山高新能源集團有限公司
SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01250.HK

2025

Shandong Hi-Speed New Energy Group Limited

Environmental, Social and Governance Report



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About the Report

The Report is a true reflection of active fulfillment of environmental, social and governance responsibilities and attainment of comprehensive, coordinated and sustainable development of Shandong Hi-Speed New Energy Group Limited. The forward-looking statements contained in the Report regarding business plans, development strategies, and future endeavors do not constitute substantive commitments by the Company to investors.



Reporting Period

The reporting period is from January 1, 2025 to December 31, 2025, with certain content extending beyond this period.

Reporting Scope

Shandong Hi-Speed New Energy Group Limited regularly reviews the reporting scope to ensure it covers relevant matters with significant impact across the overall business.

The Report outlines the strategies, governance, actions, targets, and performance of the Group's environmental, social and governance ("ESG") aspects related to the investment, development, construction, operation, and management of the photovoltaic power businesses, wind power businesses and clean heat supply businesses in the People's Republic of China ("China" or "PRC")[1]. Unless otherwise stated, the scope of business for policies, systems, statements, key performance indicators, and other content in the Report is consistent with the scope disclosed in the financial report.

Definition

For ease of expression and readability, Shandong Hi-Speed New Energy Group Limited is referred to as "SHNE", "the Company", "we", or "the Group" in the Report.

Data Sources

All information and data in the Report are derived from the Company's official documents, statistics, financial reports, as well as environmental, social and governance information that has been collected, consolidated, and audited by the Company. The Report is published in both Chinese and English; in case of any discrepancies, the Chinese version shall prevail. Unless otherwise specified, the unit of currency shall be RMB.

1 The project operated by Shangao City Services (Ewenki Autonomous Banner) Co., Ltd. falls under the thermal energy custody model and does not involve ownership of assets; therefore, it is not included in the quantitative data statistics.

Basis for Preparation

The Report is prepared in accordance with the Appendix C2 *Environmental, Social and Governance Reporting Code* (the "*ESG Reporting Code*") to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "*Listing Rules*"), as well as compliance with the requirements under the Materiality, Quantitative, Balance and Consistency principles.

- **Materiality:** In accordance with the principles of the *ESG Reporting Code* as well as considering capital market focus on corporate sustainable development, SHNE has identified and screened material issues relevant to SHNE through various forms of stakeholder communication and engagement, as well as benchmarking analysis of disclosed issues in peer company reports. For details, please refer to the "Stakeholder Communication" section. The materiality of different issues has been reviewed and confirmed by the Board of Directors and the senior management.
- **Quantitative:** SHNE has established a standardized ESG indicator management tool to regularly collect and statistically analyze quantitative key indicators within the environmental, social and governance areas (including indicators listed in the *ESG Reporting Code*), and has summarized them during the year to prepare the Report for external disclosure. The quantitative ESG data is detailed in the sections of the Report.
- **Balance:** The Report aims to present a balanced account of SHNE's efforts in various ESG aspects, including the environment, corporate governance, employees, product responsibility, and community engagement.
- **Consistency:** The disclosure scope of the Report has no significant changes compared to previous years' sustainability reports, and consistent disclosure and statistical methods have been applied, with further refinement of certain disclosure categories corresponding to the *ESG Reporting Code*. For ESG data comparisons over multiple years, please refer to the relevant sections and appendices of the Report.

Report Availability

The Report is issued in electronic format. The electronic version of the Report can be viewed and downloaded on the Group's website (www.shneg.com.hk) and the HKEXnews website (www.hkexnews.hk).

About Us

Shandong Hi-Speed New Energy Group Limited (01250.HK) is a state-owned enterprise listed on the Main Board of SEHK, jointly established by Shandong Hi-Speed Holdings Group Limited ("SDHG") under the Shandong Provincial State-owned Assets Supervision and Administration Commission and Beijing Enterprises Water Group Limited ("BEWG") under the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

SHNE actively integrates into the national strategic layout, leveraging the resource advantages and management expertise of its two substantial shareholders, SDHG (00412.HK) and BEWG (00371.HK). The Company specializes in the development of clean energy, building a comprehensive business system centered on photovoltaic and wind power, covering full-service offerings including investment, development, construction, operation, and management. Meanwhile, the Company is actively expanding into the sector of urban clean heating services, striving to become a leading integrated clean energy service provider. Currently, the Company has wind power plant and photovoltaic power plant projects across 28 provinces, autonomous regions, and municipalities in China, and is actively expanding into international markets.

Upholding the core commitment to technological innovation, environmental protection, and human welfare, SHNE specializes in the design, development, operation, and management of exemplary clean energy projects. As of December 31, 2025, the Company owns 54 centralized photovoltaic power plants both domestically and overseas, with a total installed capacity of 2,603 MW; 308 distributed photovoltaic power plants, with a total installed capacity of 1,088 MW; and 20 wind power plants, with a total installed capacity of 1,270 MW, providing clean heat supply covering approximately 35.3 million square meters to serve around 210,000 households, and strives to be a green business engine and flagship new energy enterprise under Shandong Hi-Speed Group.

SHNE is actively expanding its business in environmental protection and green energy while continuously deepening its core operations. Shandong High Speed Renewable Energy Group Limited (000803. SZ), an associate of the Company, specializes in investment and operation of harmless treatment and high-value resource utilization of organic waste, leveraging technological innovation, capital support, and meticulous management. It has established a platform for processing and exporting regenerated oil, with a daily processing capacity of approximately 5,610 tons of food waste and kitchen waste.

Looking ahead, the Company will uphold the corporate spirit of "Be willing to take responsibility and lead the way with courage" and shoulder the mission of "Share Green Energy and Empower the World". We will seize the strategic opportunities presented by national energy transformation and green, low-carbon development, bring together insightful individuals to jointly promote energy restructuring toward green, low-carbon, and sustainable development, contributing to the "Beautiful China" initiative as well as the global energy transformation.

As of December 31, 2025

54 centralized photovoltaic power plants both domestically and overseas

308 distributed photovoltaic power plants

20 wind power plants

with a total installed capacity of **2,603** MW

with a total installed capacity of **1,088** MW

with a total installed capacity of **1,270** MW

providing clean heat supply covering approximately **35.3** million square meters

to serve around **210,000** households



Corporate Culture

Corporate Mission

Share Green Energy and Empower the World

Corporate Vision

To be a leading integrated service provider of clean energy

Corporate Values

Pursue Greatness and Foster Harmony

Corporate Spirit

Be willing to take responsibility and lead the way with courage

Management philosophy

Long-Term Focus, Goal-Oriented, Uphold Integrity and Innovate, Collaborate and Share

Ethos

Foster Unity and Embrace Diversity

Chairman's Statement

2025 marks the concluding year of the 14th Five-Year Plan and a pivotal year for advancing comprehensive deepening reforms. In the context of a comprehensive green transformation in economic and social development, the Company actively fulfills its responsibilities as a state-owned enterprise, stays committed to the dual-carbon strategy, leverages its industrial strengths, and implements the concept of green development to make solid contributions to accelerating the establishment of a new development paradigm.

Uphold principles with dedication, solidifying the foundation for development

The Company has consistently regarded refining its governance system as a crucial safeguard for stable development, continuously optimizing its governance mechanisms and ESG governance structure, and enhancing risk prevention and compliance operations. Committed to the baseline of integrity in operations, the Company strengthens the defenses of safe and standardized development, safeguarding its path toward steady progress. During the reporting period, the Company received multiple awards, including the "Top 10 Pioneer Governance Cases" in the 2025 Energy ESG100, with its governance achievements widely recognized by the industry.

Driven by innovation, activating the green engine

The Company adheres to innovation-driven and green-oriented development, strategically planning for the long term and intensively cultivating key areas of clean energy to continuously deepen its strategic deployment in critical sectors, steadily enhancing core competitiveness and development quality. It actively expands diverse application scenarios, promotes the upgrading of the new energy industry, and takes pragmatic actions to support the implementation of the national dual-carbon target, providing a continuous source of green impetus for sustainable development.

Unite for shared growth, creating a blueprint of responsibility

The Company adheres to a people-centered philosophy, continuously strengthening talent development, effectively safeguarding employees' physical and mental health and legitimate rights, thus fostering the internal driving force for corporate growth. It deepens trustworthy cooperation with supply chain partners, actively collaborates with industry peers, and participates in the development and exchange of industry standards, contributing to the healthy and orderly advancement of the sector. Meanwhile, the Company actively engages in public welfare and volunteer services, giving back to society through concrete actions, and advances hand-in-hand with stakeholders to build a community of shared responsibility for sustainable development.

At the critical juncture of concluding the 14th Five-Year Plan and formulating the 15th Five-Year Plan, the Company will comprehensively elevate its development perspective, fully implement the development strategy and emerging industry planning of Shandong Hi-Speed Group, take serving the construction of a national new power system and the green and low-carbon transformation of energy as the main thread, firmly follow the path of "enhancing wind, stabilizing solar, integrating storage, and expanding hydropower", promote the establishment of a new industrial development landscape, and strive to write a new chapter of sustainable development for the 15th Five-Year Plan period.



Honors and Awards

Honors and Awards from 2025 to 2026

Business



March 28, 2025

hr.bjx.com.cn, fdjob. bjx.com.cn, etc.

2025 "Polaris Cup" Excellent Employer Award by Influence in Wind Power - Starlight Outstanding Award



September 9, 2025

hr.bjx.com.cn, fdjob. bjx.com.cn, etc.

2025 "Polaris Cup" Excellent Employer Award by Influence in Photovoltaic Power Plant Construction and Operation & Maintenance - Starlight Outstanding Award



October 14, 2025

World Green Design Organization (WGDO)

2025 International Green Design Award · Green Design Engineering Award

International Certification for Green Design Engineers

Practical case shortlisted for the new edition of the *World (China) Green Design Report*

ESG



May 12, 2025

Hong Kong Quality Assurance Authority

Pioneer Program Gold Award for Sustainability-related Financial Information Disclosure



December 23, 2025

Hong Kong Council of Social Service

2024–2025 Caring Company Scheme Three-Star Certificate – "Leading Performance"

Investor Relations



January 7, 2025

RoadShow China

The 8th China Outstanding IR Awards – "Best ESG Performer"



December 26, 2025

Gelonghui

2025 Jinge Award — "Annual Outstanding Company for Growth Value" and "Outstanding Enterprise for ESG Innovative Practices"



January 15, 2026

RoadShow China

The 9th China Outstanding IR Awards – "Outstanding ESG Performer"

Case



June 25, 2025

Integration of Transportation and Energy Development Committee, China Highway & Transportation Society

2025 National Innovation Cases in Integrated Transportation and Energy · Technology, Equipment, and Materials Innovation Category



July 31, 2025

China Energy News, China Institute of Energy Economics, Green Climate Research Institute

The 2nd China ESG100 Value Conference 2025 Energy ESG100 "Top 10 Pioneer Governance Cases"

Case



August 12, 2025

https://www.bjx.com.cn/

2025 "Polaris Cup" "Outstanding Case Projects" and "Innovative Pioneer Enterprises" Award

(The award-winning project "Linteng Expressway Photovoltaic Corridor Project" pioneered the construction of the first nationwide, full-route, multi-scenario, linear photovoltaic application demonstration project)



August 2025

China Highway & Transportation Society

2025 Traffic Enterprise Financial Digital Innovation Competition Team Case Contest – Grand Prize



December 4, 2025

Alaya Consulting

Greater Bay Area Outstanding ESG Disclosure List



ESG Rating

Name		Result
S&P Global Corporate Sustainability Assessment (CSA) and ESG Rating		CSA Score: 44 ESG Score: 46 Listed in the S&P Global *Sustainability Yearbook (China Edition) 2026*
Sustainable Fitch ESG Rating	Sustainable Fitch a FitchSolutions Company	78
Wind ESG Rating	Wind ESG	A
SynTao Green Finance ESG Rating	商道融绿 SynTao Green Finance	A-
Sino-Securities ESG Rating	上海华证指数信息服务有限公司	AA
China Energy Research Society	中国能源研究会 China Energy Research Society	Sustainability (ESG) score: 51.34

Sustainability Management

Board Statement

SHNE regards ESG as a core element of corporate development, continuously enhancing the effectiveness of ESG governance structure, strengthening Board and management oversight and engagement in ESG matters, promoting harmonious coexistence between the Company, society, and the environment, and safeguarding long-term value creation for the enterprise.

The Board of Directors, as the ultimate decision-making body for the Company's sustainable development strategy, is responsible for establishing sustainable development goals, formulating strategic roadmaps, and building the governance framework to ensure the comprehensive integration of ESG principles into the Company's strategic planning. The Board has established the Sustainability Committee, which is responsible for reviewing the Company's sustainable development goals, strategic plans, management systems, annual sustainability reports, as well as the identification, assessment, and response strategies for sustainability-related risks and opportunities. Meanwhile, the Management Committee and the Operating Committee are responsible for reviewing major matters concerning sustainable development goals, strategies, and management systems. To coordinate annual sustainable development affairs, the Company has specifically established an ESG Management Office, responsible for formulating sustainability management approaches, organizing the development and implementation of sustainable development strategies, planning annual sustainability work programs, and organizing the identification and assessment of sustainability risks and opportunities. At the execution level, the Company has established a liaison mechanism across headquarters departments and subsidiaries, forming a cross-departmental working group composed of designated personnel from various departments to coordinate internal and external resources and advance routine ESG activities, ensuring accurate information reporting. In addition, the ESG Task Force collaborates to implement initiatives on double materiality issues in alignment with the Company's sustainable development strategy, goals, and plans, and develops annual work plans for double materiality issues.

SHNE takes double materiality assessment as a key component of ESG management. Based on comprehensive stakeholder communication, the Company identifies material issues with impact materiality, and conducts interviews with major responsible departments highly related to ESG issues to determine financial materiality, thereby defining annual ESG priorities. In 2025, the Company continues to advance its ESG management enhancement roadmap by aligning with global and domestic ESG development trends and its current situation, further implement ESG management objectives, establish management systems such as the *Sustainable Development Work and Incentive Program of SHNE*, continuously optimize the ESG indicator system, improve ESG rating performance in the capital market, and comprehensively strengthen the Company's sustainable development capabilities. Meanwhile, as a corporate member of PEAST (Partnership for Early Awareness of Sustainability-disclosure Today) of the International Sustainability Standards Board (ISSB), we actively identify and assess risks and opportunities arising from financially material issues in reference to the ISSB framework and recommendations, and carry out systematic disclosures based on the assessment results.

Based on the actual development situation and regulatory requirements, SHNE has established key ESG performance indicators covering energy efficiency, water resource management, and health and safety, and is prudently considering setting additional ESG goals. The Board of Directors, the Sustainability Committee, and the Company's management continue to supervise and evaluate the progress of material ESG issues, ensuring that all ESG targets are achieved on schedule.

The Report details SHNE's ESG progress and achievements in 2025. It was reviewed and approved by the Board on March 26, 2026. The Board guarantees the authenticity, accuracy, and integrity of the Report, without any false information or misleading statement or material omission, and severally and jointly accepts responsibility for the Report.



ESG Governance Structure

SHNE has established a top-down, clearly defined three-level ESG governance structure of "governance-management-execution", laying a solid organizational foundation for the systematic advancement and implementation of the Company's sustainable development initiatives. In terms of institutional framework development, the Company has formulated and issued the *Management Measures for Sustainable Development*, clarifying management responsibilities at each level and standardizing the entire workflow mechanism to promote the effective execution of sustainable development activities.

ESG Governance Structure and Responsibilities

Governance Level

Board

Sustainability Committee | Audit Committee | Remuneration Committee | Nomination Committee

- Board of Directors: The highest decision-making body for corporate sustainability, responsible for major decisions related to objectives, strategies, and the corporate governance system.
- Sustainability Committee: Responsible for reviewing major matters related to the Company's sustainable development goals, strategies, management systems, climate strategy report, risk identification and assessment results, and risk response strategies; convenes regular Sustainability Committee meetings annually to review proposals on sustainable development.

Management Level

Management Committee

Operating Committee

Investor Relations Department of the Board's Secretary Office (ESG Management Office)

- Management Committee and Operating Committee: Responsible for reviewing major matters such as sustainability development goals, strategies, and management systems.
- ESG Management Office: Responsible for coordinating ESG initiatives, formulating plans, implementing systems, supervising execution, and organizing the identification, assessment, and response to sustainability-related risks and opportunities.

Execution Level

ESG Working Group

Contact Persons of Various Departments at the Headquarters and Subsidiaries | ESG Task Force

- ESG Working Group: Composed of contact persons of various departments at the headquarters and subsidiaries, as well as the ESG Task Force, responsible for the implementation of ESG initiatives.
- Contact persons of Departments at the Headquarters and Subsidiaries: Composed of designated personnel from each department, responsible for coordinating internal and external resources to carry out routine ESG activities and facilitating information submission.
- ESG Task Force: Composed of designated personnel from relevant departments, responsible for the planning, organization, supervision, and review of related objectives, including but not limited to energy and water resource management, climate change response, green revenue conversion, etc.

The Company, in accordance with regulations such as the *Management Measures for Sustainable Development*, continues to optimize its meeting mechanisms and information disclosure processes, systematically track progress toward sustainability goals, steadily advance report preparation and engagement with capital market ratings, and systematically implement special improvement initiatives and performance evaluations, thereby comprehensively enhancing its ESG management level.

To improve the sustainability incentive mechanism, the Company has established the *Sustainable Development Work and Incentive Program of SHNE*, clarifying key information such as phased objectives, incentive measures, and annual incentive mechanisms, thereby fully stimulating employees' enthusiasm for sustainable development initiatives.



Internally, the Company has continuously strengthened ESG capacity building by conducting diverse training programs to deepen employees' awareness of sustainable development and enhance their professional competencies. The Company also encourages employees to study cutting-edge knowledge in the ESG field. By the end of the reporting period, several management staff had obtained professional certifications in ESG. Externally, the Company has actively participated in the development of ESG-related standards, serving as a contributing organization in the formulation of the industry standard *Guidelines for Disclosure Index System and Evaluation of Environmental Protection, Social Responsibility and Corporate Governance of Energy Enterprises (DL/T 2971-2025)*, promoting standardized ESG disclosure and evaluation practices in the energy industry.

Case | Actively Organizing Training on the Topic of "Biodiversity-friendly Wind Power"

On December 8, 2025, the Company organized a specialized training session on the topic of "Biodiversity-friendly Wind Power", inviting an expert team from Shanshui Conservation Center to deliver keynote presentations. Company directors, executives, mid-level managers, and key business personnel actively participated in the discussions through a hybrid online and offline format. The training focused on how the wind power industry can deeply integrate ecological protection with high-quality development during the energy transition process. It systematically explained the global context and policy trends of biodiversity conservation and shared international and domestic practical cases based on the concept of "nature positive", providing valuable insights for the Company to implement its green development philosophy.



Training on the Topic of "Biodiversity-friendly Wind Power"

Response to the United Nations Sustainable Development Goals (UN SDGs)

Chapter	Material Issues	SDGs	Our Response Actions	Key Performance Indicators for 2025
Sustainability Management Governance Chapter: Standardized Foundation, Steady Progress	• Corporate Governance • Risk Management • Business Ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Strengthen Board independence and diversified management, build a long-term ESG governance structure, enhance risk management capabilities, uphold business ethics, and emphasize privacy protection to lay a solid foundation for sustainable development.	• Independent non-executive directors account for **36%**. • Female directors account for **9%**. • Several management staff members have obtained professional certifications in the ESG field.
Environment Chapter: Low-carbon Development, Green Growth	• Resource Utilization • Green Development Opportunities • Waste Management	6 CLEAN WATER AND SANITATION	Strengthen water resource management and actively implement water-saving measures in production and operational processes; continuously optimize wastewater control measures to reduce pollutant emissions at the source, enhance wastewater recycling and reuse, and ensure compliant discharge of sewage.	• In the clean heat supply business, water consumption decreased by **1.8%** year-on-year. • Carry out special heating water loss management work in the projects of Caoxian, Jinzhou, and Wenshui.
		7 AFFORDABLE AND CLEAN ENERGY	Steadily expand photovoltaic and wind power plant operations, providing green and efficient clean energy solutions; actively respond to national policies, seize the development trends of the clean power generation business, and rapidly transform project objectives into high-quality wind and solar assets.	• Own **54** centralized photovoltaic power plants domestically and overseas, with a total installed capacity of **2,603** MW; **308** distributed photovoltaic power plants, with a total installed capacity of **1,088** MW; **20** wind power plants, with a total installed capacity of **1,270** MW; provides approximately **35.3** million square meters of clean heat supply, serving around **210,000** households.
		11 SUSTAINABLE CITIES AND COMMUNITIES	Set comprehensive energy consumption targets in the clean heat supply business, aiming to reduce comprehensive energy consumption by 1% annually based on the previous year's performance; formulate the *Management Rules for Heat Project Companies Special Award* to grant incentives based on the completion of clean heat energy consumption indicators, encourage employees to adopt energy-saving measures in operation, improve equipment operation and management capabilities, and enhance energy use efficiency.	• The heating company achieved a year-on-year reduction of **1.13%** in comprehensive energy consumption. • Beijing Office—Zhonghai International Center achieved **100%** green power usage.

Chapter	Material Issues	SDGs	Our Response Actions	Key Performance Indicators for 2025
Environment Chapter: Low-carbon Development, Green Growth	• Responding to Climate Change • Environmental Management Policies • Biodiversity Conservation	13 CLIMATE ACTION	Integrate climate change response into corporate strategy, benchmark against industry-leading companies, establish pathways to reduce GHG emissions, comprehensively assess climate-related risks and opportunities, and develop targeted response plans to effectively mitigate climate risks and capture development opportunities.	• Clarify the carbon peak strategic pathway, conduct climate risk and opportunity scenario analysis for the first time, and comprehensively deepen climate management • Approximately **200** million kWh of green electricity was traded, generating about RMB**88.53** million in revenue from green power transactions; **550,000** green certificates were traded, generating RMB**3.303** million in revenue from green certificate transactions.
		14 LIFE BELOW WATER	Fully consider the project's impact on the aquatic environment during the preparation, construction, and operation phases, develop appropriate environmental protection plans addressing aquatic environmental risks, and implement ecological conservation measures.	• The Jiangsu Yizheng project has scientifically planned its spatial layout and adopted an offshore work platform for component installation, minimizing impacts on aquatic organisms. • Rescuing the nationally protected bird, the common moorhen.
		15 LIFE ON LAND	Proactively avoid areas of significant biodiversity during project site selection to minimize ecological impacts at the source; develop environmental protection plans and implement diversified ecological conservation measures to address potential risks in air, water, noise, and soil environments, striving to reduce ecological impacts to the lowest possible level.	• Develop a *Biodiversity Statement* to commit to biodiversity conservation • ISO 14001 Environmental Management System certification coverage rate reaches **100%** • No major environmental pollution incidents or violations occurred. • The Yulin project has completed vegetation planting on approximately **3,000** mu, enhancing ecological restoration outcomes.
Social Chapter: United Efforts, Mutual Success	• Community Relations • Health and Safety • Talent Development	1 NO POVERTY 2 ZERO HUNGER	Actively promote green transformation in rural areas, deeply engage in public welfare initiatives, support rural revitalization, and advance local economic development and the improvement of residents' well-being.	• Successfully secured the investment and development rights for the "Thousand Towns and Ten Thousand Villages Wind-Harnessing Initiative" Dalishu Village project in Luliang County, contributing to rural revitalization. • Total investment in public welfare and charitable activities amounted to RMB**15.648** million. • A directed donation of RMB**10,000** to the Charity Association of Horqin Left Rear Banner, Tongliao City, Inner Mongolia Autonomous Region.

Chapter	Material Issues	SDGs	Our Response Actions	Key Performance Indicators for 2025
Social Chapter: United Efforts, Mutual Success	• Community Relations • Health and Safety • Talent Development	3 GOOD HEALTH AND WELL-BEING	Promote the orderly advancement of work safety and occupational health management, implement the *Occupational Safety Responsibility Management Regulations*, conduct regular safety inspections, continuously optimize the management process for identifying and mitigating safety risks and hazards, enhance overall safety awareness through multi-dimensional safety training, and annually update and track occupational health and safety targets, striving to create a safe and healthy working environment.	• ISO 45001 occupational health and safety management system certification coverage rate is **100%**. • Fully achieve work safety targets such as a **100%** timely rectification rate for potential work safety hazards. • **9,020** attendances in safety education and training.
		4 QUALITY EDUCATION	We place great emphasis on employee growth and development, establishing a training system that integrates internal and external resources. We have formulated various development programs, including the development program for middle and senior management, the development program for high-potential talents, and employee career planning. Additionally, we offer diverse training courses such as skill enhancement for frontline employees, inclusive employee care initiatives, capability development for campus hires, onboarding programs for new employees, and specialized seminars on new energy topics.	• Successfully achieved the goal of **100%** employee training coverage. • Organized diversified capability-building activities such as the star training camp and specialized training on new energy business.
	• Labor Rights and Welfare • Maintaining Customer Relationships • Supply Chain Management	5 GENDER EQUALITY 10 REDUCED INEQUALITIES	Adhere to the principles of open recruitment, fair competition, and equal pay for equal work, and strictly prohibit any discriminatory practices based on nationality, skin color, race, ethnicity, religion, political stance, cultural background, age, gender, education level, work experience, family status, or health condition. We are committed to fostering a diverse, equitable, and inclusive working environment for all employees.	• Develop the *Statement on Diversity, Equality and Inclusiveness*. • **No** incidents of child labor or forced labor, which violate human rights, have occurred. • **No** incidents of discrimination or harassment violating labor rights have occurred.
		8 DECENT WORK AND ECONOMIC GROWTH	Continuously optimize the compensation system to ensure fair competition and equal pay for equal work, adhering to the principles of fairness, incentive, cost-effectiveness, and balancing historical context with future development, so as to provide employees with competitive compensation packages.	• Ensure **100%** coverage of performance evaluations. • Establish performance management covering all positions to closely link employee compensation with job levels and performance.

Chapter	Material Issues	SDGs	Our Response Actions	Key Performance Indicators for 2025
Social Chapter: United Efforts, Mutual Success	• Community Relations • Health and Safety • Talent Development	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Persist in technological innovation and collaboration, promote advancements in clean energy technologies, strengthen intellectual property protection, and continuously enhance technological innovation capabilities and industry competitiveness.	• Jointly established the "BUAA-Shandong Hi-Speed Transportation and Energy Integration Demonstration Application Research Center" with Beihang University. • A total of **24** patents have been granted. • Co-developed the industry standard *Guidelines for Disclosure Index System and Evaluation of Environmental Protection, Social Responsibility and Corporate Governance of Energy Enterprises (DL/T 2971-2025).*
		12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Regard product quality as the foundation of the Company, treat energy supply security as the primary mission, continuously improve the quality management system and obtain ISO 9001 certification, establish a sound operation and maintenance management system, conduct various professional skill trainings, and continuously enhance product quality.	• ISO 9001 quality management system certification coverage is **100%**. • The complaint response rate and closure rate in the clean heat supply business both reached **100%**; in the new energy sector, a zero-complaint record was achieved in customer service.
		17 PARTNERSHIPS FOR THE GOALS	Continuously improve the supplier management system by establishing a full-process management framework covering supplier admission, assessment, and exit; deepen communication with suppliers, organize professional technical seminars, share industry trends and emerging technology products, and enhance suppliers' overall capabilities and service levels.	• Revised the *Supplier Management System* to strengthen ESG management across all supply chain management links. • Strengthen the assessment of risk incidents for qualified suppliers and urge suppliers to enhance risk awareness in areas such as quality, work safety, business ethics, and ecological conservation.



Stakeholder Communication

SHNE places great importance on stakeholder communication, actively listening to and promptly addressing the concerns of all parties through regular, multi-channel communication mechanisms, promoting mutual benefit and win-win outcomes, and laying a solid foundation for the Company's stable development.

Stakeholder Engagement and Communication

Stakeholder	Issues of Interest	Daily Communication Channels
Employee	• Green Development Opportunities • Health and Safety • Talent Development • Labor Rights and Welfare	• Employee Interview • Feedback Mailbox • Communication Seminar • Internal Training and Exchange
Shareholder/ Investor	• Green Development Opportunities • Responding to Climate Change • Business Ethics • Risk Management • Stakeholder Communication • Corporate Governance • Digital and Intelligent Technology	• Shareholders' Meeting • Investor Engagement Activities • Announcements and Press Releases • On-site Project Research • Company Website/Email
Government/ Regulatory Authorities	• Green Development Opportunities • Environmental Management Policies • Resource Utilization • Labor Rights and Welfare • Waste Management	• Project Inspection and Acceptance • Information Disclosure • Forum and Seminar
Supplier	• Environmental Management Policies • Resource Utilization • Supply Chain Management	• Supplier Management • Supplier Post-evaluation and Feedback • Supplier On-site Visits
Customers and Consumers	• Maintaining Customer Relationships • Health and Safety • Business Ethics • Labor Rights and Welfare • Waste Management • Digital and Intelligent Technology	• Corporate Official Website • Market Research • Customer Group Visit • Social Media Platform • Consumer Hotline and Complaints Telephone • Questionnaire Survey
ESG Rating Agencies	• Environmental Management Policies • Resource Utilization • Health and Safety • Risk Management • Stakeholder Communication • Corporate Governance • Digital and Intelligent Technology	• Enterprise Report • Corporate Website • Media News • Roadshow Event
Surrounding Communities	• Community Relations • Biodiversity Conservation • Waste Management	• Village Assembly • Face-to-face Communication

Double Materiality Assessment

SHNE actively responds to stakeholders' evolving expectations regarding corporate operations and future development. In 2025, based on industry characteristics and actual business conditions, the Company comprehensively reviewed the impact materiality and financial materiality of ESG issues. For impact materiality assessment, building upon the 2024 materiality matrix analysis and incorporating ESG policy directions, industry trends, and capital market concerns, SHNE clarified the priority order of impact materiality issues for 2025. Regarding financial materiality, the Company conducted cross-departmental interviews and research on ESG issues, organized historical data, analyzed financial impacts, and aligned with future financial planning to determine financial materiality outcomes. As a result, SHNE established its 2025 double materiality matrix, providing a critical foundation for improving its ESG disclosure framework, scientifically allocating resources related to ESG issues (short-, medium-, and long-term), and formulating subsequent ESG management plans.

