10,000

◆ a year-on-year decrease of

17.35%

◆ All of the Company's coal-fired power units achieved ultra-low emission levels.

Construction of air pollution prevention and control facilities



- ◆ The construction of coal handling systems, ash and slag removal systems, flue gas denitrification systems, and flue gas desulfurisation systems strictly implements the requirements of Environmental Impact Assessment (EIA) approvals, preliminary designs (including changes), and completion acceptance opinions.
- ◆ For newly built coal-fired power units, advanced and efficient desulfurisation, denitrification, and dust removal facilities are constructed simultaneously. These ensure that ultra-low emission requirements are met across the full load range above the minimum technical output. Each combustion device is equipped with an individual flue gas purification system and corresponding online monitoring devices.

Operation and management of air pollution prevention and control facilities



- ◆ Dust prevention and suppression measures are adopted during technological processes.
- ◆ Anti-leakage measures are implemented for the loading, unloading, transportation, and storage of chemicals such as acids and alkalis.
- ◆ Operation, maintenance, and self-assessments are conducted for denitrification, dust removal, and desulfurisation facilities to ensure emission concentrations comply with national standards.
- ◆ Measures for the collection and treatment of fugitive waste gas are taken, ensuring fugitive emission concentrations meet the requirements of EIA approvals or discharge permits.

Case | SDIC Qinzhou Second Power Develops China's First Energy-Dissipating Medium-Pressure Flexible Intelligent Regulation Valve Set, Winning the 2025 Guangxi "Scientific Innovation No. 1" Award

SDIC Qinzhou Second Power created China's first set of major technical equipment: a high-parameter, large-flow, flexible steam-extraction ultra-supercritical turbine unit. It pioneered a four-valve synergistic performance structure, realizing the decoupling of steam extraction pressure from power generation load. This is the first 660 MW-class ultra-supercritical unit in China to achieve this. It can reduce CO2 emissions by 450,000 tons annually and cut pollution by 30% by replacing decentralized boilers. By providing 4.5 MPa stable steam for the Qinzhou Petrochemical Park in Guangxi, it has driven an output value growth of over RMB 10 billion, winning the 2025 Guangxi "Scientific Innovation No. 1" award.



Indicator	Unit	2023	2024	2025
Sulfur dioxide emissions	Ton	3289.33	3357.31	2529.70
Nitrogen oxides emissions	Ton	7730.20	7716.24	5966.90
Particulate matter (flue gas and dust) emissions	Ton	471.07	514.31	409.940
Installed capacity proportion of coal-fired units equipped with flue gas desulfurisation	%	100	100	100
Installed capacity proportion of coal-fired units meeting ultra-low emission limits	%	100	100	100
Installed capacity proportion of coal-fired units equipped with flue gas denitrification	%	100	100	100

Wastewater management

The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws. We fully implement the separation of clean water and sewage, strengthen the prevention and control of industrial and domestic wastewater pollution, and improve the recycling rate of sewage.

2025

◆ All the operating coal-fired power plants achieved "zero discharge" of wastewater.

Construction of wastewater pollution prevention and control facilities

- ◆ The construction of wastewater treatment systems strictly follows EIA approvals, preliminary designs (including changes), and completion acceptance opinions.
- ◆ All wastewater discharge monitoring must comply with EIA and approval requirements.
- ◆ Acidic and alkaline wastewater are fully recovered into the industrial wastewater treatment system as required; coal-bearing wastewater and desulfurisation wastewater are fully recycled; domestic sewage is entirely recovered and disposed of.
- ◆ We maximize the wastewater reuse rate through "multiple uses for individual water sources and cascade utilization".
- ◆ We strictly implement "separation of clean water and sewage, and separation of rainwater and sewage", setting up initial rainwater collection and treatment systems according to EIA approval requirements.
- ◆ Flushing water and fire-fighting water in the plant area are collected and piped to the sewage treatment station; cofferdams and corresponding collection facilities are installed in key areas such as docks.

Operation and management of wastewater pollution prevention and control facilities

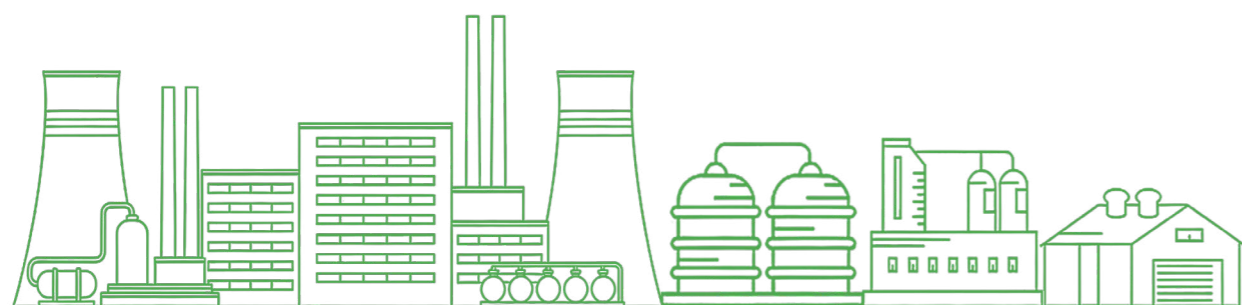
- We ensure normal operation of domestic sewage treatment plants, industrial wastewater pools, sludge dewatering devices, and coal-bearing wastewater systems, as well as the normal status of dosing devices.
- We conduct daily maintenance and regular inspections of wastewater treatment facilities, and periodically calibrate online wastewater monitoring instruments to ensure accurate and reliable data.
- We perform water balance tests, generate water balance reports, and formulate scientific improvement plans based on test results.



Indicator	Unit	2023	2024	2025
Industrial wastewater discharge	10,000 tons	0.69	0.24	0.03
Chemical oxygen demand emissions	Ton	0.11	0.02	0.00
Ammonia nitrogen emissions	Ton	0.06	0.01	0.00



SDIC Xiaosanxia strengthens the management of sewage treatment equipment



Case | SDIC Qinzhou Second Power Achieves Zero Discharge of Desulfurisation Wastewater



SDIC Qinzhou Second Power utilizes a technical process of "low-temperature multi-effect flash evaporation concentration + high-temperature bypass flue gas evaporation". Desulfurisation wastewater is introduced directly into low-temperature vacuum multi-effect evaporators via buffer tanks and transfer pumps for concentration. The concentrated desulfurisation wastewater is then conveyed through specialized transfer pumps and pipelines to a drying system, where it is atomized and injected into a drying tower. Utilizing high-temperature flue gas for heating and evaporation, the resulting flue gas, steam, and all particulate matter enter the flue upstream of the dust collector, achieving zero liquid discharge of desulfurisation wastewater.



Waste management

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, adhering to the principles of "reduction, recycling, and harmlessness". We select resources and advanced production processes/equipment rationally to reduce waste generation and hazards. General industrial solid waste is disposed of through harmless measures, while hazardous waste is managed via a full-process information-based traceability system.

In 2025, the Company completed the pilot construction of an environmental management information-based system for hazardous waste at SDIC Beijing. By optimizing management processes, introducing IoT technology, breaking down data silos, and integrating with the ecology and environment authorities in real-time, a full-process information-based framework was established. This shifted management from "passive compliance" to "proactive prevention and control", providing a replicable model for hazardous waste information management upgrades and transformation.

Indicator	Unit	2023	2024	2025
Generation of general industrial solid waste	10,000 tons	591.11	544.04	478.58
Fly ash generation	10,000 tons	358.42	337.80	304.80
Slag generation	10,000 tons	138.85	113.72	96.61
Coal gangue generation	10,000 tons	0.99	1.27	0.84
Desulfurisation gypsum generation	10,000 tons	90.44	88.55	70.27
Intensity of general industrial solid waste generation (comparable prices)	Tons/RMB 10,000	1.26	1.10	1.01
Comprehensive utilization rate of general industrial solid waste	%	99.19	97.62	99.81
Comprehensive utilization volume of general industrial solid waste	10,000 tons	586.43	534.41	474.66
Volume of general industrial solid waste from previous years utilized	10,000 tons	0.08	3.33	0
Total hazardous waste generation	10,000 tons	1.14	1.23	1.43
Intensity of hazardous waste generation	Tons/RMB 10,000	0.002	0.002	0.003
Total hazardous waste disposal	10,000 tons	1.13	1.23	1.44
Volume of hazardous waste from previous years disposed of	10,000 tons	0.0025	0.0073	0.0118

Symbiosis and Prosperity: Energizing stakeholders with Better Power

SDIC Power adheres to the principles of synergy, win-win results, symbiosis, and common prosperity. We safeguard employee growth with warm care, give back to society and people's livelihoods through inclusive services, and deepen partner synergy with an open attitude. By strengthening the foundation of power supply security with robust infrastructure and building a solid safety defense line through practical measures, we unite forces for development to achieve the co-creation, sharing, and mutual promotion of long-term value.

Better employee care	41
More inclusive livelihood services	49
More Open and Mutually Beneficial Partnerships	53
Safer production activities	55
More reliable energy supply security	61



SDGs addressed in this chapter.



