山西安装
SHANXI CIG

2025
Environmental, Social, and Governance (ESG) Report

Shanxi Installation Group Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)



Stock Code 2520

CONTENTS

About this report 03

Statement of the Board of Directors 05

Chairman's Message 07

Special Feature 11

Empowering the Dual Carbon Goals Strategy – The Path to Transforming into a Comprehensive Operator of Green Infrastructure

About SIG 17

ESG Management 23

ESG Architecture 23
ESG Risk Management 24
ESG Honors 25
Stakeholder Communication 26
Identification of Material Issues 27

Appendix 139







ENVIRONMENTAL

Adding Splendor to the Green Garden, and Enjoying the Harmony of the Ecosystem

Combating Climate Change 31
Environmental Management System 58
Strengthening Pollution Discharge Management 62
Optimizing Resource Utilization 69
Commitment to Green Operations 73
Caring for the Ecological Environment 77

SOCIAL

Building a Better Future Together

Protecting Employee Rights and Interests 83
Building a Strong Safety Defense Line 91
Consolidating the Quality Foundation 98
Optimizing Customer Service 99
Activating the Innovation Engine 104
Strengthening Intellectual Property Protection 110
Enhancing Data Security and Customer Privacy Protection 111
Promoting Industrial Co-development 113
Practicing Public Welfare and Charity 120

GOVERNANCE

Integrity as the Foundation, Good Governance for Long-term Success

Party Building and Leading High-Quality Development 125
Standardization of Governance System 127
Protection of Investor Rights and Interests 129
Anti-Corruption Culture Development 130
Whistleblower Protection 132
Compliance Management 134

About this report



Report description

This report is the 2025 Environmental, Social, and Governance Report released by Shanxi Installation Group Co., Ltd. ("the Company", "we", or "SIG", collectively referred to as "the Group" together with its subsidiaries). We hope this report conveys the Group's philosophy and management practices in environmental, social, and governance (ESG) aspects, promoting understanding and communication among stakeholders.



Report preparation standards

The Company has prepared this report in accordance with Appendix C2 Environmental, Social, and Governance Reporting Guide (ESG Reporting Guide) attached to the Listing Rules issued by the Hong Kong Stock Exchange. This report has been prepared in accordance with the "comply or explain" provisions set out in the ESG Reporting Guide and is based on reporting principles such as materiality, quantification, and consistency, striving to fully reflect the Group's management status and performance achievements in ESG for the current year.



Principle of "Materiality"

During the preparation of this report, the main stakeholders and their concerned ESG issues have been identified. According to the relative materiality of the issues they are concerned about, targeted disclosures have been made in this report.



Principle of "Quantification"

This report presents the key performance indicators at the environmental and social levels through the use of quantified data. The measurement standards, methods, assumptions and/or calculation tools for the key performance indicators in this report, as well as the sources of the conversion factors used, have all been explained in the corresponding positions.

Principle of "Consistency"

Unless otherwise specified, the statistical methods of data used in this report remain consistent from year to year.

Report Scope

The reporting period of this report is from January 1, 2025 to December 31, 2025. Unless otherwise specified, this report covers the same scope as 2025 Annual Report of the Company, including Shanxi Installation Group Co., Ltd. and its subsidiaries.

Data description

All data involved in this report are derived from the Group's internal documents or statistical reports.。

Report statement

This report is published in two languages: Traditional Chinese and English. In case of any discrepancies in the report content, the Chinese version shall prevail.



Statement of the Board of Directors

SIG has established a three-tier ESG structure of "overall leadership of the Board of Directors, implementation led and organized by ESG Committee, and specific implementation of ESG Execution Team, which is fully responsible for evaluating and supervising the Company's environmental, social, and governance operations.

The Board of Directors is the highest responsible and decision-making body for ESG matters, bearing overall responsibility for the Group's ESG strategy and reporting. It is responsible for assessing and determining ESG risks and opportunities, regularly listening to and reviewing the progress reports of the ESG Committee, and comprehensively supervising and managing the Company's matters related to ESG. The Board of Directors holds regular meetings annually to discuss ESG management strategies and important matters, evaluate the materiality of ESG issues, and provide rational suggestions for the formulation of ESG management policies and strategies.

This year, the Board of Directors has participated in the identification, assessment, prioritization, and management of the Company's key ESG issues, clarified the annual work priorities, and completed the formulation of the Company's ESG Indicators and Goals. In accordance with the Company's ESG-related systems, each department strictly fulfills its responsibilities, conducts self-assessments of the completion status and goal achievement of ESG indicators for each module in 2025. Meanwhile, the Board of Directors regularly reviews the progress of goal completion to ensure the achievement of goals.

The Group will continuously strengthen the Board of Directors' participation mechanism in ESG work to consistently implement the Group's related tasks of ESG and promote the continuous improvement of the Company's ESG level.

This report provides a detailed disclosure of the progress and effectiveness of the aforementioned ESG work for this year, which has been reviewed and approved by the Board of Directors in March 2026.

Board of Directors

April 2026

Chairman's Message

To Our Esteemed Shareholders, Investors, and Partners:

> The year 2025 has been one defined by both challenges and opportunities. Amidst a complex, shifting macroeconomic environment and profound industry transformations, Shanxi Installation Group Co., Ltd. has remained steadfast in its direction amidst uncertainty, honed its capabilities through change, and sought growth under pressure.
>
> On behalf of the Board of Directors, I would like to extend our sincere gratitude to all shareholders, investors, and partners who have cared for and supported the Group's development over the long term.

Looking back at 2025, our key initiatives included:

Maintaining Strategic Focus Amidst Change

The engineering services industry is undergoing a profound restructuring driven by the transition in energy structures, industrial upgrading, and technological iteration. Facing the complexities of the external environment, the Group has consistently adhered to its "One Core, Two Wings" strategic layout, continuously optimizing the "Five-in-One" whole industry chain development model. Guided by "business segmentation and organizational clustering", we are driving the Company's transformation from scale expansion to high-quality development.

This year, we have not only maintained growth but also improved our structure.

The new contracts for traditional business continued to rise steadily, maintaining the growth momentum. The new contract volume in non-local markets kept growing, accounting for over half of the total for four consecutive years, marking that the "Going Global" strategy has formed a stable pattern. We have achieved breakthroughs in overseas markets by signing new contracts for the Indonesian Nickel-Cobalt Hydroxide project and the Nigerian LNG supporting facilities project, and by establishing a strategic partnership with France's EDF, continuously enhancing our internationalization capabilities.

The new energy sector made a stable contribution to new contracts throughout the year, winning key projects such as the 100MW wind power project in Nitun Town, Yangqu County, and the 400MW/800MWh grid-side electrochemical energy storage project (EPC) in Tai'an City. The low-carbon environmental protection investment business continues to expand in fields such as solid waste disposal, sewage treatment, and clean heating, making our industrial footprint more balanced.

Behind these achievements lies our judgment on industry trends and our persistence in long-term value.

Reshaping Competitiveness through Management and Technology

We seek not only scale growth, but place greater emphasis on operational quality and risk control.

In 2025, the Group systematically advanced the construction of a "Grand Business Management System" to strengthen cost control and performance capabilities. The application rate of pricing guidelines for five major specialized construction fields reached 96%, with settlement finalization completed for 246 projects; Acceptance procedures were finalized for 81 long-outstanding projects. The average schedule compliance rate improved by 8% year-on-year, while the customer complaint rate decreased by 11%, resulting in 72 letters of commendation and banners from owners throughout the year. This represents not merely an improvement in data, but an evolution in organizational capability.

We recognize that for future engineering enterprises, competition hinges not just on resources, but on technological and digital capabilities. We initiated 190 scientific and technological projects throughout the year. Notably, the project Research on Key Technologies for Planning and Intelligent Operation of Direct Green Power Connection in Industrial Parks and Engineering Demonstration was selected as a "Open Competition for Key Projects" initiative by the Department of Science and Technology of Shanxi Province. The integrated digital-intelligent control platform was officially launched, the "BIM + Three Platforms" system is operating stably, and the BIM + digital construction model is maturing. Technology and digitalization are becoming the fundamental capabilities allowing us to navigate market cycles.

Parallel Advancement of Governance Upgrades and Capital Empowerment

As a Hong Kong-listed company, we regard standardized governance and transparent operations as the foundation of long-term development.

In 2025, the Group was included as a pilot subsidiary for SOE reform and a grassroots liaison enterprise for the deepening enhancement initiative by the Shanxi Provincial SASAC. The completion rate for benchmarking world-class actions reached 97%, and the deepening SOE reform enhancement actions reached 99%. Reforms to the Board of Supervisors were fully completed, further optimizing our corporate governance system.

In terms of capital, the H-share "Full Circulation" proposal has been submitted for regulatory approval, and the issuance of RMB 1.35 billion in corporate bonds is proceeding steadily. The listing platform is becoming a vital force in empowering business upgrades.

We believe that standardized governance and a sound capital structure are key to winning long-term market trust.

Looking Ahead: Becoming an Enterprise Worth Holding for the Long Term

2026 marks the beginning of the 15th Five-Year Plan and a critical phase for SIG as it strides towards high-quality development.

We will continue to deepen our market layout. In the provincial market, we will upgrade from "construction contracting" to "comprehensive services". In markets outside Shanxi, we will focus on our competitive advantages in chemicals, new energy, and low-carbon environmental protection to achieve growth at scale. In overseas markets, we will adhere to the strategy of "investment-led, platform-coordinated, and key breakthroughs" to promote deep cultivation of regional markets.

We will build stable growth engines. We will strengthen the "design-led + integrated construction" capability of our chemical sector. We will consolidate our new energy base while actively deploying new formats such as green power parks, "source-grid-load-storage" integration, and new power systems. By relying on our low-carbon environmental protection platform, we will deepen the "investment-construction-operation integration" model to cultivate businesses with sustainable cash flow.

We will forge core competencies. We aim to build a full-chain system for cost reduction and efficiency enhancement, strengthen the transformation of scientific and technological achievements, accelerate the construction of digital platforms, and establish an open and collaborative business system.

More importantly, we will adhere to the philosophy of long-term market value management. We are committed to continuously improving the quality of information disclosure, refining corporate governance, and maintaining a long-term, stable dividend policy to reward shareholders with genuine and sustainable operating results.

To Our Investors and Friends from All Sectors:

The true value of an enterprise lies not only in its current performance but, more importantly, in its ability to sustain value creation over time.

SIG stands at a pivotal juncture of industrial upgrading and energy transition. We possess a clear strategic roadmap, continuously strengthening organizational capabilities, a more standardized and transparent governance structure, and, above all, unshakable confidence in the future.

We look forward to building a long-term, stable, and mutually trusting relationship with the capital market, striving to become a modern engineering service enterprise that is worth watching and holding for the long run.

Thank you for your trust and support.

By order of the Board
Shanxi Installation Group Co., Ltd.
Chairman and Executive Director
Ren Rui

Special Feature

Empowering the "Dual Carbon" Goals Strategy - The Path to Transforming into a Comprehensive Operator of Green Infrastructure

Promoting the development of infrastructure towards low-carbon and energy-efficient directions is of great significance for achieving the "Dual Carbon" strategic goals. President Xi Jinping has emphasized that the infrastructure construction industry must uphold the philosophy of harmonious coexistence between humanity and nature, green transformation, high-quality development, and biodiversity conservation, advancing along the path of carbon peaking and carbon neutrality. China's infrastructure construction is gradually shifting towards green, low-carbon, and resilient development. Against the backdrop of deepening "Dual Carbon" targets, the accelerated construction of new power systems, and tightening green policies, green infrastructure is no longer merely an engineering issue. Instead, it has evolved into a comprehensive proposition involving energy supply, resource circulation, digital management, and balanced regional development.