Double Materiality Issue Identification Process

Identify impact materiality issues

- Based on the results of the 2024 materiality matrix, combined with ESG policy guidance, industry trends, and capital market concerns, the issues were updated and analyzed. Interviews were conducted with 19 key responsible departments to gain a comprehensive understanding of the economic, environmental, and social impacts of each issue in 2025, ultimately determining the level of importance for each ESG issue as high, medium, or low impact.

Identify financial materiality issues

- Review the standards of regulatory bodies and core ESG rating agencies regarding the assessment of financial materiality of ESG issues, identify risks and opportunities affecting the Company's business operations, financial condition, operating performance, and cash flows, and evaluate their potential significant financial impacts.
- Invite industry experts for interviews to obtain professional insights, followed by in-depth interviews with 19 key responsible departments highly related to ESG issues, reviewing historical financial data, analyzing current financial impacts and future financial planning, and summarizing the assessment results of high, medium, and low financial significance for each ESG issue.

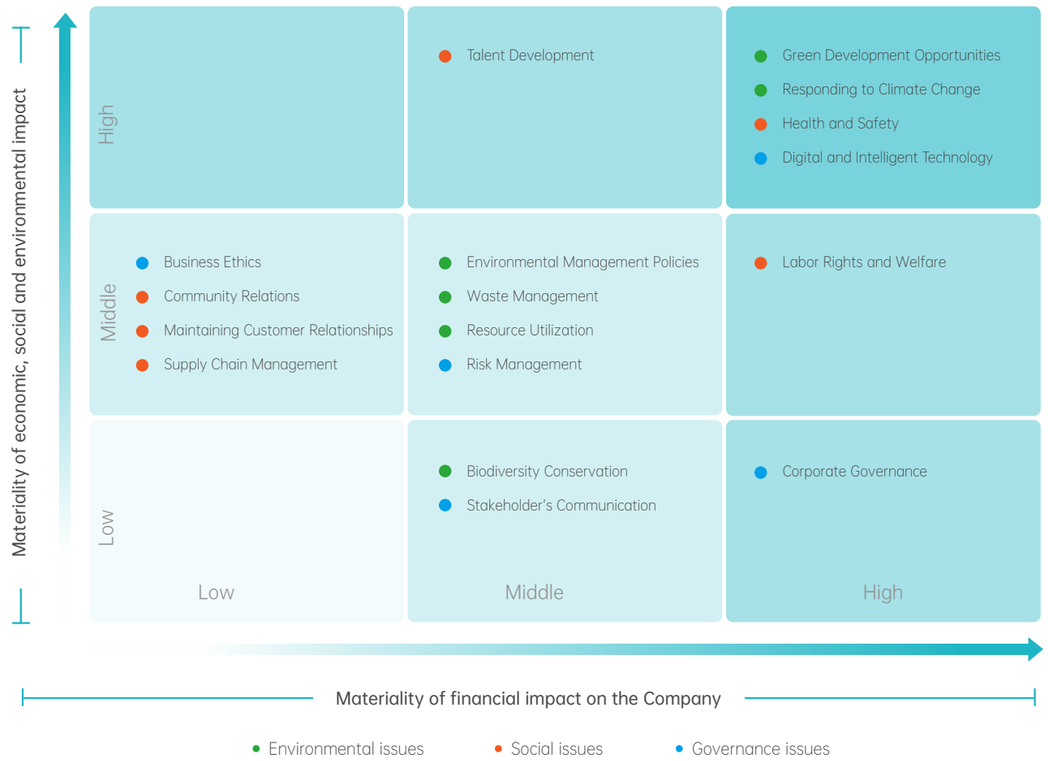
Develop double materiality issues matrix

- Combine the results of financial materiality assessment with those of impact materiality assessment to form a double materiality issues matrix.

Review double materiality issues matrix

- Submit the double materiality issues matrix to the Company's Sustainability Committee for approval, finalizing the 2025 double materiality issues matrix.

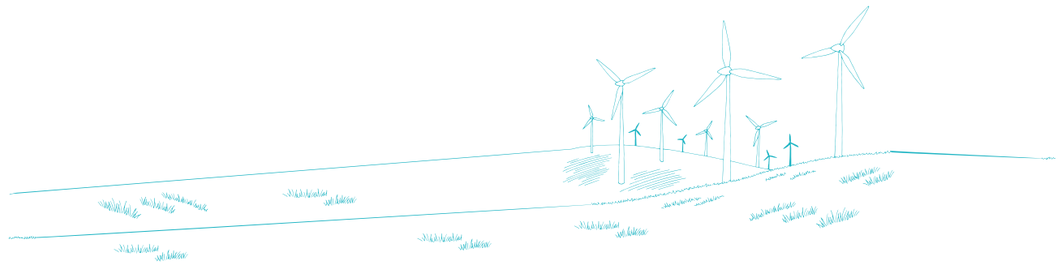
SHNE 2025 Double Materiality Assessment Results





Risks and Opportunities of Financially Material Issues

In 2025, the financially material issues identified by the Company include green development opportunities, responding to climate change, health and safety, digital and intelligent technology, labor rights and welfare, and corporate governance. A detailed analysis of the risks and opportunities associated with each issue is provided on the table below.



Analysis of Risks and Opportunities for Financially Material Issues

Issue	Definition	Impact Period[2]	Value Chain Impact	Risk	Opportunity
Green Development Opportunities	Sustainable business opportunities emerging in fields such as new energy investment, renewable energy utilization, and green trading.	Mid-term Long-term	Upstream Operation Downstream	• **Return on investment volatility:** New energy projects are affected by policy changes, electricity price adjustments, and rapid technological iteration, leading to uncertainties in investment payback periods and expected returns. • **Green standards are becoming stricter:** Policies and standards are continuously evolving with an increasingly stringent trend, potentially leading to higher market entry barriers.	• **New business growth driver:** Expanding into emerging businesses in the sustainability sector and tapping into incremental markets. • **Enhanced market competitiveness:** Establishing green products and low-carbon service systems to meet market demands for sustainable development, shaping a leading brand image and market position.
Responding to Climate Change	Strengthen the climate change governance system, clarify strategic pathways, set goals and indicators, strictly control climate change risks, and seize low-carbon transition opportunities through practical actions.	Short-term Mid-term Long-term	Upstream Operation Downstream	• **Chronic risk:** Rising temperatures may increase the long-term operation, maintenance, and upgrade requirements for equipment, thereby affecting the Company's revenue and capital expenditures. • **Acute risk:** Acute risks such as heatwaves, cold waves, typhoon and flooding may cause asset losses, reduce production stability, and thereby affect the Company's operating costs. • **Policy risk:** Factors such as rising carbon prices may affect the Company's profits and revenue. • **Market risk:** Fluctuations in energy prices may lead to increased costs for traditional energy, while changes in the energy mix could affect the returns of new energy projects, thereby impacting the Company's costs and revenues. • **Reputation risk:** Failure to timely disclose climate-related information and meet the expectations of external stakeholders may affect the Company's financing costs. • **Technology risk:** If market investment in improving energy efficiency increases significantly, the Company's costs could be affected and assets may be impaired.	• **Policy opportunity:** Factors such as the restart of CCER and increasing demand for green certificates may impact the Company's profits and revenue. • **Market opportunity:** Optimizing the energy cost structure and seizing the opportunities brought by the expansion of the new energy market may affect the Company's revenue and costs. • **Technology opportunity:** Enhancing digital operations and maintenance can improve energy efficiency, thereby reducing operational and maintenance costs. • **Reputation opportunity:** Stakeholders place significant emphasis on the Company's performance in climate change response. By increasing related investments, the Company can build a strong brand image and thereby enhance its market competitiveness.
Health and Safety	Policies, management systems, and systematic measures established to reduce occupational hazards and safeguard employees' physical and mental health.	Short-term Mid-term Long-term	Operation	• **Production accident risk:** Improper operation of production equipment may easily lead to safety incidents, resulting in casualties or workplace injuries. • **Insufficient emerging risk management:** In the face of emerging business areas and new technology applications, the lack of mature safety assessment measures and emergency response plans makes it impossible to effectively address unknown hazards.	• **Operational resilience enhancement:** A robust health and safety system helps reduce accident rates, minimize unplanned downtime, and ensure business continuity and operational stability, thereby enhancing the overall resilience of the organization.
Digital and Intelligent Technology	Policies and specific technical measures implemented to promote the application of artificial intelligence and intelligent upgrades.	Mid-term Long-term	Upstream Operation Downstream	• **Technology implementation and integration:** Challenges such as incorrect technology selection, poor compatibility with existing systems, or weak data governance foundations may lead to project failure, wasted investments, and operational disruptions. • **Data security and privacy protection:** AI applications involve vast amounts of data; any deficiencies in data security and privacy protection may lead to legal disputes, regulatory penalties, and a crisis of public trust.	• **Business model innovation and growth:** Empowered by artificial intelligence and data analytics, intelligent products can be gradually incubated, service processes optimized, and precise decision-making achieved, driving revenue growth. • **Operational efficiency and value chain collaboration:** Intelligent technologies can significantly enhance automation and collaboration across R&D, production, supply chain, and marketing, reduce costs, shorten cycles, and effectively strengthen competitiveness.
Labor Rights and Welfare	Policies, management systems, and systematic measures established to protect employees' legitimate rights and interests and enhance their work experience.	Mid-term Long-term	Operation	• **Compliance with labor rights and welfare:** Labor disputes, arbitration, or penalties may damage corporate reputation and stability. • **Declining talent attractiveness:** In a highly competitive talent market, inadequate compensation and benefits or an uncompetitive employee care system may lead to the loss of key personnel, thereby affecting the organization's capabilities.	• **Enhancing organizational effectiveness and innovation capability:** Robust labor rights and welfare protection can significantly boost employee engagement, team collaboration efficiency, and motivation for innovation, thereby translating into higher productivity and more resilient organizational capabilities. • **Enhanced employer branding and social recognition:** Building a responsible employer image helps attract and retain top talent, creating long-term value.
Corporate Governance	Establish a systematic corporate governance framework and safeguard measures, strengthen dedicated governance through the sustainability committee, and solidify the foundation for stable operations.	Mid-term Long-term	Operation	• **Governance failure risk:** Governance failure may lead to strategic missteps, significant compliance issues (such as fraud or violations) or management abuse of power, resulting in direct financial losses and reputational collapse. • **Rising cost of capital:** Weak corporate governance can undermine investor confidence and increase the cost of equity and debt financing.	• **Enhancing market trust and financing capabilities:** Excellent governance is key to attracting long-term value investors and can reduce the cost of capital. • **Building a foundation for long-term value:** A sound corporate governance structure helps align corporate strategy with sustainability goals and effectively manage ESG risks, laying the groundwork for sustainable value creation.

2 Short-term refers to an impact duration of one year or less, medium-term refers to an impact duration of more than one year but up to five years, and long-term refers to an impact duration of more than five years.

Governance Chapter

Standardized Foundation, Steady Progress

SHNE views the improvement of its governance system as a core pillar supporting sustainable development. With a focus on enhancing governance quality, the Company continuously refines its governance mechanisms and strengthens its risk management capabilities. At the same time, it adheres to business ethics principles and enhances data security and privacy protection, providing a solid foundation for stable operations and high-quality sustainable development.

- Strengthen Corporate Governance
- Advance Risk Management
- Uphold Business Ethics
- Protect Privacy and Security

Contribute to the United Nations Sustainable Development Goals (SDGs)



1.1 Strengthen Corporate Governance

SHNE continues to improve its corporate governance structure, steadily strengthen board independence and diversity, and optimize the executive compensation management system, thereby comprehensively enhancing decision-making scientificity and execution efficiency. Based on a robust governance structure and management system, the Company has deeply integrated sustainability concepts into the entire operational process, driving a two-way improvement in management capability and sustainable development performance.

1.1.1 Board Management

The Group strictly complies with the *Corporate Governance Code* contained in Appendix C1 of the *Listing Rules*, the *Company Ordinance* (Cap. 622 of the Laws of Hong Kong), the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong), the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and relevant laws and regulations of the Cayman Islands, and has established management systems including the *Articles of Association and Bylaws*. Based on actual operations, the Group has established a decision-making and management structure centered on the shareholders' meeting, the Board of Directors, and the management team, forming a clear, compliant, and efficient corporate governance structure to ensure lawful, compliant, and effective implementation of decisions, safeguarding the legitimate rights and interests of all shareholders and providing solid governance support for the stable operation of the Company.

Corporate Governance Structure

Shareholders' Meeting

- Convene and hold meetings in accordance with the requirements of the *Articles of Association and Bylaws*.
- Responsible for conducting meeting notifications, meeting reviews, and voting procedures to safeguard shareholders' rights.
- In 2025, the Company convened a total of two shareholders' meetings.

Board of Directors and the Specialized Committees

- As the executive body implementing resolutions of the shareholders' meeting, it is responsible for managing the Company's business and exercising the powers stipulated by the *Company Ordinance* and specified in the *Articles of Association and Bylaws*, including appointing senior management personnel, formulating business decisions and management systems concerning the Company, etc.
- We have established the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Sustainability Committee. Each committee is composed of independent non-executive directors and executive directors, responsible for audit supervision, board structure and member nomination, compensation policy recommendations, and sustainability-related matters, respectively.
- In 2025, the Group held a total of 11 Board meetings (including 5 on-site meetings and 6 written resolutions), 2 Nomination Committee meetings, 2 Remuneration Committee meetings, 3 Audit Committee meetings, and 1 Sustainability Committee meeting.

Management

- Carry out daily production and operation matters in accordance with statutory authority and authorization from the Board of Directors.

In terms of compensation incentives, the Company has established the *Directors' Remuneration Policy* to ensure that directors and senior management receive fair compensation based on their individual qualifications, responsibilities, experience, and expertise. We have designed differentiated remuneration management schemes for directors and senior management, comprising fixed salaries and variable pay linked to performance, guiding them to focus on the long-term value creation of the Group. The Company signs statements of responsibility for operational objectives with senior management and conducts remuneration assessment scoring based on target achievement and job performance, which serves as the core basis for remuneration adjustment and management, thereby fully motivating the core management team.

1.1.2 Board Independence and Diversity

SHNE recognizes that Board independence and diversity are key factors in ensuring the stable development of the Group. As of the reporting period end, the Board comprised 11 directors, including 4 independent non-executive directors and 1 female director, representing 36% and 9% of the Board respectively, laying a solid foundation for the effective performance of the Board's duties.

The Company sets stringent standards for director independence, explicitly requiring independent non-executive directors to provide independent opinions and fulfill independent oversight responsibilities. It reinforces the foundation of independence through multiple mechanisms: appointing qualified independent non-executive directors, ensuring their remuneration is decoupled from performance to avoid conflicts of interest, conducting regular independence assessments, allowing directors to proactively obtain additional data or external independent advice, and imposing voting restrictions on directors with conflicts of interest—thereby effectively safeguarding the transparency and fairness of corporate governance.

In advancing diversity, the Company has formulated and implemented the *Board Diversity Policy*, integrating diversity principles throughout the entire process of director nomination and appointment. The Company comprehensively considers diverse factors such as gender, age, race, nationality, cultural background, and professional expertise, and regularly reviews the policy's implementation effectiveness to support balanced corporate development. Meanwhile, the Board members possess professional backgrounds spanning management, economics, finance, engineering, automation, thermal energy, and communication, providing comprehensive professional support for the Company's strategic planning and business decision-making.

As of the reporting period end

the Board comprised **11** directors

including **4** independent non-executive directors and **1** female director

Independent non-executive directors account for **36%**

Female directors account for **9%**



1.2 Advance Risk Management

SHNE adheres strictly to legal and compliant operations, continuously optimizes its risk management system, and balances business development with risk management. It conducts regular risk assessments across all business processes, strengthens prevention and control of major and moderate risks, keeps risks within acceptable limits, fosters a strong risk management culture, and effectively ensures the stable and sustainable operation of the Company, thus safeguarding its long-term development.

1.2.1 Risk Governance

A sound risk governance organizational system is the core foundation for SHNE to strengthen its risk prevention and control framework. The Company has established a comprehensive risk management organizational system comprising the Audit Committee under the Board of Directors, the Risk Management Committee under the Management Committee, business departments and subsidiaries, professional functional departments, and the Audit Department (Discipline Inspection and Supervision Office).

The Risk Management Committee, as the core body for risk management, is headed by the Executive President as Chairperson and the Chief Risk Officer as Vice Chairperson, with senior executives in charge of various business lines or heads of departments serving as members. The Risk Management Committee leads the development of the comprehensive risk management system, formulates relevant policies and systems, and conducts comprehensive supervision, control, and coordination of risks in daily operations. It simultaneously proposes recommendations for optimizing risk management, provides guidance on risk prevention and internal control, reviews risk management strategies for identified risks as well as resolution and response plans for significant or unexpected risk incidents, and deliberates on the annual risk report and the organizational structure plan for the risk management function, submitting these to the Management Committee for approval.

Risk Management Framework



Three Lines of Defense in Risk Management

SHNE, based on the Company's actual situation, has established the "Three Lines of Defense" risk management framework comprising business departments, specialized functional departments, and the Audit Department (Discipline Inspection and Supervision Office), ensuring the long-term effectiveness of risk management measures and effectively supporting the implementation of all risk management activities.

First Line of Defense
Business Departments

Establish corresponding risk management procedures to identify, analyze, evaluate, report, address, and monitor risks that could potentially impact the achievement of its business objectives.

Second Line of Defense
Specialized functional departments, Risk Management Department

Carry out corresponding risk management responsibilities according to the respective departmental roles, provide expertise on risk-related matters, and offer support, oversight, and constructive challenge.

The Risk Management Department is responsible for the Company's comprehensive risk management, ensuring the sound development and effective operation of the comprehensive risk management system.

Third Line of Defense
Audit Department (Discipline Inspection and Supervision Office)

Provide independent supervision, verification, and evaluation of the construction and operational effectiveness of the Company's comprehensive risk management system, conduct internal audits on various risks and the overall risk management status, and promote continuous optimization and enhancement of the Company's risk management capabilities.



1.2.2 Risk Full-process Management

SHNE has established systems such as the *Comprehensive Risk Management Measures*, the *Rules of Procedure for Risk Management Committee Meetings*, and the *Emergency Response System for Major Risks and Unexpected Events*, building a standardized risk management system that provides solid support for the orderly implementation of various risk control activities. The Company adopts a risk management approach combining top-down and bottom-up methods, continuously improving a full-process control mechanism covering risk identification, assessment, and response. Each year, in light of changes in internal and external environments, SHNE conducts comprehensive risk assessments and formulates corresponding risk control measures based on the assessment results. Meanwhile, the Company integrates ESG-related risks, including product quality, health and safety, technological innovation, and information security—into its overall risk management system, effectively preventing and mitigating various risks and enhancing its capability to respond to ESG risks.

Risk Management Process

Risk Identification

- Each functional department and business unit, based on business management conditions and changes in internal and external environments, conducts an annual assessment of potential and significant risks in accordance with the principle of "prevention-oriented, constant preparedness, and integration of prevention and emergency response", resulting in a risk inventory comprising 5 Level-1 risks, 21 Level-2 risks, and 66 Level-3 risks.

Risk Assessment

- In accordance with the *Management Approach to Risk Assessment and Internal Control Evaluation*, various risk assessments are conducted, including ESG-related risks, strategic risks, market risks, financial risks, legal risks, and operational risks. The likelihood and impact of these risks are analyzed and evaluated to determine comprehensive risk levels. Significant and moderate risks identified are included in the monitoring scope, and a risk assessment report is prepared accordingly.

Risk Response

- Track and review the identified risk control measures at mid-year and year-end.
- Develop specific response strategies for the top five risks in collaboration with relevant responsible units.
- For general risks, promptly report to the responsible personnel of the Company's departments and urge each business unit to conduct dynamic monitoring to prevent risk escalation.
- For high risks, promptly report to company leadership according to different levels such as particularly serious incidents, serious incidents, and relatively severe incidents. Based on the review outcomes, establish an emergency response working group to carry out specialized risk mitigation activities.
- For significant and moderate risk items, promptly collaborate with relevant professional functional departments to implement effective measures for risk prevention or handling, report to the responsible management department in a timely manner, and simultaneously copy the Risk Management Department.
- After the resolution of a risk event, all departments of the Company conduct a review to summarize lessons learned and improve the emergency response plan system.

1.2.3 Risk Management Initiatives

SHNE has effectively enhanced its risk prevention and control capabilities as well as operational management level through measures such as proactively addressing existing risks, optimizing task tracking mechanisms, managing risks associated with investment projects, continuously refining investment models, and strengthening foundational work.

Strengthen the Foundational Work of Risk Management and Control

- Continuously improve the internal control system to ensure compliance with state-owned asset supervision and listed company regulatory requirements, supporting the Company's high-quality and sustainable development.
- Deepen research and interpretation of industry policies, prepare policy analysis reports, and provide professional guidance for evaluation and related work.
- Conduct regular special audits on the five elements—internal environment, risk assessment, control activities, information and communication, and internal supervision—to evaluate the effectiveness of internal control and risk management work and continuously strengthen risk management and control capabilities.

Comprehensive Process Management to Control Investment Project Risks

- For the pre-investment phase, establish a standardized review checklist to enhance review efficiency and control investment risks at the source.
- For the post-investment phase, the *Post-Investment Project Management Measures* have been formulated to establish and continuously improve the investment risk management system, providing institutional support for the standardized implementation of post-investment management. Meanwhile, a dynamic post-investment management ledger has been established, with data updated on a rolling monthly basis to promptly identify and monitor changes in post-investment project risks.

Optimize the Tracking and Supervision Mechanism for Risk-related Matters

- For matters deployed in investment decision-making and risk-related meetings, clarify responsible departments, individuals, and completion deadlines, regularly track and supervise implementation progress, and achieve a closed-loop process for risk management.

Tackle and Resolve Existing Risks

- In line with the annual risk management work plan, conduct a comprehensive review and assessment of the Company's existing and potential major risks, and establish a resolution list for existing risk projects.
- The Operating Committee has established a special leading group for resolving existing risks, headed by the Executive President, to centrally coordinate the resolution of existing risks and focus on handling high-risk matters, thereby strengthening the defense for the Company's stable development.

Continuously Optimize the Investment Model

- Continuously optimize the investment calculation model by integrating market trends and business development needs, introducing key parameters such as financing, costs, and energy storage to enhance the model's accuracy and relevance, thereby effectively improving the precision and reference value of investment projections.

1.2.4 Emerging Risk Management

Investment Risks in New Energy Technologies

The new energy industry is experiencing rapid technological advancements and evolving business models, while related projects typically involve long construction periods, large asset scales, and extended payback periods. Insufficient assessment of technological trends or changes in business models may introduce certain uncertainties regarding project investment decisions, operational efficiency, and long-term revenue stability. To address these risks, the Company continuously monitors industry technological developments and market dynamics throughout the investment decision-making and project management processes, strengthens preliminary feasibility studies and dynamic evaluations, optimizes investment decision procedures, and enhances the resilience and adaptability of asset management through refined operational management and continuous improvement mechanisms.

Risks Related to Changes in Electricity Pricing and Market-based Trading Mechanisms

With the continuous advancement of power system reform, market electricity prices fluctuate due to factors such as supply-demand dynamics, trading rules, and regional policies, potentially affecting revenue stability and investment returns of new energy projects and introducing uncertainties to operating performance. To address these risks, the Company continuously monitors changes in power market policies and trading rules, prudently assesses the impact of electricity price factors in project investment and operational management, actively optimizes power generation mix and trading strategies, and enhances overall operational resilience and risk resistance through strengthened cost control and refined operations.

1.2.5 Risk Culture Development

The Company places great importance on fostering a risk management culture and actively promotes a compliance culture. It conducts risk management training on a regular basis, organizing thematic workshops and experience-sharing sessions to comprehensively enhance employees' awareness of risk prevention. Meanwhile, the Company arranges on-site project inspections and research for risk management personnel to deepen their understanding of the entire project development process and effectively improve the effectiveness of risk management work.



Training on the *Company Law of the People's Republic of China*





Risk Management Training Activity

1.3 Uphold Business Ethics

SHNE adheres to business ethics principles, fulfills the requirements of just transition, continuously improves its business ethics management system, implements relevant management measures, fosters a clean and ethical corporate culture, strengthens integrity management for all employees, raises integrity standards for external suppliers, streamlines the reporting and handling mechanism for anti-corruption whistleblowing, and remains committed to promoting a corporate culture of self-discipline, transparency, and integrity.

In 2025, the Company or its employees did not engage in any acts violating the code of business ethics, including corruption, bribery, discrimination, harassment, customer privacy breaches, conflicts of interest, money laundering, or insider trading; there were no political donations or substantiated legal cases related to corruption; and no contributions or expenditures were made to political campaigns, political organizations, individuals or organizations involved in public policy, trade associations, or other tax-exempt groups.

1.3.1 Business Ethics Management

SHNE strictly complies with relevant laws and regulations such as the *Civil Code of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and *Anti-money Laundering Law of the People's Republic of China*. We have established the *Code of Business Conduct and Ethics*, which explicitly prohibits any form of corruption and bribery, monopolistic practices, money laundering, and insider trading. for any violations, the Company imposes strict disciplinary actions in accordance with internal regulations, ensuring fair competition and integrity in its market operations.

Regarding antitrust and unfair competition, the Company does not enter into agreements with competitors, suppliers, or customers that violate competition rules, including but not limited to restricting customers and business partners from independently determining transaction prices and conditions, or restricting business partners and other relevant parties from developing new technologies. The Company does not abuse its dominant market position and upholds market order and business integrity. The Company independently provides services to customers and receives services from suppliers and fully cooperates with investigations conducted by antitrust enforcement authorities.

Main Topics Covered in the *Code of Business Conduct and Ethics*

- Corruption and Bribery
- Political Donations and Charity Activity
- Discrimination and Harassment
- Information Confidentiality
- Avoid Conflicts of Interest
- Anti-monopoly
- Prohibition of Money Laundering and Insider Trading
- Environment, Health and Safety
- Compliance Guidelines and Whistleblowing

1.3.2 Anti-Corruption Management

SHNE adheres to clean and ethical business practices and maintains a zero-tolerance policy towards corruption. The group has established an anti-bribery and anti-corruption organization under the Audit Department (Discipline Inspection and Supervision Office) to carry out initiatives on combating commercial bribery and preventing and punishing corruption. It oversees the effective operation of mechanisms for employees to report and file complaints. The Company has formulated the *Anti-Bribery and Anti-Corruption System*, issued by the Board of Directors, which clearly defines anti-bribery and anti-corruption measures, gift-giving guidelines, prohibited acts, and procedures for handling reports and complaints. This helps effectively mitigate corruption risks, combat corrupt practices, prevent legal and ethical risks, and protect the interests of the Company and its shareholders. In addition, to regulate overseas business operations, the system incorporates requirements for overseas anti-bribery and anti-corruption compliance, thereby ensuring that the Group's international expansion achieves steady progress.

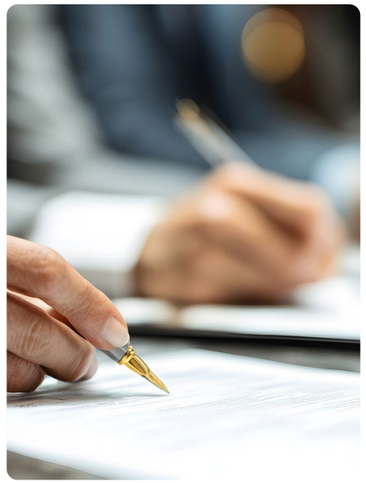
To promote a clean business environment, the Company implements a preventive anti-bribery commitment system for personnel in key departments at critical stages. Senior management personnel sign the *Commitment to Integrity* with the Group, ensuring that employees are aware of, understand, and strictly comply with national laws and regulations as well as internal company policies related to business ethics, and honor their commitment to ethical employment. In addition, the Company encourages suppliers to establish anti-corruption policies to build an integrity-based supply chain.