Better employee care

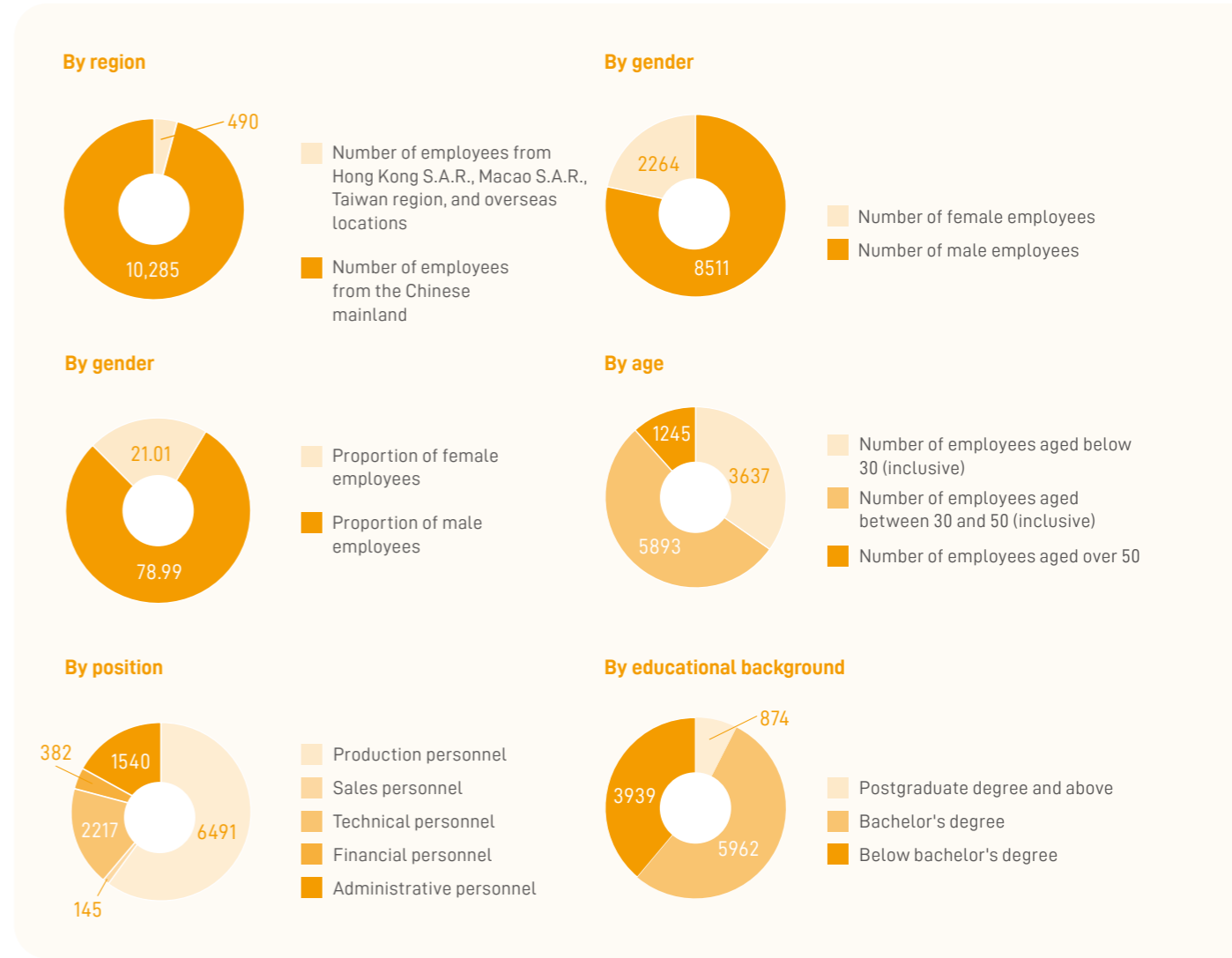
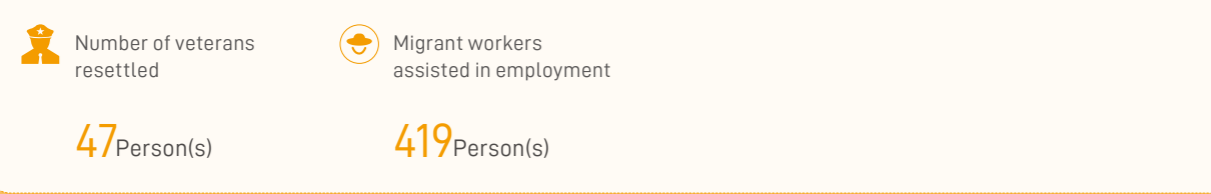
SDIC Power regards employees as the core driving force of corporate development. We have constructed a comprehensive rights protection system, promoted the development of the industrial workforce, and established layered and categorized talent cultivation and career development channels. We help employees balance work and life while building a solid occupational health protection framework, creating a workplace environment characterized by safety, peace of mind, and professional fulfillment, allowing employees to grow and develop alongside the Company.

Protecting employee rights and interests

The Company actively implements the protection of employee rights, improves the compensation and benefits system, and ensures open channels for democratic management to fully activate talent potential and build strong internal synergy for high-quality development.

Equal employment

We strictly abide by the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, and other laws and regulations. We resolutely reject all forms of discrimination based on gender, ethnicity, region, or belief, and strictly prohibit non-compliant situations such as forced labor or child labor. We treat employees of different nationalities, races, genders, religions, and cultural backgrounds with fairness and justice. In the recruitment process, we follow the principles of openness, fairness, and impartiality, selecting the best candidates and signing labor contracts in accordance with the law. In 2025, the Company's labor contract signing rate reached 100%.



Compensation and benefits

We have established a sound compensation and benefits system, formulating policies such as the *Administrative Measures for Employee Compensation* and the *Administrative Measures for Remuneration of Persons-in-Charge* to provide employees with comprehensively competitive remuneration. In accordance with the law, we pay employees "Five Insurances and One Fund" (Social Security and Housing Fund) in full, establish additional enterprise annuities, provide supplementary medical insurance and other commercial insurance, and grant various allowances, subsidies, and benefits. We strictly implement the national working hours system and annual leave system, fully guaranteeing employees' statutory rights to time off. In 2025, the Company's social insurance coverage reached 100%, and the average paid annual leave per person was 6.88 days.

Democratic management

With the Employee Representative Congress as the basic form of democratic management, we continue to promote the implementation of democratic management systems. We ensure open channels for employees to express demands and offer suggestions, encouraging them to actively participate in corporate governance to build a consensus for development. Meanwhile, the Company has formulated detailed rules regarding labor disputes within the *Administrative Measures for Labor Contracts*, establishing and operating Labor Dispute Mediation Committees strictly in accordance with national regulations. In handling labor disputes, we adhere to the principles of legality, fairness, timeliness, and an emphasis on mediation to provide employees with effective channels for rights protection. In 2025, the Company held 5 Employee Representative Congresses.

2025

◇ rationalization suggestion activities were carried out.

35

◇ rationalization suggestions were collected from employees.

1,216

Employee growth and development

The Company has deepened the development of the industrial workforce, strengthened employee training and energization, and ensured smooth promotion channels to help employees enhance their professional competence and achieve career advancement.

Industrial workforce development

The Company has actively implemented national policies aimed at deepening industrial workforce development reform. Guided by the promotion of the spirit of model workers, labor, and craftsmanship, we solidly advance the reform of the industrial workforce to build a knowledgeable, skilled, and innovative workforce.

We organized the selection and recommendation of advanced model workers at the national and Group levels to leverage the role of typical examples. In 2025, 4 individuals were honored as provincial-level "Model Workers", while 2 collectives and 6 individuals were awarded Group honors such as "Model Employee Home" and "Model Worker". Furthermore, 5 provincial-level model workers were included in the Company's national model worker cultivation system for long-term tracking and development.

We continue to deepen labor and skill competitions to promote learning and practice through competition, stimulating the vitality of the industrial workforce. We have strengthened overall guidance for the industrial reform work of holding investment enterprises, improved the construction of employee innovation studios, and refined the assessment mechanisms for team building to consolidate the foundation of grassroots teams. In 2025, two contestants participated in the SDIC Group's inaugural Team Leader Competition, winning gold and bronze medals and being awarded the titles of "SDIC Group Technical Expert" and "Group Excellent Team Leader", respectively.



SDIC Genting Meizhouwan Electric Power won the second prize (group) in the 2025 Fujian Province "Craftsmanship Cup" Substation Maintenance Competition.



SDIC Guangxi New Energy carries out skill competitions

Talent cultivation

We formulated systems such as the *Administrative Measures for Training*, the *Administrative Measures for Internal Trainers*, and the *Administrative Measures for the Mentorship of Fresh Graduates*. We have established a quality cultivation system covering initial, tracking, and full-process development, implementing closed-loop management for the entire training process. By building internal trainer teams and external instructor pools, we have formed a training system with advanced concepts, scientific content, sound organizational structures, and efficient operational mechanisms. For management talent, the Company emphasizes training on industry frontiers, new management theories, tools, and methods, as well as leadership arts and techniques. These efforts are designed to strengthen employees' awareness of market trends, reform, and innovation, ultimately enhancing their business management capabilities and leadership.

The Company formulated the *Administrative Measures for Employee Exchange and Allocation*, which specify the concrete measures, policy guarantees, and workflows for the exchange and allocation of cadres and employees at all levels. This initiative further establishes a cultivation mechanism for versatile talents, strengthens employee exchanges, and reinforces practical training at the grassroots level. The Company incentivizes employees to participate in various professional skill competitions, vocational certifications, and academic degree upgrades. We coordinate with holding investment enterprises to establish regional intermediate professional title review committees for the engineering series, advancing the declaration and review of multi-professional titles to support the comprehensive advancement of employee capabilities.

Forms of employee training				
Centralized off-site training	On-the-job learning	Mentorship (master-apprentice) training	Online training	Overseas training



SDIC Power holds the 2025 Human Resources Professional Energization Training Class



SDIC Guangxi New Energy holds the 2025 "Youth Lecture Hall" micro-course competition



Yalong Hydro creates a 55-day induction training program for new employees in 2025. With "culture as the soul, profession as the foundation, and practice as the wings", ESG requirements are integrated into the entire training process

Indicator ¹⁰	Unit	2023	2024	2025
Employee training sessions	Attendance	276,707	315,180	312,365
Annual training expenditure	RMB 10,000	2285.28	2401	2677.71
Total annual training hours	Hour(s)	1,345,555.29	1,320,149.28	1,199,679.59
Employee training coverage	%	99	98	95
Number of male employees trained	Person(s)	7607	8115	8150
Proportion of male employees trained	%	99	98	96
Number of female employees trained	Person(s)	2156	2226	2114
Proportion of female employees trained	%	99.6	98	93
Number of senior management employees receiving training	Person(s)	139	154	142
Proportion of senior management employees receiving training	%	100	100	90
Number of middle management employees receiving training	Person(s)	572	554	546
Proportion of middle management trained	%	98	99	94
Number of base-level employees receiving training	Person(s)	9052	9633	9577
Proportion of ordinary employees receiving training	%	99	98	95
Average hours for employee training	Hour(s)	136.54	125.67	111.34
Average training hours of male employees	Hour(s)	143.31	129.50	119.09
Average training hours of female employees	Hour(s)	112.47	111.73	108.76
Average training hours of senior management employees	Hour(s)	97.64	109.45	119.58
Average training hours of mid-level management employees	Hour(s)	111.02	102.50	103.08
Average training hours of ordinary employees	Hour(s)	138.76	127.25	117.59

¹⁰The statistics of training-related data do not involve overseas holding investment enterprises.

Employee promotion

Centered on supporting employees' career development, SDIC Power has established and improved a career development support system, built three career development sequences of management, specialty, and consulting, implemented a development model combining job levels, job grades, and rank levels, and clarified the promotion standards and growth paths for each sequence, so as to enable employees' abilities to be precisely matched with job requirements and fully stimulate personal potential.

Safeguarding employees' happiness

The Company has integrated all-round employee care into daily life and implemented it effectively. It carried out various activities, implemented various occupational health safeguard measures, and conveyed warmth through diverse measures.

Caring for employee life

With a focus on employees' living needs, the Company carried out various activities such as Spring Festival celebrations and the labor union's health-caring activities, organized employees to participate in a series of activities such as walking tours, parent-child open days, and spring and autumn outings, held cultural and sports activities such as table tennis, badminton, tennis, yoga training, basketball, and walking tours, carefully carried out theme activities for International Women's Day, and performed long-term and regular care work for female employees to build a happy harbor for employees.