In this context, the competitive logic for construction enterprise is shifting from single-dimension construction delivery to a comprehensive competition of capabilities: low-carbon construction, resource circulation, digital control, and long-term operations. Centering on national green development needs, SIG has gradually formed a systematic development path based on new energy infrastructure, extended by the circular economy, and supported by digitalization. We are driving our transformation from a traditional construction enterprise into a comprehensive operator of green infrastructure. We are actively fulfilling our corporate social responsibility with our implemented projects by effectively bridging the "last mile" of green development in townships and villages.

New Energy Facility Construction: From Scale Growth to System Upgrade

In 2025, the Company achieved its new energy construction target of 500 MW, reaching a 100% completion rate. Building on this scale growth, we are gradually extending our focus from power-side engineering construction to comprehensive solutions tailored for energy consumption scenarios and industrial needs. This shift is driving the transformation of our new energy business from a single EPC model to an integrated "Construction + Trading + Operation" model.

The Company continues to advance wind power and other new energy projects, establishing a stable capacity for green power supply. Taking the 50 MW decentralized wind power project in Xiyang County as an example: the project generates 107,900 MWh annually, saving 30,900 tons of standard coal and reducing 57,100 tons of CO_2emissions per year. This demonstrates how new energy can effectively and stably substitute traditional energy sources.





On the energy consumption side, the Company is further extending to the terminal level. Through the direct green power connection model, we successfully enabled green electricity to bypass the traditional grid and directly supply the manufacturing park in the Pingding Battery Town project in Shanxi province. This transforms new energy from merely "generated electricity" into "utilized low-carbon energy", serving industrial production needs more directly and facilitating the implementation of the "green power trading + carbon asset operation" pathway.

Meanwhile, the Company is advancing the coupling of energy and industry based on industrial demands. In the RMB 15 billion project in Guyang County , we have established an integrated "Green Power — Green Hydrogen — Green Methanol" pathway. This further converts new energy from an electrical product into chemical raw materials, integrating into the downstream industrial chain and extending our role from energy supplier to provider of industrial factors. Such projects feature high technical barriers and a relatively stable competitive landscape, helping the Company form a differentiated layout in the new energy sector.

Circular Economy: From End-of-Pipe Treatment to Resource-Based Operations

Wastewater and waste treatment are shifting from being compliance-driven cost centers to avenues for resource conversion and asset operation. As environmental requirements become more stringent and resource prices fluctuate more drastically, projects with resource recovery and sustainable operation capabilities are beginning to generate more stable value returns. Consequently, the waste circulation model has become a key focus of our development. The Company is advancing projects in zero liquid discharge and solid waste resource utilization, exploring the pathway for environmental infrastructure to transform from engineering assets into operating assets.

In term of industrial wastewater treatment, the Company implemented the Lanhua Coal Chemical Zero Emission Project in Zezhou County, Jincheng City, utilizing the BOO model for construction and operation. The project boasts a treatment capacity of no less than 1,000 cubic meters per hour, with an annual operating time of approximately 8,400 hours. It reduces fresh water consumption by about 1.5 million tons and wastewater discharge by 1.2 million tons annually, while achieving resource reuse through byproduct recovery. This model transforms the Company from a mere engineering contractor into a long-term operator, creating a sustained alignment with our clients' emission reduction goals.



In the area of solid waste resource utilization, the Company invested in and constructed the Yangquan Construction Waste Integrated Ecological Plant. The project has a total investment of RMB 439 million and covers an area of 110.48 mu. It is capable of treating 800,000 tons of construction waste annually, while also handling 25 tons/day of bulky waste and 50 tons/day of garden waste. The project establishes a "Reduction — Harmlessness — Resource Utilization" treatment system, realizing the transformation of construction waste from terminal disposal to resource reproduction.



The common thread between industrial wastewater and construction solid waste resource utilization lies in transforming what were traditionally end-of-pipe environmental projects into infrastructure assets that deliver both environmental benefits and commercial value, achieved through recovery, conversion, and sustainable operations.

Digital Upgrading: Empowering Green Value Release through Whole-Process Control

Against the backdrop of green infrastructure projects becoming increasingly complex and integrated, project management has evolved beyond a singular focus on construction. It now extends into multiple dimensions, including design collaboration, construction implementation, operational scheduling, and management decision-making. Traditional management models face challenges in refined construction, operational optimization, data connectivity, and proactive risk control. In response, the Company continues to advance its digital capabilities, fostering a deep integration of digital technologies with green infrastructure scenarios. This has gradually established a whole-process control system covering construction, operation, and management.

In February 2026, the Company launched a trial run of its integrated digital-intelligent control platform to bolster overall project management. Covering 11 major business modules, 24 management processes, and 6 operational cockpits, the platform enables real-time monitoring of key indicators such as new energy power generation, wastewater treatment, and heating energy consumption. This transition transforms green data from static disclosure to dynamic management.

During the construction phase, the Company employs electromechanical BIM combined with prefabrication and AI technologies to achieve cost savings and environmental protection. The BIM and prefabrication technologies were applied in Taiyuan Wusu International Airport Terminal 3 project, resulted in direct economic savings of RMB 7.754 million and a schedule reduction of 120 days. Additionally, modeling efficiency improved threefold, and the precision rate of key components reached between 95% and 97%. This precision construction reduces rework and material waste, cutting carbon emissions at the source. Furthermore, through an AI-based technical solution review system, the Company embeds construction compliance and safety controls directly into the building phase, minimizing resource waste and environmental costs caused by flawed planning.

The Value of MEP BIM + Prefabrication in Airport Projects

7.754 million Saved RMB	**3 times** Efficiency increased by	**10%** Quality assurance	**40 tons** Saved costs

Technology	Benefit Category	Quantity	Estimated Benefit per Item (RMB 10k)
MEP Coordination	Eliminate Clashes and Omissions, Reduce Rework	Eliminated 586 Areas with Insufficient Net Height	RMB 352,000
Detailed Design of Finished Integrated Supports	Aesthetic Appeal and Material Savings	360t of Finished Corridor Supports, Saving Approximately 40t Compared to Traditional Single-Discipline	RMB 600,000
Secondary Structure Opening	Accurate Openings and Reduced Rework	Deepened 18,909 Secondary Structure Openings. Generated 436 Drawings. Achieved 95% Accuracy, a 10-Percentage-Point Increase Over Traditional Methods.	RMB 540,000
Detailed Design of Equipment Foundations and Drainage Channels	Aesthetic Appeal, Right-First-Time Execution, and Reduced Rework	Deepened 2,285 Equipment Foundations with 97% Accuracy, a 10-Percentage-Point Increase Over Traditional Methods.	RMB 600,000
Baggage System Clash Elimination	Eliminate Clashes and Omissions, Reduce Rework	Eliminated 187 Areas	RMB 112,000
Compensator Optimization	Material Savings	Saved 307 pieces	RMB 2.13 Million
Lightweight Model Technology	Enhance Plan Review Accuracy, Visualize 3D Models On-Site, and Improve Construction Precision	/	/
Prefabricated Construction Technology	Schedule Saved. Fully factory-prefabricated: piping for 5 heat pump rooms, 380,000 m^2 of ductwork, and supports for 40 mechanical rooms	About 120 days	120 days
BIM + Digital-Intelligent Design Collaboration Management Technology	Improve Modeling Efficiency and Accuracy	Modeling and Deepening Efficiency Increased by Over 3 Times, Saving Approximately 6 Months of Work.	RMB 900,000

Technology	Benefit Category	Quantity	Estimated Benefit per Item (RMB 10k)
BIM + Digital-Intelligent Construction Collaboration Management Technology	Improved Work Efficiency, Reduced Management Staff, and Lowered Management Costs	2-Year Project Schedule, Reduced Material and Schedule Management Staff by 5	RMB 1.8 Million
BIM + Digital-Intelligent Cost Accounting Collaboration Management Technology	Improved Work Efficiency, Reduced Management Staff, and Lowered Management Costs	2-Year Project Schedule, Reduced Commercial Staff by 2	RMB 720,000
Cumulative Benefits		RMB 7.754 Million	

During the operation phase, the Company deployed a smart heating system within its district heating projects. By integrating 14 smart heating stations, remote control systems, and climate compensation mechanisms, the Company achieved on-demand heating and network-wide balance. This initiative reduced overall energy consumption by 15%. Additionally, the installation of 2,000 smart valve groups enabled the real-time collection of terminal data.

Green County Development: Bridging the "Last Mile" of Green Transition

The heating systems at county level have traditionally relied on decentralized coal burning and consist largely of legacy infrastructure. Upgrades are often stalled by challenges such as fragmented assets and long payback periods. Taking the centralized heating project in Qin County as a starting point, the Company adopted a "Revitalization of existing assets + Franchising" model. This approach brought original heating assets under unified operations and utilized RMB 70 million in special-purpose bonds to complete system upgrades. Following the renovation, decentralized heating was gradually replaced by centralized systems. Overall energy consumption dropped by 15% compared to pre-renovation levels, and annual CO2 emissions were reduced by thousands of tons, effectively phasing out decentralized coal heating in the county.

More importantly, while upgrading the existing infrastructure, the project simultaneously established a stable operational structure. This shifted the heating system from a one-off construction project to a model of sustainable operation. This approach transforms previously difficult legacy upgrades into an implementable and sustainable pathway, laying a replicable foundation for clean heating in county-level regions.

About SIG

Shanxi Installation Group Co., Ltd. (stock abbreviation: SIG, stock code: 02520.HK), which was founded in 1952, grew out of the Second Installation Company of the Eighth Construction Bureau of Ministry of Construction Engineering. As a national high- tech enterprise, SIG tops 100 competitive enterprises in the field of China construction industry, and ranks as top 10 backbone construction enterprise in Shanxi Province. In addition, SIG is the first one to obtain the provincial quality award, national quality award and Asian quality award in China.

SIG has acquired complete qualifications, including "double- special and double- Class A" qualifications as the first provincial enterprise in China: special- grade general contracting qualifications for municipal public works and petrochemical engineering construction, and Class- A design qualifications for municipal and chemical- petrochemical- pharmaceutical engineering; three first-grade general contractor qualifications: power engineering, metallurgical engineering and mechanical and electrical engineering; three second-grade general contractor qualifications: mining engineering, water conservancy and hydropower engineering, highway engineering; B-grade designer qualification: power and light textile (food fermentation and tobacco engineering); A-grade designer qualification: firefighting engineering, architectural decoration engineering, intelligent building engineering. SIG has also attained eight first-grade professional contract qualifications and qualification certificate of foreign operation rights authorized by the Ministry of Commerce of the People's Republic of China.