1.3.3 Business Ethics Audit

The Company has formulated and implemented the *Internal Audit System*, the *Measures for Internal Audit Implementation*, the *Regulations on Supervision and Audit Penalties (Interim)*, and the *Measures for Accountability on Improper Business Operations and Investments*, clearly defining audit supervision responsibilities for violations, standardizing internal oversight, audit verification, accountability, and reward and punishment mechanisms to ensure compliant and controllable business management.

The Company conducts business ethics supervision and audit work based on actual needs to ensure the legality and compliance of activities such as contract management, investment, and related-party transactions, prevent risks of corruption and other violations, and strengthen the defense of commitment to integrity. For business areas with high risks related to business ethics, the Company has developed special audit plans, adheres to combining inspection with rectification, promptly identifies potential risks, implements corrective actions, and ensures effective enforcement of all systems.

In 2025, the Company did **not** identify any significant violations of business ethics.



1.3.4 Whistleblowing Management

SHNE has established and implemented the *Whistleblower System* issued by the Board of Directors, clearly defining the scope, channels, procedures, and investigation processes for whistleblowing. The system encourages stakeholders such as employees, suppliers, and shareholders to report any suspected violations, misconduct, fraud, breaches of business ethics, or actions detrimental to the Company's interests. The Company provides diversified whistleblowing methods including telephone, email, and postal mail through public channels such as its official website, ensuring unimpeded access to whistleblowing. These whistleblowing channels and methods are also incorporated into the onboarding training for new employees, enhancing the accessibility and effectiveness of the oversight mechanism.

The Company has established a standardized mechanism for receiving and investigating reports, with the head of the Audit Department (Discipline Inspection and Supervision Office) or the chairperson of the review committee responsible for recording, accepting, and investigating reported information, and conducting verification work according to the nature of the reported matters. Upon receiving a report, the Company promptly assesses whether to initiate an investigation in accordance with established procedures, and after ascertaining the facts, strictly handles any violations and the relevant responsible personnel in accordance with laws and regulations, thereby achieving closed-loop management and effectively leveraging the whistleblowing mechanism in preventing integrity risks and standardizing business conduct.

SHNE Business Ethics Whistleblowing Channel

Whistleblowing Hotline:
+86 (10) 5650 8010

Whistleblowing Email:
jjjc@shne.net.cn

Whistleblowing Correspondence Address:
Audit Department (Discipline Inspection and Supervision Office) of SHNE, 3/F, Zhonghai International Center, No.28 Ping'anli West Street, Xicheng District, Beijing, PRC

The Company places great importance on the protection of whistleblower rights, clearly stipulating confidentiality requirements and anti-retaliation principles in the whistleblower system. It strictly safeguards the identity information and reported content of whistleblowers and prohibits any form of retaliation. The Company implements strict controls over personal information involved in the investigation process to ensure that whistleblowers are protected from threats or unfair treatment when raising legitimate concerns, thereby fostering an open, transparent, and trustworthy oversight environment. In addition, the Company accepts anonymous reports and does not unilaterally investigate identifiers such as handwriting or Internet Protocol (IP) addresses, supporting and encouraging stakeholders to exercise their right to oversight in accordance with laws and regulations.

1.3.5 Integrity Culture development

SHNE continues to advance its integrity culture initiatives by strengthening employees' commitment to integrity through systematic training and ongoing awareness campaigns, reinforcing the baseline of professional ethics, and promoting a culture of integrity within the organization. The Company integrates integrity culture into daily management and employee conduct standards, guiding employees to voluntarily comply with requirements related to integrity in their work and solidifying the foundation for compliant operations.



In-depth Study and Implementation of the Spirit of the Party's Eight-Point Frugality Code

The Company places great importance on strengthening the anti-corruption capabilities of its Board of Directors. In 2024, it invited the Independent Commission Against Corruption (ICAC) of Hong Kong to conduct a specialized training session titled "The Role of Integrity Governance for Directors of Listed Companies", aiming to enhance directors' understanding of integrity governance, anti-corruption policies and regulations, and anti-corruption risk management. In addition, the Company carries out integrity education in various formats, achieving full coverage among middle- and senior-level managers as well as general employees. For personnel in key positions and management roles, anti-corruption and integrity warning education activities on the in-depth implementation of the spirit of the Party's eight-point frugality code have been organized. Meanwhile, by analyzing typical issues and risk alerts, the Company compiled the *Compilation of 10 Typical Cases Involving Violations of the Spirit of the Party's Eight-Point Frugality Code*, using case-based warnings to strengthen employees' ability to identify and prevent integrity-related risks.

Regarding the regular management of integrity education, the Company has established annual goals for promoting a culture of integrity: conducting integrity promotion through the official website at least four times a year and issuing reminders on integrity before major holidays at least four times. Meanwhile, the Company actively organizes activities such as integrity-themed party classes and warning education meetings, includes employees in key positions as the focus of integrity education management, continuously strengthens the requirements for integrity in the workplace for relevant positions, and promotes the integration of integrity education with position management and duty fulfillment requirements.

Construction of a Culture of Integrity

Integrity Promotion

Delivered quarterly anti-corruption and integrity promotion through thematic integrity workshops covering four key topics: in-depth rectification of irregular dining misconduct, warnings against welfare-related corruption in SOEs, implementation of the spirit of the Party's eight-point frugality code, and rectification of publicly funded tourism irregularities. The workshops cover all employees to strengthen their integrity awareness.

Integrity Warning

Issued anti-corruption and early integrity warnings during major festivals, to foster an integrity-focused cultural atmosphere that advocates frugal, civilized and honest holiday observance.

Anti-Corruption and Integrity Training

Conducted 9 sessions of business ethics and anti-corruption training, totaling approximately 500 hours, with a 100% training coverage rate.



Integrity Reminder for the Qingming Festival



The Discipline Inspection Commission Secretary Delivers a Lecture on Party Integrity and Discipline



Warning Education Conference

1.4 Protect Privacy and Security

SHNE strictly complies with relevant laws and regulations, establishing a comprehensive information security management and customer privacy protection system, implementing full lifecycle management of data collection, transmission, use, and destruction, to ensure the Company's information security and customers' privacy safety.

1.4.1 Information Security Management

SHNE strictly complies with relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, formulates and continuously updates access control policies, clearly designates the person in charge of each site as the responsible person for cybersecurity, promotes the implementation of the cybersecurity tiered protection system, regularly conducts risk assessments and emergency drills, and continuously improves information security risk control measures and standardizes management processes. In 2025, the Company did not experience any information security breaches.

In 2025

the certification coverage rate for information security management systems reached

100%

Information Security Management Measures

Cybersecurity Protection and Operational Management

The Company has established a cybersecurity management mechanism covering daily operation and maintenance, technical protection, and issue remediation, focusing on the operational security of information systems, to continuously enhance system stability and security and reduce operational risks.

- Conduct twice-daily inspections of the server room and monthly checks of network login access to promptly identify and eliminate potential risks; report identified issues promptly and complete corrective actions in conjunction with user feedback.
- Strengthen backup of critical data and monitoring of system operations to ensure stable operation of information systems.
- Regularly identify and rectify system vulnerabilities, and deploy technical protection measures such as authentication, authorization management, and firewalls.

Critical Infrastructure and Equipment Safety Protection

The Company has incorporated critical infrastructure and network-related equipment into a unified management framework, strengthened technical and managerial measures, enhanced the cybersecurity protection capabilities of systems, and reduced risks associated with human operations.

- Unify the management of critical infrastructure and important data, and standardize the use of network-related equipment.
- Promote the development of unmanned power plants, unattended operations, and intelligent dispatching systems to reduce human operational errors and security vulnerabilities.
- Implement cybersecurity tiered protection requirements and strengthen security safeguards for power monitoring systems and other critical equipment.

Cybersecurity Inspection and Risk Assessment

The Company promptly identifies network security risks by combining regular inspections with risk assessments, and continuously improves and enhances its overall protection capabilities.

- Each plant conducts one routine inspection daily and carries out dynamic on-site inspections quarterly to ensure timely identification and rectification of issues.
- Conduct a cybersecurity risk assessment every 1-2 years.
- Entrust a third party to conduct technical upgrades and security assessments of the cybersecurity system, continuously improving the level of security protection.

Emergency Response and Cybersecurity Incidents Drills

The Company establishes an emergency response mechanism for cyber and information security incidents, with clearly defined incident handling procedures and coordination arrangements, to enhance its capability for rapid response and handling of sudden cyber security incidents.

- Establish an information and data security incident response procedure, clearly define the incident handling process, and ensure timely response to cybersecurity incidents.
- In the event of a sudden incident, immediately disconnect from the Company network and contact IT support or the security team to report the issue as soon as possible. The Secretary to the Board coordinates with relevant departments to take effective measures and initiate the emergency response plan to minimize adverse impacts.
- Conduct at least one emergency drill for cyber and information security incidents annually, and carry out regional coordinated drills. In 2025, a total of 75 emergency drills for cyber and information security incidents were organized across all sites.

To enhance employees' awareness of information security and their ability to prevent risks, the Company continues to incorporate information security education into the employee training system. Through regular training, employees gain a better understanding of information security-related laws and regulations, internal management requirements, and daily operational procedures, guiding them to consciously fulfill their information security responsibilities in their actual work and reduce security risks caused by human factors.

Case | Knowledge Training Enhances Cyber Security Incident Response Capability

In October 2025, Yuyang Power Plant organized training on security protection knowledge for power secondary systems, systematically covering key protection technologies, equipment and system security, security management systems, and emergency response and drills. The training effectively strengthened participants' understanding of safe operation procedures for critical information systems and significantly enhanced their capabilities in responding to cybersecurity incidents.



Information Security Training

1.4.2 Privacy Protection Management

SHNE attaches great importance to the protection of users' personal information privacy, strictly complying with relevant laws, regulations, and administrative rules such as the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Consumer Rights Protection Law of the People's Republic of China*, the *Regulations on Network Data Security Management*, and *Interim Measures for the Management of Generative AI Services*, and has implemented a series of customer privacy protection measures.

The Company has established clear regulations on information security and privacy protection in the *Code of Business Conduct and Ethics*, and continues to strengthen the management of data throughout its lifecycle, including collection, storage, use, sharing, transfer, transmission, public disclosure, and deletion, to effectively safeguard the data and privacy security of customers, business partners, shareholders, and other stakeholders. In employee labor contracts and onboarding procedures, the Company explicitly defines employees' responsibilities and obligations regarding information confidentiality and privacy protection, and requires employees to sign a privacy protection commitment upon joining. Meanwhile, the Company has established a reporting and supervision mechanism to encourage employees, customers, and other stakeholders to report any behavior involving privacy infringement or violation of information security requirements, and promptly addresses verified violations to ensure the effectiveness of privacy protection management.

In operations management, the Company strictly adheres to the principles of legality, legitimacy, necessity, and integrity when collecting, processing, and using information related to customers, employees, and business partners, standardizing information processing practices and preventing the risk of information misuse. Documents sent to customers are protected with watermarks and passwords, and statistical documents containing customer information are rigorously encrypted and securely stored. Furthermore, the Company continues to advance its digital and intelligent infrastructure by implementing systems such as unmanned power plants, infrared video surveillance, electronic fences, and centralized control monitoring platforms. These measures enhance operational efficiency while strengthening the security of information systems and critical data, reducing the risk of data breaches and ensuring information and privacy security. During the reporting period, SHNE did **not** experience any privacy breaches.

Environment Chapter

Low-carbon Development, Green Growth

In the context of global low-carbon transition, SHNE actively engages in climate change response, continuously improves its environmental management system, and systematically advances efficient resource and energy utilization, precise emission control, and ecological conservation. Meanwhile, the Company proactively seizes opportunities brought by green development, leverages multidimensional initiatives to consolidate green synergies, fully demonstrates its role as an industry leader, and exemplifies the responsibility and commitment of state-owned enterprises in promoting green development.

- Respond to Climate Change
- Strengthen Environmental Management
- Enhance Resource Efficiency
- Promote Green Operations
- Protect the Ecological Homeland
- Create Green Opportunities Together

Contribute to the United Nations Sustainable Development Goals (SDGs)



2.1 Respond to Climate Change

Amid accelerated global climate governance and the in-depth implementation of the national dual-carbon strategy, climate change response has become a core issue for enterprises to achieve sustainable development. SHNE actively responds to the national dual-carbon strategy by deeply integrating climate change response into its overall corporate development strategy. The Company has established a systematic climate management system across four dimensions: governance, strategy, risk management, and metrics and targets. It proactively identifies and comprehensively manages climate-related risks and opportunities, continuously enhances capabilities in climate-related information disclosure and risk management, and is committed to improving climate resilience through systematic actions, contributing positively to the green transformation of the energy structure and the sustainable development of the industry.

2.1.1 Governance

SHNE continuously optimizes its climate change governance system, establishing the Board of Directors as the core leadership body responsible for the top-level design and strategic guidance of climate governance, and providing overall coordination, guidance, and supervision of the planning and implementation of related management activities.

Climate Change Governance Framework

The Board

- Deliberate on and approve the Company's climate strategy, targets and major decisions.
- Regularly listen to special reports from the management on the assessment of climate-related risks and opportunities as well as corresponding response measures.
- Integrate climate-related considerations into the deliberation of major operational decisions, risk management systems and strategic planning.
- Continuously oversee the rationality of formulation, implementation progress and achievement status of climate targets.

Sustainability Committee

- Formulate the Company's climate response strategy, implementation pathways and management and control measures.
- Regularly supervise the identification and assessment of climate-related risks and opportunities, and provide guidance to the management.
- Report to the Board of Directors on the progress of the climate strategy, outcomes of risk and opportunity assessments, target achievement status and key matters.
- Review and approve important climate-related work results and plans.

ESG Management Office

- Organize regular identification and assessment of climate-related risks and opportunities.
- Decompose tasks around climate targets, clarify responsible persons, implementation pathways and timelines.
- Track and supervise the implementation progress and quality of various tasks.
- Report to the Sustainability Committee on the results of risk and opportunity assessments, progress toward target achievement, and recommendations for optimizing implementation strategies.

ESG Working Group

- Formulate specific implementation plans and work plans at the business level.
- Regularly complete the statistics of various indicators, data collection and the advancement of carbon emission reduction projects.
- Cooperate in the assessment of climate-related risks and opportunities, and develop and implement risk control and emission reduction measures.
- Regularly report work progress, implementation effectiveness and issues encountered during execution to the ESG Management Office.
- Conduct timely communication and coordination to ensure the effective implementation of all tasks.

2.1.2 Strategy

Strategic Pathway for Carbon Peak

SHNE has deeply integrated climate change response into its overall corporate development strategy, aligning with the national dual-carbon target. Centered on the "One Core, Four Engines, Seven Pillars of Support" framework as the key implementation pathway, the Company systematically advances full-process low-carbon transformation and climate risk management. By establishing a scientific and comprehensive system for pathways to reduce GHG emissions, it continuously enhances its sustainability competitiveness and fulfills the climate governance responsibilities of a new energy enterprise.

One Core

Taking carbon peak as the core objective, clarifying the timeline for achieving carbon peak, and laying the foundation for the subsequent realization of carbon neutrality.

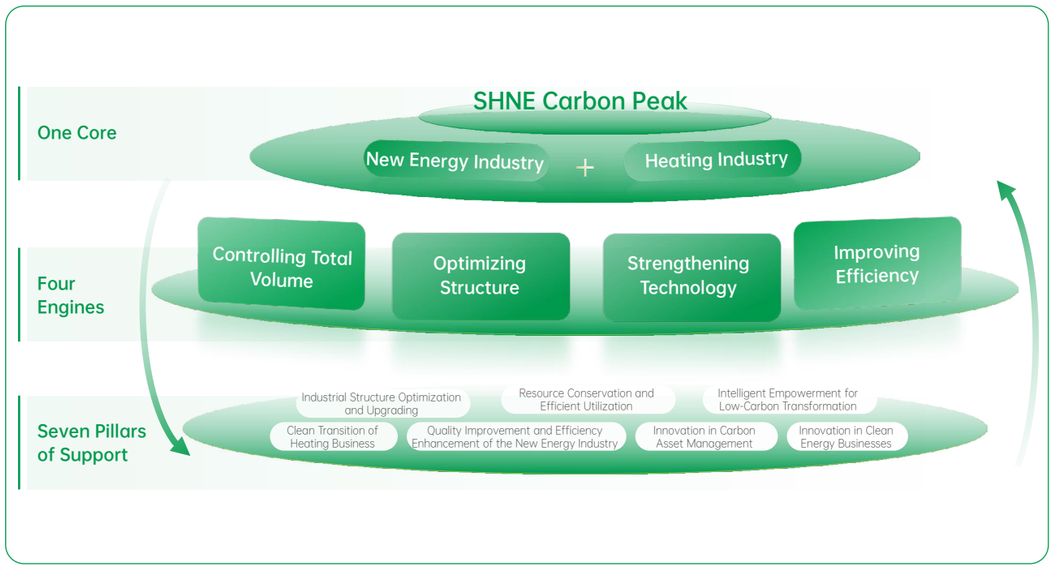
Four Engines

Focusing on controlling total volume, optimizing structure, strengthening technology, and improving efficiency—the four key emission reduction engines—comprehensively advancing carbon emission reductions across the entire business system from multiple dimensions.

Seven Pillars of Support

Focused on seven key areas—industrial structure optimization and upgrading, clean transition of heating business, resource conservation and efficient utilization, quality improvement and efficiency enhancement of the new energy industry, intelligent empowerment for low-carbon transformation, innovation in carbon asset management, and innovation in clean energy businesses—specific implementation measures have been carried out to provide comprehensive, end-to-end support for low-carbon transformation.

"One Core, Four Engines, Seven Pillars of Support" Strategy



End-to-end Implementation of Climate Actions

To ensure the implementation of core strategies, the Company has established a comprehensive pathway to reduce GHG emissions covering accounting, targets, operations, supply chain, risk management, data management, and information disclosure, promoting systematic and standardized execution of the climate strategy.

Additionally, to further deepen carbon asset management, SHNE is actively exploring the implementation of an internal carbon pricing (ICP) mechanism this year, aiming to stimulate internal emission reduction initiatives through price signals. In terms of pricing, the Company determines the price by referencing price forecast data from current and emerging carbon pricing regulatory policies. In future investment planning, the Company will incorporate carbon price signals into the investment review process, helping to optimize resource allocation and investment portfolios, and ensuring that projects achieve synergistic benefits of environmental and economic performance over their entire life cycle, leading the Company toward a transition from a "resource-driven" model to a dual-driven model of "value creation and low-carbon development".

Conduct GHG Accounting

- Define the GHG accounting boundary and identify emission source types, and continuously conduct GHG inventories for Scope 1 and Scope 2.
- Explore and gradually include Scope 3 in the Company's GHG accounting activities.

Set the Dual-Carbon Target

- Research and define the base year, target year, and timeline, identify and assess potential measures for pathways to reduce GHG emissions, and gradually set GHG reduction targets in alignment with the dual-carbon target.

Advocate Low-Carbon Operations

- Strengthen energy management through technological improvements and energy-saving measures, and continuously promote energy conservation and emission reduction.
- Explore the feasibility of constructing a zero-carbon renewable energy power plant demonstration project.

Improve Climate Risk Management

- Compile the *Inventory of Climate-Related Risks and Opportunities and Their Impacts*.
- Introduced scenario analysis tools to identify and assess climate-related risks and opportunities facing the Company under different scenarios.

Build a GHG Accounting Data Management Support Tool

- Promote the digitization, informatization, and visualization of GHG emissions data in the processes of data entry, reporting, review, and aggregation.
- Plan to build an information platform for GHG accounting to optimize GHG emissions data management.

Climate Information Disclosure

- Monitor climate policy developments at national and local levels, respond to capital market demands, and coordinate the disclosure of climate-related information.
- Conduct ESG assurance and produce an assurance report.
- Consider developing the dedicated *Climate Action White Paper* and *Climate Progress Report*.

Build a Green Supply Chain

- Discuss the feasibility of incorporating "low-carbon" criteria into procurement requirements.

Establish an Internal Carbon Pricing Mechanism

- Explore the establishment of an internal carbon pricing mechanism to empower green investment decisions.

Climate Risk Analysis

To actively address the impacts of climate change, the Company conducted climate scenario analysis this year to systematically identify and assess physical risks, transition risks, and opportunities. Through the analysis, the Company has identified the impacts of climate change on its operations, as well as business activities vulnerable to climate-related risks, while also evaluating the resilience of the Company under different climate scenarios. Meanwhile, based on the results of the scenario analysis, the Company has been continuously advancing quantitative analyses of the financial impacts of key risks and opportunities, as well as of business activities affected by key climate-related risks. As these analyses are still being refined, and to ensure data accuracy and rigor, the related findings are not disclosed in the Report. The Company will disclose the results at an appropriate time upon completion of the work.

Climate Scenario Construction

This year, SHNE has conducted a physical risk assessment based on its core business operations and the characteristics of the new energy industry, referring to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and international and domestic practices for climate risk analysis. The Company has conducted physical risk assessment using the IPCC SSP1-2.6 low-emission scenario and the IPCC SSP5-8.5 high-emission scenario and has carried out transition risk assessment using the NGFS "Net Zero 2050" Orderly Scenario and the NGFS "Delayed Transition" Disorderly Scenario of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS)[3]. Through the above analysis, the Company aims to evaluate the potential impacts of different climate scenarios on its operations and value chain at two critical time points—2030 and 2050. On this basis, the Company has systematically compiled the inventory of climate-related risks and opportunities and their impacts, and after in-depth discussion proposed feasible response strategies.

Risk and Opportunity Categories	Scenario Selected	Scenario Description
Physical Risk	SSP1-2.6	Limiting warming to below 2.0 degrees relative to 1850–1900 (median) implies achieving net-zero carbon dioxide emissions in the second half of this century.
	SSP5-8.5	A high-emission scenario without additional climate policies. By 2050, carbon dioxide emissions are projected to roughly double compared to current levels, and global temperature rise is expected to reach 4.4 degrees by 2100.
Transition Risk Climate Opportunity	"Net Zero 2050" Orderly Scenario	Limiting global warming to below 1.5 degrees Celsius through stringent climate policies and innovation, achieving net-zero global carbon dioxide emissions around 2050.
	"Delayed Transition" Disorderly Scenario	Assuming no additional climate policies are implemented before 2030, strong policies will be enacted after 2030 to limit warming to below 2°C.

3 NGFS (Network of Central Banks and Supervisors for Greening the Financial System) is a network composed of central banks and regulatory authorities worldwide, aiming to promote the financial system's climate change response and support the transition to a green economy.

Physical Risk Analysis

The physical risk analysis covers 29 provinces and countries where SHNE's operational projects are located. Twenty-nine representative cities or nearby major cities within these provinces and countries are selected as representative analysis areas. A physical risk assessment tool for climate change is used to evaluate chronic and acute risks faced by these cities. Based on the asset distribution of SHNE, four key physical risk factors critical to the Company are selected for comprehensive analysis. These include climate warming (Annual Average Temperature), cold waves (Number of Frost Days, Number of Snow and Ice Days, Minimum Temperature), heatwaves (Maximum Temperature, Number of Days above 30°C, Number of Days above 35°C), and typhoon and flooding (Number of Extreme Rainfall Days, Maximum Daily Rainfall). A climate risk heatmap for SHNE is developed accordingly. In the heatmap, darker colors indicate a higher likelihood and magnitude of future changes in the climate risk factor for a given city, while lighter colors indicate a lower likelihood and magnitude of change.

Risk Analysis Results

Based on the Company's asset distribution and business scale, conduct further risk analysis on key provinces where the new energy and heating segments are located.

New Energy Sector

Provinces in focus: Hebei, Henan, Shandong, Anhui, Jiangsu, Guizhou, Shaanxi, Guangdong, Jiangxi.

Under the SSP1-2.6 and SSP5-8.5 scenarios, the overall risk level of heatwaves and typhoon and flooding is the highest. According to heatmap data, asset values and revenue exposed to "high risk" from these climate hazards are substantial, particularly in provinces with large installed capacities such as Guangdong, Jiangsu, Henan, and Shaanxi. Meanwhile, due to typhoon impacts, Guangdong faces a significant increase in flood hazard by 2050. The Company should implement targeted adaptation measures in the future, enhance extreme weather monitoring, conduct inspections and reinforcement of fixed assets such as photovoltaic mounting structures and inverters, and avoid long-term construction projects in areas highly prone to typhoon and flooding, or alternatively develop comprehensive flood prevention designs.

Climate warming and cold waves are expected to exhibit significant fluctuations in future scenarios. The Company should proactively address such physical risks by considering the loss of system efficiency caused by environmental warming and the negative impact of extreme temperature variations on material fatigue in their future planning and layout, while also improving emergency response procedures. In response to heatwaves and warming trends, the Company should proactively optimize power consumption plans for component cooling and operation & maintenance scheduling, so as to control potential risks to employee outdoor work health and safety and business continuity in the future.

Heating Sector

Provinces in focus: Ningxia, Shandong, Shaanxi, Henan, Shanxi.

Under the SSP1-2.6 and SSP5-8.5 scenarios, climate warming and cold waves present the highest overall risk level. The heatmap shows a general upward trend in the annual average temperature across core heating regions in Ningxia, Shandong, Shaanxi, and Henan. A significant portion of heat sales revenue falls within this "high-risk" category, and long-term temperature increase may lead to a decline in heating degree days. The Company can implement targeted medium- to long-term trend monitoring and regularly conduct network efficiency surveys to mitigate asset stranding risks caused by demand contraction.

Cold waves risks will manifest in the future as increased deviation of extreme values. The Company should pay attention to the impact of such acute risks on peak load and improve the emergency response procedures in future heating season plans.