Women's Day event of SDIC Guangxi New Energy



"Colorful Summer, Sea of Learning" parent-child campaign of SDIC Beijing



The 9th "Qindian Cup" Volleyball Competition of SDIC Qinzhou Electric Power



Spring Festival Fair of Yalong Hydro

Support and care initiatives

SDIC Power actively implements various support and care measures to help employees solve living difficulties. In 2025, the Company implemented care programs for veterans, retirees, newlyweds, and new parents. A total of 21 special employee care and hardship subsidies were issued. The Company and its holding investment enterprises helped a total of 55 employees in difficulty and allocated RMB 143,400 in assistance funds.

Employee occupational health

SDIC Power strictly complies with national laws and regulations, including the *Occupational Disease Prevention and Control Law of the People's Republic of China*, and the *Occupational Health Management Regulations for Workplaces*, by formulating its *Occupational Health Management System*. Guided by the principle of "prevention-first, combined prevention and treatment", the Company intensifies efforts to source control and precise prevention & control, and implements a management mechanism characterized by "unified leadership, tiered management, and level-by-level accountability". Adhering to the tenet that "occupational health management is integral to work safety", SDIC Power advances an integrated supervision system for occupational health and work safety.

Management of "three simultaneities" in construction projects

The Company conducts pre-evaluation of occupational hazards in the early stage of project construction, designs occupational disease prevention facilities before construction, and synchronizes the construction of such facilities during the project construction phase. Before completion and acceptance, the Company evaluates the effectiveness of occupational hazard control. During completion and acceptance, the Company carries out the completion and acceptance evaluation of occupational disease prevention facilities. Only after passing the acceptance by the health administrative department can they be put into formal production and use.

Carrying out identification and monitoring of hazardous factors

The Company has carried out the identification of occupational hazards, improved emergency response measures for occupational hazard accidents, conducted emergency drills for occupational hazard accidents, and enhanced emergency response capabilities. It regularly commissioned professional qualified occupational hazardous factor testing institutions to sample and monitor the occupational hazardous factors involved in production equipment.

Providing effective protective equipment

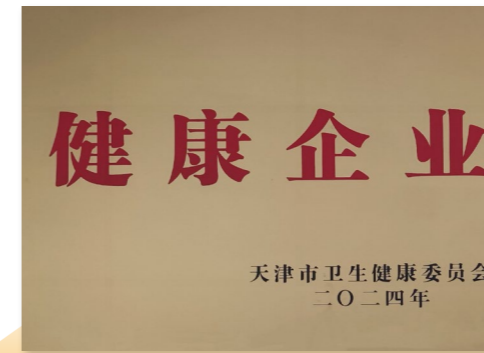
The Company has established a system for the distribution of personal protective equipment and a ledger for the distribution of labor protection equipment, and provided necessary labor protection equipment according to the number of personnel in each position. The Company has provided personal protective equipment such as dust masks, gas masks, earplugs, earmuffs, acid and alkali resistant gloves, acid and alkali resistant shoes, chemical protective clothing, positive pressure air respirators, etc. for personal use of operators.

Healthcare service projects

The Company has deepened cooperation with healthcare service institutions, jointly organized offline healthcare service activities, coordinated to meet employees' needs for registering for medical treatment, and reduced the average medical treatment time of employees to 3.8 days.

Propaganda and education on prevention and treatment knowledge

The Company has successfully completed the publicity week campaign for the *Occupational Disease Prevention and Control Law*. A total of 457 theme activities were carried out by 25 holding investment enterprises and received 25,159 participants.



SDIC Beijing was awarded the title of "Healthy Enterprise in Tianjin".

2025年云南省省级健康企业名单
(排名不分先后)

序号	州市	企业名称
1		国能澜沧江水电有限公司
2	昆明市	国家石油天然气集团昆明分公司云南分公司
3		中国石化天然气股份有限公司云南销售分公司
4	昭通市	云南电网有限责任公司昭通供电局
5	玉溪市	云南电网有限责任公司玉溪供电局
6	楚雄州	中国石化天然气股份有限公司云南楚雄销售分公司
7	红河州	中国石化天然气股份有限公司云南红河销售分公司
8		中广核苍洱核能发电有限公司
9		云南电网有限责任公司西双版纳供电局
10	丽江市	云南华电金沙江中游水电开发有限公司阿海发电分公司
11	德宏州	中国石化天然气股份有限公司云南德宏销售分公司
12		国投云南曲靖水电有限公司
13	曲靖市	云南电网有限责任公司曲靖供电局

SDIC Dachaoshan successfully passed the provincial-level evaluation and recognition of healthy enterprises in Yunnan Province.

序号	省份	企业名称
105		东方集团投资有限公司健康企业建设优秀案例
106		大唐武汉青山发电有限公司健康企业建设优秀案例
107		福建紫金矿业(集团)有限公司健康企业建设优秀案例
108		蒙西建设及运维有限公司健康企业建设优秀案例
109		国家电投集团四川分公司健康企业建设优秀案例
110		中品(重庆)电子有限公司健康企业建设优秀案例
111		中国石化集团江汉石油化工有限公司健康企业建设优秀案例
112		成都红塔水泥股份有限公司健康企业建设优秀案例
113		四川三和水泥股份有限公司健康企业建设优秀案例
114	四川	成都红塔水泥股份有限公司健康企业建设优秀案例
115		中国石化天然气股份有限公司四川分公司健康企业建设优秀案例
116		中国石化天然气股份有限公司四川分公司健康企业建设优秀案例
117		贵州科能发电有限公司健康企业建设优秀案例
118		贵州航天航空集团有限公司健康企业建设优秀案例
119	贵州	贵州航天航空集团有限公司健康企业建设优秀案例
120		贵州电网有限责任公司健康企业建设优秀案例
121		贵州电网有限责任公司健康企业建设优秀案例
122		三和金沙江水电开发有限公司健康企业建设优秀案例
123		云南铝业股份有限公司健康企业建设优秀案例
124		云南铝业股份有限公司健康企业建设优秀案例
125	安徽	国能开滦发电有限公司健康企业建设优秀案例
126		国能开滦发电有限公司健康企业建设优秀案例
127		国能开滦发电有限公司健康企业建设优秀案例

Guandi Hydropower Station was included in the fourth batch of excellent cases for Healthy Enterprise Construction in China.



The Newsky (Thailand) Nong Kham Project 1 won the national-level "Diamond Award for Outstanding Demonstration Unit in Safety, Occupational Health, and Work Environment" issued by the Ministry of Labor of Thailand for the sixth consecutive year.

Indicator	Unit	2023	2024	2025
Number of persons covered by occupational health examinations and files	Person(s)	2390	3056	4259
Total number of employees who should participate in occupational health examinations and filing	Person(s)	2390	2994	4259
Coverage of occupational health examinations and files	%	100	100	100
Investment in work-related injury insurance for employees	RMB 10,000	797.78	868.63	953.82
Coverage rate of work-related injury insurance for employees	%	100	100	100
Number of occupational disease patients	Nos.	0	0	0
Number of employees participating in occupational disease physical examinations	Person(s)	2390	2496	3989
Number of employees who should participate in occupational disease physical examinations	Person(s)	2390	2496	3989
Coverage Rate of Occupational Health Examinations	%	100	100	100

More inclusive livelihood services

SDIC Power actively fulfills its social responsibilities and demonstrates the responsibility of a central enterprise in rural revitalization, contributing to coordinated regional development. It supports disadvantaged groups through public welfare and charity initiatives, takes the lead in participating in emergency rescue, carries out volunteer activities to convey social warmth, and actively serves the construction of overseas communities, contributing to social harmonious development with practical actions.

Boosting rural revitalization

The Company fully implements the spirit of a series of important instructions on the work related to agriculture, rural areas, and farmers and the spirit of the Central Rural Work Conference. By adhering to the principle of precise support and acting according to circumstances, the Company solidly promoted the effective connection between consolidation and expansion of the achievements of the poverty alleviation program and rural revitalization across the board, and painted a new picture of a livable, workable, and harmonious rural area. In 2025, the Company and its holding investment enterprises invested a total of RMB 44,705,600 in rural revitalization. Among them, RMB 10,265,590 was invested in consumption assistance.

Industrial revitalization

By adhering to the two-way approach of "industry + funds", the Company has promoted the transformation of industrial assistance from "blood transfusion" to "blood making", and advanced the integrated development and long-term income increase of industries in the assisted areas. Relying on agricultural assistance activities such as the "Spring Festival Action for Central Enterprises' Consumption Assistance" and the "Week of Central Enterprises' Consumption Assistance for Agricultural Development", SDIC Power has helped agricultural specialty industries increase their incomes.

- ▶ The wind and solar power project of SDIC Guizhou New Energy in Pingtang County employed more than 90 people from surrounding villages, paid local labor employment expenses of more than RMB 1 million, and contributed to the new-style industrialization development of Pingtang County.
- ▶ SDIC Xiaosanxia coordinated RMB 360,000 in assistance funds to support the construction of two selenium-sand melon seedling training bases, covering a land of nearly 300 square meters in Wenya Village, Jingyuan County, Gansu Province, so as to promote the development of the local seedling industry and train technical talents.
- ▶ Relying on the rural revival policies in Lanping County, SDIC Dachaoshan invested RMB 250,000 to promote the construction project of the *Paramecia laevigata* nursery base, injecting continuous impetus into the revitalization of Guanping Village.

Ecological revitalization

Combined with the actual situation of the assisted areas and focusing on key areas such as improving infrastructure and enhancing the village appearance, SDIC Power continuously improves the rural living environment and contributes to building beautiful villages with ecological livability and rural civilization.

Case | SDIC Dachaoshan Achieved a "Win-Win" Situation for Villagers' Employment and Project Quality Improvement



SDIC Dachaoshan innovatively implemented the construction mechanism of "employment-for-relief + labor contribution + local material sourcing". In the process of promoting the living environment improvement and the infrastructure construction in Lanping County, Yunnan Province, it organized labor-for-relief construction teams, giving priority to local poverty-alleviated laborers. At the same time, it advocated the use of local building materials and the implementation of micro-renovations and micro-updates using idle resources, effectively saving costs and highlighting rural characteristics. This has achieved a "win-win" situation for villagers' employment and project quality improvement, and created a demonstration model of rural revitalization in Guanping that is both vibrant and ecologically livable.

Organizational revitalization

SDIC Power dispatches outstanding cadres to villages for assistance, promoting the extension of assistance resources to the front line and the grassroots level. This enables precise alignment with the practical needs of rural development and addresses the pressing concerns and challenges faced by the masses, guaranteeing that all assistance efforts are implemented meticulously and yield tangible, effective results.



Assistance to Xinjiang, Xizang and Qinghai

The Company has actively participated in national assistance programs aimed at supporting development in Xinjiang, Xizang and Qinghai. Through these efforts, it has supported local economic and social development, helped improve living standards, and fostered social inclusion and community cohesion. In 2025, SDIC Xinjiang New Energy donated a special fund of RMB 300,000, and SDIC Xizang New Energy donated a special fund of RMB 200,000 to support local female employment skills training and entrepreneurship support programs. Through "workwear procurement initiatives", SDIC Dachaoshan, Huaxia Power, and SDIC Genting Meizhouwan Electric Power supported employment in Xinjiang's textile industry, helping stabilize jobs and increase local incomes.