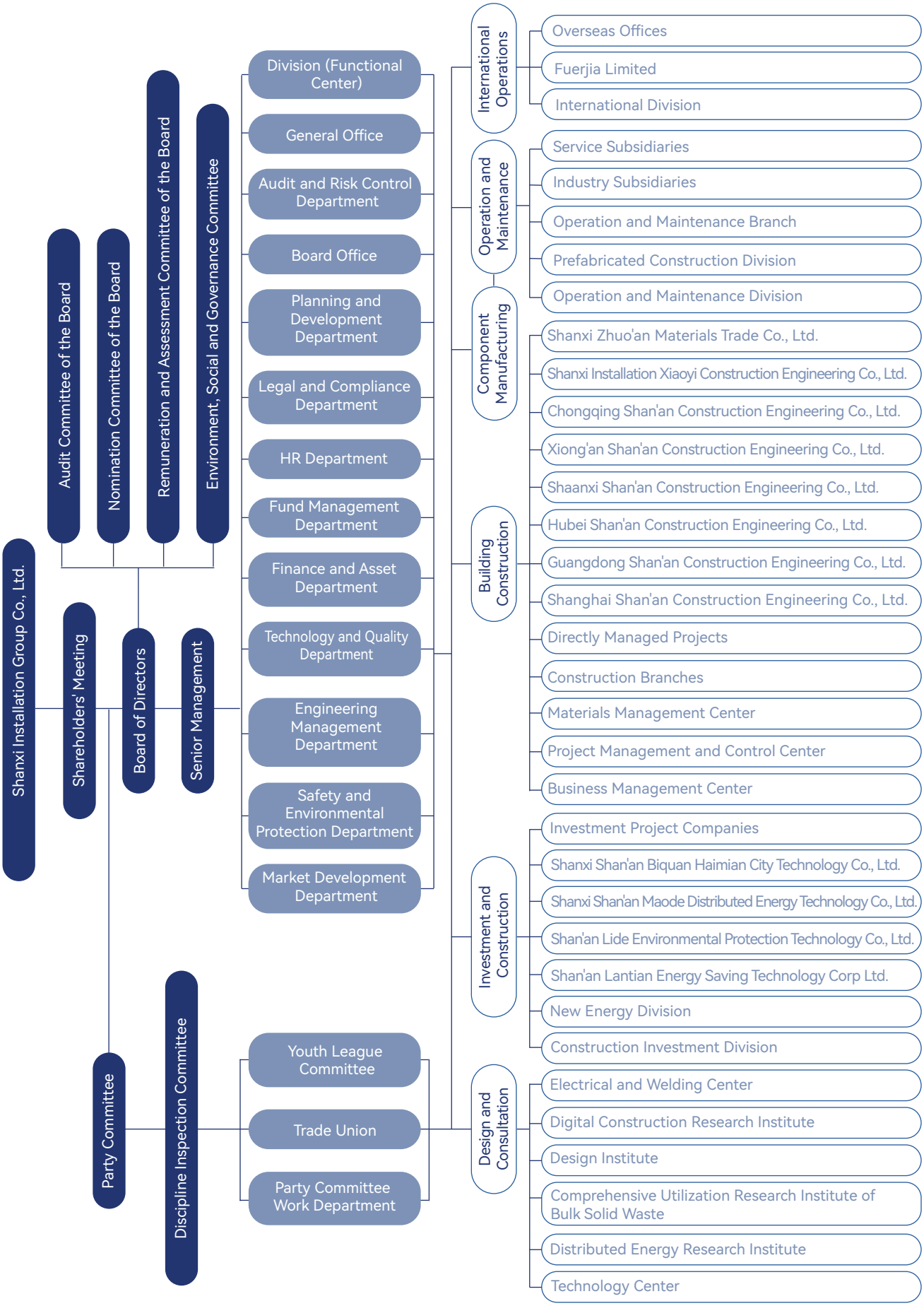
SIG creates a five-in-one ("design and consultation, investment and construction, building construction, component manufacturing, operation, maintenance and repair") fully industrial chain business mode. The Company has a listed subsidiary company in the New OTC Market , 3 A-grade design institutes, 3 research institutes, 3 subsidiaries of high- tech enterprise, a provincial technology center, more than 30 engineering (subsidiaries), 7 regional divisions and multiple overseas branches.



In 2025, SIG achieved an operating income of RMB 10.53 billion, the net profit was RMB 190 milllon, the net assets were RMB 3.49 billion.

Company vision	To become the most competitive modern engineering service provider in China
Core values	Integrity, pragmatism, and perseveranc
Company mission	Deliver quality, pioneer the future
Enterprise Spirit	Red star spirit

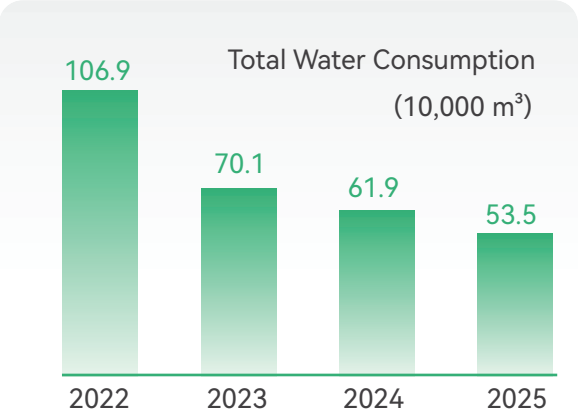
Organization Chart

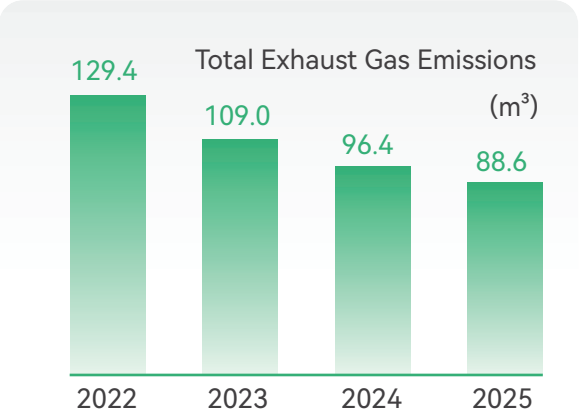


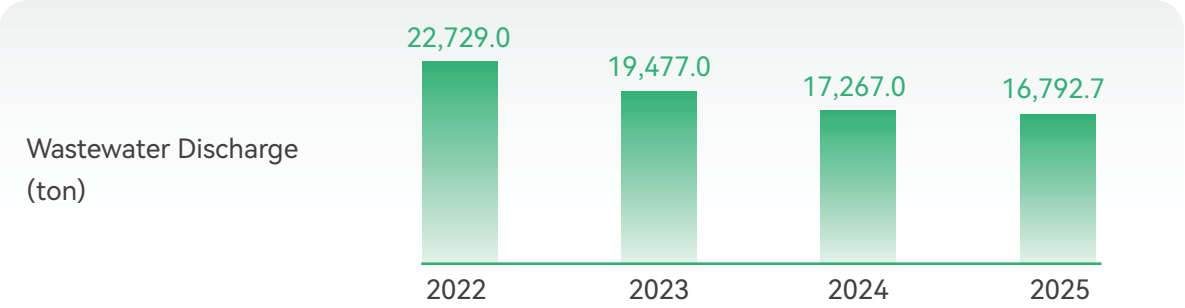

山西安装
山安腾飞

2025 Key Performance

Environmental



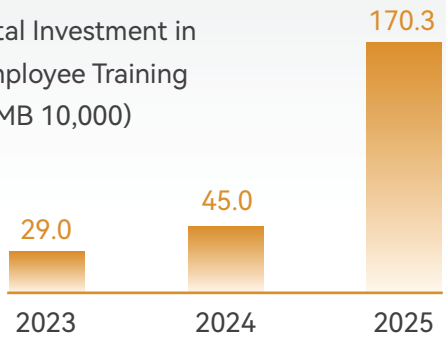




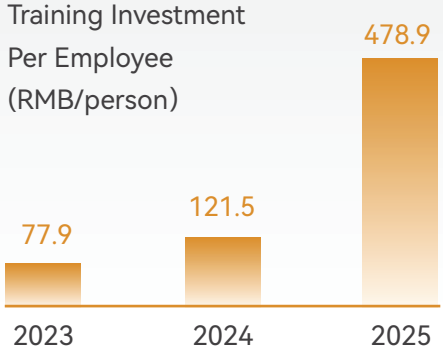


Social

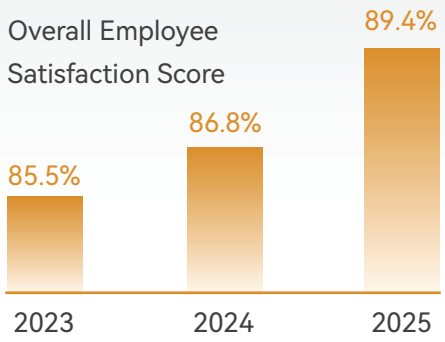
Total Investment in Employee Training (RMB 10,000)



Training Investment Per Employee (RMB/person)



Overall Employee Satisfaction Score



Coverage Rate of Employee Safety Training

100 %

Participants of Employee Safety Training

44,670 person

Employee Injury Rate

0 %

Volunteer Hours

2,737 hours

Supplier Anti-Corruption Clause Signing Rate

100 %

Governance

Incidence of Corruption

0

Percentage of Personnel Participated in Anti-Corruption Training

100 %

Legal Review Rate for Rules and Regulations on Major Economic Contracts and Major Decisions

100 %

ESG Management

SIG regards sustainable development as an effective guarantee for the Company's long-term and stable development. It identifies issues of concern to stakeholders, to conduct issue materiality assessment, and clarify ESG management priorities. It strives to improve the Company's ESG management system by building an ESG framework, promoting good sustainable development performance.

ESG Architecture

In order to fully and actively fulfill its corporate citizenship responsibilities, participate in building a harmonious society, and achieve coordinated development of enterprises and society, SIG has established an ESG structure consisting of the Board of Directors, ESG Committee and ESG Execution Team, to further enhance ESG performance and promote the Company's sustainable development.

Board of Directors	The highest responsible and decision-making body for ESG matters is responsible for assessing and determining the Company's ESG-related risks and opportunities, formulating ESG management policies and strategies, and monitoring and regularly reviewing ESG performance.
ESG Committee	It is responsible for conducting internal and external stakeholder materiality assessment, executing the strategies and policies of the Board of Directors, overall promoting the Company's ESG matters, monitoring progress towards achieving goals and reporting to the Board of Directors in a timely manner.
ESG Execution Team	It is responsible for coordinating and executing daily ESG work, organizing the preparation of ESG reports, taking the lead in organizing ESG-related training, and reporting work to the ESG Committee regularly.

ESG three-level governance architecture



ESG Risk Management

SIG continues to establish and improve a risk prevention and control work system, standardize the reporting of major operation risk events, take timely response measures, formulate a list of rights and responsibilities, conduct inspections of operation risk points, and promote the normalization of daily supervision and management.

The Board of Directors is responsible for ensuring that the Company establishes an appropriate and effective ESG risk management and internal monitoring system, and formulates relevant systems such as the Measures for Safety Risk Identification and Grading Control of Shanxi Installation Group Co., Ltd. and the Management Measures for Project Risk Management Responsibilities of Shanxi Installation Group Co., Ltd. which cover risk management processes such as risk identification, assessment, monitoring, control, and reporting, to ensure the Company's identification, prevention and control of relevant risks.