Physical Risk Heatmap of SHNE under IPCC SSP1-2.6 Scenario

Physical Risk Heatmap of SHNE in 2030 under IPCC SSP1-2.6 Scenario

City/Country	Acute Risk								Chronic Risk
	Cold Waves			Heatwaves			Typhoon and Flooding		Climate Warming
	Number of Frost Days	Number of Snow and Ice Days	Minimum Temperature	Maximum Temperature	Number of Days above 30°C	Number of Days above 35°C	Number of Extreme Rainfall Days	Maximum Daily Rainfall	Annual Average Temperature
Shanghai									
Dali									
Baotou									
Beijing									
Changchun									
Chengdu									
Tianjin									
Yinchuan									
Hefei									
Qingdao									
Changzhi									
Guangzhou									
Nanning									
Urumqi									
Wuxi									
Nanchang									
Shijiazhuang									
Zhengzhou									
Ningbo									
Tianmen									
Changsha									
Xiamen									
Lhasa									
Zunyi									
Shenyang									
Chongqing									
Xi'an									
Harbin									
Australia									

Physical Risk Heatmap of SHNE in 2050 under IPCC SSP1-2.6 Scenario

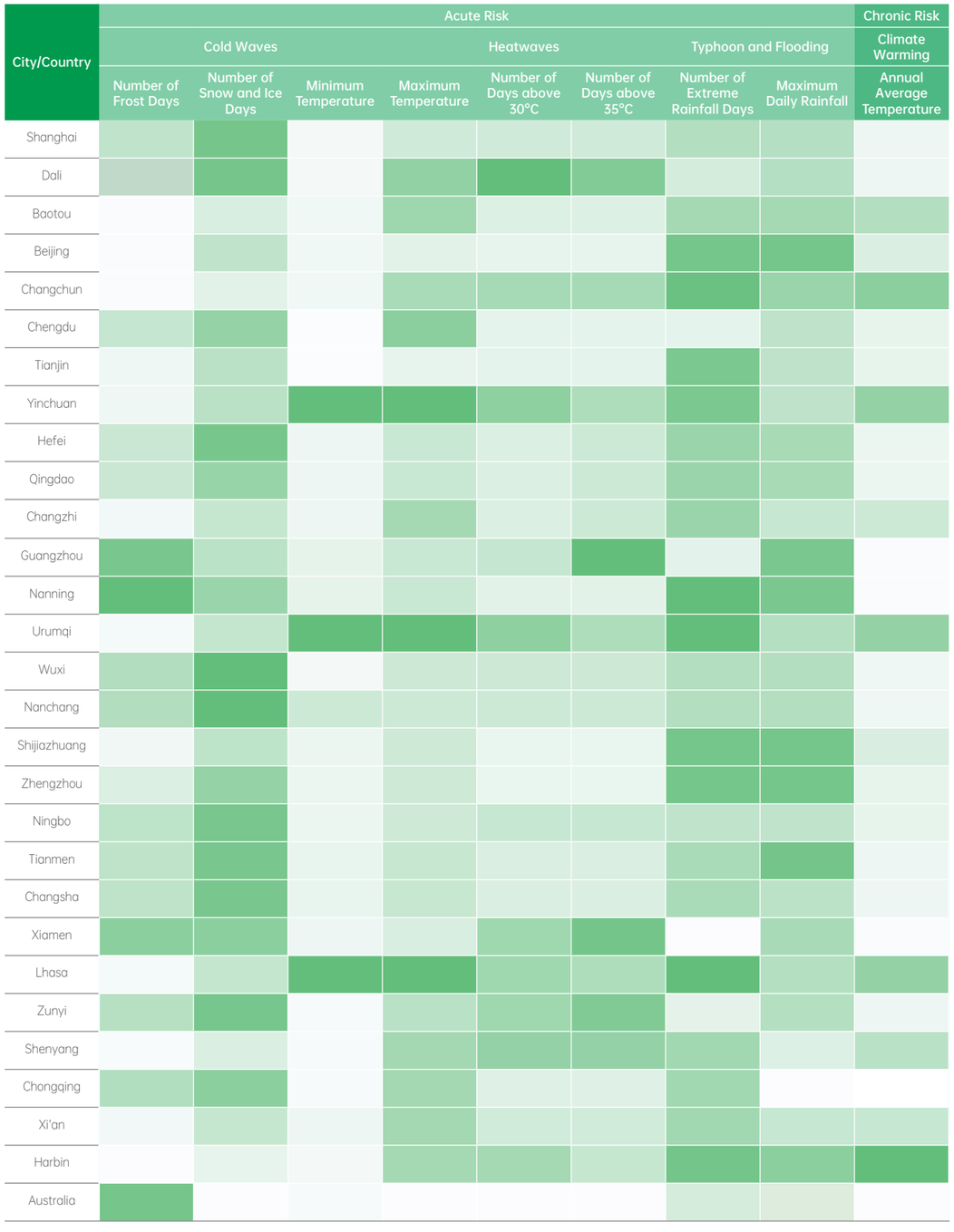
City/Country	Acute Risk								Chronic Risk
	Cold Waves			Heatwaves			Typhoon and Flooding		Climate Warming
	Number of Frost Days	Number of Snow and Ice Days	Minimum Temperature	Maximum Temperature	Number of Days above 30°C	Number of Days above 35°C	Number of Extreme Rainfall Days	Maximum Daily Rainfall	Annual Average Temperature
Shanghai									
Dali									
Baotou									
Beijing									
Changchun									
Chengdu									
Tianjin									
Yinchuan									
Hefei									
Qingdao									
Changzhi									
Guangzhou									
Nanning									
Urumqi									
Wuxi									
Nanchang									
Shijiazhuang									
Zhengzhou									
Ningbo									
Tianmen									
Changsha									
Xiamen									
Lhasa									
Zunyi									
Shenyang									
Chongqing									
Xi'an									
Harbin									
Australia									

Physical Risk Heatmap of SHNE under IPCC SSP5-8.5 Scenario

Physical Risk Heatmap of SHNE in 2030 under the IPCC SSP5-8.5 Scenario

City/Country	Acute Risk								Chronic Risk
	Cold Waves			Heatwaves			Typhoon and Flooding		Climate Warming
	Number of Frost Days	Number of Snow and Ice Days	Minimum Temperature	Maximum Temperature	Number of Days above 30°C	Number of Days above 35°C	Number of Extreme Rainfall Days	Maximum Daily Rainfall	Annual Average Temperature
Shanghai									
Dali									
Baotou									
Beijing									
Changchun									
Chengdu									
Tianjin									
Yinchuan									
Hefei									
Qingdao									
Changzhi									
Guangzhou									
Nanning									
Urumqi									
Wuxi									
Nanchang									
Shijiazhuang									
Zhengzhou									
Ningbo									
Tianmen									
Changsha									
Xiamen									
Lhasa									
Zunyi									
Shenyang									
Chongqing									
Xi'an									
Harbin									
Australia									

Physical Risk Heatmap of SHNE in 2050 under the IPCC SSP5-8.5 Scenario



SHNE Physical Risk Analysis

Risk Category	Affecting Factor	Specific Risk Variable	Risk Description	Value Chain Impact	Time Dimension[4]	Financial Impact Method	Resilience-Building Initiatives
Chronic Risk	Temperature Rise	Annual Average Temperature	1) Long-term temperature rise may shorten equipment lifespan, increase long-term operation, maintenance, and upgrade requirements.	Own operation	Long-term	May affect the Company's revenue and capital expenditures.	Consider climate change scenarios during the project design phase, upgrade cooling systems, and optimize asset lifecycle management.
Acute Risk	Heatwaves	Maximum Temperature Number of Days above 30° C Number of Days above 35° C	1) An increase in the number of high-temperature days and the frequency of extreme heat events may reduce the power generation efficiency of photovoltaic modules, accelerate equipment aging, and increase operational and maintenance safety risks. 2) Prolonged high temperatures may adversely affect the operational stability of energy storage systems and power electronic devices. 3) Impacts on employee health and safety, along with additional costs for temperature regulation and facility maintenance at the project site.	Upstream Own operation	Short- to medium-term	May increase the Company's operating and maintenance costs, accelerate equipment depreciation, and reduce profits (due to decreased power generation efficiency).	1) Adjust operation and maintenance schedules during high-temperature periods, and strengthen high-temperature warnings and on-site health and safety management. 2) Strengthen temperature control and monitoring of critical equipment, and regularly conduct equipment health and safety assessments. 3) Provide employees with facilities and equipment for heatstroke prevention and cooling, distribute high-temperature allowances and heatstroke prevention supplies; formulate fire emergency response plans, and regularly conduct training and emergency drills.
	Cold waves	Number of Frost Days Number of Snow and Ice Days Minimum Temperature	1) Extreme low-temperature weather adversely affects equipment startup performance, material reliability, and operation & maintenance working conditions.	Own operation	Short- to medium-term	May increase operational and maintenance costs.	1) Maintain and optimize existing cold and ice/snow prevention and management measures, and continuously monitor changes in risks. 2) Improve emergency response plans for extreme low temperatures to ensure effective measures can be taken to prevent, control, and mitigate to the greatest extent possible the impacts of freezing conditions and blizzards on the safety of personnel, materials, and property at the site. Proactively conduct temperature monitoring and analysis, align resources accordingly, promptly track and provide feedback on supply and demand changes, and ensure stable power supply.

4 Short-term refers to an impact duration of one year or less, medium-term refers to an impact duration of more than one year but up to five years, and long-term refers to an impact duration of more than five years.

Risk Category	Affecting Factor	Specific Risk Variable	Risk Description	Value Chain Impact	Time Dimension	Financial Impact Method	Resilience-Building Initiatives
Acute Risk	Typhoon and Flooding	Number of Extreme Rainfall Days / Maximum Daily Rainfall	1) Extreme precipitation and typhoon and flooding risks may lead to physical asset damage, electrical system failures, and project schedule delays, directly threatening the health and safety of the power plant and its economic benefits.	Own operation	Short- to medium-term	Infrastructure repair costs, operational disruption losses.	1) Improve flood prevention and drainage design standards, and strengthen the construction of the site's drainage system. 2) Develop emergency response plans for extreme rainfall, regularly conduct emergency drills for extreme weather, enhance emergency response capabilities, promptly activate emergency plans when extreme weather occurs, and conduct post-event reviews. 3) Reasonably schedule construction plans, improve project management flexibility, and strengthen weather monitoring. 4) Fully consider the impact of extreme weather on company operations during the project design phase, and proactively avoid construction projects in relevant areas.

Transition Risks Analysis

Based on the NGFS "Net Zero 2050" Orderly Scenario and the NGFS "Delayed Transition" Disorderly Scenario, a transition risks assessment is conducted across six influencing factors: Carbon Pricing, Electricity Pricing Policy Trends, Energy Price Fluctuations, Changes in Energy Structure, External Sustainability Awareness, and Energy Efficiency Investment. The transition risks assessment is divided into two dimensions: objective and subjective. The objective score is derived from the magnitude of changes in scenario forecast values, while the subjective score comes from stakeholder communication (via surveys across key departments of the Company). By integrating both objective and subjective scores, the impact of these factors on the Company's business is evaluated, resulting in a transition risks heatmap.

Risk Analysis Results

01

Changes in electricity pricing policies pose significant challenges by 2030 under the orderly transition scenario, as market-oriented reforms driven by policy may lead to revenue fluctuations for new projects; shifts in energy structure are more pronounced under the disorderly transition scenario; carbon price evolution represents a long-term core risk, exhibiting sharp upward trends by 2050 in both scenarios, with increasing marginal abatement costs directly impacting compliance costs. The Company will prioritize managing these transition risks in the future and proactively develop response strategies.

02

Additionally, the risk associated with energy price fluctuations, while introducing market uncertainty, presents a competitive advantage for green power suppliers and is therefore assessed as medium risk; external sustainability awareness reflects investor pressure regarding ESG expectations and should be regarded as a secondary risk requiring attention for brand management; changes in energy efficiency investment have minimal impact on financial and operational performance and currently do not constitute a strategic priority.

Heatmap of SHNE's Transition Risks under the NGFS "Net Zero 2050" Orderly Scenario

Transition Risks Heatmap of SHNE in 2030 and 2050 under the NGFS "Net Zero 2050" Orderly Scenario

Risk Category	Transition Risk Factor	2030	2050
Policy	Carbon Pricing		
	Electricity Pricing Policy Trends		
Market	Energy Price Fluctuations		
	Changes in Energy Structure		
Reputation	External Sustainability Awareness		
Technology	Energy Efficiency Investment		

Transition risks heatmap of SHNE under the NGFS "Delayed Transition" Disorderly Scenario

Transition Risks Heatmap of SHNE in 2030 and 2050 under the NGFS "Delayed Transition" Disorderly Scenario

Risk Category	Transition Risk Factor	2030	2050
Policy	Carbon Pricing		
	Electricity Pricing Policy Trends		
Market	Energy Price Fluctuations		
	Changes in Energy Structure		
Reputation	External Sustainability Awareness		
Technology	Energy Efficiency Investment		



SHNE Transition Risks Analysis

Risk Category	Transition Risk Factor	Trend of Change	Risk Description	Value Chain Impact	Time Dimension	Financial Impact Method	Resilience-Building Initiatives
Policy	Carbon Pricing	Price increase	Stricter carbon market regulation (e.g., data verification, allowance control) requires companies to establish carbon asset management systems, thereby increasing compliance costs. If sectors such as the heating industry are included in the carbon market, related companies may face rising carbon costs, along with pressure to purchase allowances or invest in low-carbon transformations.	Own operation	Medium- and long-term	May affect the Company's profits and revenue	Establish a statistical mechanism for GHG indicators to comprehensively assess GHG emissions and identify pathways to reduce GHG emissions.
	Electricity Pricing Policy Trends	Price decrease	With the full-scale rollout of the electricity spot market, combined with declining thermal coal prices and high penetration of renewable energy, electricity prices during certain periods—such as midday—face significant downward pressure. The capture price of renewable energy may fall below the market average, leading to declines in spot market average prices in some provinces.	Own operation	Short-term	May affect the Company's revenue	Configure the energy storage system to achieve peak shaving and valley filling.
Market	Energy Price Fluctuations	Price fluctuations	Fluctuations in the prices of coal, natural gas, and others directly affect the costs of traditional energy sources such as thermal power and gas power.	Own operation	Medium and short term	May affect the Company's costs	Optimize fuel procurement, increase the proportion of clean, diversified, and low-carbon heat sources; utilize digital tools to forecast heating demand and improve energy efficiency.
	Changes in Energy Structure	The global energy structure will undergo a significant transformation, with a substantial increase in the proportion of renewable energy.	During the rapid transformation of the energy structure, grid integration capacity, energy storage support, and electricity market mechanisms are still not fully developed, which may affect the profitability of new energy projects. Meanwhile, the transition of traditional energy enterprises could intensify industry competition.	Downstream	Medium- and long-term	May affect the Company's revenue and costs	The Company optimizes its product combination, adjusts it in line with changes in market demand, and increases the proportion of high-efficiency products.
Reputation	External Sustainability Awareness	External stakeholders maintain a high level of attention to sustainable development.	External stakeholders' focus on the Company's ESG performance keeps increasing. Failure to disclose climate-related information in a timely manner may expose the Company to the risk of brand value impairment.	Downstream	Long-term	May affect the Company's financing costs	Improve the quality and transparency of ESG information disclosure.
Technology	Changes in Energy Efficiency Investment	The investment in improving energy efficiency in the market is expected to increase significantly in the future.	Improvements in external terminal energy efficiency and the iteration of old and new assets may lead to the risk of depreciation of existing projects, while rapid external technological advancements may render older projects less competitive in bidding processes.	Own operation	Medium- and long-term	May affect the Company's costs and asset impairment	Closely track high-efficiency smart photovoltaic modules technology; explore and utilize high-quality existing assets for mergers and acquisitions.

Analysis of Transformation Opportunities

To identify and assess transformation opportunities, we conducted a survey covering the Company's major functional departments. Using a subjective scoring method, we quantified and analyzed the potential impact of each opportunity factor on the business.

SHNE Opportunity Analysis

Opportunity Category	Transition Opportunity Factor	Trend of Change	Opportunity Description	Value Chain Impact	Time Dimension	Financial Impact Method	Resilience-Building Initiatives
Policy	Carbon Pricing	Price increase	As the national carbon market expands to cover more energy-intensive industries, carbon prices are expected to rise steadily. Following the restart of China Certified Emission Reductions (CCER), additional emission reduction benefits can be generated for wind and solar projects.	Own operation	Medium- and long-term	May affect the Company's profits and revenue	Establish a CCER project management mechanism, conduct comprehensive verification of asset emission reductions, and participate in domestic and international carbon credit trading.
	Electricity Pricing Policy Trends	Price increase	Green Electricity Certificate (GEC) issuance achieved full coverage, establishing environmental value rights for unsubsidized projects; power market reforms promote full grid market access for renewable energy. Policies mandating renewable energy consumption quotas stimulate demand for green certificates. Green certificate prices rebound from low levels.	Own operation	Short-term	May affect the Company's revenue	Optimize the marketing system management by locking in environmental premiums through a "green certificate + green power" bundled sales model.
Market	Energy Price Fluctuations	Price fluctuations	Price fluctuations in traditional energy sources such as coal and natural gas have driven end-users to shift to stable, low-cost clean energy supplies.	Own operation	Short- to medium-term	May affect the Company's revenue	Optimize the energy cost structure and enhance competitive advantages to expand the market.



Opportunity Category	Transition Opportunity Factor	Trend of Change	Opportunity Description	Value Chain Impact	Time Dimension	Financial Impact Method	Resilience-Building Initiatives
	Changes in Energy Structure	The global energy mix will undergo a significant transformation, with the share of renewable energy increasing substantially	The increasing share of renewable energy has driven the development of new energy projects.	Downstream	Medium- to long-term	May affect the Company's revenue and costs	Closely track the trend of energy structure transformation and seize the opportunities brought by the expansion of the new energy market.
Technology	Changes in Energy Efficiency Investment	Investment in energy efficiency is expected to increase significantly in the future market	Internal digital operations and maintenance improve energy efficiency, and digital tools can reduce operational and maintenance costs.	Own operation	Medium- to long-term	May affect the Company's costs	Enhance the efficiency of existing power plants through technological upgrades; develop integrated "new energy + energy storage" solutions.
Reputation	External Sustainability Awareness	External stakeholders continue to maintain a high level of attention on sustainability	The pressure to decarbonize supply chains is driving export-oriented enterprises and multinational giants, such as RE100 (Renewable Energy 100) companies, to procure zero-carbon electricity on a large scale. Enhanced brand recognition helps lower financing costs. RE100 unconditionally recognizes Chinese green certificates, expanding market demand in the high-end segment.	Downstream	Medium- to long-term	May affect the Company's financing costs	Enhance transparency in ESG information disclosure; align with green loans and green bonds; establish a green brand with differentiated competitive advantages.

2.1.3 Risk Management

SHNE regards climate risk and opportunity management as a core component of its sustainable development strategy. In response to the challenges and opportunities brought by global climate change, the Company has established a comprehensive climate management system covering the entire chain of risk identification, assessment and quantification, strategy formulation, and implementation supervision. This year, the Company has systematically analyzed the short-, medium-, and long-term impacts of climate factors on its new energy asset portfolio using authoritative scenario models from NGFS and IPCC, and deeply integrated the assessment findings into investment decisions, operational management, and strategic planning, promoting controllable risks and achievable opportunities in the Company's low-carbon transition journey.

To address climate-related risks and seize opportunities arising from the low-carbon transition, the Company manages risks and opportunities through various approaches.

Green Financing

- To address climate-related risks and seize opportunities arising from the low-carbon transition, the Company has issued three green medium-term notes cumulatively, raising a total of RMB1.5 billion, specifically designated to support climate-beneficial projects such as renewable energy.
- Obtained approximately RMB2.487 billion in green loans through existing financing replacement and new project financing, effectively supporting the Company's business development.

Carbon Measurement Center

- Invested RMB270 million to establish a carbon measurement center, providing and conducting carbon emission accounting, low-carbon certification, and research services for new energy and new materials projects.

Risk Mitigation

- Invested RMB18.1622 million[5] to purchase climate-related insurance to cover asset losses and operational disruptions caused by physical risks (such as typhoons, floods, and extreme temperatures), thereby enhancing the Company's financial resilience under various climate scenarios.

Risk Management System

The Company has incorporated certain climate-related risks into its comprehensive risk management system and continues to carry out identification and assessment of climate risks. In the future, it will further improve management mechanisms and gradually integrate all climate-related risks into the overall risk management framework to achieve routine and systematic control. By establishing a framework for climate risk identification, assessment, and management, and by considering the characteristics of physical risks and transition risks, the Company systematically analyzes the nature, likelihood, and potential impacts of risks through a combination of qualitative and quantitative methods. At the same time, through regular management reporting and internal evaluation mechanisms, the Company continuously monitors the dynamics of climate risks, holistically assesses their relative significance compared to other risks, and rationally determines response priorities, thereby effectively managing the significant impacts of climate change on business operations and enhancing resilience against risks. At the institutional level, the Company ensures standardized and routine operation of climate risk management by implementing the *Comprehensive Risk Management Measures,* which define risk classification criteria, assessment cycles, reporting pathways, and emergency response procedures.

5 Data is based on the business department's data statistics.

In terms of climate-related opportunities management, the Company identifies and assesses potential opportunities by considering its business characteristics and strategic development direction, comprehensively evaluates the nature, feasibility, and potential impacts of various opportunities, and prioritizes the pursuit of these opportunities in operational decision-making. Through regular assessment by management, the Company maintains continuous attention to the dynamic changes of relevant opportunities. In the future, the Company will further optimize and improve the related processes and mechanisms.

Climate Risk Management Process

Risk Identification and Monitoring

- Based on the Company's business characteristics and in conjunction with the TCFD framework and industry best practices, systematically define the scope of climate-related risks and establish a comprehensive risk inventory covering both physical risks and transition risks.
- Establish a dynamic monitoring mechanism for climate risks to continuously track domestic and international climate policies, carbon market developments, and extreme weather alerts.
- Integrate internal and external data sources to establish a climate risk early warning indicator system, enabling early identification and early warning of risks.

Risk Assessment and Response

- Quantitatively analyze the potential impacts of various risks on operations, assets, and finances under different scenarios using NGFS scenarios and IPCC climate models.
- Develop tiered and categorized response strategies and action plans based on risk assessment results, clearly define timelines, responsible parties, and resource allocation.
- Incorporate climate risks into investment decision-making processes, fully considering climate factors in the site selection of new projects and asset allocation.

Risk Governance and Disclosure

- Establish an ESG and climate risk oversight mechanism at the Board level to regularly review the progress of climate risk management work and significant matters.
- Systematically disclose climate-related risks, opportunities, and management measures in the annual report and ESG report in accordance with SEHK and international standards.
- Conduct regular performance evaluations of climate risk management to promote continuous optimization and upgrading of the management system.

2.1.4 Metrics and Targets

To actively respond to the national deployment of the dual-carbon strategy and promote the effective implementation of climate risk management and supervision mechanisms, the Company has set a target to peak its operational carbon emissions by 2030, with an aspirational goal of achieving peak emissions by 2029, based on its current carbon emission status and emission reduction potential. Meanwhile, through systematic planning of emission reduction pathways, the Company is committed to achieving carbon neutrality at the operational level by 2060. The Company monitors its emission reduction progress through annual carbon inventories, and the overall progress remains aligned with the 2060 carbon neutrality target.

GHG Accounting

Key Performance Indicator	Sub-indicator	Unit	2023	2024	2025
Direct emissions	GHG emissions (Scope 1)	tCO_2e	179,487.51	178,701.93	190,423.58
Indirect emissions	GHG emissions (Scope 2)	tCO_2e	454,546.27	491,011.10	501,129.31
Value chain emissions[6]	GHG emissions (Scope 3)	tCO_2e	-	-	83,131.28

6 In 2025, the Company conducted its first value chain Scope 3 GHG emissions accounting, covering Category 1 Purchased Goods and Services, Category 2 Capital Goods, Category 3 Fuel- and Energy-Related Activities, Category 4 Upstream Transportation and Distribution, Category 5 Waste Generated in Operations, Category 6 Business Travel, and Category 7 Employee Commuting.

2.2 Strengthen Environmental Management

SHNE strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution caused by Solid Wastes*, the *Law of the People's Republic of China on Noise Pollution Prevention and Control*, and other relevant environmental management laws and regulations. The Company has formulated and implemented internal policies and systems such as the *Regulations for Environmental Protection Work Management*, the *ESG-compliant Construction Management Measures for Engineering Projects*, the *Green Construction Proposal*, the *Environment and Water Quality Protection Program*, and the *7S Standard Management Measures*, to comprehensively standardize environmental management practices. During the reporting period, the Company revised the *Regulations for Environmental Protection Work Management* to further strengthen environmental protection management requirements and ensure the effective implementation of all environmental protection measures. The Company continues to advance the standardization of its environmental management system. As of the end of the reporting period, the Company's ISO 14001 environmental management system certification coverage rate reached 100%.



Environmental Management System Certificate

To strengthen environmental risk control, the Company requires all units to develop emergency response plans for environmental incidents, establish emergency response systems, and enhance training and emergency drills. In the event of an environmental incident, prompt and appropriate actions should be taken, and relevant government authorities shall be reported in accordance with the *National Emergency Response Plan for Sudden Environmental Incidents*. For significant or higher-level environmental incidents, reports must also be submitted to the Company's Safety Management Committee.

During the reporting period

SHNE did **not** experience any major environmental pollution incidents or violations, nor did it cause significant impacts on the environment or natural resources.

SHNE has established a top-down environmental management structure characterized by "hierarchical supervision and individual accountability". The Safety Management Committee takes overall leadership of environmental management, clearly defining the environmental responsibilities of each department and subordinate operating units, thereby strengthening the standardization, oversight, and guidance of environmental management practices. The Company actively promotes quantitative assessment of environmental management performance. The Safety Management Committee regularly evaluates the environmental performance of all units, incorporates the results into performance targets for assessment, and directly links environmental management indicators to executive and departmental compensation. A one-vote veto is applied for environmental safety incidents, comprehensively reinforcing the implementation of environmental management responsibilities.

Responsibilities of Environmental Management Structure

Safety Management Committee

- Responsible for making decisions on the Company's environmental protection policies and objectives.
- Responsible for reviewing the Company's environmental protection development plans, relevant regulations, key environmental protection governance project construction plans, and implementation plans. It coordinates and resolves major environmental protection issues and supervises the environmental protection work of all units.

Safety and Quality Department

- Responsible for safety, quality, and environmental protection management of the Group, developing the Group's safety management capabilities, urging business units to fulfill their primary safety responsibilities, implementing quality and environmental protection management duties, safeguarding the lives and health of employees, improving project construction quality standards, and ensuring compliance with environmental protection management to ensure the achievement of the Group's work safety goals.
- Responsible for the establishment, maintenance, and certification management of the Group's quality, environmental, and occupational health and safety management systems to enhance the Group's core competitiveness.

Other Departments

- The Secretariat of the Board (President's Office) is responsible for the management of energy conservation and environmental protection in the office area of the Group's headquarters, the identification and evaluation of environmental factors, collecting statistics on the list of important environmental factors, and the formulation of relevant management measures.
- Each development department is responsible for completing environmental protection procedures related to wind power, photovoltaic, and energy storage projects.
- The Engineering Center is responsible for supervision and management of environmental protection of construction projects.
- The Operations Department is responsible for the supervision of the environmental protection of operation projects.
- Other departments are responsible for the management of environmental protection within the business scope of their own departments.

Units

- Each unit shall designate a competent department for environmental management and allocate environmental management personnel.
- The construction unit (project company) is responsible for supervising and implementing environmental protection requirements at each stage of the project, including design, construction, and completion acceptance.
- Each operating unit is responsible for implementing environmental management tasks for the projects, ensuring that emission standards comply with relevant legal and regulatory requirements.

SHNE actively promotes green management throughout the entire project lifecycle, integrating the concepts of environmental protection, green development and just transition, together with clean production measures, into the preparation, construction, and operation phases, and supporting the Company's sustainable development through meticulous management measures.

2.2.1 Project Preparation Phase

SHNE strictly complies with laws, regulations, and standards such as the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Regulations on the Administration of Construction Project Environmental Protection*, and the *Catalog for Environmental Impact Assessment Classification management of Construction Projects*, and has established and improved internal systems including the *Environmental Factors Identification Table* and the *Important Environmental Factors Identification Table*.

During the preliminary research phase of projects, the Company requires multiple rounds of on-site investigations for all projects to thoroughly assess the surrounding environment and community conditions, conduct comprehensive environmental evaluations of factors such as air, water, noise, soil, and biodiversity, accurately identify and analyze significant environmental impact factors, prepare environmental impact reports, and submit them to the relevant administrative departments for record-filing. The Company strictly adheres to compliance requirements and explicitly stipulates that construction projects not approved by the government's environmental protection administrative department shall not commence construction, trial production, or final acceptance, in order to minimize potential negative environmental impacts.



2.2.2 Project Execution Phase

SHNE strictly complies with relevant laws and regulations related to project construction, and has established internal systems such as the *ESG-compliant Construction Management Measures for Engineering Projects* and the *Green Construction Proposal*. The Company systematically identifies major environmental impact factors during the construction phase, and formulates and implements targeted environmental protection measures. The Company places great importance on protecting the environment surrounding construction sites, conducts regular environmental monitoring, and continuously strives toward higher standards of green construction.

Input Side: Resource-Efficient Construction

Land

- **Land use optimization:** Rationally plan land utilization, giving priority to the construction of temporary roads and partial backfilling.
- **Earth stockpile planning:** The remaining excavated soil is managed in coordination with the construction layout, by scheduling the commencement sequence of each unit project and placing stockpile areas within the site to minimize land occupation by soil storage.

Energy

- **Equipment selection:** Priority shall be given to energy-saving, high-efficiency, and environmentally friendly construction equipment and tools recommended by national and industry authorities.
- **Equipment maintenance:** Establish management systems for construction machinery and equipment, promptly carry out maintenance and servicing to keep the machinery in a low-consumption, high-efficiency condition.
- **Energy-saving technological upgrades:** Reduce energy consumption and costs through measures such as pump system upgrades and waste heat recovery improvements.
- **Process optimization:** Arrange processes rationally to improve the utilization and load factors of various machinery.
- **Electricity management:** Implement electricity metering management, strictly control electricity consumption during the construction phase, and place prominent energy-saving electricity labels at power supply locations.

Water Resources

- **Water metering:** Implement water metering management to strictly control water consumption during the construction phase, with separate metering for living areas and construction areas.
- **Water conservation record:** Establish a water usage and conservation statistical record, conduct regular analysis and comparison, and continuously improve water conservation efficiency.
- **Wastewater reuse:** Wastewater recycling facilities are set up at the construction site to collect and reuse wastewater in a cyclic manner.
- **Proper planning:** Schedule equipment cleaning times according to weather and environmental conditions to reduce water consumption.

Material

- **Application of green materials:** Select green materials, actively promote new materials and new technologies, facilitate the rational use of materials, and reduce the actual consumption of construction materials.
- **Material withdrawal control:** Implement a quota-based material withdrawal system, analyze and compare actual material consumption with budgeted material consumption during construction, and develop and execute targeted key-point control measures to improve material saving efficiency.
- **Waste recycling management:** Establish a list of recyclable and reusable materials, formulate and implement a waste management policy for recyclable waste, and promote the resource utilization of waste during the construction phase.



Emission Side: Environmentally Friendly Construction

Air Pollution Prevention and Control

- **Ground hardening:** The ground surfaces of main passageways, access roads, material processing areas, and office-living areas shall all be hardened.
- **Exposed area coverage:** Exposed ground and concentrated stockpiles of soil at construction sites shall be protected with measures such as covering, solidification, or greening; materials prone to dust generation shall be completely covered.
- **Vehicle washing:** A washing bay and sedimentation tank shall be provided at the construction site exit. The undercarriage and wheels of transport vehicles must be thoroughly cleaned before leaving the construction site.
- **Water spraying for dust suppression:** Construction sites and roads should adopt regular water spraying measures to suppress dust.
- **Clean heat supply business technology:** In heating projects, desulfurization, denitrification, and dust removal equipment, as well as low-nitrogen burners, are actively installed to effectively reduce emissions of air pollutants.

Waste Disposal

- **Closed classification management:** Construction waste should be stored by category and disposed of on time. Closed measures or other protective measures should be taken when collecting, storing, transporting, or loading/unloading construction waste. It is strictly prohibited to burn any type of garbage and waste at construction sites.
- **Hazardous waste disposal:** Recycle and treat hazardous waste such as wind turbines lubricating oil and spent batteries; backfilling is strictly prohibited. Designate a dedicated storage area for hazardous waste generated during construction, implement anti-seepage measures, and ultimately entrust a professional third-party agency for centralized and safe disposal.
- **Harmless waste disposal:** Recyclable waste shall be transferred to qualified partner organizations for recycling or reuse; non-recyclable waste shall be sorted on-site during construction, removed to designated locations, and periodically transported to landfill sites for disposal.
- **Hazardous waste isolation control:** It is strictly prohibited to dispose of hazardous waste at construction waste backfill sites, construction waste landfills, or to send it to construction waste recycling facilities for processing.