Carrying out non-profit charity activities

SDIC Power adheres to the original intention of public welfare, devotes itself to public welfare and charity undertakings with a high sense of responsibility, actively helps disadvantaged groups, and actively carries out emergency rescue. In 2025, the Company donated RMB 500,000 to the earthquake-stricken area in Tingri County, Xizang, and RMB 300,000 to the flood-stricken area in Chengde City, Hebei, conveying warmth to the affected people in times of hardship.

Indicator	Unit	2023	2024	2025
Total investment in public welfare donations	RMB 10,000	449.76	609.79	380.89

Engaging in volunteer services

The Company actively advocates the spirit of volunteer service, regularly organizes and encourages employees to participate in volunteer service activities, and accumulates positive social energy through small acts of kindness.



SDIC Dachaoshan carried out a voluntary blood donation activity

SDIC Yunnan New Energy carried out a volunteer service activity for the elderly



Case | SDIC Genting Meizhouwan Electric Power's Ten-year "Volunteer Blue" Program Has Illuminated the Hearts of Children



2025 marked the 10th anniversary of the cooperation between SDIC Genting Meizhouwan Electric Power and Putian Special Education School. Relying on the "Mei Public Welfare" volunteer service brand, SDIC Genting Meizhouwan Electric Power launched the "Mei Classroom · Devoted Public Welfare" Sunshine Growth Action, regularly went to the school to carry out a variety of "First Safety Lessons" with professional knowledge, and put forward the resounding slogan of "Painting the popular color of youth with love".



Fulfilling responsibilities overseas

Based on its overseas development layout, the Company adheres to the concept of localized development, respects the local culture and development needs, and continuously promotes localized operation and community construction.

Case | Newsky (Thailand) Won the "City Guardian Medal" in Bangkok, Thailand



In March 2025, a 7.9-magnitude strong earthquake struck Myanmar, and Bangkok became the city most affected by the earthquake outside the epicenter in Myanmar. Newsky (Thailand) donated about RMB 352,700 in disaster relief funds to the government of Bangkok. After ensuring the safety of employees and project sites, it fully cooperated with the Thai government in earthquake relief work to ensure unimpeded access to information, resource integration, and efficient rescue. Two hours after the disaster, it successfully assisted in transferring and resettling more than 300 patients and provided 720 bottles of drinking water on site, effectively meeting the emergency water demand of medical institutions. In June 2025, the government of Bangkok, the capital of Thailand, awarded the "City Guardian Medal" to C&G Environmental Protection (Thailand) Co., Ltd. and New Sky Energy (Bangkok) Co., Ltd.



Case C&G Environmental Protection (Thailand) Co., Ltd. Launched a New Public Welfare Campaign, Joining Hands with the Nong Kham District Office, Bangkok to Build a Green Community

C&G Environmental Protection (Thailand) Co., Ltd. Launched a New Public Welfare Campaign, Joining Hands with the Nong Kham District Office, Bangkok to Build a Green Community



The "Factory Vegetable Garden" green co-construction activity won the "2025 Outstanding Model Enterprise Award for Adhering to the Sufficiency Economy Philosophy for Workers" issued by the Ministry of Labor of Thailand.



More Open and Mutually Beneficial Partnerships

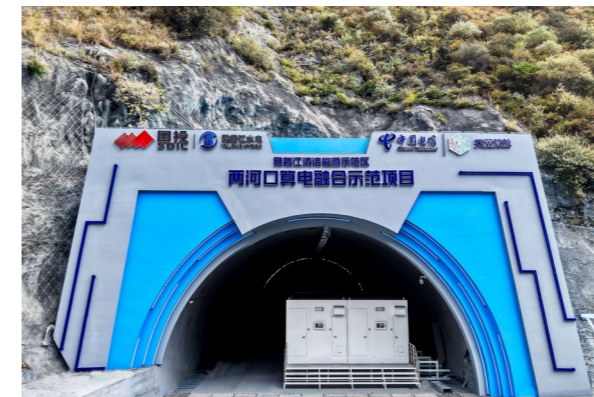
SDIC Power adheres to the concept of openness and collaboration, sticks to the principle of integrity and equality, deepens multi-partner cooperation, integrates the concept of sustainable development into supply chain management, and works together with upstream and downstream partners to achieve long-term goals and energize each other.

Cooperating with partners

The Company adheres to the cooperation concept of integrity, collaboration, equality, and mutual benefit, condenses development consensus and gathers development strength with partners, and achieves joint progress and value win-win.

Case Yalong Hydro Cooperated with China Telecom to Build the First High-altitude Cave-type Computing Power Module Intelligent Computing Center in China

In December 2025, Lianghekou Electricity-Computing Power Integration Demonstration Project, the first electricity-computing power integration project in the Yalong River Basin integrated hydro-wind-solar base, and also the first high-altitude cave-type computing power module intelligent computing center in China, was officially put into operation in Ganzi Tibetan Autonomous Prefecture, Sichuan Province. The project was jointly built by Yalong Hydro and China Telecom Corporation Limited Sichuan Branch and received a total investment of about RMB 350 million. It includes 6 computing power cabins, providing a peak computing power of about 600 PFLOPS (600 quadrillion floating point operations per second). After being put into operation, it will explore a new path for the "green electricity + computing power" development model and promote the coordinated development of the digital economy and green energy.



Responsible sourcing

The Company strictly abides by laws and regulations such as the "Law of the People's Republic of China on Tendering and Bidding". According to its *Administrative Measures for Procurement*, *Detailed Rules for the Implementation of Supplier Management*, *Detailed Rules for the Implementation of Bidding Management* and other systems, it promotes the transformation of the supply chain towards green, inclusive, and resilient development, and is committed to jointly practicing sustainable development goals with partners. In 2025, no major supply-chain risks and impact events occurred in the Company.

Management



- Revise the *Administrative Measures for Procurement*, integrate the implementation rules, and use digital tools to help the Company reduce costs and increase efficiency.
- Clarify the green procurement evaluation criteria, improve support policies for diversified entities, and strengthen regional cooperation responsibility to ensure that the ESG concept runs through the entire process of "selection - cooperation - evaluation - improvement" and provides institutional support for the sustainable development of the supply chain.

Screening



- **Integration of ESG into qualification assessment:** Conduct due diligence on suppliers, with a focus on their performance in environmental protection, social responsibility, and governance compliance.
- **Green procurement:** Encourage the selection of green and environment-friendly products, recyclable packages, and low-energy-consumption transportation tools. Consider the suppliers' practices in full lifecycle management such as green design, production, recycling, and logistics to promote the low-carbon transformation of the supply chain.
- **Innovation support:** Simplify the cooperation process for innovative achievements such as original technologies and first-of-a-kind equipment, and encourage reserving shares for pilot implementation.
- **Diversified entities:** Avoid setting discriminatory terms to ensure the equal participation of diversified entities. Prohibit setting restrictions on SMEs in terms of scale, years of operation, etc. Assist them in participating in competition through measures such as budget reservation and priority payment.

Evaluation



- Establish a two-dimensional evaluation system of "comprehensive strength + cooperation performance", and take ESG performance as one of the core evaluation dimensions. Comprehensive strength focuses on the potential of suppliers in green management, innovation ability, cooperation willingness and other aspects, and the evaluation results are directly linked to the allocation of procurement resources. For suppliers with excellent evaluation performance, long-term cooperation is encouraged, and incentives such as preferential payment terms are given to encourage them to play a leading role; for suppliers that have not yet met the standards, communication and guidance are provided to help them improve, forming an ecosystem of "survival of the fittest and common progress".

Exit



- Supervise the "bad" behaviors of external suppliers in a strict manner, organize all holding investment enterprises to carry out retrospective investigations, and seriously deal with suppliers engaged in bid collusion and rigging.

Indicator	Unit	2023	2024	2025
Number of suppliers suspended for noncompliance	Nos.	178	108	80
Number of suppliers with ISO 9000 Certification	Nos.	308	709	1172
Number of suppliers with ISO 14000 Certification	Nos.	111	508	820
Number of suppliers with ISO45001 Certification	Nos.	104	480	717
Proportion of signing integrity agreements	%	100	100	100

Safer production activities

SDIC Power always puts work safety at the top of its development agenda, strictly implements the main responsibility for work safety, continuously improves the work safety management system, intensifies efforts to full-process risk prevention and control and hidden danger governance, and builds a solid defense line for work safety, so as to guarantee the stable and orderly production and operation of the Company.

2025

- ◆ Newly commissioned projects have met the standards for work safety standardization in all aspects.
- ◆ **Two** new enterprises (projects) have met the first-level standards for work safety standardization.
- ◆ **Four** new projects have met the first-level standards for work safety standardization.
- ◆ **55** enterprises met the first-level standards for work safety standardization, **11** enterprises met the second-level standards, and 10 enterprises were recognized as model enterprises for safety culture in China.

Governance

The Company strictly complies with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Measures for the Administration of Emergency Response Plans for Work Safety Accidents* and the laws and regulations of the regions where its business is located, and builds a safety management system that covers the Company's employees, contractors and dispatched workers. Moreover, it establishes a work safety responsibility system that covers all aspects horizontally and vertically.

The company has established a Work Safety Committee, implementing the director's responsibility system. The Chairman and the General Manager of the Company serve as the directors, and the Deputy General Manager in charge of work safety serves as the deputy director. The members of the Committee include other leaders of the Company and the heads of various departments. An office is set up under the Work Safety Committee as the daily administrative body, and the office is located in the Safety and Environment Department of the Company. In 2025, the Company intensified efforts to the safety management of construction projects, established and improved the work mechanism of "N initiatives" by leading cadres of holding investment enterprises and a scientific and reasonable supervision and evaluation system, and for the first time established a systematic standard for the safety management of new energy construction projects. The Company attaches great importance to the compliance of safety facilities and establishes a work mechanism of "unified standards, unified configuration, and unified management" for safety facilities. The safety management level of holding investment enterprises has been steadily improved.