ESG Honors

In 2025, SIG continued to enhance its corporate governance capabilities and core competitiveness, continuously enriching its corporate value and strengthening the brand image, and received multiple ESG-related honors:

Shanxi' Golden Bull Award
2024 Transformation Breakthrough Award
Shanxi Economic Daily
Jinrongshe

2025 China Listed Companies Yinghua Award
Hong Kong Listed Hong Kong Listed Company
ESG Demonstration Case Award
China Fund

Jing Niu Award
ESG Brand Pioneer
China Enterprise Reform and Development Society
Responsibility Cloud Research Institute



Jing Niu Award · ESG Brand Pioneer



2025 China Listed Companies Yinghua Award
Hong Kong Listed Company ESG Demonstration Case Award

During the reporting period, SIG officially became a founding unit of the China Supplier ESG Rating Platform, marking a new stage in the Company's supply chain ESG management. The China Supplier ESG Rating Platform evaluates suppliers' comprehensive ESG performance across four dimensions: risk management, social value, supply chain responsibility, and governance responsibility, aiming to establish an ESG rating system that aligns with international standards while reflecting China's national conditions. As a founding unit of the platform, SIG will work together with other founding units and enterprises to deeply participate in the platform's development, actively play a demonstrative and leading role, and jointly promote the sustainable development of China's supply chain.



Stakeholder Communication

SIG has an understanding of opinions from various stakeholders on ESG issues through questionnaires and internal meetings, identifies and determines the materiality of these issues. Based on the Company's business scope, we have identified six stakeholders: investors, government, employees, suppliers, customers, and the community.

Stakeholder	Expectations and needs	Communication and response
Investors	● Financial performance ● Company transparency ● Protection of rights and interests	● Enhance sustainable profitability of the Company ● Routine information disclosure ● Improvement of communication mechanism
Government	● Compliance with law and discipline ● Tax payment according to laws	● Compliance management ● Voluntary tax payment

Stakeholder	Expectations and needs	Communication and response
Employee	● Remuneration and welfare protection ● Sound work environment ● Vocational training and promotion ● Work-life balance	● Competitive remuneration system ● Employee health and safety ● Employee development and training ● Employee caring activities
Supplier	● Cooperative supply ● Fair and just ● Mutual growth	● Improve supplier management system ● Partner communication platform
Customer	● Product quality and service standards ● Protection of customer information ● Improvement of customer satisfaction	● Enhance product and service quality ● Emprove customer communication mechanism ● Complaint and handling mechanism ● Protection of consumers' rights and interests and privacy
Community	● Create a harmonious community environment ● Employment promotion ● Public welfare and charity ● Concern for vulnerable groups	● Promote community culture ● Job creation ● Carry out public welfare projects ● Volunteer service

Identification of Material Issues

SIG conducts material issues assessment to sort out ESG issues that are important or relevant to the Company and its stakeholders. Through regular specialized questionnaires and other various channels, the Company understands the demands of various stakeholders to identify ESG issues that are important to the Company and its stakeholders in the current business environment. Based on the identification and analysis results of material issues, we determine the content of this report to help stakeholders better understand the Company's ESG performance.

01 Issue identification

At the initial stage of report preparation, 20 ESG material issues that are highly concerned by stakeholders and closely related to the Company's responsibility work are identified as the key content of the report information disclosure by benchmarking against excellent reports in the same industry, conducting material issues research, and responding to disclosure requirements.

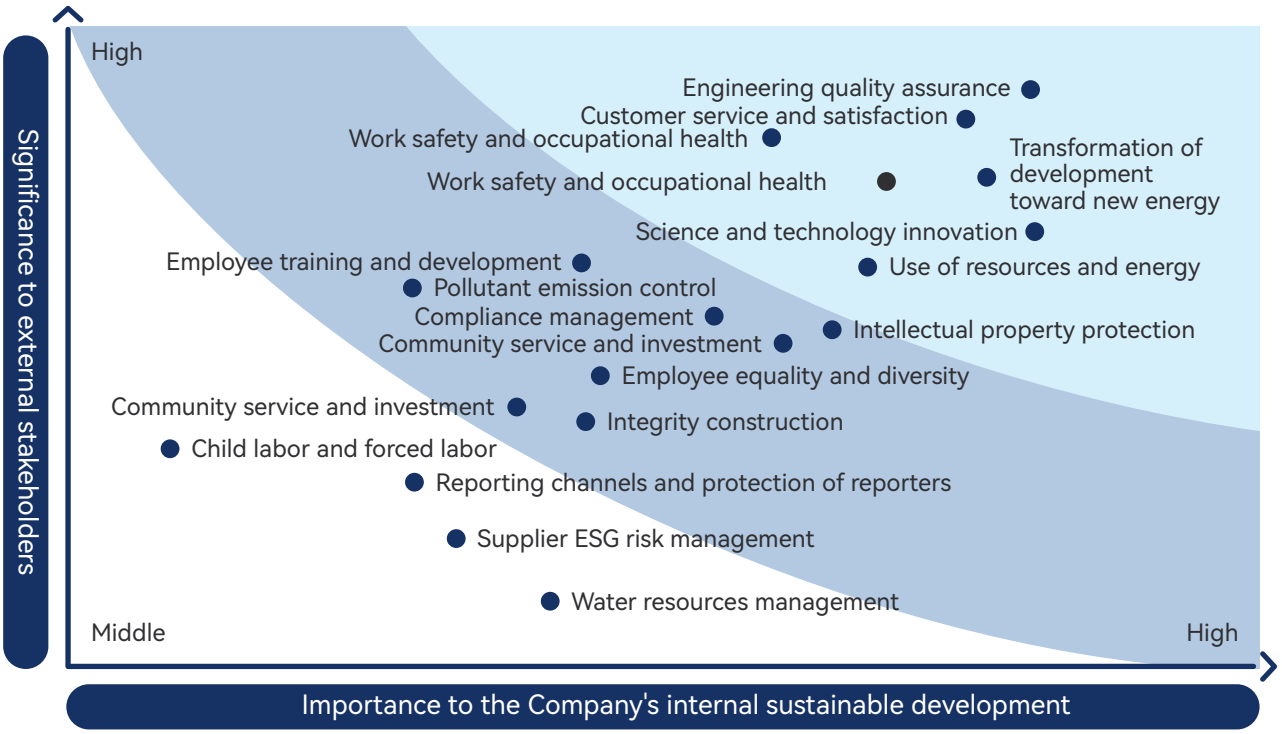
02 Research

An ESG material issues questionnaire is distributed to various stakeholders through online questionnaires and targeted push methods. Stakeholders score the issues from their

03 Establishment of ESG issue materiality matrix

Based on the survey results, the materiality of each issue is analyzed from both internal and external perspectives. According to the analysis results, core issues are ranked from the aspects of "materiality to external stakeholders" and "materiality to SIG", forming the ESG issue materiality

Matrix Diagram of Key ESG Issues of SIG



Environment

Adding Splendor to the Green Garden, and Enjoying the Harmony of the Ecosystem

Challenges

In 2025, driven by the advancement of the "dual carbon" goals and increasingly stringent environmental protection requirements, SIG is confronting multidimensional environmental challenges. The traditional construction model leads to relatively high energy consumption, intensifying pressure on carbon emission control and placing real constraints on the company's green transformation. As project types grow increasingly diverse, the environmental management system must adapt to compliance requirements in new scenarios and regions, while also addressing refined management challenges such as construction dust control and solid waste disposal. Extreme weather conditions and seasonal construction demands further complicate environmental risk prevention and control. Moreover, rising resource input costs are compelling the company to accelerate improvements in energy and material efficiency, thereby driving a synergistic enhancement of both environmental performance and business development.

Addressed SDGs goals



Goal setting

- No general or above environmental pollution incidents
- No yellow or above environmental public opinion incidents

Progress Review

- No general or above environmental pollution incidents occurred in 2025
- No yellow or above environmental public opinion incidents occurred in 2025

Performance Metrics:

- Compliance rate of environmental impact assessment for new projects **100** %
- Comprehensive energy consumption per million yuan of revenue **0.11** tce/million yuan (comparable prices)
- Water consumption per ten thousand yuan of revenue **0.51** tons/ten thousand yuan
- Hazardous waste disposal rate **100** % wastewater treatment compliance rate **100** %

Combating climate change

Climate change is a severe challenge faced by all humanity, requiring coordinated address by international efforts. As a corporate citizen, SIG deeply recognizes the necessity of greenhouse gas reduction, actively fulfills social responsibilities, and responds to global climate governance requirements. Based on the Paris Agreement and other international frameworks, the Company has incorporated climate change response into its strategic planning, providing corporate solutions to achieve the "carbon peaking and carbon neutrality" goals.

Governance

Governance architecture

SIG refers to documents such as the HKEX *Climate Information Disclosure Guidance*, IFRS S2 to establish a climate change governance architecture, comprehensively overseeing the impact of climate change issues on the Company's business and operations, and systematically conducting climate change risk management, strategy formulation, and information disclosure.



Highest responsibility and decision-making body

Board of Directors

- It approves the Company's climate change management strategy, medium- and long-term plans, annual plans, and climate change risk control objectives. The Board of Directors reviews the Company's ESG report annually, to ensure compliance with the disclosure requirements of the listing rules.

Main leadership body

ESG Committee

- The Company's President serve as the Chairman, being mainly responsible for reviewing the Company's climate change strategy, understanding and assessing the potential impacts of climate change risks, and reviewing climate change risk management content. Overall promote the Company's ESG matters, monitor the progress of goal achievement, and timely report to the Board of Directors.

Execution body

ESG Execution Team

- Composed of multiple components, it is responsible for coordinating and executing day-to-day work related to climate change risks.

Implementation and execution

Safety and Environmental Protection Department of Company Headquarters

- Main responsibilities include assessing the impact of climate change risks, developing action plans to mitigate climate change impacts, and executing specific tasks.

Subsidiaries

- Organize the establishment of their own risk management systems, implements the Company's decisions on climate change response, and strictly manages carbon emissions and energy-saving goals.

Professional Skills Enhancement

SIG has appointed independent directors and senior management personnel with specialized expertise in green and low-carbon fields to provide professional support and guidance for the Company's climate change response initiatives. SIG has also established dedicated working groups composed of personnel with relevant professional knowledge to effectively facilitate the implementation of related initiatives. Furthermore, SIG has formulated and executed training programs designed to enhance professional skills in the green and low-carbon domain. By inviting seasoned industry experts to conduct training sessions on the latest policy backgrounds, development trends, and best practices, SIG ensures that the Board of Directors and senior management remain informed of the latest developments in these fields. These measures provide robust professional support for the climate change-related research and the optimization of its management practices of the Company.

Information Reporting Mechanism and Oversight Status

SIG has established an internal reporting and oversight mechanism regarding climate change. The Company has integrated climate change response initiatives into its internal control system. The Board of Directors and the Sustainable Development Committee review reports (information) related to strategy formulation, implementation, performance, and future goals on a semi-annual basis. Management reports to the Board and the Committee on the progress of climate change initiatives every six months. Furthermore, SIG's "Dual Carbon" (Carbon Peaking and Carbon Neutrality) Leadership Group convenes quarterly meetings to hear reports from management departments regarding strategy execution, performance, and future goals, providing guidance and oversight on implementation. Subsidiaries report their progress to the competent management departments in a timely manner on a [monthly/quarterly] basis via [statements/special reports].