Wastewater Treatment

- **Strict control of hazardous substances:** The discharge of toxic substances, flammable or explosive materials, oils, acids, and alkalis into urban drainage systems or surface water bodies is strictly prohibited.
- **Regulate wastewater disposal:** Drainage ditches and sedimentation tanks shall be installed at construction sites. Construction wastewater must be treated by sedimentation before discharging into municipal sewage networks.

Noise Control

- **Noise pollution control:** Construction sites should actively implement noise pollution prevention and control measures, adopt effective sound insulation and noise reduction equipment, facilities, or construction techniques to reduce noise emissions and effectively mitigate noise impacts.

2.2.3 Project Operation Phase

SHNE clarifies environmental management during the project operation phase through the *Regulations for Environmental Protection Work Management*, ensuring that emissions of various pollutants such as wastewater, exhaust gas, and solid waste comply with national and local standards. The Company regularly conducts environmental management reviews to ensure proper response and handling of environmental pollution incidents or other sudden environmental incidents.

Environmental Management Measures during Project Operation Phase

Compliance management

Pollutants generated during the operation phase must meet national and local emission standards.

Facility operation and maintenance

Environmental protection facilities shall be kept in normal operation and properly maintained. The efficiency shall not be reduced, nor shall they be shut down or dismantled without authorization. Any malfunctions must be repaired promptly.

Funding guarantee

All organizations must coordinate and allocate plans and funds for pollution prevention and control. Funds designated or applied for environmental protection purposes, as determined by laws and policies, shall be used exclusively for pollution control, and pollution discharge fees shall be verified and paid in a timely manner as stipulated.

Operation and maintenance record

Complete records must be maintained for pollutant emissions during production processes and for the operation and maintenance of environmental protection equipment, and strict file management shall be implemented.



2.3 Enhance Resource Efficiency

SHNE thoroughly implements the green development concept, focusing on the efficient and intensive utilization of energy resources. Through multidimensional measures, it strengthens the full-process management of energy resources, continuously improves energy efficiency, and steadily advances the implementation and effectiveness of its own energy conservation and emission reduction goals.

2.3.1 Energy Management

The Company strictly complies with the *Energy Conservation Law of the People's Republic of China*, and has formulated and implemented a series of regulatory systems, including the *Regulations on Heat Supply Operation*, the *Regulations on Evaluation of Heat Supply Systems*, the *Regulations on Production Energy Consumption Management*, the *Coal Management Rules*, and the *Regulations on Technical Improvement*, to clarify responsibilities and specific energy use requirements for energy management, thereby providing institutional support for refined energy management across all operational processes. Concurrently, the Company has introduced the *Management Rules for Heat Project Companies Special Award*, establishing special performance incentives based on energy-saving indicators in clean heat supply business, motivating all employees to actively implement energy conservation and emission reduction measures during operations, continuously improve energy efficiency, and fully advance the achievement of energy-saving targets.

In 2025

the Company's Beijing office at Zhonghai International Center achieved

100% green power usage

In 2025, the Company closely followed the actual needs of business development and carried out practical and effective energy conservation and emission reduction initiatives, continuously promoting lean upgrades in energy utilization. Through diversified measures such as conducting frequency conversion transformation for calculating pumps, utilizing boiler flue gas and waste heat recovery, adjusting secondary network hydraulic balance, upgrading pump technologies, applying air-source heat pumps, and constructing new boilers, we enhanced energy efficiency. Meanwhile, we actively promoted the use of renewable energy, gradually reducing the proportion of fossil fuel consumption and continuously optimizing and upgrading the energy mix. To improve the quality and effectiveness of energy management, the Company actively explored the implementation of intelligent monitoring and analysis technologies for energy consumption data, and vigorously developed and applied new technologies and products such as geothermal energy, water-source heat pumps, cold and thermal energy storage, driving efficient energy utilization through technological innovation and injecting momentum into green and low-carbon development.

Energy Target	Achievement in 2025
Set comprehensive energy consumption targets in the clean heat supply business, aiming to reduce comprehensive energy consumption by 1% annually compared to the previous year.[7]	By December 31, 2025, the heating company achieved a 1.13% reduction in comprehensive energy consumption.

Case | Xi'an Project Implements Waste Heat Recovery Retrofit for Gas-Fired Boilers

To further reduce energy consumption during equipment operation, the Xi'an project has actively carried out retrofitting for waste heat recovery from gas-fired boilers, lowering the flue gas temperature from approximately 50°C to around 30°C. This has improved boiler efficiency by about 4%, effectively enhancing overall energy utilization efficiency.



Retrofit of Waste Heat Recovery for Gas-Fired Boilers

7 The scope of this target covers: Shandong Hi-Speed (Caoxian) Thermal Power Co., Ltd., Xi'an Shandong Hi-Speed Jiasheng Thermal Power Co., Ltd., Shanxi Shandong Hi-Speed Lüwei Environmental Energy Technology Co., Ltd., Wenshui Shandong Hi-Speed Thermal Power Co., Ltd., Ningxia Yongheng Energy Management Co., Ltd., and Changwu Yongheng Energy Co., Ltd.

Case | Multiple Plants Actively Advancing Energy Transition

To reduce plant self-consumption and improve power generation efficiency and capacity, six plants including Yuyang in Shaanxi and Baoying Guangyanghu in Jiangsu utilized their own components and materials to construct five solar-powered carports and installed solar panels on the rooftop of one administration building. The total module capacity reached 183 kilowatt-peak, generating an annual output of 228,750 kWh, supporting the advancement of energy transition at the plants.

2.3.2 Water Resources Management

The Company strictly complies with laws and regulations such as the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and *Regulation on the Administration of the License for Water Drawing and the Levy of Water Resource Fees,* implementing systematic water-saving plan management throughout the entire process of water intake and usage. The Company has carried out in-depth water-saving special actions, comprehensively promoted the application of water-saving equipment and implemented advanced water-saving technologies, continuously strengthening refined water resource management and control. Based on the operational realities of each subsidiary, we have scientifically established differentiated water consumption assessment indicators, clarified water-saving objectives, and enforced stringent control over water resource consumption. We routinely conduct inspection and maintenance of heating pipelines and intensify investigations into users' unauthorized water discharge, curbing water waste caused by leakage, overflow, dripping, and loss at the source to ensure efficient and intensive utilization of water resources. Meanwhile, through diverse initiatives such as the water loss special governance action competition and the advancement of water-saving technical improvements, we further enhance water conservation awareness across the organization and continuously improve water use efficiency. During the reporting period, the Company encountered no issues in securing appropriate water sources.

Water Resources Target[8]	Achievement in 2025
In the clean heat supply business, water consumption decreased by 1% year-on-year.	In the clean heat supply business, water consumption decreased by 1.8% year-on-year.

Case | Actively Carrying Out Special Initiative for Heating Water Loss Control

In 2025, the Company carried out a special initiative on heating water loss management at the Caoxian, Jinzhou, and Wenshui projects. By conducting nighttime inspections and removing unauthorized water discharge devices from households, using acoustic detectors to precisely locate leakage points, deploying water loss inhibitors, and combining sewage well chamber odor monitoring with inspection of heating well chambers and underground pipeline corridors, a comprehensive set of measures was implemented to effectively enhance the operational stability of the heating system and improve water resource utilization efficiency.



Special Initiative for Heating Water Loss Control

8 The scope of this target covers: Shandong Hi-Speed (Caoxian) Thermal Power Co., Ltd., Xi'an Shandong Hi-Speed Jiasheng Thermal Power Co., Ltd., Shanxi Shandong Hi-Speed Lüwei Environmental Energy Technology Co., Ltd., Wenshui Shandong Hi-Speed Thermal Power Co., Ltd., Ningxia Yongheng Energy Management Co., Ltd

2.4 Promote Green Operations

SHNE has deeply integrated green development principles into its entire operational process, continuously strengthening the refined management of emissions during operations. The Company implements customized measures for different business segments, aiming to reduce the potential environmental impact of its operations. At the same time, it is comprehensively advancing the construction of a green office system, continuously improving resource utilization efficiency, and fostering a low-carbon, environmentally friendly working environment to support the sustainable development of the enterprise.

2.4.1 Emissions Management

SHNE strictly complies with laws and regulations such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes*, the *National Catalogue of Hazardous Wastes*, and the *Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste*. The Company implements full-process management and supervision over exhaust gas, wastewater, and solid waste generated during operations to ensure that emissions meet national and local standards (waste management during construction is detailed in section "2.2 Strengthen Environmental Management"). Adhering to the principles of harmless treatment, resource utilization and reduction, the Company standardizes and optimizes the discharge and treatment of various pollutants, including exhaust gas, wastewater, and solid waste. During the reporting period, the Company actively set and successfully achieved the goals of 100% compliant exhaust gas emissions and full compliant disposal of solid waste, minimizing the impact of production and operations on the ecological environment.

Emission Management in Clean Power Generation Business

The Company strictly implements internal management systems such as the *Work Plan for the Centralized Management of Safety Risks Related to Hazardous Chemicals*, the *Equipment Maintenance and Disposal Regulations*, and the *Hazardous Chemicals Management Regulations*, comprehensively standardizing waste disposal processes in the clean power generation business and strictly controlling emissions during operations.

Emission Control Measures for Clean Power Business

Domestic Sewage

Domestic sewage generated in daily life is centrally discharged into a sewage treatment pond and periodically (typically once every six months) transported by qualified entities to wastewater treatment plants for centralized treatment.

Domestic Waste

Waste bins and trash cans are specially provided within the area for collection, and waste is regularly transported to nearby urban waste treatment plants for centralized processing.

Case | Wuxiang Phase I 100 MW Photovoltaic Project Reduces Construction Environmental Impact through Diversified Measures

The Company's Wuxiang Phase I 100 MW photovoltaic project strictly implements dust control measures, including construction site fencing, wet operation methods, paved roads, vehicle washing, enclosed transportation, and covering of exposed soil, effectively managing particulate matter concentrations at the site boundary and significantly reducing the impact of construction activities on the surrounding environment.





Wuxiang Phase I 100 MW Photovoltaic Project

Emission Management in Clean Heat Supply Business

SHNE strictly complies with national and project operation site-related standards, such as the *Comprehensive Emission Standards for Atmospheric Pollutants* and the *Emission Standard of Atmospheric Pollutants for Boilers*. The Company has established internal management systems including the *Environmental Protection Facilities Operation Management System*, the *Safety and Environmental Protection Incident Management System*, and the *Environmental Protection Management, Supervision, Inspection and Assessment System*, to systematically advance various emission control measures. The Company implements full-process strict control over emissions such as exhaust gas, wastewater, and waste generated during operations, ensuring compliant treatment of all pollutants.

Emission Disposal Measures for Clean Heat Supply Business

Exhaust Emission Control

- **Denitrification system upgrade and reconstruction:** Some projects have modified the existing denitrification system and constructed a new selective catalytic reduction ("SCR") out-of-furnace denitrification system, effectively reducing atmospheric pollutant emissions.
- **Dust removal system iteration and upgrade:** Retrofitting the existing dust removal system in some projects and constructing new wet electrostatic dust removal system to achieve ultra-low emissions of particulate matter.
- **Application of low-nitrogen combustion technology:** Low-nitrogen burners have been installed in certain projects to achieve ultra-low emissions of particulate matter through low-nitrogen combustion technology.
- **Flue gas emission standard upgrade:** Some projects have upgraded and optimized the flue gas emission processes of boilers to ensure emission levels exceed national standards.
- **Precise utilization of emission-reduction materials:** Certain projects use raw materials such as limestone and urea to ensure that flue gas emissions meet local environmental protection requirements.

Wastewater Discharge Management

- **Recycling quality improvement:** Some projects implement advanced treatment of boiler blowdown water, upgrading its quality to meet reclaimed water standards, and reuse it for site dust suppression and landscape irrigation, thereby enhancing the efficiency of water resource recycling.

Compliant Disposal of Waste

- **Centralized treatment of coal ash and slag:** Coal ash and slag generated from coal-fired boilers are regularly transported by qualified entities to designated locations specified by the management authority for centralized and standardized disposal.

Case | Categorized Implementation of Boiler Pollutant Control

In 2025, the Company implemented classified boiler pollution control measures at projects in Dayan, Caoxian, Xi'an, Anze, and Xingxian. For the Dayan project, coal-fired boilers adopted external desulfurization, equipped with desulfurization towers, dust collectors, and internal denitrification technology. The Caoxian project utilized in-furnace desulfurization, in-furnace denitrification, and dust collectors for emission control. For the natural gas-fired boilers at the Xi'an, Anze, and Xingxian projects, low-nitrogen burners were installed to achieve low-NOx combustion, effectively reducing pollutant emissions through multiple measures.





Boiler Pollution Control Equipment and Facilities

Resource Utilization of Domestic Waste

SHNE's associate, Shandong High Speed Renewable Energy Group Limited ("SHREG", 000803.SZ), specializes in investments and operations of organic waste harmless treatment and high-value resource utilization business relying on technological innovation, capital support, and fine management. SHREG has established a professional platform for regenerated oil processing and export trade, with a current daily processing capacity of approximately 5,610 tons of food waste and kitchen waste, and 900 tons per day of sludge, sewage, and leachate treatment.

2.4.2 Green Office

SHNE has established the *Environment, Energy Saving and Safety Management Rules for the Headquarters Office Area*, clearly defining specific management requirements for water conservation, electricity saving, paper reduction, and other areas, systematically implementing a green office model. The Company comprehensively implements energy and water saving measures and promotes a paperless office approach across office areas, thoroughly exploring the potential for resource reduction, strictly controlling consumption of various resources, and advancing green and low-carbon operations in office processes. The Company organizes at least one company-wide environmental protection training session annually and simultaneously posts environmental awareness posters in office areas, continuously strengthening employees' awareness of low-carbon and environmental practices, building collective consensus, and jointly fostering a green and low-carbon office environment.

In 2025, the Company, guided by the principles and implementation measures outlined in the Shandong Hi-Speed Group's *Cost Reduction and Efficiency Improvement Work Manual - Administrative Management (2025 Edition)*, combined with its own operational realities, comprehensively implemented a series of cost reduction and efficiency improvement initiatives across key areas such as office expenses, business travel, hospitality, meeting organization, and office informatization construction, promoting higher-quality and lower-consumption in administrative management.



Key Measures for Green Office Practices

Lighting Energy Conservation

- **Energy conservation in office areas:** Turn off all power sources in the office area promptly after work, including computers, monitors, air conditioning, and other electrical equipment, to reduce standby power consumption at the source.
- **Intelligent lighting retrofit for new energy area:** Install solar-powered lighting fixtures in the new energy area and replace lighting switches with infrared sensors that automatically turn the lights on or off based on ambient light levels, effectively reducing electricity consumption.

Save Water

- **Water recycling:** Encourage the implementation of water recycling to reduce freshwater intake.
- **Water conservation guidance:** Post water-saving signs and promote the practice of "turning off the water immediately after use and ensuring water is shut off when leaving", to eliminate the phenomenon of "wasting water".

Waste Sorting

- **Standardized waste sorting management:** Beijing office buildings strictly implement Beijing's waste sorting requirements and continuously carry out office waste classification work.
- **Consumables recycling and harmless treatment:** In recent years, continuous efforts have been made to promote the recycling of printer toner cartridges and standardized, environmentally safe disposal, thereby reducing environmental impact.

Paperless Office

- **Paperless office model:** Fully implement paperless office to reduce the printing costs of paper documents.
- **Paperless meetings and centralized printing:** Encourage reviewing electronic documents during meetings and promote double-sided printing among employees to further reduce paper consumption.



2.5 Protect the Ecological Homeland

SHNE actively responds to policy initiatives such as the *China National Biodiversity Conservation Strategy and Action Plan (2011-2030)* and the *Opinions on Further Strengthening Biodiversity Conservation*. Adhering to an ecology-first principle, the Company is deeply advancing ecological governance and biodiversity conservation efforts. The Company strictly complies with laws and regulations including the *Environmental Protection Law of the People's Republic of China* and the *Regulations on the Administration of Construction Project Environmental Protection*. We have formulated the *Biodiversity Statement*, making commitments to biodiversity conservation, and has specified key environmental protection measures through the *Technical Specification Document*, thoroughly integrating ecological protection principles into the entire process of planning, design, construction, and operation. In addition, the Company actively conducts specialized training on "Biodiversity-friendly Wind Power", minimizing or avoiding potential environmental impacts from its business activities to support the development of ecological civilization.

Biodiversity Conservation Measures Throughout the Project Lifecycle

Project Preparation Phase

- **Ecological avoidance in project siting:** Strictly comply with relevant laws and regulations by proactively avoiding areas of significant biodiversity value during the project siting phase, thereby mitigating impacts on ecologically sensitive areas from the outset.
- **Comprehensive ecological impact assessment:** Conduct feasibility studies and environmental impact assessments for the project, carrying out holistic and integrated analyses of the local ecology, water bodies, and biodiversity; carry out specialized assessments on the impacts on marine life, birds, and other organisms for certain projects.
- **Multidimensional environmental risk prevention and control:** Develop rational environmental protection plans to address potential risks in atmospheric, water, acoustic, and soil environments.
- **Simultaneous pollution control and ecological restoration:** Actively promote pollution control and soil and water conservation measures to maintain regional ecological stability.

Project Execution Phase

- **Environmental emergency system construction:** Develop emergency response plans for sudden environmental incidents and regularly conduct training and emergency drills to enhance emergency response capabilities.
- **Differentiated space design:** Adopt differentiated spatial layout designs according to various project scenarios, providing ample space for flora and fauna.
- **Control risks at the source:** Strictly regulate the discharge of various pollutants, specifically mitigate construction noise impacts, and through scientific planning, minimize the construction duration to reduce ecological impacts as much as possible.
- **Empowered by digital and intelligent technology:** Actively adopt technologies such as drones and aquatic operation platforms to minimize impacts on vegetation and aquatic ecosystems.

Project Operation Phase

- **Implementation of ecological restoration measures:** Carry out land reclamation of surrounding areas, restocking aquatic species, planting native vegetation, and restoring wetlands, among other ecological restoration measures.
- **Innovative models empower ecological conservation:** Pioneer new construction models such as photovoltaic + agriculture projects, photovoltaic + fishery projects, and mountainous photovoltaic complementation projects to provide favorable habitats for flora and fauna.
- **Promotion of ecological conservation concepts:** Focus on biodiversity conservation, regularly conduct environmental protection awareness campaigns, and build consensus for ecological conservation actions.

Case | Jiangsu Yizheng Project Innovates Water-Based Operations to Protect Aquatic Ecosystems

The Yangzhou Yizheng project scientifically planned the spatial layout by setting the distance between the edges of the photovoltaic modules and the water surface at 2 meters, reducing the impact on aquatic organisms. Meanwhile, an offshore operation platform was used for module installation, avoiding the impact of dewatering operations on aquatic ecosystems such as fishponds, thus promoting coordinated progress between project construction and ecological conservation.



Jiangsu Yizheng Project

Case | Guangxi Hezhou Zhaoping Muge Wind Farm Develops an Eco-Friendly Project

During the planning phase of the Guangxi Hezhou Zhaoping Muge Wind Farm project, the Company comprehensively conducted environmental impact assessments, scientifically avoided ecologically sensitive areas, and simultaneously formulated soil and water conservation plans with quantitative targets such as soil erosion control rate, topsoil protection rate, and vegetation restoration rate. To minimize impacts on surrounding wildlife, the Company proactively carried out analyses of bird activity, additionally prepared bird migration reports, and further strengthened biodiversity conservation measures.

Case | Rescuing a Trapped Nationally Protected "Three-Haves" Animal

On January 18, 2026, the project team of the Company's Gongdao photovoltaic + fishery project discovered a common moorhen, a nationally protected "Three-Haves" wildlife species, trapped in abandoned illegal fishing gear during a routine health and safety and environmental inspection. The team immediately initiated an emergency rescue procedure, safely freed the bird, and released it back into the wetland. Subsequently, the incident was promptly reported to the local agriculture and rural affairs bureau, achieving closed-loop management of the ecological conservation action.



Rescue of Nationally Protected "Three Haves" Animal

Case | The Yulin Project Employs Multiple Measures to Support Ecological Conservation

The Yulin project installs photovoltaic panels in the Gobi Desert region, effectively covering the ground surface and reducing soil wind erosion and water loss. During its operational phase, the project consumes no water resources and generates virtually zero pollutant emissions, contributing to improved regional air quality. The shading effect created by the photovoltaic panels lowers surface temperature and increases humidity, creating a favorable micro-environment for the growth of drought-resistant vegetation. Concurrently, the project has completed vegetation planting across approximately 3,000 mu, further enhancing ecological restoration outcomes. The clean electricity generated by the project can substitute fossil fuels, reducing regional carbon emissions and playing a positive role in climate change response and promoting green, low-carbon regional development.





Yulin Project

2.6 Create Green Opportunities Together

In the context of national low-carbon transition, SHNE takes green and low-carbon development as its core orientation, firmly seizing the opportunities presented by green finance. The Company focuses on its main businesses in solar and wind energy and other clean power generation business, while proactively expanding into cutting-edge technology areas such as energy storage, power distribution and sales, and hydrogen production. It continuously improves a diversified and synergistic sustainable energy supply system, driving the industry toward a high-quality, low-carbon future.

2.6.1 Governance

To ensure efficient project implementation and professional operations, the Company has established a three-tier management system comprising "Headquarter Strategic Control – Professional Department Operation – Regional Company In-Depth Development". At the headquarter level, the focus is on strategic planning, capital operations, and risk management, with the comprehensive implementation of a "project taskforce" model to integrate cross-departmental expertise in development, investment, engineering, and operations. Meanwhile, the Company is actively promoting end-to-end integration and collaboration across the entire project lifecycle—from development and design to cost management, supply chain, and construction—effectively aligning construction efforts and enhancing overall execution efficiency.

The Company has established the institutional document *Organization Structure and Division of Responsibilities*, which systematically clarifies key information such as functional positioning, specific responsibilities, and performance evaluation criteria for each department and platform company. By directly linking project outcomes to the assessment of relevant units, it effectively stimulates internal organizational motivation.

2.6.2 Strategy

Green Finance Development

SHNE regards green finance as a key pillar in promoting sustainable development. Wind and solar power generation, as a critical area of clean power generation business, has been included in the Hong Kong Monetary Authority's *Hong Kong Taxonomy for Sustainable Finance*, becoming an important economic activity supporting climate action. The Company is actively seizing this opportunity to continuously expand the application of green finance in its clean power generation business. Leveraging the projects' strong environmental benefits and development prospects, we have successfully obtained preferential green credit support, providing stable funding for project research and construction. Meanwhile, the Company is actively exploring diversified green financial instruments such as renewable energy REITs, carbon-neutral bonds, and sustainability-linked bonds to enhance the value of its green assets.



Milestones of SHNE's Green Finance Development

2022

- Shandong Hi-Speed Group, through SDHG, acquired a **43.45%** equity stake in SHNE, marking a strategic entry into the clean energy market and becoming SHNE's largest shareholder. Through capital increase initiative, SDHG has injected HKD**4.7** billion in working capital into the Company.

2023

- We established a "three-year HKD1 billion green syndicated loan" abroad with Standard Chartered Bank as the lead bank, with the participation of prominent domestic and international banks.
- We successfully secured a strategic investment of RMB**5** billion from Ping An Asset Management Co., Ltd. (referred to as "PAAMC"), a subsidiary of Ping An Group. The investment was completed on January 3, 2024.

2024

- We were granted additional green financing loan of RMB**4.377** billion, all of which have been used for our new energy projects such as wind power and photovoltaic (PV) new energy projects, including: **5** centralized PV projects, **24** distributed PV projects, and **7** wind power projects.
- Based on its long-term optimism in the new energy green segment and the profitability of SHNE, SDHG acquired an additional **13.52%** equity stake in the Company through a share transfer agreement, at total consideration of HKD**540** million.

2025

- Using its project companies as borrowing entities, the Company secured approximately RMB**2.487** billion in green loans through refinancing of existing debt and new project financing, effectively supporting its business development.
- A total of **3** green medium-term notes were issued through the National Association of Financial Market Institutional Investors, amounting to RMB**1.5** billion in scale.

Case | Successful Issuance of the Second Green Medium-Term Note in 2025

In September 2025, Tianjin Beiqing Electric Power Smart Energy Co., Ltd. (referred to as "Tianjin Beiqing"), a domestic subsidiary of SHNE, successfully issued its second green medium-term note in the interbank market. The bond raised RMB500 million, with a tenor of 3+2 years and a coupon rate of 2.15%. The issuance rate set a new low for medium-term notes of state-owned enterprises in Shandong Province with the same credit rating, laying a solid foundation for further expanding diversified direct financing instruments.

Case | Successfully Issued the First Rural Revitalization Green Medium-Term Note

In October 2025, Tianjin Beiqing successfully issued its third green medium-term note (rural revitalization) of 2025. The issuance scale amounted to RMB500 million, with a tenor of 3+2 years and a coupon rate of 2.25%. The order book reached 2.9 times oversubscription, attracting strong investor demand in the market and achieving pricing below fair value. This marks a significant innovative breakthrough for the Company in the green bonds sector for rural revitalization.

A portion of the proceeds from this bond issuance will be specifically allocated to the rural revitalization sector, with a focus on supporting principal and interest payments for seven projects in regions including Alxa in Inner Mongolia, Shangqiu in Henan, and Xingtai in Hebei. By advancing the modernization of rural clean energy infrastructure, these projects will effectively stimulate local employment and income growth, improve the ecological environment, support the construction of "beautiful rural villages", and achieve an organic integration of economic and social benefits.

Clean Energy Opportunities

SHNE adheres to the corporate spirit of "Be willing to take responsibility and lead the way with courage", actively seizing strategic opportunities presented by national energy transformation and green, low-carbon development. Leveraging its strong capabilities and resource advantages, the Company continuously enhances its core competitiveness. Focusing on clean energy development and clean energy utilization, it provides "Clean Energy+" solutions, striving to build a clean energy ecosystem characterized by multi-energy interconnection, multi-industry collaboration, and diversified profit models, and strives to be a leading integrated clean energy service provider.

New Energy Power Generation

SHNE actively follows the national energy development policy, steadily expands its photovoltaic and wind power plant businesses, and continuously provides comprehensive green and efficient solutions for the clean power generation business.

As of the end of the reporting period, the Company operated approximately 4,961 MW of clean energy power generation projects, including photovoltaic and wind power plants. It owns 54 centralized photovoltaic power plants with a total installed capacity of 2,603 MW, 308 distributed photovoltaic power plants with a total installed capacity of 1,088 MW, and 20 wind power plants with a total installed capacity of 1,270 MW, both domestically and overseas. In 2025, the total grid-integrated power generation from the photovoltaic and wind power plants held and/or managed by the Company reached approximately 6.82 million MWh, saving about 2.18 million tons of standard coal and reducing over 5.37 million tons of carbon dioxide emissions.

Case | The Heze Peony Onshore Wind Power Project Achieves Full-Capacity Grid Connection and Power Generation

In October 2025, the Heze Peony 93.75 MW onshore wind power project, invested in and constructed by SHNE as a key centralized wind power project during Shandong Province's 14th Five-Year Plan period, achieved full-capacity grid connection and power generation. The project utilizes 15 wind turbine units with a capacity of 6.25 MW each, featuring a hub height of 160 meters and a total installed capacity of 93.75 MW. It is expected to generate approximately 235 million kWh of electricity annually, saving 80,000 tons of standard coal and reducing carbon dioxide emissions by about 200,000 tons per year. Now officially entering the operational phase, the project will effectively enhance regional power supply reliability and make a significant contribution to promoting local green and low-carbon transformation and supporting the realization of the nation's "carbon peak and carbon neutrality" goals.





Heze Peony Onshore Wind Power Project

Case | Successfully Secured the 200 MW Integrated Wind-Solar-Storage Project in Songming, Kunming

From July to August 2025, SHNE successfully secured three new energy project quotas in Songming County, Kunming City, Yunnan Province, namely the first phase (100 MW) and second phase (50 MW) of the Songyang North Medicinal Agrivoltaic Project, and the Fenghuangshan Wind Power Plant Project (50 MW) in Songming County. These three projects will be uniformly planned and integrated into a large-scale 200 MW wind-solar-storage hybrid project. The project is expected to have a total investment of approximately RMB900 million, with an annual power generation capacity of 255 million kWh upon completion. It will fully leverage the complementary advantages of wind, solar, and energy storage, and through refined management and technological innovation, establish an efficient and stable clean power generation business supply system, supporting the upgrading of Songming County's green energy industry and empowering regional economic and social sustainable development.

Green Trading

To support the continuous optimization and upgrading of the energy structure and build a circular economy system for green energy consumption, SHNE actively participates in the green electricity and green certificate trading markets. Leveraging innovative trading models, the Company enhances the market-based pricing capability of new energy power, promotes the efficient conversion of project environmental value, and achieves simultaneous improvement in ecological and economic benefits. In 2025, the volume of green power trading reached approximately 200 million kWh, generating revenue of about RMB88.53 million; 550,000 green certificates were traded, generating revenue of RMB3.303 million.