SDIC Power's work safety management system (part)

- Work Safety Regulations
- Measures for Accountability of Work Safety
- Emergency Operation Management System
- Management System for Withdrawal and Use of Work Safety Funds
- Administrative Measures for the Safety Supervision of Contractors and Outsourcing Laborers
- Occupational Health Management System
- Administrative Measures for Work Safety Management of Construction Projects
- Administrative Measures for Investigation and Governance of Hidden Dangers of Work Safety Accidents
- Work Safety Assessment Measures
- Administrative Measures for Work Safety Management of Overseas Enterprises
- Guiding Opinions on Anti-Violation Management
- Incentive Measures for Work Safety
- Detailed Rules for the Construction of a Dual Prevention Mechanism of Ranking and Control of Safety Risks and Investigation and Treatment of Hidden Dangers
- Guiding Opinions on Standard Work Safety Management of Electrochemical Energy Storage Power Stations
- Visualization Manual of Production Safety Facility Configuration Standards

Strategy

The Company adheres to the bottom line of safe development, sticks to the principle of "safety first, prevention first, and comprehensive governance", and always gives top priority to work safety and ensures its effective implementation. Based on the construction of the HSE system, the Company has formulated institutional documents such as the *Administrative Measures for the Review of the HSE Management System* and the *Construction Specifications and Compliance Evaluation Standards for Benchmark Stations in the HSE Management System Improvement of New Energy Enterprises*, and issued the *Guiding Opinions on the Improvement of Safety Leadership*, gradually incorporating the construction of safety leadership into the system element management. The Company establishes a database of safety management experts and system auditors, holds training courses for safety management personnel and system auditors, and conducts targeted guidance to strengthen the safety defense line in all aspects and ensure the smooth and orderly development of work safety in holding investment enterprises.

Specific measures

■ Safety risk management

The Company has formulated the *Detailed Rules for the Construction of a Dual Prevention Mechanism of Ranking and Control of Safety Risks and Investigation and Treatment of Hidden Dangers*, established two defense lines for ranking and control of safety risks and investigation and treatment of hidden dangers, realized full-staff participation and hierarchical responsibility, and continuously conducted risk ranking & control and hidden danger investigation & treatment to continuously deepen the dual-prevention mechanism.

Risk screening and rectification

The Company strictly implements the responsibilities of the "first person responsible" for work safety. Leading cadres at all levels, in accordance with the principle of "three responsibilities in three aspects", take the lead to actively engage in frontline research and inspections, use safety inspections as an effective way to "eliminate hidden dangers, prevent risks, and hold the bottom line", effectively help holding investment enterprises identify problems, take major hazard sources as key control targets, and supervise and guide holding investment enterprises to conduct identification and assessment of major hazard sources. The Company further improves the construction process of the dual-prevention mechanism, establishes a quarterly dynamic update and scheduling mechanism for risks and hidden dangers, organizes 20 holding investment enterprises to standardize the evaluation work of the dual-prevention mechanism, and strengthens the management of risks and hidden dangers.

In 2025, the Company carried out 51 work safety supervision and inspection activities, covering 100% of holding investment enterprises. The Company has performed special inspections on construction projects and conducted safety risk diagnosis and assessment on large-scale construction projects. It has organized industry experts to conduct systematic safety risk diagnosis and assessment on two construction projects, namely the Mengdigou Hydropower Station and the Zhoushan Gas Turbine Project, to effectively improve the safety risk control of construction projects.

Safety emergency management

The Company establishes a regular random inspection mechanism for the emergency telephones of holding investment enterprises and a regular scheduling mechanism for the response to natural disasters. It has scheduled the response of holding investment enterprises to natural disasters over 60 times, issued 756 meteorological warnings, organized more than 90 meetings for flood and drought situation assessment and consultation, initiated 101 emergency responses, and evacuated 1,435 people, effectively coping with 163 instances of heavy rainfall, typhoons, and geological disasters. Throughout the year, there were no casualties or secondary accidents induced by natural hazards.



SDIC Gansu New Energy's demonstrative comprehensive emergency drill in 2025

■ SDIC Gansu New Energy's demonstrative comprehensive emergency drill in 2025

The Company regards safety education and training as an important cornerstone of work safety, constructs a normalized, professional, and full-coverage safety education and training system, and continuously strengthens the work safety awareness and ability of all employees. By enriching the carriers of safety culture and carrying out diversified safety culture activities, the Company guides all employees to internalize safety awareness in their hearts and externalize it in their actions, creating a strong safety atmosphere where everyone talks about safety, everything is for safety, everyone always thinks about safety, and safety is required everywhere.



SDIC Xinjiang New Energy Work Safety Knowledge Competition



SDIC Panjiang distributes work safety-related brochures to employees and contractors.



Yalong Hydro has passed the review and was recognized as a "National Safety Culture Demonstration Enterprise".



SDIC Xinjiang New Energy has been rated as a "National Safety Culture Demonstration Enterprise" for the first time.



SDIC Qinzhou Electric Power has passed the review and was recognized as a "National Safety Culture Demonstration Enterprise".

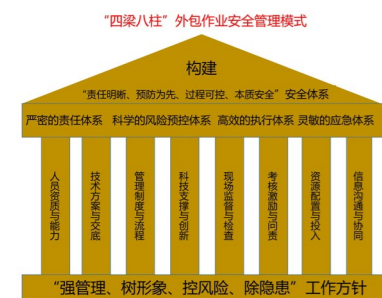
Case | Yalong Hydro Carried out Special Work Safety Campaign in an Innovative Manner



The Lianghekou Hydropower Station of Yalong Hydro has implemented the special campaign of "Safety Culture Train Tour in Construction Sites". The campaign systematically covers 16 core areas such as work safety laws and regulations, HSE system standards, and dangerous operation control. It innovatively adopts the model of "external experts + internal faculty + scenario-based teaching" to carry out dynamic, multi-level, high-energy, and interactive training featuring "practical training - ability improvement through practice - verification according to practice results", and constructs a four-in-one safety education and training system of "concept guidance - training energization - behavior standardization - on-site effectiveness", effectively breaking through the "last mile" barrier to safety management.

Contractor management

The Company improves the infrastructure tendering and procurement documents, specifically compiles a special document for safety management requirements, and selects cooperation teams as per stricter and more favorable criteria by reasonably raising the safety access threshold. The Company has formulated the *Work Guidelines for the "Four Unifications" of Contractor Safety Management (Trial)* and the *Administrative Measures for the Management of Construction Project Sub-contractors*, revised the *Administrative Measures for the Safety Supervision of Contractors and Outsourcing Laborers*, and clearly proposed the implementation path for the "four unifications" (unified safety standards, unified safety training, unified supervision and inspection, and unified examination and evaluation) for the first time. Moreover, it has systematically clarified the specific requirements for subcontractor safety management for the first time, and further refined the whole-process management of contractor selection and access, process control and evaluation, and exit.



SDIC Beijing refined the "Four-Beam and Eight-Column" outsourcing operation safety management model



SDIC Panjiang organized and held the 2025 Contractor Safety Management Symposium

Promoting work safety through science and technology

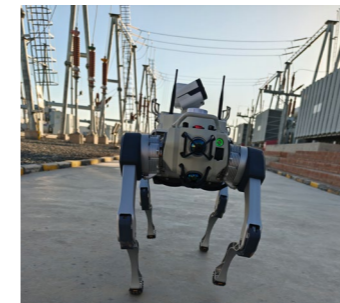
The Company promotes the in-depth integration of safety management and high-tech means, strengthens the safety risk prevention and control ability through technological upgrading, continuously deepens the research and application of "AI + safety" and achieves positive results, providing a sound technical guarantee for the stable development of the Company's work safety.

- ▶ Yalong Hydro deployed an intelligent monitoring platform and dam intelligent inspection robots.
- ▶ Huaxia Power has innovatively researched and put into operation nearly 10 special AI algorithms, including gas cylinder tipping detection and special equipment operation identity verification.
- ▶ SDIC Panjiang has successfully built a unified information-based control and situation awareness platform for work safety, realizing the "full-chain" intelligent control of operation in confined space.
- ▶ SDIC Genting Meizhouwan Electric Power has deployed and applied 500 AI algorithms, realizing monitoring and early warning in diverse scenarios.
- ▶ Fuxin Solar Power Station of SDIC Hebei New Energy has innovatively introduced and equipped all employees with integrated near-electricity alarm devices on safety helmets, improving the safety of operations near live conductors, equipment inspections, and fault handling.

Case | SDIC Xinjiang New Energy Developed and Built an Intelligent Inspection System for Booster Station



In 2025, SDIC Xinjiang New Energy deployed wheeled inspection robots and quadruped robots, which were responsible for the automatic inspection of key equipment in the high-voltage switchgear room and equipment area of the booster station and the equipment area of the collection station. This system works in coordination with drones, constructing an "air-ground-space integrated" intelligent inspection network and realizing unmanned inspection, intelligent alarm, and visual control within the station.



The quadruped robot inspects the equipment of the booster station



The wheeled indoor robot inspects the equipment in the high-voltage switchgear room



The wheeled outdoor robot inspects the equipment in the collection station

Indicators and targets

The Company has fully completed the 2025 work tasks of the Three-Year Action for Fundamental Work Safety Improvement. 51 work tasks have been completed and formed a closed loop, and 12 key tasks have achieved their annual work goals.

Indicator	Unit	2025
Fire and equipment liability accidents with direct economic losses of more than RMB 5 million	Nr.	0
Secondary and derivative accidents caused by natural disasters	Nr.	0
Major work-safety-related public controversy	Nr.	0
Coverage of safety training	Attendance	231,567
Training for main safety heads	Attendance	693
Training for work safety management personnel	Attendance	6056
Training for special operation personnel	Attendance	11,740
Training for other personnel	Attendance	87,392
Number of persons covered by safety training	Person(s)	41,143
Coverage rate of work safety training	%	100
Hours of training on work safety	Hour(s)	624,307
Per capita safety training duration	Hour(s)	15.17
Number of enterprises with safety culture development	Nos.	40

Days of work safety¹⁾

Company (power station)	Number of days	Company (power station)	Number of days
Ertan Hydropower Station	6670	SDIC Dachaoashan	6515
Guandi Hydropower Station	4068	Huaxia Power	7982
Jinping I Hydropower Station	4511	SDIC Gansu New Energy	3527
Jinping II Hydropower Station	4752	SDIC Xinjiang New Energy	4408
Tongzilin Hydropower Station	3725	SDIC Yunnan New Energy	3840
SDIC Beijiang	3895	SDIC Xiaosanxia	5225
SDIC Qinzhou Electric Power	5621	SDIC Panjiang	4557
SDIC Genting Meizhouwan Electric Power	6468		

More reliable energy supply security

SDIC Power effectively ensures a safe and reliable power supply in critical periods and key regions by building a strong project foundation, strengthening operational management, and continuously enhancing the stability and supply resilience of the power system. This provides sound energy support for stable economic operation and social development.

Building high-quality projects

The Company regards the construction of high-quality projects as an important foundation for improving the energy supply guarantee capability, and strengthens the management of power supply projects throughout the process from planning & design, construction and implementation to commissioning and operation. It strictly implements national and industry engineering construction standards, implements the responsibility system for project quality and construction safety, and strengthens the control of key links and key processes to ensure that the project quality and safety are controllable. By continuously improving the engineering quality and operational reliability, the Company provides solid support for the long-term and stable operation of the units and the safety of the power system.



Yalong Hydro held a work meeting on project quality management.



Lianghekou Hydropower Station of Yalong Hydro was rated as a high-quality power project in China for Year 2025



Concrete pouring for the dam at the Kala Hydropower Station of Yalong Hydro has begun.