SIG incorporates low-carbon development indicators, such as energy conservation and environmental protection, into the annual performance assessments of its management and subsidiaries as binding targets.

Integration of Relevant Factors into Decision-Making

SIG attaches great importance to addressing climate change. When formulating overall development strategies, overseeing strategy implementation, making major transaction decisions, and managing risks, the Company fully considers the impacts, risks, and opportunities related to climate change, while closely tracking national policy requirements to iteratively optimize its development strategies and plans. The Company analyzes and studies international conventions such as the goals of the *Paris Agreement* and the 2030 Agenda for Sustainable Development, as well as policies issued by the Chinese government, including the *Opinions on Completely, Accurately, and Comprehensively Implementing the New Development Philosophy to Do a Good Job in Carbon Peaking and Carbon Neutrality, the Notice of the State Council on Printing and Distributing the Action Plan for Carbon Dioxide Peaking Before 2030, the Work Plan for Accelerating the Construction of a Dual Control System for Carbon Emissions, and the Action Plan for Energy Conservation and Carbon Reduction for 2024-2025*. SIG assesses the impact of these policies, formulates corresponding response measures, and improves internal management systems.

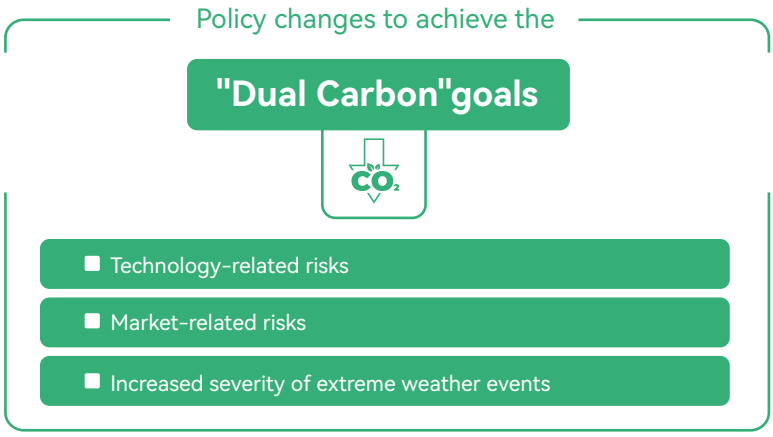


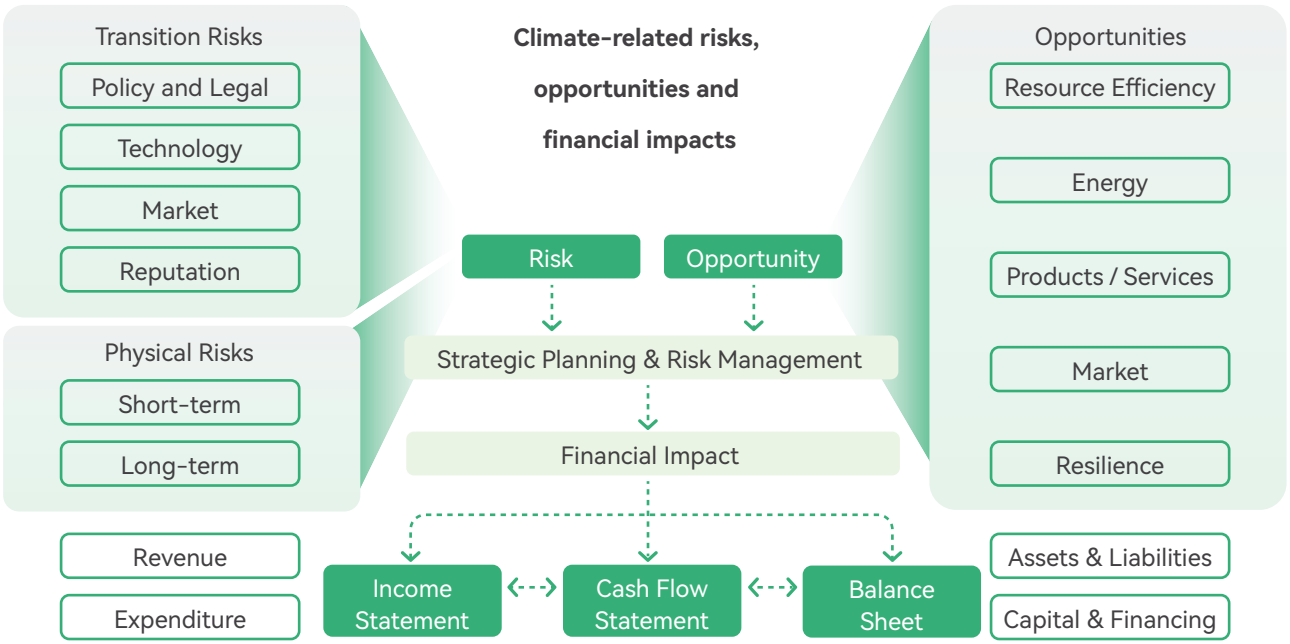
SIG fully identifies risks and opportunities arising from policy changes, extreme weather, carbon trading, rising temperatures, low-carbon technology development, and energy structure adjustments, and formulates response measures. The Company issued the *Carbon Peaking Action Plan of Shanxi Installation Group Co., Ltd.*, which clarifies key objectives for each stage and implementation paths for each business sector. Furthermore, SIG has established relevant working mechanisms and requirements, successfully advancing specific initiatives for the "Dual Carbon" (Carbon Peaking and Carbon Neutrality) transition across all business units.

Climate-Related Strategy

Identification of Climate Risks and Opportunities

In accordance with the disclosure procedures stipulated in the Guide for Climate Disclosures issued by The Stock Exchange of Hong Kong Limited, and based on the "Climate-related Risks, Opportunities, and Financial Impact" framework proposed by the Task Force on Climate-related Financial Disclosures (TCFD), the Company conducts the identification and analysis of climate risks. The specific steps are as follows: The Environmental, Social, and Governance (ESG) Committee conducts a comprehensive review of industry risks by examining industry data, communicating with experts in risk management and sustainable development, performing industry analysis, conducting web research, and executing internal and external audits. Furthermore, the Company organizes cross-departmental management meetings to conduct in-depth discussions on climate-related risks and to formulate a risk inventory.





Integrating its business model, value chain, industry characteristics, and stakeholder engagement outcomes, the Company has screened and identified the climate-related risks and opportunities it faces. For each risk and opportunity, the Company has analyzed the time horizon of impact, financial implications, effects on the business model and value chain, as well as existing (planned) response measures. The expected time horizons are categorized into short-term (1-3 years), medium-term (3-10 years), and long-term (over 10 years), aligning with the Company's short-, medium-, and long-term strategic planning cycles.



When assessing the impact of climate-related risks and opportunities on the Company's financial position, business model, and value chain, the Company has determined that the current and anticipated future impact of climate factors on its core operations is overall at a low level. Furthermore, there is significant uncertainty in quantitatively measuring the inputs and returns associated with the Company's low-carbon transition, and existing objective conditions are insufficient to support quantitative disclosure. Therefore, the tables below will present this information qualitatively.

Inventory of Climate-Related Risks and Opportunities

Risk Type	Risk Factor	Time Horizon	Risk / Opportunity Description	Financial Impact	Impact on Business Model & Value Chain
Physical Risks	Heavy Rain & Flooding	Short Medium	Construction delays; damage to equipment/materials & safety threats; quality issues in completed projects requiring maintenance.	No immediate loss; expected short/medium-term cost increases & contract penalty risks; controllable long-term.	No immediate disruption; expected short/medium-term efficiency drops in upstream/downstream allocation; impact eliminated long-term.
	Increased Frequency of Sandstorms	Short Medium	Reduced construction efficiency; shortened equipment lifespan; health threats & impact on building appearance/quality requiring cleaning.	No immediate extra cost; expected short/medium-term operational cost increases; controllable long-term via protective measures.	No immediate disruption; expected short/medium-term impact on outdoor work & higher consumable/repair costs; impact weakens long-term.
	Rising Temperatures	Short Medium	Reduced worker efficiency; impact on material performance; need to adjust working hours, slowing down progress.	No immediate extra cost; expected slight short/medium-term cost increase; controllable long-term after adaptation.	No immediate disruption; expected short/medium-term impact on heat-resistant material procurement & slower pace; no impact long-term after adaptation.
	Low Temperature Risks	Short Medium	Impact on material performance & increased construction difficulty; reduced worker efficiency & need for extra insulation measures, resulting in delayed progress.	No immediate extra cost; expected increase in construction costs in the short/medium term; controllable long-term via anti-freeze measures.	No immediate disruption; expected short/medium-term higher demand for anti-freeze materials/equipment & delivery delays; no impact long-term after adaptation.

Risk Type	Risk Factor	Time Horizon	Risk / Opportunity Description	Financial Impact	Impact on Business Model & Value Chain
Physical Risks	Hydrogen Technology Substitution	Medium Long	Industry shift to hydrogen; lack of tech reserves leads to loss of competitiveness in emerging business & impact on existing business.	No immediate investment/loss; expected medium-term R&D/investment costs & revenue loss risk; potential revenue growth long-term with tech reserves.	No immediate disruption; expected medium-term missed hydrogen project opportunities; long-term expansion into hydrogen installation & restructuring of value chain.
	Green Building Tech Updates	Medium Long	Failure to master latest green tech leads to competitive disadvantage & inability to undertake green building projects.	No immediate extra investment; expected medium-term tech upgrade costs & revenue risk; long-term improved capability & revenue growth.	No immediate disruption; expected medium-term bidding disadvantage & loss of high-value clients; long-term status as core green service provider strengthening value chain stickiness.
	Stricter Environmental Policies	Short Medium	Higher environmental standards increase management difficulty; non-compliance risks fines or work stoppages.	Minor compliance verification costs in the immediate term; expected rising compliance costs in the short/medium term with risks of fines and revenue loss; costs expected to stabilize in the long term.	No immediate disruption; expected short/medium-term need for high-standard upstream suppliers & optimized management; long-term standardized eco-friendly construction system.
	Carbon Data Compliance	Short Medium	Inability to accurately account for Scope 3 emissions leads to regulatory penalties; restrictions on bidding/cooperation.	Immediate accounting/consulting costs; expected short/medium-term disclosure cost increases & penalty risks; controllable long-term.	No immediate disruption; expected short/medium-term push for upstream carbon footprint data & internal system setup; long-term core competency in carbon data management.

Risk Type	Risk Factor	Time Horizon	Risk / Opportunity Description	Financial Impact	Impact on Business Model & Value Chain
Physical Risks	Carbon Market Risks	Short Medium	Price volatility increases procurement costs for carbon allowances; policy changes increase asset management difficulty.	No immediate extra operating cost; expected short/medium-term increase in carbon credit procurement and management costs; long-term cost control via reduced demand from emission reduction.	No immediate disruption; expected short/medium-term establishment of a carbon asset management system, with upstream building material carbon emissions incorporated into procurement considerations; long-term integration into core business processes.
	Changing Customer Demands	Short Medium	Failure to meet demands for eco-friendly/smart buildings may lead to loss of core clients & market share.	No immediate extra investment/client loss; expected short/medium-term tech upgrade costs & risks of client loss/revenue decline; improved customer retention & pricing power long-term.	No immediate disruption; expected short/medium-term construction tech upgrades & procurement of eco-friendly/smart materials; optimization of downstream client structure long-term.
	Supply Chain Carbon Tariff Impact	Short Medium	Export projects bear upstream embodied carbon costs; supplier price hikes/strategy shifts may destabilize supply chain & affect project schedules.	No immediate extra cost/stable supply chain; expected short/medium-term cost increase for export projects & supply chain adjustment costs; controllable risks medium/long-term.	No immediate disruption; expected short/medium-term stricter low-carbon screening for overseas suppliers; building a low-carbon overseas supply chain system long-term.