Case | Effectiveness of Green Power Transactions in Photovoltaic Power Plants

Multiple power plants of the Company have actively participated in the market-based trading of green electricity, continuously unlocking the environmental value of new energy projects. As of the reporting period end, the Luduo Photovoltaic Power Plant in Jiangsu Province has achieved a cumulative green power trading volume of 73.667 million kWh, generating green electricity revenue of RMB30.40 million and environmental premium income of RMB1.5962 million; the Kaiping Photovoltaic Power Plant in Guangdong Province has achieved a cumulative green power trading volume of approximately 123 million kWh, generating green electricity revenue of RMB56.3434 million and environmental premium income of RMB0.7195 million.

"New Energy+" Scenario-Based Integration

SHNE takes the "new energy +" scenario-based integration as its approach, actively exploring collaborative innovation across multiple dimensions such as energy, transportation, manufacturing, and rural areas, and is committed to providing systematic support for regional low-carbon transformation and high-quality development.

"New Energy + Agriculture"

We promote the integrated development model of "new energy + agriculture", advancing the deep integration and coordinated development of green energy and agricultural production, achieving a win-win for industries and injecting new momentum into rural sustainability.

Case | Successfully Secured the Construction Index for a 170 MW Photovoltaic + Agriculture Project in Langfang City, Hebei Province

In December 2025, SHNE successfully secured the development rights for a 170 MW photovoltaic + agriculture project in Wanzhuang Town, Guangyang District, Langfang City, Hebei Province. Upon completion, the project is expected to generate over 242.35 million kWh of electricity annually, equivalent to saving 72,800 tons of standard coal per year. Adhering to the development philosophy of "integrating agriculture and photovoltaics, achieving efficient synergy", the project precisely aligns with policy requirements for photovoltaic development and modern agricultural advancement, and systematically coordinates photovoltaic power plant construction with agricultural production, thereby enabling efficient land utilization and mutual enhancement of industrial value. After implementation, the project will effectively support the local area in optimizing its energy supply structure, increasing the share of clean energy, promoting integrated rural industrial upgrading, and injecting strong momentum into the high-quality development and green, low-carbon transformation of the regional photovoltaic industry.

"New Energy + Transportation"

We have innovatively implemented the integrated development model of "new energy + transportation", deeply connecting the new energy supply system with transportation scenarios, promoting clean, energy-efficient, circular, and intelligent development in the transportation sector, and supporting the green and low-carbon transformation of the transportation industry.

Case | The Linteng Expressway Project Sets a Benchmark for Low-Carbon and Green Development

The Linteng Expressway project adopts a new model of coordinated advancement and integrated construction between road infrastructure and new energy design, enabling on-site self-powered operations during the construction phase, reducing carbon dioxide emissions over the entire lifecycle. The design scheme is highly aligned with the expressway scenario, aiming to create a demonstration of low-carbon, green comprehensive energy application for expressways.



Linteng Expressway Project

Case | Signed a Strategic Cooperation Agreement on Integrated Transportation and Energy Development with Zhoucun District, Zibo City

In May 2025, the Party Secretary of Zhoucun District, Zibo City, and the Party Secretary of the Wenchanghu Provincial Tourist Resort Zone led a delegation to conduct an inspection and research visit at SHNE. Both parties held in-depth discussions on deepening cooperation, advancing innovative integration of transportation and energy, and jointly promoting high-quality development of Zibo's hydrogen energy industry. They signed a strategic cooperation agreement and will carry out comprehensive collaboration in areas such as new energy development and construction, hydrogen energy pilot demonstration projects, and the implementation of integrated transportation-energy industries. This partnership will inject new momentum into the upgrading of Zibo's new energy industry, driving regional energy structure optimization and green, low-carbon transformation through coordinated government-enterprise efforts.



Strategic Cooperation Discussion on Integrated Transportation and Energy Development

"New Energy + Ferroalloy"

We have innovatively introduced the "new energy + ferroalloy" green power direct supply model, supporting the development of advanced alloy materials through the construction of complementary new energy power projects, promoting the deep integration of green energy and high-end manufacturing, and facilitating low-carbon transformation and high-quality industrial development.

Case | Collaborating with Songyuan City, Jilin Province to Advance a 420 MW Green Electricity Metallurgy Integrated Project

In November 2025, the Party Secretary of Songyuan City, Jilin Province, led a delegation to visit the Company, engaging in in-depth discussions on cooperation in the new energy sector. The delegation highly commended the Company's full industrial chain advantages and achievements in high-quality development, and reached an important consensus on advancing the 420 MW green power metallurgy integrated project. The project has already received preliminary index approval from the Songyuan City Bureau of Energy in 2024. Relying on Jilin Province's "green power + consumption" policy, it will adopt a direct supply model combining "new energy + ferroalloy", with plans to construct a 420 MW new energy power facility to support an industrial project producing 400,000 tons of advanced alloy materials annually, aiming to achieve coordinated development between green energy and high-end manufacturing.

"New Energy + Digital Intelligence Technology"

We are deeply committed to the integrated development of "new energy + digital intelligence technology", empowering industrial advancement through digitalization and intelligence to achieve deep synergy between new energy utilization and intelligent operation management.

Case | COFCO Grains & Cereals' Photovoltaic Project Empowers Energy Conservation and Carbon Reduction through Digital and Intelligent Technologies

The COFCO Grains & Cereals photovoltaic project adopts a BIPV construction solution, achieving integrated fusion of photovoltaics and buildings, extending the roof's service life, enhancing roof waterproofing reliability, and simultaneously increasing the photovoltaic installed capacity per unit area and boosting power generation output. The project deeply integrates digital technologies with photovoltaic power generation, leveraging an intelligent energy and carbon management platform to create a smart energy solution. By utilizing cutting-edge technologies such as cloud computing, big data, the Internet of Things, mobile internet, and artificial intelligence, the system enables refined analysis, accurate accounting, and scientific regulation of energy consumption and carbon emissions, effectively reducing carbon output and lowering energy consumption costs.



COFCO Grains & Cereals Photovoltaic Project

Industry Exchange and Cooperation

SHNE actively promotes industry exchange and cooperation, sharing cutting-edge practices and experiences with industry partners to continuously enhance its brand influence and play a leading role in the industry.

Case | 2025 Shandong New Energy Industry Development Conference

From September 11 to 12, 2025, the 2025 Shandong New Energy Industry Development Conference (i.e. 5th Shandong High-quality Development Conference on New Energy Storage Technology) were held in Jinan. As a key player in the new energy sector among Shandong provincial state-owned enterprises, SHNE showcased its practical achievements and experience in areas such as transportation-energy integration and electric-computing synergy. During the event, the Company engaged in in-depth discussions with government departments, industry partners, and research institutions on industrial policies and technological trends, reaching multiple cooperation agreements and contributing to the coordinated development of the industry.



The 2025 Shandong New Energy Industry Development Conference Venue

Case | 2025 Taishan Development Conference on New Energy Storage Technology

From October 16 to 18, 2025, the 2025 Taishan Development Conference on New Energy Storage Technology (i.e. the Energy Storage Industry and Technology Exhibition), themed "Promoting High-Quality Development of New Energy Storage and Co-Creating a New Landscape for Green Energy Transition", was successfully held at the Taian Taishan International Convention and Exhibition Center. SHNE showcased its latest achievements in the field of new energy storage technology, and highlighted the implementation progress of its strategy on integrated transportation-energy systems and electric-computing synergy, fully demonstrating the Company's comprehensive strength in clean energy innovation and industrial collaboration.



The 2025 Taishan Development Conference on New Energy Storage Technology

2.6.3 Metrics and Targets

Under the national dual-carbon target, SHNE has deeply integrated green development into its strategic planning. By defining key indicators and a target system, the Company systematically advances green transformation, striving to seize opportunities of the era in energy structure optimization, low-carbon technology application, and green value creation, and leading sustainable development in the industry.

Management Metrics	Target	Completion Status
Clean Energy Revenue in 2025	Steadily increase	In 2025, the actual revenue from clean power generation (generation and O&M) reached RMB3.789 billion, an increase of 1.8% year-on-year.
Newly Acquired Development Capacity for 2025	2 million kW	In 2025, the actual newly acquired development capacity reached 2.2 million kW, representing a 10% increase compared with the annual target set at the beginning of the year.
Actual clean energy power generation in 2025	Steadily increase	In 2025, the actual clean energy power generation reached 6.817 billion kWh, an increase of 4.5% year-on-year.



Social Chapter

United Efforts, Mutual Success

SHNE values talent development, ensures employees' health and safety, and adheres to a people-centered approach. As a responsible corporate citizen, SHNE persists in innovation-driven development, continuously enhances product and service quality, deepens supply chain collaboration, strengthens core competitiveness, and actively participates in public welfare and volunteer activities, contributing to society and demonstrating its sense of responsibility.

- Achieve the Value of Talent
- Ensure Health and Safety
- Adhere to Innovation-driven Development
- Enhance Product Services
- Build a Collaborative Ecosystem
- Shoulder Social Responsibilities

Contribute to the United Nations Sustainable Development Goals (SDGs)



3.1 Achieve the Value of Talent

Throughout its development, SHNE has consistently regarded talent cultivation and development as the core of its growth strategy. We are committed to establishing and improving a comprehensive talent development system, safeguarding employees' legitimate rights and interests, promoting the corporate culture principles of diversity, equality and inclusiveness, and striving to foster a harmonious and collaborative working environment.

3.1.1 Labor Rights and Welfare

SHNE consistently adheres to a people-oriented management philosophy, committed to building harmonious and stable employment relationships. The Company establishes a sound recruitment system, strengthens compliance management, and promotes a diverse and inclusive culture, providing solid support for employee development and the sustainable growth of the enterprise, contributing to just transition with concrete actions.

SHNE adheres to the principle of legal compliance, strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law on the Protection of Minors of the People's Republic of China*, and other relevant laws and regulations, and firmly prohibits the use of child labor and forced labor. On this basis, the Company has formulated and implemented the *Recruitment Management Policy*, clarifying recruitment principles, procedures, and channels, thus laying a solid foundation for establishing harmonious and stable labor relations.

Meanwhile, the Company actively promotes a corporate culture of diversity, equality and inclusiveness by establishing the *Statement on Diversity, Equality and Inclusiveness*. It strictly prohibits any form of discrimination based on nationality, skin color, race, ethnicity, religious belief, political stance, cultural background, age, gender, education level, work experience, family status, health condition, or other factors, and is committed to building a diverse and harmonious working environment where every employee can fully leverage their strengths and collectively drive the prosperity and development of the organization.

Compliant Employment

We adhere to the principles of open selection, fair competition, and equal pay for equal work. Candidates are evaluated based on core factors such as their level of professional knowledge, proficiency in business skills, and performance in general competencies, ensuring that the most suitable talent is selected to meet the demands of each position. In 2025, the Company achieved a recruitment completion rate of over 96%, an increase of 3.5% compared to the previous year.

The Company regards talent pipeline development as a key support for high-quality growth and has incorporated employer branding into its core competitiveness development system. We have formulated a diversified talent recruitment plan, actively seeking new high-quality talents, and achieving mutual growth and win-win outcomes for both individuals and the organization by providing employees with broad development opportunities and rich incentive mechanisms. In 2025, the Company comprehensively optimized and upgraded its campus recruitment and talent development model, adjusting the previous management trainee program to the campus recruitment program. The development approach has shifted from the previous job rotation and centralized incubation model to a targeted, role-specific development mechanism where positions and respective departments are clearly defined upon hiring, while maintaining the original three-year development cycle. This model helps fresh graduates integrate into their roles more quickly, rapidly master the required skills, and significantly enhances the precision and effectiveness of talent development.

The Company strictly prohibits any human rights violations such as child labor and forced labor, takes preventive measures, and will immediately implement specific penalties upon discovery of any violations to ensure that issues are promptly rectified. During the recruitment process, the Company rigorously verifies the identity information of candidates to ensure the authenticity and validity of employee identities, thereby preventing the use of child labor at the source. This year, the Company has not had any incidents of human rights violations such as child labor or forced labor, nor any incidents of discrimination or harassment that infringe upon labor rights and welfare.

In 2025

the Company achieved a recruitment completion rate of over **96%**, an increase of **3.5%** compared to the previous year

Internal

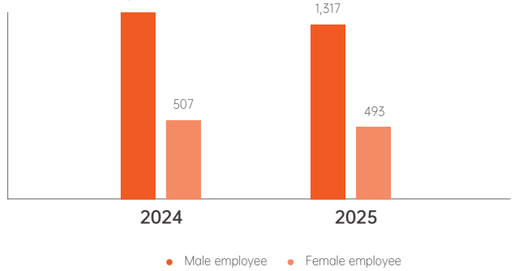
Implement the *Internal Recommendation Management Measures*, under which more promotion opportunities are created for internal employees in the principle of "internal priority". This approach aims to enhance employee motivation and strengthen their sense of belonging to the team.

External

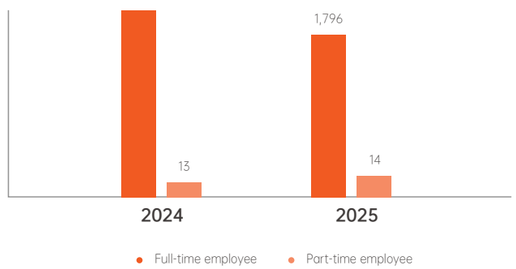
Conduct external recruitment through media advertisements, talent markets, referrals, online recruitment platforms, headhunting agencies, or other channels. Candidates are comprehensively evaluated based on multiple criteria, including moral character, professional competence, work experience, and alignment with job qualification requirements.

2024	2025
Total number of employees	Total number of employees
1,886 person	1,810 person

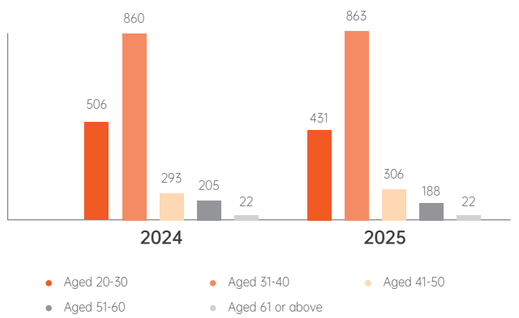
Number of Employee by Gender



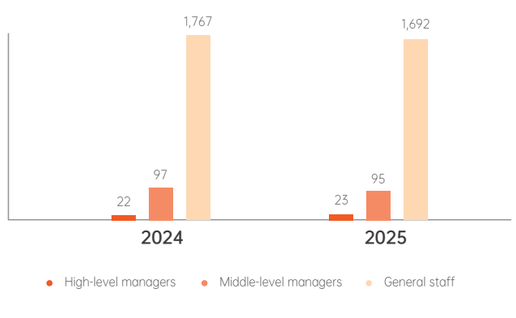
Number of Employee by Employment Type



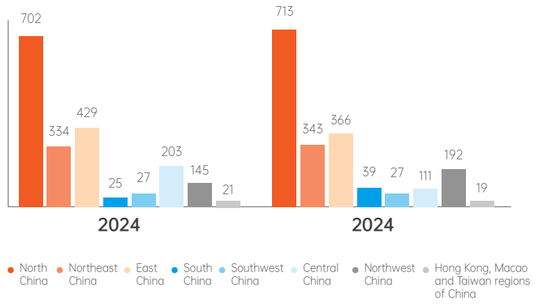
Number of Employee by Age



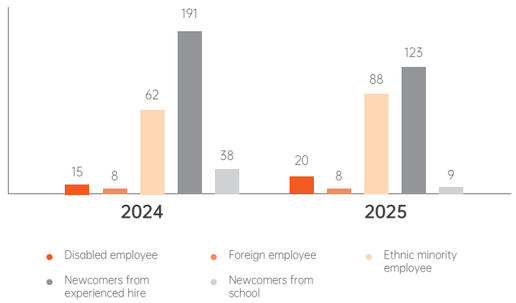
Number of Employee by Position



Number of Employee by Geographical Region



Number of Employee by Special Cases



Indicator Name		Unit	2024	2025
Number of Employee Turnover		person	298	207
Employee Turnover Rate by Gender	Male employee	%	14.19	10.77
	Female employee	%	12.13	8.87
Employee Turnover Rate by Age	Aged 20-30	%	18.26	12.75
	Aged 31-40	%	11.07	8.97
	Aged 41-50	%	10.12	7.83
	Aged 51-60	%	17.00	14.16
	Aged 61 or above	%	12.00	8.33
Employee Turnover Rate by Geographical Region	North China	%	14.18	7.76
	Northeast China	%	11.64	11.14
	East China	%	14.71	9.18
	South China	%	30.56	11.36
	Southwest China	%	15.63	10.00
	Central China	%	13.62	13.28
	Northwest China	%	8.81	17.60
	Hong Kong, Macao and Taiwan regions of China	%	8.70	5.00

Equality and Inclusion

SHNE is committed to building a diverse, equitable, and inclusive work environment and fostering an organizational culture of unity, compassion, openness, and inclusivity. We believe that cultivating a culture of diversity, equality, and inclusiveness is not only a moral obligation but also a key strategic initiative for business development, and an essential path to continuously enhancing the Company's innovation capability, work efficiency, and sustainability. The Company is committed to creating a work environment characterized by respect, understanding, and support for all employees, maintaining a zero-tolerance policy toward workplace harassment, prohibiting any form of harassment, and strictly regulating employee conduct.

SHNE's Commitment to Diversity, Equity and Inclusion

Diversity

- We support and implement various measures to embrace the diversity of our employees, encompassing aspects such as nationality, race, ethnicity, religion, political beliefs, cultural background, age, gender, educational background, work experience, family background, and physical condition, among others. Embracing diversity enables our employees to enrich their unique perspectives and skills, driving innovation, flexibility, and a competitive edge for the Company.

Equality

- We offer our employees a multi-dimensional workplace characterized by fairness, openness, and justice, without implementing differentiated treatment based on gender, background, age, or any other factors.
- We remain committed to ensuring comprehensive equal treatment of employees in recruitment, promotion, remuneration, and other aspects, ensuring that all employees have equitable access to resources and opportunities.

Inclusiveness

- We practice democratic management, valuing, respecting, and listening to the voice of every employee. We encourage all employees to contribute to major decisions and the development of our corporate culture. We ensure that employees actively participate in shaping the Company's affairs and activities, fostering mutual growth for individuals and the Company as a whole.



Employee Care

SHNE places great importance on employee rights and welfare protection, continuously improving the system for safeguarding employee rights and benefits, closely paying attention to and listening to employees' voices, while striving to enhance employees' sense of belonging and company cohesion.

Employee Welfare

SHNE strictly complies with relevant provisions of the *Regulation on Paid Annual Leave for Employees* and has formulated the *Management Measures for Employee Attendance and Paid Vacation*. We clearly define our working hours, ensuring that employees strike a balance between work and rest. In addition to statutory holidays, we offer additional benefits such as paid leave, helping them to navigate life and work. Through these policies, we effectively enhance employees' happiness and sense of belonging, creating a better workplace.

Statutory Holiday

Statutory holidays, paid annual leave, sick leave, marriage leave, bereavement leave, maternity leave, parental leave, etc., are administered in accordance with national policies.

Other Holidays

In accordance with relevant national regulations, employees can request bereavement leave upon the death of immediate family members and SHNE has eased restrictions on bereavement leave, allowing employees to apply for such leave upon the death of non-immediate family members.

According to the *Population and Family Planning Law of the People's Republic of China* and *Population and Family Planning in Beijing*, the Company has revised the *Management System for Employee Attendance and Vacation*, introducing paid parental leave and stipulating that parents with children are entitled to 5 days of parental leave each year per parent until the child reaches 3 years old.

SHNE has implemented the *Welfare Allowance System*. We ensure that, in addition to statutory insurance and housing fund benefits, our employees at the headquarters are entitled to various types of commercial insurance, including accident insurance, supplemental medical care, and life insurance. In 2025, the supplementary accident insurance premiums paid by the Company for headquarters employees resulted in a total compensation amount of RMB759.1 thousand, including RMB254.1 thousand in cumulative outpatient compensation, RMB105 thousand for hospitalization, and RMB400 thousand for critical illness compensation.

In addition, SHNE offers female employees additional care. We set up specialized nursing rooms and facilities in the workplace for breastfeeding, providing a private, comfortable, hygienic environment. We also arrange gynecological, breast and other examinations for female employees in annual health check-ups to enhance their awareness of gynecological disease prevention, sensing the warmth and care from SHNE.

Employee Communication

SHNE regularly conducts internal investigations and assessments, and provides a feedback mailbox for the Audit Department (Discipline Inspection and Supervision Office), offering suggestions and references for optimizing and improving the Company's management measures. At the same time, the Company supports freedom of speech and encourages open communication. Based on the principle of openness and integrity, employees may report issues through designated email addresses, face-to-face meetings, or other means. The Company commits to promptly conducting investigations and properly addressing reported issues, effectively safeguarding employees' legitimate rights and interests.

We firmly uphold employees' right to express themselves, advocate a communication culture of openness and inclusivity, and provide various transparent channels such as email and face-to-face interviews, ensuring that every employee's opinion and suggestion are fully heard and respected.

3.1.2 Employee Development and Training

SHNE has always adhered to the principles of respect for talent, openness, and inclusivity, regarding talent as the core driving force for enterprise development. The Company places great importance on employee growth and development, actively invests resources, and conducts a wide range of employee training programs to continuously enhance professional skills and career competencies, thereby supporting a win-win situation for individual fulfillment and corporate advancement.

Employee Development

SHNE is committed to optimizing employee compensation system by establishing internal management policies such as the *Compensation Management System* and the *Employee Performance Management Policy*. Guided by the principles of fairness, incentive, and cost-effectiveness, and taking into account both historical continuity and future development, the Company is committed to providing employees with market-competitive compensation and ensuring that every employee has the opportunity to grow in a fair and transparent environment.

The Company has established a classified evaluation system tailored to different positions, levels, and functions, with differentiated indicators significantly enhancing the scientific rigor and effectiveness of performance assessments. Employee annual performance results are closely linked to bonus distribution, recognition of excellence, grade promotion, and salary adjustments, reinforcing the implementation of evaluation outcomes to precisely incentivize and recognize outstanding employees, thereby strengthening core talent's sense of belonging and honor. In 2025, the Company conducts annual performance evaluations for senior executives, middle managers, headquarters staff, and frontline personnel, achieving 100% coverage of performance evaluations.

The Types of Company Performance Evaluations Include

Management Objectives

Conduct a biannual performance evaluation through objective assessment, which is primarily based on the progress and completion of key tasks and objectives of individuals.

Multi-dimensional Performance Evaluation

A comprehensive approach to performance evaluation utilizing multiple dimensions and incorporating democratic assessment to ensure the rigor and fairness of evaluation outcomes from all perspectives.

Team Performance Evaluation

Regularly conduct comprehensive evaluations of the overall results and collaboration of project and departmental teams.

Agile Dialogue

Establish a regular communication mechanism to encourage employees to actively provide feedback and suggestions on performance evaluations.

The annual performance evaluation results of the Company are closely linked to bonuses, awards, promotions, and salary adjustments, effectively motivating outstanding employees and fostering a positive organizational culture. This has laid a solid foundation for the sustainable and healthy development of the Company.

Case | SHNE Achieves New Breakthrough in Professional Title Evaluation

In 2025, the Company's professional technical title application initiative achieved remarkable results, covering five professional series including safety engineering and electrical engineering. Seven key personnel participated in the senior-level title evaluation, with one person passing the evaluation for senior engineer (first class) and one person awarded the title of senior engineer. Both the quantity and quality of applications improved significantly, fully stimulating the growth momentum of professional technical talent and solidifying the talent foundation for the Company's high-quality development.

Employee Training

SHNE supports the career development and long-term growth of all employees by providing necessary training resources to help them enhance professional skills and professional qualities and expand career development paths. We continuously revise the *Training Management System*, improve internal trainer content, and provide employees with opportunities to become in-house professional trainers, offering not only additional compensation but also greater possibilities for career advancement. The systematic training plan for 2025 specifically includes employee open courses, management trainee development programs, onboarding training for new employees, training on new energy topics, and online platform learning, achieving 100% employee coverage.

Employee Training Targets and Completion Status in 2025

Employee training coverage rate 100%

Completion Status

In the area of employee development training, the Company has formulated the *Training Management System* to standardize training management practices. Based on internal and external resources, we have established a comprehensive training management system, including the development program for middle and senior management and the development program for high-potential talents, employee development programs, new employee onboarding training, management trainee growth training, and other specialized training initiatives. This system fully promotes employee learning and development.

In addition, the Company regularly organizes a series of training activities related to workplace diversity and inclusion, covering the communication of company management policies, promotion of anti-discrimination and anti-harassment concepts, specialized knowledge training for business lines, and employee cultural events, aiming to enhance employees' professional competence and awareness of professional ethics, and to foster a corporate culture of diversity and inclusion.

SHNE Employee Training Management System

Development Program for Middle and Senior Management

- Strengthen the decision-making and team leadership capabilities of senior management and mid-level leaders of the Group to drive the successful achievement of organizational strategic goals.
- Focus on enhancing strategic vision and leadership capabilities, including advanced strategic management courses, leadership refinement training, and high-performance team-building workshops, to cultivate high-quality talent for future management roles of the Company and ensure the stability and vitality of the management team.

Development Program for High-potential Talents

- Provide new mid-level management and potential leaders with a series of courses on self-management, employee motivation, and team management to build a solid talent pipeline.
- Accelerate talent growth through a combination of practical exercises and theoretical training, preparing key talent for the future development of the Group.

Employee Development Program

- Offer diversified training programs for all employees, including universal skills such as effective communication skills, time management strategies, stress regulation methods, gender equality, and anti-discrimination education, as well as specialized skill enhancement programs.
- Flexibly adjust annual plans to meet personal growth and career development needs of employees.

New Employee Onboarding Training

- Provide a comprehensive introduction to the Group's overview, corporate culture, IT operations, safety regulations, professional ethics, financial processes, document management, and other foundational content. This helps new employees quickly understand the corporate culture and business processes, ensuring smooth integration into the team, clarity in role responsibilities, thus laying a solid foundation for a successful probation period.

Management Trainee Development Training

- Develop a training program for campus recruits, providing systematic development over a three-year period.
- By providing platforms for growth through the star training camp, customized courses, outdoor team-building activities, and on-site visits and learning, we aim to deepen management trainees' industry understanding, clarify their career development paths, and support their rapid growth.

Other Special Trainings

- Other special trainings are led by various departments. For example, the Legal and Compliance Department organizes legal-themed training and the Safety and Quality Department along with production units conducts work safety training, ensuring continuous updating and deepening of professional knowledge and skills across all fields, enhancing the overall professional competence of employees.

Employee Training Programs in 2025

Training on Professional Competence and Efficiency for Frontline Employees

Enhance the professional competence of frontline employees through systematic training, and optimize workflow execution to effectively reduce internal communication costs and work delays, and comprehensively improve team operational efficiency, laying a solid foundation for the Company's steady development.

Open Course for Diversified Knowledge and Cohesion of Employees

Organize open courses for diversified knowledge to promote knowledge sharing and idea exchange across different departments to enhance employees' sense of belonging and cohesion, effectively reducing employee turnover rate, and fostering a positive, harmonious, and progressive corporate culture.

Training on New Energy Topics and Internal Company Collaboration

Conduct specialized training on new energy and internal collaboration training to promote cross-departmental and cross-regional communication and cooperation, break down internal barriers, achieve resource sharing and complementary strengths, and comprehensively enhance the Company's overall synergy and market competitiveness.

Case | SHNE Conducted a Special Training Program for Campus Recruits Called "Star Training Camp"

To implement the talent-driven enterprise strategy, SHNE organized a "star training camp" for campus recruits. Focusing on enhancing the capabilities of young talents, the program includes expert lectures, on-site visits to power plants, health and safety education, business simulation, and quality development activities. Through case-based teaching, interactive discussions, and practical exercises, the training delivers an immersive learning experience. The systematic program helps campus recruits integrate into the Company quickly, strengthen their professional foundation, and comprehensively improve their overall competencies, thus cultivating high-quality young talent for the Company's sustainability.



Special Training Session for Campus Recruits at the "Star Training Camp"

Case | SHNE Held Specialized Training on New Energy Business

To enhance business personnel's understanding of new energy industry policies and their capabilities in project risk management, SHNE organized a specialized training session titled "Comprehensive Project Lifecycle Management and Key Issues to Address", with over 200 employees participating online and offline. The training invited senior executives from central energy enterprises as instructors, focusing on core topics such as policy interpretation of Document No. 136, procedures for wind and solar project approvals, and identification and control of early-stage project risks. The course systematically covered key operational aspects across all stages of project development. Closely aligned with practical realities, the training was highly targeted and provided strong practical guidance, effectively enhancing the professional competence of the business team and improving project execution efficiency.



Specialized Training on New Energy Business

In addition, we actively conduct various external training programs, collaborate with educational institutions to expand training channels, and partner with Beijixing Academy to launch video open courses, jointly carrying out a series of targeted training initiatives aimed at providing employees with diverse and high-quality learning and development opportunities.