Guaranteeing power supply

The Company leverages the advantages of its diversified power generation mix, coordinates hydropower, thermal power and new energy power generation resources, strengthens cross-regional cooperation and overall scheduling, improves the overall power supply guarantee capability, actively fulfills its responsibility for energy supply guarantee, and serves the stable economic and social operations. In 2025, SDIC Power successfully guaranteed the safe and stable power supply for the Shanghai Cooperation Organization Summit and the 12th World Games. It has optimized the scheduling arrangement, explored the potential of mutual assistance, released the channel capacity, and completed the power supply during the peak-load times in summer and in winter. Thanks to its power supply guarantee efforts, the Company was commended by government departments many times.

天津市生态环境局

感谢信

天津国投津能发电有限公司：
在习近平总书记和党中央的坚强领导下，举世瞩目的2025年上海合作组织峰会（以下简称“上合组织天津峰会”）于8月31日至9月1日在天津顺利召开。此次上合组织天津峰会是今年我国最重要的元首外交和主场外交活动之一，是上合组织成立以来规模最大的一届峰会，向世界展示了天津开放包容、文明美丽的城市形象。
服务保障峰会期间空气质量是党中央交给我市的一项重大政治任务，8月30日至9月2日，全市PM₁₀浓度19.67微克/立方米，核心区PM_{2.5}浓度18微克/立方米，实现了“上合蓝”、“天津蓝”，获得上级领导和中外宾客的一致点赞好评，圆满完成了空气质量保障任务。
此次保障成功离不开贵公司的辛勤付出。保障期间，贵单位统筹安全保供与污染减排，主动作为，迅速响应，推动各项工作任务落地落实，展现出高度的政治责任感和使命感。

国家能源局福建监管办公室

表扬信

国投云贵滇湘浙电力有限公司：
2025年迎峰度夏期间，你公司坚决贯彻落实习近平总书记关于能源电力保供工作的重要指示精神，严格执行国家能源局及福建省委、省政府工作部署，面对高温多雨、负荷创新高严峻考验，精心组织，周密安排，取得了发电机组“零非计划停运、零非计划降出力”的佳绩，圆满完成电力安全保障任务，保障了全省电力安全生产形势平稳有序。
在此，特对你公司在电力安全保障工作中的突出贡献予以表扬并表示感谢！希望你再接再厉，持续夯实安全生产基础，加强机组运维管理，全力做好今冬明春能源保供准备工作，为福建电力安全稳定供应作出新的更大贡献。

国家能源局福建监管办公室
2025年10月11日

厦门市发展和改革委员会

感谢信

厦门华夏国际电力发展有限公司：
2025年以来，贵公司作为福建省重要电源支撑点、厦门地区重要电源点，认真落实省、市工作部署，坚决履行央企保供责任，积极应对用电量和用电负荷快速增长、极端天气等挑战，全力做好电力保障工作，助力厦门经济社会高质量发展。
贵公司今年以来发电量65亿千瓦时，占全市用电量16%，特别是今年6月-9月迎峰度夏期间，始终保持长周期、高负荷安全稳定运行，充分发挥了本地重要电源点的支撑作用，为我市电力保供作出了突出贡献。今年7月，省市重点项目“华夏电力一期机组等容量替代项目”顺利投产，有力推进厦门市绿色低碳转型，增强电力保供能力。
在此，向贵公司2025年以来为厦门市电力保供工作所作出的努力表示衷心感谢。希望贵公司继续坚持以习近平新时代中国特色社会主义思想为指导，履行央企使命担当，发挥电力保供重要支撑作用，为全方位推进海西经济社会高质量发展作出新的更大贡献！

厦门市发展和改革委员会
2025年12月11日

A letter of thanks from the Tianjin Municipal Ecological Environment Bureau.

A letter of commendation from Fujian Regulatory Office of National Energy Administration.

A letter of thanks from Xiamen Municipal Development and Reform Commission

¹⁾As of December 31, 2025, holding investment enterprises or power stations of the Company that have achieved work safety for more than 3,000 consecutive days.

Resilience Leads to Long-term Success: Becoming a Globally Trusted Operator

SDIC Power takes lean governance as a solid foundation, efficient operation as the core support, and forward-looking technology as the development engine. It continuously improves the governance system, strengthens compliance control, and enhances operational efficiency, striving to become a globally trusted investor & operator in integrated energy.

More meticulous corporate governance 65
More efficient operation and management 70
More forward-looking technological layout 71

SDGs addressed in this chapter:



More meticulous corporate governance

SDIC Power strictly follows relevant laws and regulations such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, as well as the laws and regulations of the places where its business is located. It continuously optimizes the governance level, does a good job in information disclosure, and effectively safeguards the legitimate rights and interests of shareholders and all stakeholders.

Governance structure

The Company complies with various regulatory requirements and forms a corporate governance structure in which the Shareholders' Meeting serves as the highest authority, the Board of Directors makes decisions, and the Management executes daily business management. During the reporting period, the Company successfully completed the re-election of the Board of Directors and the Management, and revoked the Supervisory Committee in accordance with regulations. The Board of Directors of the Company has established five special committees, namely the Strategy Committee, the Nomination Committee, the Remuneration and Assessment Committee, the Audit Committee, and the ESG Committee, to provide support and suggestions for efficient, standardized, and scientific decision-making. Independent directors account for the majority in the Remuneration and Assessment Committee, the Audit Committee, and the Nomination Committee, and an independent director serves as the chairperson (convener). Mr. Ma Yongyi¹², an accounting professional, serves as the chairperson (convener) of the Audit Committee to ensure the independence and professionalism of the Board of Directors.

Construction of the Board of Directors

■ Diversification of the Board of Directors

The Company's Nomination Committee reviews and evaluates the composition of the Board of Directors and makes recommendations to the Board of Directors on the appointment of new directors, in order to ensure that members are appointed according to qualities such as talents, skills, and experience required for the overall operation of the Board of Directors. The Company has a total of 9 directors, including 5 non-independent directors, 3 independent directors, and 1 employee director. Independent directors have rich managerial experience in fields such as corporate governance, strategic investment, financial management, audit supervision, legal compliance, power generation, and human resources. The professional experience, knowledge and skills, cultural and educational background, and service years of the Board of Directors and senior executives are all in balance.



¹²It was held by Mr. Yu Yingmin, a professional accountant, from January 1 to September 5, 2025.

Indicator	Unit	2023	2024	2025
Number of Board of Directors members	Person(s)	8(9)	9	9
Proportion of Board of Directors members with doctor's degree	%	37.50	44.44	22.22
Proportion of Board of Directors members with master's degree	%	37.50	33.33	66.67
Proportion of Board of Directors members with bachelor's degree and below	%	25.00	22.22	11.11
Proportion of male Board of Directors members	%	87.50	88.89	88.89
Proportion of female Board of Directors members	%	12.50	11.11	11.11
Proportion of independent directors	%	37.50	33.33	33.33
Proportion of non-independent directors	%	62.5	66.67	66.67
Number of board meetings held	Time	16	18	13
Average tenure of Board of Directors members	Year	3.60	2.68	1.78
Standard deviation of the ages of directors and senior executives	Age	5.88	6.95	6.90
Proportion of independent directors in the Remuneration Committee	%	66.67	66.67	66.67
Proportion of independent directors in the Nomination Committee	%	66.67	66.67	66.67
Number of senior executives	Person(s)	5	6	6
Proportion of senior executives with doctor's degree	%	20	16.67	33.33
Proportion of senior executives with master's degree	%	60	66.67	66.67
Proportion of senior executives with bachelor's degree and below	%	20	16.67	0
Proportion of male senior executives	%	100	100	100
Proportion of female senior executives	%	0	0	0
Average tenure of senior executives	Year	1.75	2.37	2.48

■ Performance-linked compensation

The Company comprehensively reshapes the three core systems of performance appraisal, position appointment, and salary management, establishes a scientific performance evaluation mechanism, and promotes the formation of a management closed-loop of "goal - assessment - incentive". It has established a tenure system and a contractual management system for the Management, and concluded the *Target Assessment Responsibility Deeds*. In addition to being linked to business performance, the performance salary of the Management is also linked to ESG indicators such as compliance management, work safety, environmental protection, and quality management. According to the *Administrative Measures for Remuneration of Persons-in-Charge*, for relevant responsible persons who cause major adverse impacts or losses of state-owned assets, their annual performance salary for the current year shall be deducted, or part or all of the annual performance salary and tenure incentives already paid for the responsible year shall be recovered.

■ Standardized operation of the Board of Directors

SDIC Power continuously improves the operation mechanism of the Board of Directors, organizes and conducts an annual evaluation of the effectiveness of the Board of Directors, and improves the decision-making efficiency and the level of synergy to ensure the standardized and efficient operation of the Board of Directors. In addition, the Company strengthens the support for directors' performance of their duties in various forms. It has organized directors to conduct 2 collective investigations and 1 other special investigation, promoting communication and exchanges between directors, the Management, and grassroots units and giving the directors an insight into the operational reality of the Company.

In 2025, the directors of the Company performed their duties in a standardized and diligent manner. The special committees of the Board of Directors fully played their functional roles in their professional fields, effectively ensuring the smooth progress of various business decisions and work priorities of the Company. During the reporting period, the Board of Directors held 13 meetings and reviewed 71 proposals, with a proposal passing rate of 100%. The attendance rate of all directors reached 100%. The special committees held 22 meetings, and the independent directors held 4 special meetings.

Governance of subsidiaries

SDIC Power continuously deepens the construction of the governance system of subsidiaries, and has systematically revised the *Administrative Measures for Corporate Governance of Investment Enterprises*, so as to comprehensively improve the governance efficiency. It has promoted the reform of the Supervisory Committees of 163 holding investment enterprises at all levels. Moreover, the Company guides the revision and improvement of the list of powers and responsibilities. 27 entity-based holding investment enterprises have all completed the revision. For the remaining holding investment enterprises, it standardizes the decision-making mechanism for major matters through entrusted management to ensure the compliance of the overall decision-making process.

Anti-corruption management

The Company strictly abides by laws and regulations such as the *Law of the People's Republic of China on Supervision* and relevant regulations on integrity in state-owned enterprises, improves the systems and specifications for clean and honest practice and power operation supervision, seriously investigates and punishes disciplinary and illegal issues, and prevents corruption risks from the source to continuously improve the anti-corruption governance efficiency.

■ Governance


The Company has formulated and implemented the *Implementation Measures for the Responsibility System for Integrity Building and the Working Rules of the Coordination Group for Integrity and Anti-Corruption*. These measures further clarify the responsibilities of governance bodies, supervisory functions, principal responsible persons, and relevant functional departments in integrity and anti-corruption management. The Company has established an anti-corruption management framework covering the headquarters and affiliated enterprises, and has developed an integrated system that combines responsibility allocation, process management, risk prevention, and accountability.