Risk Type	Risk Factor	Time Horizon	Risk / Opportunity Description	Financial Impact	Impact on Business Model & Value Chain
Opportunity	Carbon Trading Revenue Growth	Short Medium Long	Revenue from carbon trading; developing certified emission reduction projects (carbon sinks) for national market trading & expanding eco-benefit businesses.	No immediate carbon trading revenue; expected short-term preparation costs; medium-term revenue from carbon sinks/quotas; carbon trading becomes a new revenue stream long-term.	No immediate disruption; expected short-term setup of carbon trading management system; integrating carbon sink development medium-term; forming an "Engineering + Carbon Trading" hybrid model long-term.
	Technological Innovation & Upgrades	Short Medium Long	Increase R&D and application of low-carbon technologies and equipment, introducing advanced environmental solutions; improve energy efficiency to reduce carbon emissions and enhance core competitiveness.	Immediate minor R&D costs with limited cost-saving effects; expected continued short-term R&D investment, medium-term cost reduction through energy efficiency, and long-term additional revenue from technology output.	No immediate disruption; expected short-term formation of low-carbon R&D teams and screening of low-carbon upstream suppliers, medium-term integration into full construction processes, and long-term promotion of industry chain low-carbon upgrades.





Risk Type	Risk Factor	Time Horizon	Risk / Opportunity Description	Financial Impact	Impact on Business Model & Value Chain
Opportunity	Access to Green Credit Support	Short Medium Long	Conduct projects in environmental protection, energy conservation, and green building sectors; apply for low-interest green loans to facilitate green low-carbon transition.	Immediate partial access to green loans reducing financing costs; expected short-term coverage of green building projects, medium-term expansion into clean energy sectors, and significant reduction in overall financing costs long-term.	No immediate disruption; expected short-term focus on green building project financing, medium-term multi-sector green business layout, and guiding upstream/downstream collaboration on green projects long-term.
	Enhanced Comprehensive Competitiveness	Short Medium Long	Achieve operating cost reduction through carbon reduction; build carbon emission reduction technology service capabilities to become a tech service provider and explore new business opportunities.	Immediate minor operating cost reduction via carbon reduction; expected continued short-term cost reduction, medium-term revenue from carbon reduction services, and significant revenue growth as a core industry service provider long-term.	disruption; expected short-term optimization of carbon reduction construction processes, medium-term expansion of the carbon reduction service sector, and formation of a dual "Engineering Installation + Carbon Service" business model long-term.

Climate Risk and Opportunity Response Strategies

SIG will advance the following action plans and implementation pathways to effectively reduce carbon emissions, contributing to the goals of peaking carbon emissions and carbon neutrality. Simultaneously, we aim to drive the green transition and sustainable development of the construction industry.

Action Plans

Raise Building Energy Efficiency Standards	Reduce building energy consumption and carbon emissions by adopting advanced energy-saving technologies and green building standards. This includes optimizing building design, enhancing the thermal insulation performance of building envelopes, and promoting the use of high-efficiency energy-saving equipment.
Eliminate Operational Carbon Emissions	Promote zero-carbon electricity and heat supply for buildings by adopting renewable energy sources such as photovoltaic and wind power, and implementing flexible electricity usage technologies to reduce carbon emissions during the building operation phase.
Reduce Embodied Carbon in Materials	Reduce the usage of construction materials by changing building renovation and upgrade models, and explore local low-carbon materials to lower carbon emissions from material production and transportation.

Implementation Pathways

Promote New Energy Technology Applications	Widely apply renewable energy sources like solar and geothermal energy in buildings to replace traditional fossil fuels and reduce carbon emissions. Meanwhile, promote Building-Integrated Renewable Energy technologies to improve building energy efficiency.
Optimize Building Design and Functionality	Reduce reliance on artificial lighting and air conditioning by optimizing building circulation and functional layouts—such as adopting passive design strategies like natural lighting and ventilation—thereby lowering energy consumption and carbon emissions.
Strengthen Building Information Management	Utilize digital technologies such as IoT and big data to monitor and manage building energy consumption in real-time, improving energy efficiency. Simultaneously, establish a building carbon emission monitoring system to provide data support for carbon reduction.
Advance Retrofitting of Existing Buildings	Conduct comprehensive energy efficiency diagnostics for existing buildings, formulate renovation plans, and implement energy-saving retrofits. This includes improving the thermal insulation of building envelopes, replacing high-efficiency equipment, and optimizing building energy structures.

Climate Resilience

SIG refers to the HKEX Climate Information Disclosure Guidance, to take the publicly available scenario overview from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) as the basis. Comprehensively considering factors such as socio-economic environment, business nature, and geographical location, it selects two different climate scenarios (low emission and high emission), to conduct a qualitative analysis of the potential climate change risks and opportunities the Company may face.

Physical Risks

The Company applies two representative greenhouse gas concentration scenarios from the Intergovernmental Panel on Climate Change (IPCC), namely the extreme weather scenario (SSP5-8.5) and the low-carbon transition scenario (SSP1-2.6). For physical risks, SIG focuses on the impacts of extreme weather and global average temperature rise.

Scenario	Low emission scenario	High emission scenario
Source	Intergovernmental Panel on Climate Change (IPCC)	Intergovernmental Panel on Climate Change (IPCC)
Physical Climate Scenario	SSP1-2.6	SSP5-8.5
Scenario assumption and impact	Adopt emission reduction measures in a large scale in the world, including using clean energy, improving energy efficiency, and adopting carbon capture technologies.	High energy demand and fossil fuel dependency lead to a significant rise in emissions.
	The concentration of CO2 in the atmosphere does not exceed 450 ppm by 2100.	The concentration of CO2 in the atmosphere reaches 1,350 ppm by 2100.
	Investments in education and health have changed the population structure, promoted economic growth, paid attention to human well-being, and reduced inequalities both at home and abroad. Consumption trends are evolving towards lower material consumption and the improvement of resource and energy efficiency.	The socio-economic growth is rapid, but technological advancement is slow. No effective emission reduction actions are taken, leading to catastrophic climate change impacts.
Projected end-of-century temperature rise (℃)	Below 2℃	Above 4℃

Transition risks

The Company applies the sustainable development scenario and the stated policy scenario mentioned in the report of *World Energy Outlook* issued by International Energy Agency (IEA), to analyze the macro-environment the Company may face. For transition risks, SIG focuses on the impacts of changes in external policies, markets, and technologies on the Company.

Scenario	Low emission scenario	High emission scenario
Source	International Energy Agency (IEA)	International Energy Agency (IEA)
Transition climate scenario	Sustainable development scenario	Stated policy scenario
Scenario assumption and impact	innovations, including the development and commercialization of clean energy technologies such as solar power, wind power, bioenergy, and nuclear energy.	The government will continue to implement announced policies and regulatory frameworks , including international agreements and domestic energy policies.
	The global energy system will undergo a fundamental transformation towards a cleaner and low-carbon direction. Fossil fuels are gradually eliminated.	Future energy demand will continue to grow, but the growth rate may be affected by improvements in energy efficiency and energy policies.
	Adopt active energy policies and market reforms, to promote sustainable development.	Countries will continue to focus on energy security and take measures to ensure the stability and reliability of energy supply.
Projected end-of-century temperature rise (℃)	Below 1.5℃	Above 2℃

Climate Resilience Assessment

The Company conducts climate resilience assessments for 2030 and 2100 using self-defined scenarios. These scenarios reference the Shared Socioeconomic Pathways (SSPs) established by the Intergovernmental Panel on Climate Change (IPCC) and are categorized into low-emission and high-emission scenarios. Low-Emission Scenario: The Company faces low physical climate risks but high transition risks. Having built robust resilience for transition and development, the Company is well-positioned to effectively address transition-related challenges. High-Emission Scenario: While transition risks are significantly reduced, physical risks rise substantially. The Company has established a comprehensive physical risk management and control system, possessing sufficient capacity to respond to physical risks. The scope of this scenario analysis aligns with the reporting entity scope disclosed in this report.

Climate scenario parameters	Main factor	Low emission scenario	High emission scenario
Physical risks	Extreme weather	The projected sea-level rise is relatively moderate, with an increase of 0.19 m by 2030 and 0.44 m by 2100. Some regions experience uneven precipitation distribution, with limited change s in precipitation intensity and a slight increase in the frequency of droughts and floods. The frequency and intensity of extreme weather events will increase to a limited extent.	The rise in sea level is relatively large, with an increase of 0.23 m by 2030 and 0.77 m by 2100. Most regions in the world are affected by droughts and floods, with a significant increase in the frequency and intensity of extreme precipitation events. The frequency and intensity of extreme weather events will increase to a large extent.
Transformation risk	Technology	With the global low-carbon transition, clean energy technologies such as solar power and wind power are rapidly developing and commercializing, increasing the demand for low carbon technologies in the construction industry.	Technological progress is relatively slow, making it difficult to obtain advanced technologies for coping with extreme weather and energy conservation. In terms of disaster prevention and mitigation design and construction technologies for buildings, it is difficult to keep up with market demands for buildings to withstand extreme weather and environmental protection requirements, facing the risk of technological lag in competition.

The assessment results indicate that from the medium-term (2030) to the long-term (2100), the impact of climate change on the Company's strategy and business model is generally moderate, demonstrating strong overall climate resilience. Strategic Level: Climate resilience has been integrated into core planning. We ensure the sustainability of our strategy and business model by optimizing business layout and enhancing operational resilience. Financial Level: With stable cash flows, we possess sufficient financial support for low-carbon transition and responding to various climate risks. Asset Level: We can continuously improve climate adaptability through equipment upgrades and site optimization. Operational Level: We have established routine monitoring and emergency response mechanisms to effectively handle climate-related fluctuations and ensure stable business operations.

Response Measures

- Strengthen Risk Early Warning and Emergency Management: Coordinate with meteorological departments to obtain early warnings, formulate emergency plans with clearly defined departmental responsibilities, and conduct regular emergency drills to enhance disaster response efficiency.
- Optimize Construction Planning and Technology: Integrate climate factors into project planning, rationally arrange construction processes, and develop and apply construction technologies and materials that are resistant to extreme weather.
- Upgrade Infrastructure Protection: Improve drainage, sand control, and thermal insulation facilities at construction sites; strengthen equipment protection and maintenance to ensure normal operation of machinery under extreme weather conditions.

- Deploy Hydrogen Energy Technology R&D: Monitor developments in hydrogen energy technologies, collaborate with research institutions and universities to develop hydrogen-based building installation technologies, establish R&D centers, cultivate professional talent, and build reserves of technological application capabilities.
- Promote Green Building Technology Upgrades: Participate in industry technology exchanges, introduce and absorb advanced green building technologies, establish innovation incentive mechanisms, and encourage internal technological innovation.