Employee Training Performance in 2025

Indicator Name		Unit	2024	2025
Percentage of Employees Trained	Total employee	%	100.00	100.00
	Male employee	%	73.12	72.76
	Female employee	%	26.88	27.24
	Management	%	6.31	6.52
	General staff	%	93.69	93.48
Average Hours of Employee Training	Total employee	hour	5.22	6.85
	Male employee	hour	5.22	5.56
	Female employee	hour	5.22	10.30
	Management	hour	5.22	11.55
	General staff	hour	5.22	6.52

3.2 Ensure Health and Safety

SHNE is strengthening the foundation of occupational health and safety management, continuously standardizing the Company's occupational health and safety practices, creating a healthy, safe, and environmentally friendly working environment for all employees, and ensuring the continuous stability of the Company's work safety situation.

3.2.1 Governance

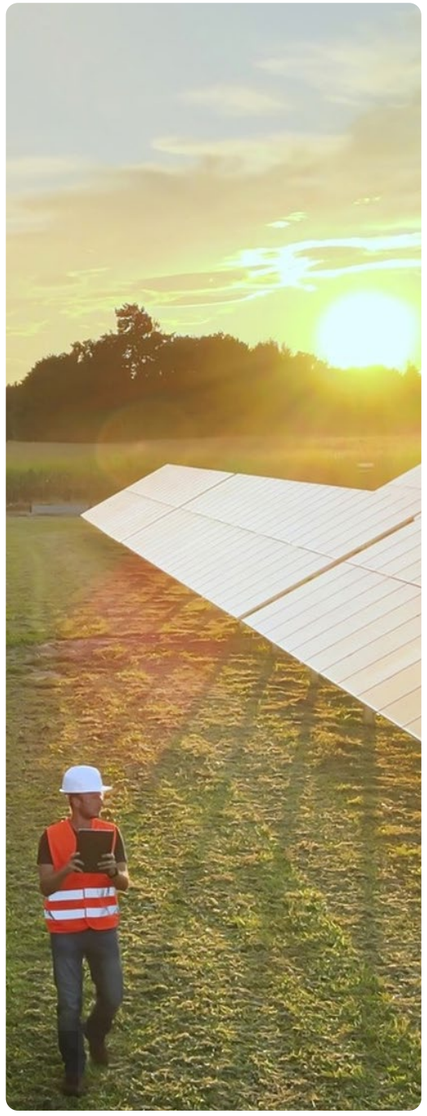
Work Safety

SHNE continuously improves its safety management structure, establishes an occupational safety responsibility system for all employees, and clearly defines the occupational safety responsibilities of responsible persons at all levels. To coordinate safety management work, the Company has established the Safety Management Committee under the Management Committee as the highest supervisory body for safety matters, with the Safety and Quality Department responsible for coordinating safety management activities, and heads of various departments (platform companies) directly responsible for implementing safety management plans.

The Company places great importance on work safety management, strictly complies with laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Special Equipment Safety Law of the People's Republic of China*, and has optimized and adjusted 33 safety, quality, and environmental protection systems according to actual business operations. After the adjustment, the safety and environmental protection management system includes eight regulations: the *Safety Production Supervision and Management Provisions*, the *Safety Assessment and Reward/Punishment Management Regulations*, the *Regulations on Rewards and Penalties for Work Safety Reporting*, the *Fire Safety Management Regulations*, the *Occupational Health Management Regulations*, the *Regulations on Acquisition of Laws and Regulations and Compliance Evaluation*, the *Regulations for Environmental Protection Work Management*, and the *Quality Management Regulations*. These clearly define the safety management responsibilities of all departments and personnel, ensuring the safety of company personnel and the smooth operation of production and business activities.

Health and Safety

SHNE's occupational health management work adheres to the principle of "prevention first, combining prevention and control", implements a management mechanism of "unified leadership, graded management, and progressive accountability", and follows the principle of "classified management and comprehensive governance", promoting the establishment of an integrated supervision system for occupational health and work safety. The Secretariat of the Safety Management Committee is responsible for the comprehensive supervision and management of occupational health within the Group, which is carried out in conjunction with routine safety inspections; each unit is responsible for the specific implementation of all occupational health responsibilities within its scope. Meanwhile, the *Occupational Health Management Regulations* have been established to systematically build a comprehensive and robust occupational health management system, effectively safeguarding employees' physical and mental well-being.



3.2.2 Strategy

Work Safety

SHNE continuously optimizes the processes of risk management and hazard identification to ensure safe and stable production operations, enhance overall safety management standards, and prevent or reduce potential safety incident risks.

Implement the Work Safety Responsibility System	Conduct Regular Safety Inspections	Establish clear assessment and reward/punishment regulations
Establish a clear work safety responsibility system for all types of personnel, including the Company's principal responsible person, work safety management personnel, and employees in various positions, and hold accountable those responsible for safety incidents due to failure in fulfilling their duties, thereby achieving full coverage of safety responsibilities.	Standardize the safety inspection process, adopt a comprehensive assessment approach combining quantitative evaluation with qualitative assessment, and integrate tiered and classified evaluations to clarify the assessment and reward/punishment regulations, ensuring all-around protection of work safety.	Establish the principle of "the person in charge is primarily responsible", and no major safety incidents or penalties occurred in 2025.

The Company regularly organizes comprehensive and systematic safety training activities aimed at enhancing employees' safety awareness and emergency response capabilities, ensuring safe and orderly production operations. In 2025, the Company formulated and released the *SHNE 2025 Safety Education and Training Plan*, and conducted 16 safety education and training sessions, including the "First Lesson of Resumption", specialized training on major accident hazards, and collective safety study sessions for middle and senior management, with a total attendance of 4,370. At the Group headquarters and across all business segments, the total attendance of personnel obtaining relevant certificates reached 329, achieving a 100% certification rate.

In addition, the Company conducted 12 themed safety promotion campaigns—such as "Safety Responsibility for All Employees", "First Lesson of Resumption", and "Fire Prevention during Winter and Spring"—using visual media like posters. We also launched the "safety ambassador" brand to integrate safety culture into daily operations. In parallel, special initiatives such as "Quality Month" activities and "Fire Safety Month" were carried out to strengthen safety awareness across all dimensions and embed the concept of safety deeply in employees' minds.



Special Training on the Topic of "First Lesson of Resumption"



Special "Quality Month" Activities



Special "Fire Safety Month"Activities

2025 Employee and Contractor Safety Performance

Indicator Content	Unit	2025
Number of work-related fatalities	person	0
Working days lost due to work-related injuries	day	0
Lost time injury frequency rate (LTIFR)[9]	%	0
Lost time injury frequency rate (LTIFR) of contractors per a million working hours	%	0
Equipment accidents with direct economic loss of over RMB2 million	case	0
Fire, traffic and electrical accidents	case	0
Public safety incidents	case	0
Administration department penalty	case	0
Safety education training	attendance	9,020

Occupational Health and Safety

SHNE is committed to strengthening the control and prevention of occupational hazard risks in the workplace, providing employees with a working environment that complies with relevant occupational health laws, regulations, standards, and hygiene requirements. By implementing a series of effective occupational health and safety management measures, the Company comprehensively safeguards employees' occupational health and fosters a safe and healthy working atmosphere. In 2025, the Company's certification coverage of the ISO 45001 occupational health and safety management system reached 100%.





Occupational Health and Safety Management System Certificate

9 LTIFR = (lost time injuries)/(total working hours during reporting period) x 1,000,000

Employee Occupational Health and Safety Management Measures

Occupational Disease Hazard Control	Strengthen the control and management of occupational hazard factors in workplaces, regularly conduct risk identification and assessment, establish a list of hazardous factors, clearly specifying their locations, intensity levels, and control measures, and declare and file hazard items in accordance with regulations.
Occupational Health Protection	Provide employees with a work environment and conditions that comply with regulatory standards, supply and maintain occupational disease prevention facilities and personal protective equipment, ensure their normal operation, and prohibit unauthorized removal or deactivation.
Improve the Working Environment	Install alarm devices and other safety measures in workplaces where acute occupational injuries may occur, maintain and service protective and rescue equipment, and provide immediate rescue and report any incidents upon occurrence.
Supervision and Inspection of Implementation	All units shall deploy, inspect, and evaluate occupational health supervision and inspection together with work safety management, supervise subordinate enterprises' compliance with regulations, and guide them in conducting self-inspections and rectification work.
Occupational Health Monitoring	We provide an annual medical examination program for employees to ensure their physical well-being, and establish and improve occupational health management records, covering various types of information, which are filed and preserved annually or by project.
Occupational Health Training	Regularly organize publicity and education activities on occupational disease prevention, popularize knowledge of occupational disease prevention, strengthen employees' awareness of occupational disease prevention, and enhance workers' self-health protection consciousness.
Occupational Health Insurance	Provides health insurance such as accident insurance, supplemental medical insurance, and life insurance.



3.2.3 Risk Management

The Company places great emphasis on work safety management, proactively conducting systematic identification of risks and hazardous sources related to work safety, establishing lists of risks and hazardous sources, and formulating scientific work safety management strategies to ensure the safety of personnel and the smooth operation of production and business activities. Over the past three years, the Company has recorded zero work-related fatalities and zero injury rates per million working hours for employees.

Company Work Safety Risk Management and Hazard Identification Management Procedure

Preparation for Hazard Identification and Risk Assessment

- Each unit shall establish an identification and evaluation team comprising the responsible person, technical, equipment, and operational supervisors, and may invite experts when necessary, encouraging full participation of all staff.
- Convene a working group meeting and prepare meeting minutes to clearly define the scope of identification and assessment, covering workplaces, activities, equipment, and personnel involved in business operations.

Determine the Method for Hazard Identification and risk assessment

- Based on production characteristics and employee skills, two methods—Job Hazard Analysis (JHA) and Safety Check List Analysis (SCL)—are adopted to compile lists of operational activities and equipment facilities, so as to conduct hazard identification comprehensively and accurately.

Conduct Hazard Identification and Risk Assessment

- Identify hazards through on-site investigations, document reviews, and other methods based on the scope, nature, and duration of activities; assess risks, determine major hazards, and implement proactive controls.
- Risks are categorized into different levels based on their severity, with higher-level risks being prioritized for control.

Create a Safety Risk Checklist

- The organization comprehensively identified and improved the safety risk control list, establishing "Safety Risk Control Lists" for each business type.
- Continuously carry out hazard identification through Safety Management Committee members' duty performance inspections, inspections by various business departments, and self-inspections at project sites.

Continuously Carry out Hazard Identification and Rectification

- Conduct a quarterly company-wide evaluation program for identifying and eliminating safety hazards to enhance employees' enthusiasm in participating in safety inspection activities.
- In 2025, conducted 32 safety inspections to thoroughly identify and address potential safety hazards, resolving practical on-site issues.

3.2.4 Metrics and Targets

SHNE continues to deepen the construction of its occupational health and safety management system, strictly implements the occupational safety responsibility system for all employees, and establishes a solid safety defense through institutionalized management, comprehensively safeguarding employees' occupational health and life safety. In 2025, the Company organized the signing of 2,333 statements of responsibility for operational targets, issued the *Group's 2025 Annual Safety Work Plan*, clarified the Company's 2025 safety work principles and safety control objectives, and steadily advanced all aspects of occupational safety management. The Company fully achieved its occupational safety targets for 2025.

Health and Safety Targets and Completion Status in 2025

Management Metrics	Target	Completion Status
Personal safety and production accident	Prevent general and above-level personal safety production accidents	Achieved
Electric power work safety accident	Prevent general and above-level power work safety accidents	Achieved
Fire and equipment damage incidents	Prevent fire and equipment damage incidents causing direct economic losses of RMB2 million or more	Achieved
Traffic accident	Prevent major traffic accidents for which equal or greater responsibility is borne	Achieved
Poisoning incident	Prevent poisoning incidents with direct liability (incidents involving three or more people poisoned or resulting in fatalities)	Achieved
Public safety incident	Prevent public safety incidents that could cause significant negative social impact	Achieved
Occupational disease	No occurrence of occupational diseases	Achieved
Rectification rate of potential safety hazards	100% of workplace safety hazards were rectified within the specified timeframe	Achieved

3.3 Adhere to Innovation-driven Development

SHNE adheres to innovation and collaboration in research and development, driving technological advancements in the clean power generation business and clean heat supply business through technological breakthroughs and digital-intelligent applications, while strengthening intellectual property protection to continuously enhance the Company's technological innovation capabilities and industry competitiveness.

The Company takes "developing new quality productive forces" as its strategic focus and adheres to the fundamental principle of "application-driven" development, striving to build a scientific and technological innovation system in which business and technology are deeply integrated and innovative outcomes are closely linked to commercial value, thus supporting the Company in achieving high-quality and sustainable development.



Case | Initial Establishment of a Platform for Deepening of Cooperation Between Academia and Industry

SHNE jointly established the "BUAA-Shandong Hi-Speed Transportation and Energy Integration Demonstration Application Research Center" with Beihang University, providing the Company with an important external intellectual support platform for technological innovation and model exploration in cutting-edge fields such as "deepening of cooperation between academia and industry". In the field of carbon measurement, leveraging the scenario advantages of Shandong Hi-Speed Group, the Company is taking the lead in establishing the "National Carbon Metrology Center (Shandong) Transportation Sub-center" and the "Shandong Provincial Transportation Carbon Measurement Technology Committee", focusing on areas such as metrological traceability, carbon accounting and measurement technology research, carbon data analysis and application, and construction of measurement verification capabilities, aiming to build a technologically advanced, high-efficiency service platform for transportation carbon measurement. This series of initiatives marks that the Company's cooperation between academia and industry has advanced from technological collaboration to a new stage of standard setting and ecosystem construction.

Case | SHNE Operations Department Achieves Multiple Scientific Research and Innovation Results

SHNE Operations Department (referred to as "SHNE Operation and Maintenance") has thoroughly implemented the national dual-carbon strategy, consolidated scientific research capabilities, and established an innovation system integrating "independent research and development, industry-university-research collaboration, and project-based problem solving", achieving fruitful results in scientific and technological innovation.

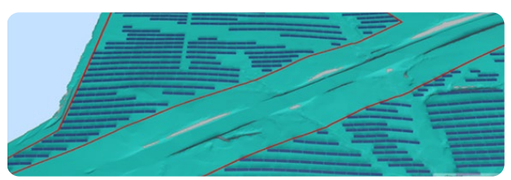
In 2025, SHNE Operation and Maintenance gained 16 independent intellectual property rights, including one invention patent, two computer software copyrights, and 13 utility model patents, achieving efficient transformation of scientific research outcomes into intellectual property, improving the intellectual property layout for core technologies, and strengthening protection for technological innovation and industrial application. In addition, SHNE Operation and Maintenance actively participated in the development of new energy operation and maintenance standards for Shandong Hi-Speed Group, producing outcomes such as the *Operation and Maintenance Code for Onshore Grid-Connected Wind Farms*, *Operation and Maintenance Code for Distributed Photovoltaic Power Plants*, and *Operation and Maintenance Code for Centralized Photovoltaic Power Plants*, providing references for industry standardization and technology promotion, and supporting high-quality development of the new energy industry.

Innovative Technology Application

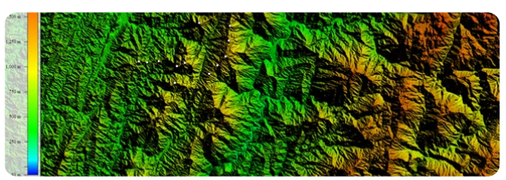
SHNE has established a full lifecycle technology management system centered around mainstream new energy application scenarios, with technical proficiency and solution adaptability at key stages reaching advanced industry levels.

Application of Innovative Technologies

Innovative Technology	Technical Application Description
Zero-carbon Smart Park Technology	Zero-carbon smart park technology fully integrates smart photovoltaic modules and the concept of carbon neutrality into park planning, construction, management, and operations. Relying on an intelligent energy and carbon management system, it achieves precise carbon neutrality target setting and monitoring, integrates clean power generation, energy conservation and emission reduction, promotes low-carbon industrial development and resource recycling, and realizes self-balancing of carbon emissions and absorption within the park.
Virtual Power Plant Technology	Virtual power plant technology utilizes IoT technology and big data platforms to build a virtual power plant (VPP) management platform, aggregating distributed photovoltaics, energy storage, microgrids, and other facilities to achieve optimal power balance.
Development of Photovoltaic Power Plant Power Prediction System	The photovoltaic power plant power forecasting system accurately analyzes the power generation potential of photovoltaic power plants by integrating real-time meteorological data collection with predictive calculations. By collecting meteorological parameters such as irradiance, wind speed, and temperature, and combining them with environmental characteristics, the system formulates precise power generation plans to improve generation efficiency.
Distributed Fire Remote Monitoring System	The distributed fire remote monitoring system enables remote surveillance among devices. In the event of a fire or abnormality in fire protection equipment, the system promptly sends alarm notifications to mobile phones, ensuring relevant personnel can respond quickly to prevent or mitigate fire incidents. This system is cost-effective and significantly improves the efficiency of fire prevention and emergency response. Currently, the system has been successfully deployed and put into operation in power plants across multiple regions, including Central South, Henan, and Shandong.
Drone 3D Model Construction Technology	A technology that uses drones to conduct aerial surveys of project construction sites and generates three-dimensional model files (OSGB) based on the survey data, thereby improving the accuracy and efficiency of photovoltaic project design. The 3D model files produced by this technology can be opened with professional platform software, enabling high-precision reconstruction of the on-site terrain. This allows for intuitive assessment of surrounding obstacles and shading factors at the construction site, as well as accurate measurement of slope at various locations.
Digital Platform Application	The application of the digital design software platform restores 3D terrain by mapping contour lines and automatically arranges components. By inputting a series of constraints, the system automatically places suitable components within designated areas, significantly improving assessment efficiency. Additionally, the digital platform integrates meteorological data analysis, terrain analysis, layout design, structural design, power generation simulation, engineering quantity calculation, and economic evaluation, greatly enhancing assessment accuracy and optimization efficiency.
Geographic Information System and Map Processing Software	Using Geographic Information System (GIS) software, raster maps, elevation maps, and vector map data can be processed. During the macro-siting phase of wind power projects, land-use vector data is overlaid with digital elevation models and macro wind resource maps to identify potential wind farm areas that meet both land-use compliance requirements and specified wind resource criteria. Within the proposed wind farm areas, further refinement includes detailed layout planning of turbine locations, construction and lifting platforms, access roads, and collector circuits.



3D Simulation and Terrain Analysis of Bochao Software's Ulanqab Project



Preliminary selection plan for wind turbine locations of the global mapper wind power project, Tongdao County, Huaihua City, Hunan Province

Intellectual Property Protection

SHNE strictly complies with relevant laws and regulations, including the *Patent Law of the People's Republic of China*, the *Implementing Regulations of the Patent Law*, the *Trademark Law of the People's Republic of China*, the *Trademark Law Implementing Regulations*, and the *Anti-Unfair Competition Law of the People's Republic of China*. The Company has established the *Science and Technology Work Management System*, which clearly defines key aspects such as responsibilities for intellectual property protection, management content, protection of achievements, and reward and punishment measures. This enhances the Company's capability in intellectual property risk prevention and control, strengthens the management of patents, copyrights, trademarks, trade secrets, and other intellectual property rights, and ensures that the Company's innovative achievements are legally protected. During the reporting period, the Company did not commit any violations related to intellectual property infringement, and its intellectual property compliance management level has continuously improved.

Key Measures for Intellectual Property Protection

Ownership

- Clearly define the ownership rules of intellectual property under different scenarios at the level of the *Science and Technology Work Management System*.

Evaluation, Novelty Search

- Conduct intellectual property assessments as needed and enter into legal agreements for specific circumstances to prevent legal disputes.
- Before engaging in activities involving intellectual property, the relevant departments must conduct a novelty search to determine whether genuine intellectual property can be generated.

Application, Protection, and Utilization

- Independent intellectual property rights for self-developed outcomes should be applied in a timely manner to prevent the loss of intellectual property.
- Clearly define ownership, responsibilities, and benefit distribution in external cooperative development, commissioned development, and intellectual property transactions through contracts, while establishing confidentiality and rights protection mechanisms to comprehensively ensure intellectual property compliance.

Rewards and Punishments

- Provide rewards and compensation to individuals who have made outstanding contributions to intellectual property innovation and the transformation of research outcomes, while holding accountable those responsible for leaking trade secrets, improperly handling intellectual property, or failing to take timely protective measures that result in harm to the Company's interests.

The Company has focused on technological breakthroughs in its core new energy business, establishing a patent portfolio covering key areas such as smart photovoltaic modules, civil engineering, and primary electrical systems. The technological achievements are highly aligned with the Company's core operations, further highlighting the supporting role of technological innovation in business development. In 2025, the Company had a cumulative total of 24 authorized patents.

- In the field of photovoltaic technology, utility model patents such as "a fire protection device for photovoltaic power plants" and "a photovoltaic noise insulation device" have been obtained, effectively enhancing the durability and power generation efficiency of smart photovoltaic modules under various environmental conditions.
- In the field of civil engineering, a "photovoltaic mounting bracket for color-coated steel sheet roofs" has been developed for rooftop photovoltaic installations, shortening construction duration and reducing project costs.
- In the field of primary electrical systems, the application of patented technologies such as "a new spliced prefabricated cabin and prefabricated cabin substation" and "a protective device for hollow tube piles" has significantly enhanced power supply reliability and operational stability of equipment in substations.

3.4 Enhance Product Services

SHNE has always adhered to the principle of quality first, continuously strengthening product responsibility through the implementation of rigorous quality control processes and the establishment of a comprehensive customer service system, ensuring the delivery of high-quality, reliable products and services to customers.



3.4.1 Product Quality

SHNE regards energy supply security as its primary mission, strictly supervises project construction, is willing to take responsibility and lead the way with courage, and continuously improves power generation efficiency and quality to provide stable and efficient energy services for society, meeting the growing demand for energy. The Company strictly complies with quality-related laws and regulations such as the *Product Quality Law of the People's Republic of China*, formulates and implements internal systems including the *Quality Management Regulations*, further clarifying the core requirements for energy product quality and production safety, and establishing a solid defense for quality and safety through institutional development.

The Company has established a tiered quality management system, with the Safety and Quality Department responsible for overall management. Quality management personnel are clearly designated in all units and project companies. The Safety and Quality Department is responsible for setting target standards, organizing training, conducting incident investigations, and performing quality evaluations, ensuring effective implementation of all quality standards and continuously improving the quality level of products and services. In 2025, the Company maintained its ISO 9001 Quality Management System certification, achieving 100% coverage.





Quality Control System Certificates

Production standardization is the cornerstone of product quality assurance and a critical component of quality management. During the project construction phase, the Company has developed the *Construction Safety Album*, the *Standardization Manual for the Quality Process in Photovoltaic Engineering*, and compiled experience feedback materials to strengthen process supervision in project construction, achieve standardized construction, and enhance the final quality of project execution. In terms of operation management, based on actual field operation and maintenance practices, the Company has established 12 categories of operation and maintenance-related regulations, including the *Management Provisions for Equipment Overhaul* and the *Management Provisions for Equipment Defects*, further improving the operation management system and making operation management more standardized and efficient.

We attach great importance to cultivating quality culture among employees, integrating quality principles into their daily work through a series of diverse activities, and striving to create an environment of full participation in quality culture. The Company regularly conducts quality management training programs to systematically strengthen employees' awareness of quality responsibilities and routinely holds "Quality Month" activities to enhance the quality awareness and capabilities of all staff.

Case | 2025 "Quality Month" Activities Special Training

In September 2025, the Company successfully held the "Quality Month" activities special training, adopting a dual-track model of "online + offline" to systematically explain quality management knowledge and practical key points, organized online quiz activities to effectively assess learning outcomes and strengthen employees' safety awareness.



"Quality Month" Activities Special Training

3.4.2 Customer Service

SHNE has always adhered to a customer-centric approach, focusing on providing high-quality and efficient professional services. The Company places great importance on customer communication, carefully listens to customer feedback, and has specifically established a customer complaint response mechanism to deliver superior service experience and continuously enhance customer satisfaction.

To further improve service levels, the Company regularly conducts customer satisfaction surveys, widely collects customer feedback and suggestions, and continuously optimizes service content and quality accordingly. In 2025, in the customer satisfaction survey for SHNE's clean power generation business, the survey mainly covered aspects including work safety operation and maintenance management, service skills, personnel quality, and the management of potential hazards and defects. Customers rated their satisfaction with SHNE as excellent. In addition, in the customer satisfaction survey for SHNE's clean heat supply business, a total of 11,692 participants took part, achieving a satisfaction score of 99.16%. The overall evaluation of customer satisfaction in the new energy sector reached the "excellent" level. During this year, the new energy operation and maintenance team of SHNE has successively received written commendations from many large cooperative energy enterprises, including the Gansu and Shandong subsidiaries of China Three Gorges Corporation, Yunnan subsidiary of State Power Investment Corporation, and Jiangsu subsidiary of Huadian Group.

Regarding customer complaint handling, the Company continues to optimize its customer complaint mechanisms, strictly requiring that complaint investigations adhere to objectivity and authenticity, with full-process supervision of handling procedures and timeliness, as well as timely feedback on complaint resolution outcomes. For heating interruptions caused by equipment failures, the Company arranges professional teams for emergency repairs and informs customers of the estimated restoration time. After resolution, customer satisfaction is confirmed and feedback collected via phone calls or on-site follow-ups. Meanwhile, the Company conducts annual "Visiting Households to Understanding Heating Needs" campaigns, visiting homes to understand customer concerns, identify issues, and provide reassurance, continuously improving service quality. In 2025, SHNE received 97 customer complaints in the clean heat supply business, achieving a 100% complaint response rate and a 100% closure rate. In the clean power generation business, the Company maintained a zero-complaint record in customer service.

The Company continuously improves its complaint response and after-sales service mechanisms to enhance the efficiency of customer issue resolution. Through various communication channels such as phone calls, emails, and face-to-face interactions, it consistently optimizes service processes to ensure that customer requests are promptly addressed and professionally handled. Meanwhile, the Company regularly organizes marketing training for employees to build a high-quality service team and win customer recognition through professional service.

In addition, due to the inherent characteristics of the Company's power and heat supply operations, daily operations do not involve the packaging and transportation of products, nor do they involve the recall of sold or transported products for health and safety reasons.

3.5 Build a Collaborative Ecosystem

SHNE continuously strengthens supply chain management, deeply participates in industrial ecosystem development, actively expands the breadth and depth of industry collaboration, and builds a closer, more stable, and vibrant industrial ecosystem to promote the coordinated growth of upstream and downstream enterprises along the industrial chain.

3.5.1 Supply Chain Management

SHNE is committed to building a sustainable supply chain management system, complying with relevant laws and regulations such as the *Bidding Law of the People's Republic of China* and the *Implementation Regulations of the Bidding and Tendering Law of the People's Republic of China*. Based on these regulations, the Company has further established systems for bidding, procurement, and supplier management. In 2025, the Company further revised the *Supplier Management System*, clarifying ESG-related requirements regarding environment, occupational health, personnel management, and quality in processes including preliminary review, shortlisting scoring, on-site assessment, qualified supplier evaluation, and post-evaluation. Suppliers are comprehensively managed according to the principle of "stratification, categorization, and grading".

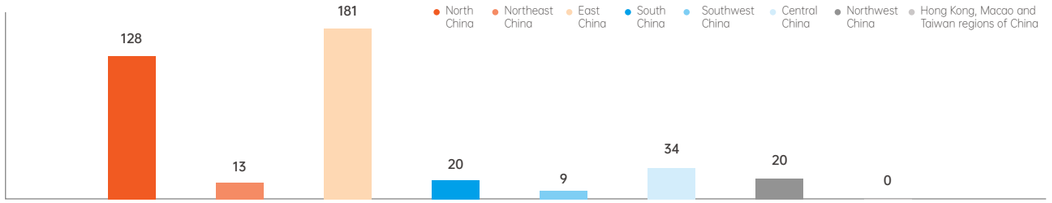
The Company continues to improve its supplier governance structure, establishing a supplier governance structure jointly managed by the Management Committee, the Bidding Leadership Group, and the Secretariat of the Bidding Leadership Group.

Supplier Governance Structure

Main Body	Responsibilities
Management Committee	The Operating Committee serves as the Management Committee for supplier governance and is fully responsible for supplier management work.
Bidding Leadership Group	• Standardize, guide, and supervise the bidding and procurement activities of the Company and its subordinate operating units within the scope of authorization of the Management Committee. • Responsible for reviewing the shortlisting of major suppliers and the invitation lists for significant centralized procurement, playing a key role in supplier selection and major procurement decisions.
Secretariat of the Bidding Leadership Group	• Responsible for supervising and overseeing the Company's bidding, procurement, and supplier management activities, ensuring that bidding, procurement, and supplier management work are carried out as required. • Responsible for establishing the Company's supplier management system and work processes, providing institutional and procedural support for supplier management. • The effective implementation of the supervision system ensures the standardization and effectiveness of supplier management work.

The Company conducted bidding, procurement, and supplier management in compliance with regulations, continuously improving the end-to-end management system for suppliers, and implementing refined management across all stages, including supplier admission, evaluation, and exit. During the reporting period, SHNE had a total of 405 suppliers.