■ Strategy

The Company integrates anti-corruption requirements into all aspects of corporate governance and promotes the in-depth integration of anti-corruption efforts with the Company's development strategy. It has established systems such as the *Detailed Rules for the Implementation of Clean and Honest Practice*, so as to strengthen the systematic control of business processes, codes of conduct, and personnel management. It has established systems such as the *Measures for Recording and Reporting of Leading Cadres' Interference in Major Matters*. At the same time, it has formulated the *Interim Measures for Handling Employees' Violations of Disciplines and Regulations*, and established a mechanism for suppliers to sign the *Integrity Agreement*, effectively strengthening accountability for internal and external misconduct.

By continuously maintaining a high-pressure situation in combating corruption, improving the power restraint and risk prevention & control mechanism, strengthening the construction of an incorruptible culture, and promoting the joint construction of clean and honest business partners, the Company continuously consolidates the foundation for clean and honest practice and foster a transparent, fair, and ethical business environment.

■ Specific measures



Conducting identification and prevention of integrity risks

SDIC Power focuses on key areas and key positions and systematically carries out the identification and prevention of integrity risks. During the reporting period, it established and improved the integrity risk prevention and control mechanism for "micro-powers", comprehensively sorted out 88 key positions, correspondingly investigated 190 micro-power matters and 207 paths for dishonesty, and put forward 239 prevention and control measures, realizing the accurate identification and effective prevention and control of power operation risks.



Conducting special supervision and inspection

It continuously conducts special supervision and inspection, focuses on key areas to find problems and urge immediate rectification, and promotes the transformation of supervision results into long-term mechanisms.



Controlling integrity risks of suppliers

It has revised the *Integrity Agreement*, strengthened the restraint on the incorrupt practices of partners, and implemented blacklist management for suppliers in violation of regulations, so as to prevent commercial bribery and associated risks.



Reporting and complaint procedures and protection of whistleblowers

SDIC Power unblocks the channels for letters and visits, publishes the telephone numbers for letter-and-visit reporting and accusation on the official website to the whole society, and clarifies the mailing address. The Discipline Inspection Committee of the Company coordinates and follows up on the handling of reporting clues. According to the principle of management authority and hierarchical acceptance, it handles all letter-and-visit matters that should be handled within the scope of acceptance, achieving a reporting response rate of 100%. The Company protects the legitimate rights and interests of whistleblowers, keeps the information of whistleblowers and reporting matters confidential, clearly states that no unit or individual shall retaliate against whistleblowers in any form, and clearly feeds back the investigation results to real-name whistleblowers.

Letter-and-visit and reporting:

Whistleblowing hotline: 010-88006346
 Whistleblowing email: gtdlxf@sdic.com.cn
 Mailing address: Party-Mass General Department of SDIC Power, Building 5, SDIC, No. 147, Nanxiao Street, Xizhimen, Xicheng District, Beijing

Accusation:

Accusation hotline: 010-88006311
 Mailing address: Discipline Inspection Committee of SDIC Power, No. 147, Nanxiao Street, Xizhimen, Xicheng District, Beijing

Indicators and targets

Through multiple management indicators such as inspection and supervision, integrity education and training, supervision and inspection, and agreement signing, the Company conducts continuous tracking and evaluation of the effectiveness of anti-corruption and integrity building. During the reporting period, the Company completed regular inspections of 3 holding investment enterprises; carried out integrity publicity and education, warning education, and special training, covering more than 270,000 participants and achieving a duration of training on anti-corruption and integrity of 270,943.5 hours. It signed 55 *Integrity Agreements* with partners throughout the year, with a signing rate of 100%.

Indicator	Unit	2024	2025
Percentage of directors trained in anti-commercial bribery and anti-corruption	%	100	100
Percentage of management trained in anti-commercial bribery and anti-corruption	%	100	100
Percentage of employees trained in anti-commercial bribery and anti-corruption	%	100	100

Investor relations management

SDIC Power has actively implemented an "investor-oriented" philosophy and strictly complied with relevant laws, regulations, and regulatory requirements to ensure timely, accurate, and complete disclosure of financial conditions, operational results, and material events, thereby conveying the investment value of the Company characterized by high dividends and stable growth. Through active and effective investor relations management, the Company has established a good market image and won wide recognition and support from investors.

The Company attaches importance to the interests of shareholders. Based on its operating performance and supported by its profitability, SDIC Power actively shares the development achievements with shareholders. Over the years, the Company has continuously increased the dividend payout ratio to 55%. In 2025, the Company distributed a total dividend of RMB 3.654 billion, with a per-share dividend of RMB 0.4565.



2024 annual and Q1 2025 results presentation

Indicator	Unit	2023	2024	2025
Number of Shareholders' Meetings held	Time	8	8	7
Attendance rate of directors at the Shareholders' Meeting	%	43.94	44.27	59.95
Number of roadshows and investor exchange meetings	Time	84	90	94
Accumulated reception of investors	Attendance	1122	1151	1163

More efficient operation and management

SDIC Power improves the full-dimensional compliance control system, builds a multi-level risk prevention and control mechanism, perfects the standardized internal control management process, sticks to the compliance bottom line of anti-monopoly and fair competition, and enhances the risk resistance ability and operational efficiency through systematic operation and management.

Compliance management

The Company complies with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, and the laws and regulations of the places where its business is located. It also implements the requirements of the *Measures for Compliance Management of Central Enterprises* to deepen the construction of the compliance management system. The Company has formulated the *Administrative Measures for Compliance Management in Special Fields*, established and improved the compliance review mechanism, set up a compliance management committee, integrated compliance review as a necessary procedure into the business management process, implemented it into all holding investment enterprises and all employees, and conducted regular risk screening of compliance events. In addition, the Company has established a contract template library to effectively safeguard its rights and interests and prevent legal risks.

2025

The legal review rate of the Company's rules and regulations, contracts, and major decisions reaches **100%**.

Anti-monopoly and fair competition

In its daily business activities, the Company follows the principle of fair competition, complies with relevant domestic and foreign anti-monopoly laws and regulations, avoids directly or indirectly engaging in monopolistic practices clearly prohibited by laws and regulations, and conducts foreign-related business in strict accordance with the anti-commercial bribery requirements of relevant countries, regions, and international organizations.

The Securities, Legal Affairs and Risk Control Department is the leading management department in the compliance fields of anti-monopoly, anti-commercial bribery, economic sanctions, and export control. It actively establishes communication channels with domestic anti-monopoly law enforcement agencies and the anti-monopoly authorities of the countries or regions where the business is located, and carries out relevant work according to their regulatory requirements. During the reporting period, the Company did not have any lawsuits or major administrative penalties due to unfair competition.

Risk prevention and control

The Board of Directors serves as the supreme decision-making body for corporate risk management. The Risk Management Committee is responsible for overseeing the company's risk management activities, with the General Manager as the director and the Deputy General Manager in charge of risk management as the deputy director. The Securities, Legal Affairs and Risk Control Department functions as the designated lead department for the Company's comprehensive risk management framework.

The Company has formulated the *Administrative Measures for Overall Risk Management*, built and improved the four defense lines, i.e., business units - functional departments - risk management - audit and supervision departments, and established and improved a series of risk control mechanisms regarding risk identification, assessment, monitoring & early warning, disposal & resolution, and management improvement. Moreover, it has implemented tiered and categorized management of risk events, so as to dynamically monitor compliance risk events and enhance the ability to assess and handle risks in overseas business.

Internal control management

The Company improves the internal audit system and mechanism to enhance the value of internal audit functions. The Company has revised and improved the *Administrative Measures for Internal Audit*, compiled the *Guidelines for Internal Audit Work Process*, organized the Company's headquarters and holding investment enterprises to conduct self-evaluation of internal control, and established a "bottom-up" internal audit research and analysis mechanism, so as to solidly promote the implementation of internal audit projects and the rectification of internal control deficiencies. In 2025, 53 holding investment enterprises completed the internal control supervision evaluation, fully achieving the goal of 100% coverage in three years. Throughout the year, 13 internal audit projects were organized and implemented, and the completion rate of rectification of internal control deficiencies reached 100%. Internal audit has become more procedure-based, process-based, and standard in all aspects, effectively contributing to the construction of the Company's professional operation and management platform. The Company continues to strengthen the professional capacity building of the audit team. In 2025, the company's audit team held 20 professional certificates¹³.

More forward-looking technological layout

The Company deeply implements the innovation-driven development strategy. With a focus on the cutting-edge technologies and core needs in the energy field, it increases R&D investment, improves the innovation system, and promotes the application of artificial intelligence, driving the upgrading of energy projects, innovation of business models, and sustainable development through technological innovation. The Company has clarified the key innovation directions during the 15th Five-Year Plan period, completed the compilation of the *Key Contents of SDIC Power's Science and Technology Development under the 15th Five-Year Plan*, and promoted technological innovation and industrial upgrading to enhance core competitiveness.

Key areas of technological innovation during the 15th Five-Year Plan period

Intelligent construction, production, and operation & maintenance of hydropower projects

Clean, low-carbon, and flexible regulation of thermal power generation

Multi-energy complementary operation and consumption

New energy power prediction and operation & maintenance control

2025

R&D investment reached RMB **299** million

accounting for **0.56%** of main business revenue

Technological innovation management

The Company strengthens top-level design and establishes a technological innovation leading group led by the Chairman to make overall arrangements for technological innovation work. The Company has revised the *Administrative Measures for Scientific and Technological Innovation* and the *Measures for Rewarding Scientific and Technological Innovation Achievements* and formulated the *Assessment Measures for Scientific and Technological Innovation*. This has optimized the management system of scientific and technological innovation, standardized the project approval and process management of scientific research projects and the statistics of R&D funds, strengthened the transformation of scientific and technological innovation achievements, and increased the intensity of assessment and reward for scientific and technological innovation.

¹³The certificates include professional titles in accounting and auditing, as well as CIA, CPA and legal professional qualifications.