Climate scenario parameters	Main factor	Low emission scenario	High emission scenario
Transformation risk	Policy	Environmental protection policies have significantly strengthened, and most countries and regions actively promote carbon neutrality plans. Domestic policies drive energy structure adjustments, increase the proportion of renewable energy, and continuously improve green standards and regulations in the construction industry.	Some countries and regions have failed to strictly implement carbon neutrality plans, hindering the implementation of international climate agreements. Although domestic policies are promoting energy conservation and emission reduction, the intensity and effectiveness of implementation may be limited. However, there is still a trend towards policy tightening
	Market	Market demand for green buildings is growing, and customers prefer construction and installation companies that offer low-carbon and environmental protection technologies.	Market requirements for building safety and environmental performance continue to rise, and companies need to continuously improve the quality and environmental performance of building products. Extreme weather demands higher performance in building disaster prevention and mitigation. Meanwhile, affected by international policies (for example, the EU CBAM policy), the cost of export projects has increased, bringing greater market competition pressure.



Response Measures

- Strengthen Environmental Compliance Management: Track updates on climate change policies and adjust corporate strategy accordingly, establish strict environmental management systems and processes, implement environmental responsibilities for each position, and increase investment in environmental protection equipment.
- Improve Carbon Data Management: Establish a carbon data management system to ensure data accuracy and completeness, designate dedicated personnel responsible for accounting and strengthen professional training for employees, participate in carbon market trading, and reduce costs through efficient carbon asset management.

- Precisely Respond to Customer Needs: Establish a customer demand tracking mechanism to grasp changes in environmental and intelligent requirements, deploy investments in the new energy sector, promote the development of green building and smart energy projects, and strengthen brand building.
- Optimize Low-Carbon Supply Chain Management: Evaluate and select low-carbon suppliers to establish stable cooperation, jointly develop emission reduction plans with suppliers to reduce overall carbon emissions, strengthen supply chain risk management, and establish backup mechanisms to prevent supply disruptions.



Climate Risk Management

The Company strictly manages climate-related risks and opportunities in accordance with the responsibilities, methodologies, and processes stipulated in its management system. Adopting a qualitative analysis approach, the Company comprehensively considers the likelihood of risk occurrence, the magnitude of impact, and the actual operational context of to assess risk levels. Risks are classified into three categories: high, medium, and low. Corresponding response measures are formulated for each category and are subject to approval and implementation by the Board of Directors.

Type of Climate Risk			Risk Level
Physical Risks	Extreme Weather	● Rainstorm and flood risk	● Medium
		● Increase in frequency of sandstorms	● Low
		● Temperature rise	● Low
		● Low temperature risk	● Low
Transformation Risk	Technology	● Replacement of hydrogen energy technology	● Low
		● Update of green building technology	● High
	Policies and Laws	● Stricter environmental protection policies	● High
		● Carbon data accounting compliance	● Medium
		● Carbon market risks	● Medium
	Market	● Customer demand shift	● High
		● Supply chain carbon tariff impact	● Medium

Indicators and Goals

To support the national Nationally Determined Contributions (NDCs), SIG formulates overall, short-term, and medium-term goals for carbon peaking and carbon neutrality based on its actual business operations. The Company's Board of Directors and the Safety, Health, Environmental & ESG Working Committee regularly monitor the progress of climate change-related goals and indicators. Furthermore, the Company links goals such as "implementing dual-carbon actions" to management performance and conducts annual performance evaluations to ensure the effective achievement of set goals.

Factors Considered in Setting Climate Goals

Policy and Regulatory Requirements

As global attention to climate change intensifies, governments worldwide are enacting policies and regulations that require enterprises to reduce greenhouse gas emissions and promote green, low-carbon development.

Market Demand Shifts

With the growing consumer demand for environmental protection and sustainable solutions, the Company considers market trends and customer needs when setting goals. This aims to meet market demand and enhance competitiveness through green products and services.

Technological Development Trends

Driven by the rapid advancement of clean energy and low-carbon technologies, the Company fully considers technical feasibility and innovation potential when establishing goals, aiming to drive the realization of climate goals through technological innovation.

Corporate Long-term Development Strategy

The Company aligns its goals with its long-term development strategy. This aims to promote sustainable development through climate action, achieving a win-win outcome for both economic and ecological benefits.

Climate Goals

Short-term goal

Implement the carbon peaking action in a planned and stepby-step manner, steadily reduce carbon emission intensity, and ensure the achievement of the 2030 carbon peak goal.

Medium-term goal

The total carbon emissions of Scope I and Scope II (10,000 t of CO2 equivalent) will be controlled within a 50% increase by 2030 based on 2020.

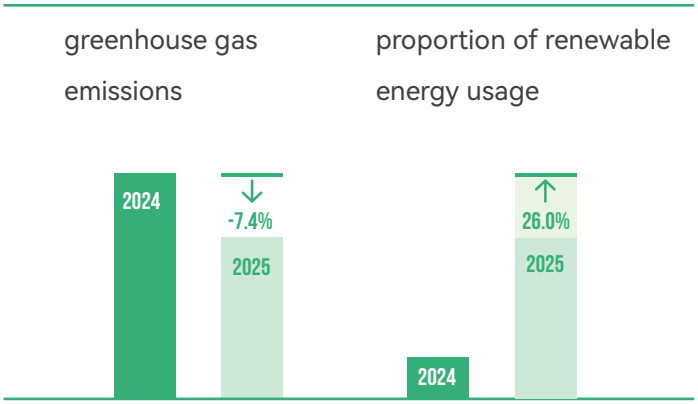
The carbon emission intensity per RMB 10,000 of income (CO2 equivalent/RMB 10,000) will decrease by 6% in 2030 based on 2020.

Overall goal

Ensure that the emission of carbon dioxide will reach its peak before 2030, actively explore effective paths, and strive to achieve carbon neutrality before 2060.

Progress on Climate Goals

In the implementation of climate goals, the Company has successfully achieved its established climate control goals through various measures, including the promotion and application of clean energy, optimization of production and operation processes, implementation of renewable energy utilization, and energy-saving technological upgrades.



Climate-related Indicators

As of the end of the reporting period, the Company has not yet established or implemented mechanisms related to internal carbon pricing. No internal carbon pricing standards or supporting management processes have been set, and internal carbon pricing has not been integrated into the Company's business decision-making or cost accounting systems.

The Company's current remuneration policy is primarily formulated based on core factors such as job responsibilities, work performance, and professional expertise. Climate-related factors—including but not limited to the effectiveness of climate risk management and contributions to low-carbon development—have not yet been incorporated into the remuneration distribution, performance appraisal, or incentive and disciplinary systems.

The Company has not participated in activities related to the trading, purchasing, or selling of carbon credits, nor has it used carbon credits to offset its own greenhouse gas emissions. No management mechanisms or ledgers related to carbon credits have been established.

As of the end of the reporting period, the Company has not yet established a comprehensive quantitative assessment system or specialized statistical accounting mechanism for climate-related risks. Consequently, the Company currently lacks the capability to precisely identify, calculate, and statistically analyze the proportion of assets and business activities exposed to climate-related risks and opportunities. Furthermore, the Company is unable to accurately collect and account for capital expenditures, financing, and investment amounts specifically allocated to climate-related risks and opportunities. Therefore, data regarding these two areas have not been disclosed. The Company will continue to improve its climate risk management framework, optimize internal management and financial accounting processes, and gradually enhance the level of quantitative analysis, specialized statistics, and information disclosure regarding climate-related information.

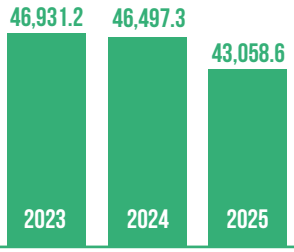
Indicator Name	Unit	2023	2024	2025
Total Greenhouse Gas Emissions	tCO2e	46,931.2	46,497.3	43,058.6
Greenhouse Gas Emission Intensity	tCO2e/RMB1 mn	4.28	3.80	4.09
Total Scope 1 Greenhouse Gas Emissions	tCO2e	5,280.1	4,848.8	1,913.5
Total Scope 2 Greenhouse Gas Emissions	tCO2e	41,651.1	41,648.5	41,145.1

Carbon Emission Reduction Measures

2025

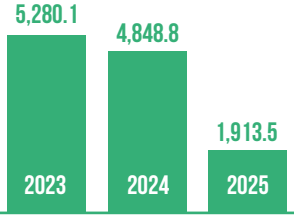
Total Greenhouse Gas Emissions

Unit:tCO2e



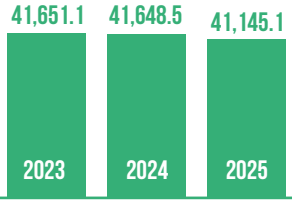
Scope 1

Unit:tCO2e



Scope 2

Unit:tCO2e



We actively responds to the national green development strategy and faces the severe challenges of global climate change. Since 2020, has actively deployed and continuously invested in the new energy sector, established a green investment platform, promoted energy conservation and emission reduction, and contributed corporate strength to addressing climate change. Through the development of clean energy such as wind power and photovoltaic power generation, the Company not only brings new economic growth points to itself but also contributes to the sustainable development of society. In recent years, it has made significant progress in new energy business. 's new energy projects cover overseas markets and some domestic regions.

SIG has undertaken a number of projects of great significance in promoting the transformation and development of county-level economies and improving the living environment

- Datang Fuyang Wanshi Expansion 37MW Photovoltaic Hybrid Power Generation Project
- Linyi Pingyi Phase I 300MW Photovoltaic Hybrid Power Generation Project
- Guangdong Yuedian Zezhou 170MW Photovoltaic Power Generation Project
- Yuanping City 160MW Photovoltaic Industry Integration Development Project
- Heilongjiang Province Tonghe County 200MW Wind-Storage Integration Project
- Loufan County Daorengou 100MW Wind Power Project
- State Power Investment Boye 100MW Wind Power Project
- Jingyuan Yuedian 100MW Wind Power Project

It has also successfully expanded into overseas markets such as Bangladesh, Vietnam, and Australia, and is fully committed to promoting new energy EPC general contracting business. The Bangladesh Koba Wind Power Project undertaken by the Company is the first large-scale centralized wind power project in Bangladesh, the first overseas equity investment project implemented by the Group, and the first wind power project built by a Chinese enterprise in Bangladesh.

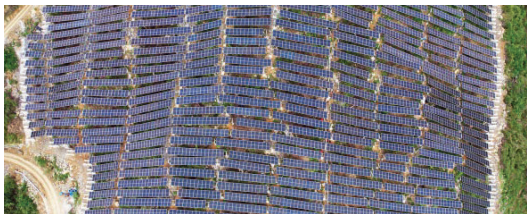
New energy field

Domestically leading technologies	National patents	Provincial and ministerial-level construction methods	Software copyrights
5	164	39	39

The Company possesses mature construction management capabilities and engineering technical levels in the new energy business.