Number of Suppliers by Region for SHNE in 2025



The Company integrates sustainability requirements into the entire process of supply chain management, clearly defining ESG risk management requirements at each stage. These requirements primarily focus on four core dimensions: ecological environment, labor protection, occupational health and safety, and business ethics. The Company carries out ESG risk management in the supply chain through institutionalizing processes, establishing scoring criteria, conducting cross-departmental verification, and implementing quantitative assessment and rating mechanisms. Meanwhile, the Company upholds fair treatment of small and medium-sized enterprises, practices the principle of equal cooperation, and promotes just transition in the supply chain.

SHNE Supply Chain Management Process

Supplier Admission

- Establish clear qualification criteria for supplier screening, covering the entire process including initial document review, information investigation, on-site assessment scoring, and issuance of evaluation reports, to achieve comprehensive control.
- In the initial document review phase, suppliers are required to provide management system certifications such as ISO 9001 and ISO 14001 to demonstrate their qualifications in health and safety, and environmental management. In 2025, a total of 395 suppliers obtained certifications in the ISO 14001, ISO 45001, and ISO 9001 management systems.
- In 2025, during document review and supplier on-site visits, the assessment criteria for suppliers across various dimensions have been further refined. Suppliers are required to provide written descriptions and corresponding evidence for each inspection result, including but not limited to corporate qualification review, production management, quality management, after-sales service and management capability, as well as certifications related to environmental, quality, and occupational health management systems. During the bidding process, tender documents explicitly require the submission of responsive action plans.
- In the *Supplier Qualification Scoring Form*, management system certifications (including environmental and occupational health systems), ecological environment, labor protection, and other elements are included as scoring criteria.
- Include the supplier's ability to provide environmentally friendly products and services as one of the assessment criteria, clarify scoring items through the *Supplier Management System*, coordinate with relevant departments to provide corresponding review forms, and actively guide suppliers to emphasize environmentally friendly products and services.
- The supplier is required to have an anti-corruption policy in place.

Supplier Evaluation

- During the supplier information review and onboarding phase, a comprehensive evaluation is conducted based on multiple dimensions, including supplier capability, environmental management, production capacity, and personnel management, in accordance with the supplier assessment rules.
- Timely assess ESG-related risks of qualified suppliers; if risk events are identified, take measures according to the severity of the event, such as deducting points during bid evaluation, suspending procurement, revoking qualified supplier status, and adding the supplier to the blacklist suppliers list.
- Organize and conduct supplier post-evaluation and feedback work according to the acceptance progress after the project's full capacity grid connection, set up sustainability-related penalty items, and provide evaluation results to suppliers to achieve corrective actions for identified issues.

Supplier Exit

- Suppliers found to have violated regulations during the bidding procurement process or contract fulfillment are placed on the blacklist suppliers list.
- No violations of the Company's vendor management regulations occurred in 2025.

The Company continues to deepen its communication and collaboration mechanisms with suppliers, strengthening interactions through various channels such as phone calls, emails, social media, face-to-face meetings, formal letters, and official announcements, to build a dedicated and long-term resource alignment and empowerment platform. Suppliers are regularly invited to jointly discuss industry development trends and exchange insights on their core products and solutions, promoting technological synergy and innovative collaboration. Meanwhile, the Company consistently conducts supplier empowerment training to enhance their overall capabilities and operational proficiency, supporting the entire supply chain in improving quality and efficiency, and achieving mutual benefits, win-win outcomes, and coordinated development.

3.5.2 Promote Industry Development

SHNE is deeply committed to industry ecosystem collaboration, striving to promote industrial innovation and upgrading by actively participating in industry standard development, industry partnerships, and deepening of cooperation between academia and industry. This collective effort aims to inject continuous momentum into the sustainable development of both the Company and the broader industry.

In 2025, the Company participated in the research project on the *Guidelines for Power Construction Safety Management* sponsored by the National Energy Administration, contributed to the development of the power industry standard *Dual Prevention Mechanism for Work Safety in Electric Power Construction Projects*, and participated in drafting the Group standard *Guidelines for the Construction of Intelligent Electrochemical Energy Storage Power Plants*, demonstrating the Company's safety management capabilities and enhancing its influence.

3.6 Shoulder Social Responsibilities

SHNE is committed to giving back to society through development. Through a series of public welfare initiatives and voluntary services, the Company promotes the implementation of the national strategies of rural revitalization and common prosperity, ensures that the benefits of sustainable development reach more groups, and earnestly practices the concept of just transition. In 2025, SHNE invested a total of RMB15.648 million in public welfare and charitable activities, including RMB0.034 million in charity activity, RMB12.201 million in community engagement, and RMB3.413 million in business-related social activities, resonating in harmony with national development.

3.6.1 Promote Rural Revitalization

SHNE has deeply participated in the rural revitalization initiative, actively responding to the national rural revitalization strategy, and is committed to promoting the integration of its own development with regional economic growth, achieving a win-win situation. The Company fully leverages its resource advantages to introduce emerging industries into rural areas. Meanwhile, based on the specific conditions of each project location, it implements diverse assistance measures, incorporating photovoltaic + fishery farming, photovoltaic + agriculture cultivation, panel cleaning, weed removal, and maintenance into local enterprise services, helping to increase local villagers' income and continuously consolidating the achievements of poverty alleviation.

Case | Yunnan Province's "Thousand Towns and Ten Thousand Villages Wind-Harnessing Initiative" Promotes Rural Revitalization

SHNE successfully won the investment and development rights for the Dalishu Village project under the "Thousand Towns and Ten Thousand Villages Wind-Harnessing Initiative" in Luliang County. The project will adopt a "distributed development + local consumption" model, integrating local grid conditions and electricity demand to achieve efficient utilization of wind energy resources. As a key component of the national pilot program for the "Thousand Towns and Ten Thousand Villages Wind-Harnessing Initiative" and one of the projects listed in the *Yunnan Province's Development and Construction Plan for the First Batch of Projects under the Thousand Towns and Ten Thousand Villages Wind-Harnessing Initiative*, this marks a substantial breakthrough in the Company's strategic layout in Yunnan Province's wind power sector, while also injecting new momentum into the coordinated development of rural revitalization and green energy in Yunnan Province.

Case | Henan Anyang and Miaokou Photovoltaic Power Plants Help Villagers Increase Income

In 2025, the Anyang and Miaokou photovoltaic power plants in Henan actively responded to the call of the Group and local government, entrusting routine tasks such as weed control and smart photovoltaic modules cleaning in the photovoltaic area to qualified local enterprises capable of increasing villagers' income. The total annual expenditure was approximately RMB1.3 million, contributing to local poverty alleviation and increasing villagers' income.



Henan Anyang and Miaokou Photovoltaic Power Plant

3.6.2 Practice Charitable Public Welfare

SHNE has continuously improved community infrastructure and enhanced residents' well-being and sense of fulfillment through public welfare donations and volunteer services. In 2025, the Company organized one volunteer activity, with a total of 35 participants contributing approximately 3 hours of service.

The Company actively participates in public welfare, charitable activities, and targeted assistance programs, contributing tangible efforts to consolidate achievements in poverty alleviation and enhance local people's livelihoods. In 2025, the Company made a targeted donation of RMB10,000 to the Charity Federation of Horqin Left Rear Banner, Tongliao City, Inner Mongolia, focusing on local poverty alleviation needs and precisely empowering the development of disadvantaged areas. Meanwhile, its subsidiary, Baoying Beikong Photovoltaic Power Generation Co., Ltd., donated RMB16,000 to the Charity Federation of Baoying County, Jiangsu Province, supporting the advancement of local public welfare initiatives and improvements in people's livelihoods.

Case | Volunteering to Carry Out Tree-Planting Activity

On March 18, 2025, the Northwest Region organized employees to carry out a tree-planting activity at the Alashan Wind Farm site, with a total of 35 employees participating. The event aimed to improve the ecological environment around the wind farm through afforestation and to enhance employees' teamwork capabilities. During the activity, staff members collaborated effectively, completing the planned tree-planting tasks and contributing concretely to the region's green development.



Actively Organizing Voluntary Tree-Planting Activity

Appendix

Appendix I: ESG Performance Indicators Summary

Key Operation Indicators	Sub-indicator Description	Unit	2024	2025
Business overview of the Company	Revenue	RMB 100 million	44.23	44.09
	Profit for the year	RMB 100 million	4.63	4.02
	Centralized photovoltaic power plants	/	54	54
	Total installed capacity of centralized photovoltaic power plants	MW	2,602	2,603
	Wind power plants	/	19	20
	Total installed capacity of wind power plants	MW	1,176	1,270
	Distributed photovoltaic power plants[10]	/	/	308
	Total installed capacity of distributed photovoltaic power plants	MW	920	1,088
	Clean heat supply	10,000 square meter	3,532	3,530

Key Governance Indicators	Sub-indicator Description	Unit	2024	2025
Board of Directors	Number of directors	person	12	11
	Number of independent non-executive directors	person	4	4
	Number of female directors	person	1	1
	Number of directors with industry experience[11]	person	1	1
	Aggregate shareholding percentage of shareholders holding more than 5% of shares[12]	%	75	75
	Average Board tenure[13]	year	2.9	3.9
	Number of Board meetings[14]	session	16	11
	Sustainability Committee meetings	session	1	1
	Nominating Committee meetings	session	2	2
	Remuneration Committee meetings	session	2	2
	Audit Committee meetings	session	4	3
Anti-corruption	Number of training sessions	session	5	9
	Number of participants	person	222	387
	Training hours	hour	111	500
	Integrity training for staff	session	/	6
	Integrity training for mid-and high-level leaders	session	/	7
	Coverage rate of anti-corruption trainings for staff	%	100	100
	Number of corruption litigation cases filed against the Company or its employees and concluded during the reporting period	case	0	0
Privacy security	Cybersecurity incident emergency response drill	number	94	75
	Information security training — Number of trainings	session	108	109
	Information security training — Number of participants	attendance	621	988
	Information security training — Training hours	hour	67,068	107,692
	Number of violations	case	0	0
	Number of customers and employees affected by the information security breach	occurrence	0	0
	Number of privacy violations	case	0	0
Risk management	Risk management training[15] — Number of training sessions	session	15	21
	Risk management training[15] — Number of participants	attendance	838	2,115
	Risk management training[15] — Training hours	hour	1,128	2,635
	Number of reviews on risk management and internal monitoring system	time	1	1

10 This indicator was newly added during the reporting period.
11 This indicator was newly added during the reporting period.
12 This indicator was newly added during the reporting period.
13 This indicator was newly added during the reporting period.
14 During the reporting period, there were 5 on-site meetings and 6 written resolutions.
15 During the reporting period, the statistical scope of indicators related to risk management training was expanded; therefore, the data increased compared to the same period last year.

Key Environmental Indicators	Sub-indicator Description		Unit	2024	2025
Environmental Management	Proportion of environmental protection investment[16]		%	/	0.18
Types of emissions and emissions data	Air emissions	Nitrogen Oxides (NO_x)	kg	68,381.93	73,760.90
		Sulfur Oxides (SO_x)	kg	18,056.38	20,243.76
		Particulate Matter (PM)	kg	4,099.82	4,499.14
	Wastewater emissions	Total wastewater emissions[17]	ton	99,868.57	52,090.00
		Wastewater emission intensity	tons/revenue (RMB million)	22.58	11.82
Total GHG emissions and intensity[18]	Total GHG emissions (Scope 1 and Scope 2)		tCO_2e	669,713.03	691,552.89
	Total GHG emissions (Scope 1)	Total coal emissions	tCO_2e	75,358.92	84,493.71
		Total vehicle diesel emissions	tCO_2e	122.55	133.53
		Total vehicle gasoline emissions	tCO_2e	957.42	873.08
		Total natural gas emissions	tCO_2e	102,262.60	104,921.86
		Total LPG emissions	tCO_2e	0.44	1.40
		Total GHG emissions (Scope 1)	tCO_2e	178,701.93	190,423.58
	Total GHG emissions (Scope 2)	Total purchased hot water emissions	tCO_2e	435,194.54	444,950.00
		Total purchased electricity emissions	tCO_2e	55,816.57	56,179.31
		Total GHG emissions (Scope 2)	tCO_2e	491,011.10	501,129.31
	Total GHG emissions (Scope 3)		tCO_2e	/	83,131.28
	Carbon dioxide emission intensity (Scope 1 and Scope 2)		tCO_2e/revenue (RMB million)	151.42	156.86

16 This indicator was newly added during the reporting period. Proportion of Environmental Protection Investment (%) = Environmental Protection Investment/Revenue.

17 During the reporting period, the statistical scope of this indicator was adjusted; therefore, the data for this year is not comparable with previous years.

18 During the reporting period, the statistical scope of this indicator was adjusted; therefore, the data for this year is not comparable with previous years.The Company primarily refers to the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* for the statistical indicators related to GHG emissions, collects GHG accounting data through internal tools, and conducts calculations using the emission factor method. Emission factors for Scope 1 and Scope 2 mainly refer to official standards such as the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industrial Sectors (for Trial Implementation)* and the *Announcement on Issuing the 2023 Power Sector Carbon Dioxide Emission Factors*.

During the reporting period, the "Total GHG emissions (Scope 3)" was newly included as a key indicator. The calculation methods and emission factors for different emission sources within Scope 3 are determined in accordance with the *Greenhouse Gas Protocol*, jointly published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development, including *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.

Key Environmental Indicators	Sub-indicator Description		Unit	2024	2025
Total hazardous waste and intensity	Used lead-acid battery		kg	6.00	15.70
	Used ink cartridges		kg	132.03	239.83
	Used light bulbs/tubes		kg	45.77	49.40
	Wind lubricant[19]		kg	271.00	320.00
	Total hazardous waste[20]		kg	454.80	624.92
	Hazardous waste intensity[21]		kg/revenue (RMB million)	0.10	0.14
Total nonhazardous waste and intensity	Boiler slags[22]		tons	4,662.00	5,600.00
	Coal ashes[23]		tons	5,698.00	6,400.00
	General domestic waste[24]		tons	249.78	281.83
	Discarded paper[25]		tons	18.12	2.85
	Discarded plastic bottles[26]		tons	1.10	0.54
	Discarded solar modules[27]		tons	7.58	14.87
	Total non-hazardous waste[28]		tons	10,636.58	12,300.07
	Non-hazardous waste intensity[29]		tons/revenue (RMB million)	2.40	2.79
Total direct and indirect energy consumption and intensity	Direct energy	Coal consumption	tons	40,953.71	45,918.00
		LPG consumption	tons	0.15	0.48
		Natural gas consumption	10,000 cubic meter	4,730.00	4,853.00
		Diesel consumption	liter	46,668.65	50,847.54
		Gasoline consumption	liter	434,202.57	395,955.00

19 During the reporting period, this indicator was newly added, and the 2024 data were recalculated.

20 During the reporting period, the "Wind lubricant" category was added to the statistical classification of this indicator, and the 2024 data has been recalculated and updated accordingly.

21 During the reporting period, the statistical category of this indicator was updated to include "Wind lubricant", and the 2024 data has been recalculated and updated accordingly.

22 During the reporting period, the statistical scope of this indicator was optimized, and the 2024 data has been recalculated and updated accordingly.

23 During the reporting period, the statistical scope of this indicator was optimized, and the 2024 data has been recalculated and updated accordingly.

24 During the reporting period, the statistical scope of this indicator was optimized, and the 2024 data has been recalculated and updated accordingly.

25 The total volume and density of non-hazardous waste in 2024 have included the data for this indicator; during the reporting period, the data for this indicator has been disclosed separately.

26 The total amount and density of non-hazardous waste in 2024 have included the data for this indicator; during the reporting period, the data for this indicator has been disclosed separately.

27 During the reporting period, this indicator was newly added and the 2024 data has been recalculated. In addition, active equipment replacement was carried out during the reporting period, and some components could not be repaired due to weather conditions, resulting in a significant increase in the indicator value.

28 During the reporting period, the "Discarded solar modules" category was added to the statistical classification of this indicator, and the 2024 data has been recalculated and updated accordingly.

29 During the reporting period, the "Discarded solar modules" category was added to the statistical classification of this indicator, and the 2024 data has been recalculated and updated accordingly.

Key Environmental Indicators	Sub-indicator Description		Unit	2024	2025
Total direct and indirect energy consumption and intensity	Direct energy	Total direct energy consumption	MWh	777,140.33	821,872.21
		Total direct energy consumption intensity	MWh/revenue (RMB million)	175.70	186.42
	Indirect energy	Purchased hot water	GJ	3,956,313.99	4,045,000.00
		Purchased electricity[30]	MWh	104,018.94	105,878.83
		Total indirect energy consumption	MWh	1,201,500.45	1,227,961.83
		Total indirect energy consumption intensity	MWh/revenue (RMB million)	271.65	278.53
	Comprehensive energy consumption		MWh	1,978,640.77	2,049,834.04
	Comprehensive energy consumption intensity		MWh/revenue (RMB million)	447.35	464.96
Total water consumption and intensity	Photovoltaic power plants water resources consumption		tons	21,230.00	20,130.00
	Wind power plants water resources consumption		tons	8,350.00	8,430.00
	Office water consumption		tons	2,158.00	3,081.56
	Clean heat supply project water consumption		tons	536,740.16	556,027.00
	Total water resources consumption		tons	568,478.16	587,668.56
	Water resources consumption intensity		tons/Revenue (RMB millions)	128.53	133.30

30 Engineering Center: During construction, electricity consumption is the responsibility of the construction contractor; therefore, the purchased electricity by the Engineering Center has not been included in this indicator.

Key Social Indicators	Sub-indicator Description	Unit	2024	2025
Number of employee	Total number of employees	person	1,886	1,810
Number of employee by gender	Male employee	person	1,379	1,317
	Female employee	person	507	493
Number of employee by employment type	Full-time employee	person	1,873	1,796
	Part-time employee	person	13	14
Number of employee by age	Aged 20-30	person	506	431
	Aged 31-40	person	860	863
	Aged 41-50	person	293	306
	Aged 51-60	person	205	188
	Aged 61 or above	person	22	22
Number of employee by position	High-level managers	person	22	23
	Middle-level managers	person	97	95
	General staff	person	1,767	1,692
Number of employees by geographical region	North China	person	702	713
	Northeast China	person	334	343
	East China	person	429	366
	South China	person	25	39
	Southwest China	person	27	27
	Central China	person	203	111
	Northwest China	person	145	192
	Hong Kong, Macao and Taiwan regions of China	person	21	19
Number of employee by special cases	Disabled employee[31]	person	15	20
	Foreign employee	person	8	8
	Ethnic minority employee	person	62	88
	Newcomers from experienced hire	person	191	123
	Newcomers from school	person	38	9
Employee compensation and benefits	Employee compensation[32]	RMB10,000/person	/	16.71
	Union and employee education funds[33]	RMB10,000/person	/	0.07
	Employee benefits, social insurance and housing fund expenses[34]	RMB10,000/person	/	4.63
Number of employee turnover		person	298	207
Employee turnover rate		%	13.64	10.26

31 During the reporting period, the statistical scope of this indicator was optimized, and the 2024 data has been recalculated and updated accordingly.

32 This indicator was newly added during the reporting period. Employee Compensation (RMB10,000/person) = Total Employee Compensation (RMB10,000)/Total Number of Employees (person).

33 This indicator was newly added during the reporting period. Union and Employee Education Funds (RMB10,000/person) = Total Union and Employee Education Funds (RMB10,000)/Total Number of Employees (person).

34 This indicator was newly added during the reporting period. Employee Benefits, Social Insurance and Housing Fund Expenses (RMB10,000/person) = Total Employee Benefits, Social Insurance and Housing Fund Expenses (RMB10,000)/Total Number of Employees (person).

Key Social Indicators	Sub-indicator Description	Unit	2024	2025
Employee turnover rate by gender	Male employee	%	14.19	10.77
	Female employee	%	12.13	8.87
Employee turnover rate by age	Aged 20-30	%	18.26	12.75
	Aged 31-40	%	11.07	8.97
	Aged 41-50	%	10.12	7.83
	Aged 51-60	%	17.00	14.16
	Aged 61 or above	%	12.00	8.33
Employee turnover rate by geographical region	North China	%	14.18	7.76
	Northeast China	%	11.64	11.14
	East China	%	14.71	9.18
	South China	%	30.56	11.36
	Southwest China	%	15.63	10.00
	Central China	%	13.62	13.28
	Northwest China	%	8.81	17.60
	Hong Kong, Macao and Taiwan regions of China	%	8.70	5.00
Percentage of employees trained	Total employee	%	100.00	100.00
	Male employee	%	73.12	72.76
	Female employee	%	26.88	27.24
	Management	%	6.31	6.52
	General staff	%	93.69	93.48
Average hours of employee training[35]	Total employee	hour	5.22	6.85
	Male employee	hour	5.22	5.56
	Female employee	hour	5.22	10.30
	Management	hour	5.22	11.55
	General staff	hour	5.22	6.52
Total number of suppliers		/	415	405
Number of supplier by geographical region	North China	/	184	128
	Northeast China	/	23	13
	East China	/	135	181
	South China	/	21	20
	Southwest China	/	12	9
	Central China	/	26	34
	Northwest China	/	13	20
	Hong Kong, Macao and Taiwan regions of China	/	1	0
Work safety	Number of work-related fatalities[36]	person	0	0
	LTIFR per million working hours (LTIFR)[37]	%	0	0
	LTIFR per million working hours of contractors (LTIFR)	%	0	0
	Equipment accidents with direct economic loss of over RMB2 million	/	0	0
	Fire, traffic and electrical accidents	/	0	0
	Public safety incidents	/	0	0
	Administration department penalty	/	0	0
	Safety education training	attendance	10,291	9,020
	Proportion of safety production investment[38]	%	/	1.77
Community investment amount		RMB10,000	1,406.3	1,564.8
Intellectual property rights	Patents: Domestic applications	piece	3	5
	Patents: Domestic authorizations	piece	1	1
	Patents: Accumulated authorizations	piece	34	24
	Number of violations	case	0	0
Innovation and R&D	Proportion of R&D investment[39]	%	/	0.06

35 This indicator tracks training related to employee development. During the reporting period, the statistical scope of employee training metrics was optimized; therefore, the data for this year is not comparable to previous years' data.

36 In 2023, the Group reported no work-related fatalities.

37 In 2023, the Group's lost time injury frequency rate (LTIFR) stood at 0%.

38 This indicator was newly added during the reporting period. Proportion of Safety Production Investment (%) = Safety Production Investment/Revenue.

39 This indicator was newly added during the reporting period. Proportion of R&D Investment (%) = R&D Investment/Revenue.

Appendix II: SEHK *ESG Reporting Code* Content Index

Subject Areas	Aspects	Key Performance Indicators (KPIs)	Location
Environmental	A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.2 Strengthen Environmental Management 2.4 Promote Green Operations
		A1.1 The types of emissions and respective emissions data.	Appendix I: ESG Performance Indicators Summary
		A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: ESG Performance Indicators Summary
		A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: ESG Performance Indicators Summary
		A1.5 Description of emission target(s) set and steps taken to achieve them.	2.4.1 Emissions Management
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.4.1 Emissions Management
	A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	2.3.1 Energy Management 2.3.2 Water Resources Management
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: ESG Performance Indicators Summary
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: ESG Performance Indicators Summary
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	2.3.1 Energy Management
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.3.2 Water Resources Management
		A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not applicable
	A3 The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.	2.5 Protect the Ecological Homeland
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.5 Protect the Ecological Homeland

Subject Areas	Aspects	Key Performance Indicators (KPIs)	Location
Social	B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.1.1 Labor Rights and Welfare
		B1.1 Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.	Appendix I: ESG Performance Indicators Summary
		B1.2 Employee turnover rate by gender, age group and geographical region.	Appendix I: ESG Performance Indicators Summary
	B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.2.1 Governance 3.2.2 Strategy
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: ESG Performance Indicators Summary
		B2.2 Lost days due to work injury.	Appendix I: ESG Performance Indicators Summary
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.2.2 Strategy 3.2.3 Risk Management
	B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.1.2 Employee Development and Training
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: ESG Performance Indicators Summary
		B3.2 The average training hours completed per employee by gender and employee category.	Appendix I: ESG Performance Indicators Summary

Subject Areas	Aspects	Key Performance Indicators (KPIs)	Location
Social	B4 Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	3.1.1 Labor Rights and Welfare
		B4.1 Description of measures to review employment practices to avoid child and forced labor.	3.1.1 Labor Rights and Welfare
		B4.2 Description of steps taken to eliminate such practices when discovered.	3.1.1 Labor Rights and Welfare
	B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain	3.5.1 Supply Chain Management
		B5.1 Number of suppliers by geographical region.	Appendix I: ESG Performance Indicators Summary
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.5.1 Supply Chain Management
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. implementation and monitoring methods.	3.5.1 Supply Chain Management
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.5.1 Supply Chain Management
	B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.4 Enhance Product Services 1.4.2 Privacy Protection Management
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
		B6.2 Number of products and service related complaints received and how they are dealt with.	3.4.2 Customer Service
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	3.3 Adhere to Innovation-driven Development
		B6.4 Description of quality assurance process and recall procedures.	3.4.1 Product Quality (Not involved in product recycling)
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.4.2 Privacy Protection Management
Social	B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	1.3 Uphold Business Ethics
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3 Uphold Business Ethics Appendix I: ESG Performance Indicators Summary
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3.3 Business Ethics Audit 1.3.4 Whistleblowing Management
		B7.3 Description of anti-corruption training provided to directors and staff.	1.3.5 Integrity Culture Development
	B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.6 Shoulder Social Responsibilities
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	3.6 Shoulder Social Responsibilities
		B8.2 Resources contributed (e.g. money or time) to the focus area.	3.6 Shoulder Social Responsibilities

Part D: Climate-related Disclosures

Climate-related disclosures	(I) Governance		2.1.1 Governance
	(II) Strategy	Climate-related risks and opportunities	2.1.2 Strategy
		Business model and value chain	
		Strategy and decision-making	
		Financial position, financial performance and cash flows	
		Climate resilience	
	(III) Risk Management		2.1.3 Risk Management
	(IV) Metrics and Targets	Greenhouse gas emissions	2.1.4 Metrics and Targets
		Climate-related transition risks	
		Climate-related physical risks	
		Climate-related opportunities	
		Capital deployment	
		Internal carbon prices	
		Remuneration	
		Industry-based metrics	
		Climate-related targets	

Assurance Report

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香 港 品 質 保 證 局

Independent Assurance Report

1. Introduction

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") was engaged by Shandong Hi-Speed New Energy Group Limited ("the Company") to conduct an independent assurance of the sustainability disclosures ("Sustainability Disclosures") presented in its 2025 Environmental, Social and Governance Report ("the Report") for the reporting period from 1 January 2025 to 31 December 2025 ("Reporting Period") and issue this Independent Assurance Report ("Assurance Report"). For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company's internal use only. Our sustainability assurance activities and this Assurance Report are undertaken based on the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities and independence as set out under Appendix A. A generic version of Appendix A is available for reference on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

2. Assurance Methodology

HKQAA's assurance procedure was conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

The evidence gathering processes were designed to obtain a limited level of assurance, as set out in the ISAE 3000, using a risk-based approach. Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香 港 品 質 保 證 局

3. Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, nothing has come to our attention that causes us to believe that the Sustainability Disclosures in the Company's 2025 Environmental, Social and Governance Report for the Reporting Period from 1 Jan 2025 to 31 Dec 2025 are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code.

This Assurance Report is made solely for the use of Shandong Hi-Speed New Energy Group Limited and the users of its 2025 Environmental, Social and Governance Report, and for use in accordance with the reporting criteria set out in the Introduction section of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come. We confirm our independence from the Company in conducting this engagement.

The engagement leader on the assurance engagement resulting in this Assurance Report is K T Ting.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong Quality Assurance Agency

23 Mar 2026

Ref: 14991900

Readers' Feedback

Dear Reader,

Thank you for taking time to read the Report. We highly value and sincerely welcome your feedback on the Report. Your comments and suggestions serve as important foundation for us to continuously improve the quality of our ESG disclosures and promote our ESG management and practices. You may provide your completed feedback questionnaire by mail or by email with a scanned copy to us. Thank you again!

Address: 2/F-3/F, Zhonghai International Center, 28 Ping'anli West Street, Xicheng District, Beijing, PRC

Email: ir@shneg.com.hk

1. Which type of stakeholder do you represent in SHNE?

☐ Employee ☐ Client ☐ Supplier ☐ Regulatory agency ☐ Other government departments ☐ Media ☐ Others

2. What is your overall assessment of the Report?

☐ Excellent ☐ Good ☐ Fair

3. Does the Report adequately address the information you are concerned about?

☐ Yes ☐ No ☐ Partially

4. What are your expectations or suggestions for our ESG report to be published next year?

☐ Innovative report theme ☐ Innovative framework and approach ☐ Clear logical flow ☐ More applications of ESG standards
☐ More friendly reader interface ☐ More approachable language style ☐ Others (Please specify)

5. Other suggestions or opinions on our ESG performance and the Report?

_____

_____

_____

You can scan the QR code on your mobile phone to answer the questions

山高新能源集團有限公司
SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01250.HK



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The Report is printed on environmentally friendly paper
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