Stimulating innovation vitality

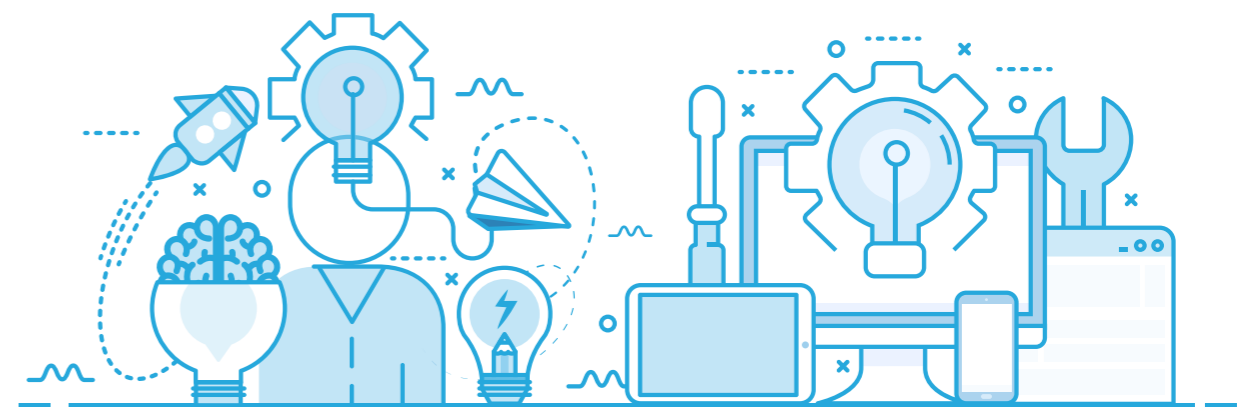
The Company conducts assessment and evaluation on the science and technology management, innovation investment, innovation achievements, and innovation capabilities of holding investment enterprises, and encourages each holding investment enterprise to actively be engaged in scientific and technological innovation. The Company grants honors and bonus rewards for scientific and technological innovation activities such as tackling core technical challenges, achieving major scientific and technological innovation achievements, making major breakthroughs at key nodes, participating in standard compilation, and having patent applications approved, which are also used as the basis for assessment, promotion, job appointment, and selection of advanced individuals. In 2025, a total of 1 headquarters department and 17 holding investment enterprises were awarded.

Building innovation platforms

The Company, together with its holding investment enterprises, leads and participates in multiple national science and technology major projects, projects under the National Key R&D Program of China, scientific and technological projects under regional key R&D programs, and key industry-university-research projects. In 2025, the Jinping Deep Earth Science Center and the Jinping Deep Underground Frontier Science and Dark Matter Key Laboratory of Sichuan Province were officially approved. The frontier scientific research projects of collaborative innovation platforms such as the Yalong Hydro - Tsinghua Joint Research Center, the Yalong Hydro - Huawei Joint Innovation Center, the Yalong Hydro - NARI Joint Innovation Center, and the Yalong Hydro - CEPRI Joint Innovation Center were approved and implemented steadily. Moreover, the Company actively expanded exchanges and cooperation with international scientific institutions through the Sichuan International Science and Technology Cooperation Base and hosted 3 international conferences.



In December 2025, the Jinping Deep Earth Science Center jointly established by Yalong Hydro and Tsinghua University was inaugurated in Xichang, Sichuan.



Achievements in technological innovation

The Company focuses on seven major fields, including hydropower, pumped storage power, thermal power, solar power, wind power, new-type energy storage, and river-basin integration, and arranges 30 technology categories covering 339 technology groups in 117 technology sub-categories, forming "one map, one book, and one table" to provide guidance for the Company's future technology development direction. In 2025, the Company participated in the evaluation work of relevant industry associations 22 times, won a total of 98 provincial and ministerial (national industry associations) science and technology awards, and achieved 86 QC results.

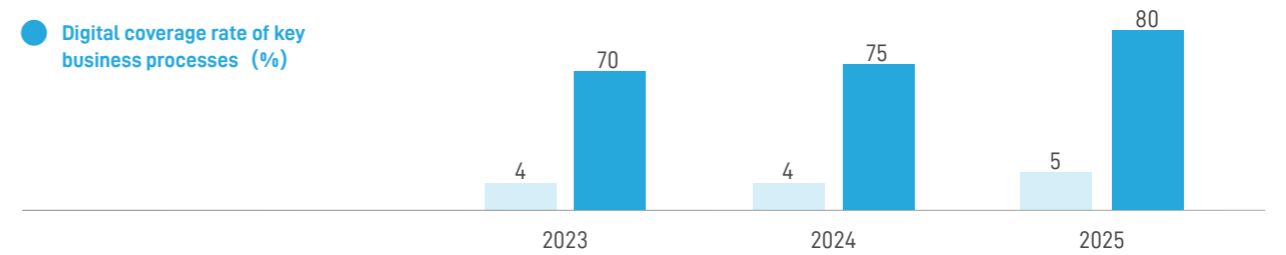


The project of the "Key Technologies and Applications for Intelligent Construction of Complex Underground Cavern Groups" of Yalong Hydro won the Tianjin Science and Technology Progress Award.



SDIC Qinzhou Second Power won the First Prize of the Science and Technology Progress Award of the China Electric Power Construction Association in 2025.

- Digitization training (Time)
- Digital coverage rate of key business processes (%)



Applications of artificial intelligence

The Company actively implements the national strategic initiative for the development of artificial intelligence, establishes an artificial intelligence task force, issues the artificial intelligence work plan and schedule, plays a professional and overall guiding role, and promotes the implementation of high-value application scenarios. The artificial intelligence task force conducts monthly scheduling and holds special training, promoting the in-depth integration of artificial intelligence and business across the entire production and operation chain, including production operation, engineering construction, power marketing, talent recruitment and training, business procurement, financial analysis, safety management, file management, and audit, and promoting the improvement of management efficiency.

Case | Yalong Hydro's Jinping Hydropower Station Innovated Its Means to Stimulate the Driving Force of Work Safety

The Jinping Hydropower Station of Yalong Hydro explored and formed a "1 + 4+N" innovation and efficiency-creating system, realizing the dual-wheel drive of "scientific research + all-involvement innovation". Since the establishment of the innovation platform, the participation rate of front-line employees in innovation and efficiency-creating has exceeded 80%. More than 150 scientific research and innovation projects have been implemented, and a total of 36 patent licenses and nearly 30 national-level industry awards have been obtained, with direct economic benefits saved and created exceeding RMB 20 million.

Advancing digital transformation

The Company deeply integrates digital technology with business to promote its transformation towards intelligent and lean operation.

Construction of the Company's intranet portal

The Company has sorted out its key needs, clarified data standards, compiled the implementation plan for the construction of the intranet portal, and migrated 52 internal approval processes to the OA portal, realizing functions such as general office management, meeting and schedule management, intranet news, and notice & announcement. This provides a unified entrance and display platform for the Company's business information system construction and data operation monitoring.

Construction of the ERP system

With a focus on the construction needs of its professional management platform, SDIC Power has completed the scheme construction, unified procurement, unified construction, and full-scale launch of the ERP systems for hydropower, thermal power, and new energy.



Yalong Hydro's project of "Full-lifecycle Intelligent Management and Control of High-altitude Large-scale Solar Power Station" was selected into the first batch of strategic high-value AI scenarios for central enterprises by SASAC.

15 cases won awards in the First Artificial Intelligence Innovation Application Competition of SDIC and the Company won the "Outstanding Organization Award" of the Group.

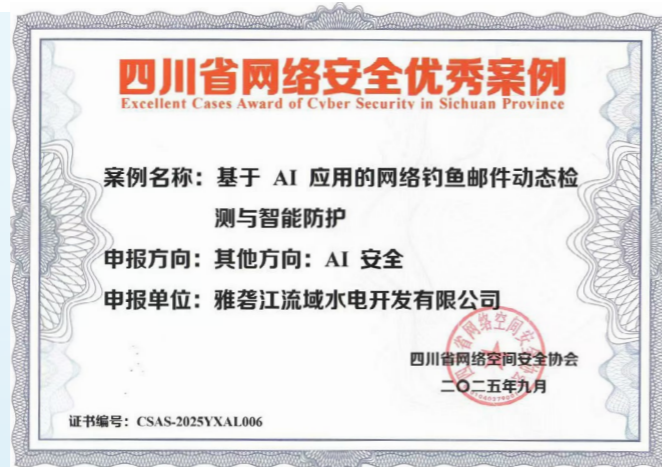


Data security and privacy protection

SDIC Power firmly implements the requirements of laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. It has formulated the *Administrative Measures for Cybersecurity Baseline* and revised the *Administrative Measures for Cybersecurity and Informatization* to strengthen information security management in all aspects.

The Company attaches equal emphasis on cybersecurity and informatization development, follows the principle of "active utilization, scientific development, management in accordance with the law, and ensuring security", and establishes a cybersecurity and informatization management system to improve the ability of cybersecurity protection. SDIC Power applies advanced firewall, situation awareness, and data encryption technologies to provide 24/7 all-weather protection for business systems. It strengthens the protection of sensitive data and prevents information leakage by means of identity verification and data encryption. It organizes a series of activities during the Cybersecurity Publicity Week to actively create a cultural atmosphere of cybersecurity. Moreover, the Company has completed the cybersecurity support work during major events such as the Two Sessions, the National Day, and the National Games, and no cybersecurity incidents or customer privacy leakage events occurred throughout the year.

Yalong Hydro's case of "Dynamic Detection and Intelligent Protection of Phishing Emails Based on AI Application" was successfully selected as an excellent cybersecurity case in Sichuan Province in 2025.



Intellectual property protection

The Company strictly abides by laws and regulations such as the *Patent Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*. It has formulated the *Administrative Measures for Patents* to enhance the awareness of intellectual property protection and strengthen the protection and utilization of intellectual property rights.

2025			
◆ New patent applications	Invention patents	Utility model patents	
334	152	182	
◆ Newly granted patents	Invention patents	Utility model patents	Design patent
167	42	124	1
◆ Total granted patents	◆ New software copyright applications	◆ New software copyrights	
812	60	60	
◆ The holding investment enterprise participated in formulating and issuing 5 national standards, 4 industry standards, and 1 group standard.			

Appendix

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Message from the Chairman	/	/	/
About SDIC Power	/	GRI2	/
Key ESG Performance	Article 18	/	SLS24,SLS25
ESG Honors	Article 18	/	/
SDIC Power and SDGs	/	/	/
ESG Management	Article 9, Article 12, and Article 18	GRI2,GRI3	/
Responsibility focus: Forging Ahead in the 14th Five-Year Plan Period, Gathering Strength for a New Journey	Article 11	GRI30, GRI2-22	/
Leading with Green Power: Acting as a Pioneer in Clean Energy			
Stronger ecological protection	Article 32	GRI304	/
More proactive climate action	Article 21 to Article 28	GRI302,GRI305	ECC14,ECC15
More efficient energy utilization	Article 35, Article 36, and Article 37	GRI2-27,GRI302	ECC15,EWT11
More eco-friendly emission reduction solutions	Article 30 and Article 31	GRI305,GRI306	EPR18,EPR19, EPR24,EPR25,EPR26
Symbiosis and Prosperity: Energizing Stakeholders with Better Power			
Better employee care	Article 49 and Article 50	GRI2-7,GRI401,GRI403, GRI404, GRI405, GRI406	SLS24,SLS26
More inclusive livelihood service	Article 39 and Article 40	GRI413	SHR17
More open and mutually beneficial partnerships	Article 45, Article 47, and Article 48	GRI308,GRI414	/
More reliable energy supply security	/	/	/
Safer production activities	Article 47	GRI403	SHS13,SHS15,SHS38
Resilience Leads to Long-term Success: Becoming a Globally Trusted Operator			
More meticulous corporate governance	Article 11, Article 55, and Article 56	GRI2-9,GRI2-10	/
More efficient operation and management	Article 11	GRI2-27,GRI205-207	/
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