Datang Fuyang Wanshi 37MW Photovoltaic Hybrid Power Generation Expansion Project

The Datang Fuyang Wanshi 37MW Photovoltaic Hybrid Power Generation Expansion Project is located in the mountainous area of Wanshi Town, Fuyang District, Hangzhou City, Zhejiang Province. It stands as one of the key projects driving the green energy transition in Zhejiang Province. Upon commissioning, the project will be capable of meeting the annual electricity demand of approximately 30,000 households, playing a significant role in optimizing the regional energy structure and advancing the realization of the "dual carbon" goals. The successful grid connection of the pilot section of the flexible photovoltaic array offers a valuable reference for the industry in constructing photovoltaic projects across complex terrains. Moving forward, the Group will continue to deepen its engagement in the new energy sector, building quality through craftsmanship and ensuring progress through practical action, to guarantee the full-capacity grid connection and power generation of the project, thereby adding "light" and vibrancy to the region's green, low-carbon development.





Linyi Pingyi Phase I 300MW Photovoltaic Hybrid Power Generation Project

The Linyi Pingyi Phase I 300MW Photovoltaic Hybrid Power Generation Project covers a total land area of approximately 7,500 mu. It aims to establish a comprehensive green energy base integrating photovoltaic power generation, energy storage regulation, and power transmission. The construction scale features a DC-side installed capacity of 372.69MW, comprising a 220kV booster station, an independent energy storage power station, and a joint transmission project. Upon commissioning, the project will provide clean and stable power supply to the local area. It is expected to save approximately 145,100 tons of standard coal annually, reduce carbon dioxide emissions by about 395,000 tons, sulfur dioxide emissions by approximately 29.35 tons, and nitrogen oxide emissions by roughly 167.45 tons. With its remarkable energy conservation and emission reduction benefits, the project will play a vital role in promoting the sustainable development of the regional economy.





Guangdong Yuedian Zezhou 170MW Photovoltaic Power Generation Project

The Guangdong Yuedian Zezhou 170MW Photovoltaic Power Generation Project is a key project in Shanxi Province. Located in Zezhou County, Jincheng City, it covers an area of approximately 6,000 mu with a total installed capacity of 200MWp, and includes the construction of a supporting 220kV booster station. Upon completion, the project is expected to supply 268,500 MWh of clean electricity to the grid annually. Compared with thermal power of equivalent capacity, it is projected to save approximately 80,900 tons of standard coal and reduce carbon dioxide emissions by about 149,800 tons, sulfur dioxide emissions by 27.11 tons, nitrogen oxide emissions by 40.8 tons, and dust emissions by 5.9 tons per year. With significant energy conservation, environmental protection, and social benefits, the project will play a notable role in optimizing the regional energy structure and promoting local green, low-carbon development.

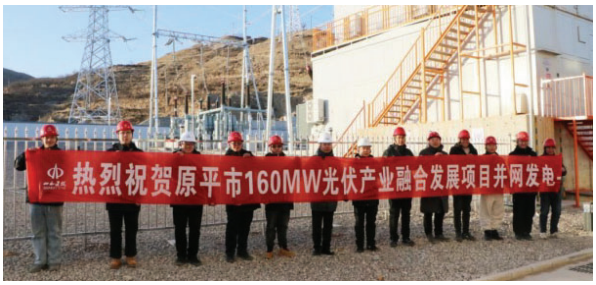




Yuanping City 160MW Photovoltaic Industry Integration Development Project

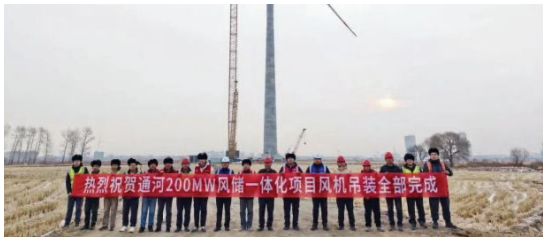
The Yuanping City 160MW Photovoltaic Industry Integration Development Project is located in Tongchuan Town, Yuanping City, Xinzhou City, Shanxi Province. It has a total installed capacity of 160MW and includes a 220kV booster station, 35kV collection lines, and transmission infrastructure. Upon official commissioning, the project is expected to generate an average annual grid-connected electricity output of approximately 317.7525 million kWh. It is projected to save about 96,900 tons of standard coal and reduce carbon dioxide emissions by approximately 258,700 tons annually. The project holds significant importance for improving local environmental quality, enhancing public health levels, and promoting industrial, agricultural production, and economic development.





Heilongjiang Province Tonghe County 200MW Wind-Storage Integration Project

As one of the key projects for Tonghe County to build a "New Clean Energy City", the Heilongjiang Province Tonghe County 200MW Wind-Storage Integration Project has a total installed capacity of 200MW. It comprises 36 wind turbines with a single unit capacity of 5.56MW each, along with a supporting energy storage system. The turbines feature a hub height of 160 meters and a rotor diameter of 200 meters, resulting in a swept area of approximately 31,400 square meters (equivalent to 4.4 standard soccer fields). With a supporting 220kV booster station, the project enables the coordinated operation of wind power and energy storage. Upon full commissioning, it will optimize the energy supply structure in Tonghe County, significantly enhance grid peak-shaving capabilities and operational stability, inject strong momentum into the region's green, low-carbon transition, and establish a replicable and scalable demonstration model for "wind-storage integration".





Loufan County Daorengou 100MW Wind Power Project

The Loufan County Daorengou 100MW Wind Power Project is located in Loufan County, Taiyuan City, Shanxi Province. The current phase of the project plans an installed capacity of 100MW, utilizing 18 wind turbine generators with a single unit capacity of 5.27MW and one wind turbine generator with a capacity of 5.14MW. It is expected to generate approximately 230 million kWh of grid-connected electricity annually. Compared with thermal power of equivalent capacity, the project is projected to save 70,100 tons of standard coal and reduce carbon dioxide emissions by 176,700 tons per year, delivering remarkable energy conservation and environmental protection benefits. This project is a key initiative for Loufan County to achieve its goal of becoming a "New Energy Base County" and holds significant importance for accelerating local industrial transformation and upgrading and establishing a new highland for green development.





State Power Investment Boye 100MW Wind Power Project

The State Power Investment Boye 100MW Wind Power Project is located in Boye County, Baoding City, Hebei Province. The project plans to install 16 wind turbines and includes supporting facilities such as a 220kV booster station and four 35kV collection lines. Upon full-capacity commissioning, it is expected to generate an average annual grid-connected electricity output of 204 million kWh. Compared with thermal power of equivalent capacity, the project is projected to save approximately 61,500 tons of standard coal, reduce carbon dioxide emissions by about 179,100 tons, nitrogen oxide emissions by roughly 35.74 tons, and dust emissions by approximately 14.3 tons. The project holds significant importance for optimizing the local energy structure, ensuring safe and stable power supply, promoting energy conservation, emission reduction, and ecological environmental protection, and supporting the sustainable development of the local economy and society.





Jingyuan Yuedian 100MW Wind Power Project

The Jingyuan Yuedian 100MW Wind Power Project is located in Dongsheng Town, Jingyuan County, Baiyin City, Gansu Province. It has a total installed capacity of 100MW, featuring 16 wind turbine generators with a single unit capacity of 6.25MW each. The project includes a supporting 110kV booster station and is equipped with a 10MW/20MWh energy storage system. Upon commissioning, the project will supply approximately 250 million kWh of clean electricity to the State Grid annually and reduce carbon dioxide emissions by about 211,400 tons. It holds significant importance for promoting local green energy development, supporting rural revitalization, and achieving ecological protection and sustainable development.





Environmental Management System

Improvement of institutional mechanisms

The Company strictly complies with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, as well as local environmental protection regulations. The Company has formulated institutional policies such as the Environmental Management Plan, Environmental Factor Identification and Evaluation Form, List of Important Environmental Factors, and Environmental Emergency Response Plan. The Safety and Environmental Protection Department is responsible for overall environmental compliance management and reports regularly to the Board of Directors to continuously improve the internal environmental management system. Additionally, the Company has established a "Dual Carbon" Research Institute to regularly interpret environmental policies and keep abreast of policy updates.

In 2025, SIG undertook a comprehensive revision of the Environmental Protection Management System. The revised system was reviewed and approved at the 10th General Manager's Office Meeting of the Group Corporation on September 26, 2025, officially promulgated, and came into effect on October 13, 2025. The newly revised Environmental Protection Management System clarifies the relevant content and management elements regarding the planning, execution, inspection, improvement, and accountability of environmental management within the Installation Company. These provisions are defined across several key dimensions, including organizational structure, management responsibilities, environmental protection management measures, on-site environmental protection measures, emergency management for environmental pollution, environmental pollution incident management, and accountability for liability.

2025

The Company's total investment in environmental protection amounted to

RMB**6.96** million

Certification Status

In 2025, SIG continued to optimize the construction of its environmental management system, establishing a long-term sustainable framework. In the same year, it obtained the Environmental Management System Certification Certificate issued by Beijing Zhong Jian Xie Certification Centre Co., Ltd. The system complies with the requirements of standard GB/T24001-2016/ISO14001:2015. The certificate's effective date is July 15, 2024, the reissuance date is August 26, 2025, and the validity period extends from July 15, 2024, to July 15, 2027.



Environmental Management System Certification

Strengthening Risk Prevention and Control

The Company attaches great importance to environmental risk prevention and control. On December 27, 2024, SIG signed and issued the *Emergency Plan for Production Safety Accidents of Shanxi Installation Group Co., Ltd.* To ensure effective coordination between the Company's emergency plans and local management authorities, the plan was filed with the Administrative Committee of Shanxi Transformation Comprehensive Reform Demonstration Zone on January 10, 2025. The plan is divided into two parts: Part I is the Comprehensive Emergency Plan for Production Safety Accidents, and Part II is the Special Emergency Plan for Production Safety Accidents. Based on the Company's actual production and operation conditions, the plan clarifies an early warning mechanism that covers environmental identification, monitoring, and assessment of potential accidents or emergency situations.

In 2025, SIG closely monitored various environmental early warning information and immediately activated the corresponding emergency plans upon receiving alerts. At project construction sites, the Group's "Six 100%" requirements were strictly implemented. Targeted measures were adopted, including dust control, noise management, drainage guidance, and the recycling and reuse of construction waste and steel scraps. These actions strengthened the dynamic environmental management of construction sites and effectively prevented and reduced the adverse impacts of construction activities on the surrounding environment.

2025

During the reporting period, the Company experienced **NO** sudden major environmental incidents and received **NO** administrative penalties related to environmental protection.

Conducting Environmental Assessments

SIG strictly implements environmental management requirements throughout the entire project planning and construction process, integrating environmental impact control across all stages, including project initiation, construction, and completion/closeout.

Pre-project Phase

Environmental impact analysis and predictive assessments are conducted simultaneously. Based on construction characteristics, environmental risk points such as dust, noise, wastewater, and solid waste are identified, and control standards and implementation requirements are defined.

2025

In 2024, the compliance rate for environmental impact assessments for newly commenced projects reached **100** %

During Construction

Pollution reduction and mitigation measures are fully implemented. Dust control is strengthened through the deployment of mist cannons, pavement hardening, covering of exposed soil, and the installation of sprinkler systems and dust screens. Low-noise equipment and soundproof barriers are used to control construction noise. Car washing platforms, sedimentation tanks, and oil separation tanks are established to standardize construction wastewater treatment. Construction waste is sorted for collection, and hazardous waste is disposed of in compliance with regulations. Simultaneously, environmental monitoring equipment is deployed for dynamic control of the construction environment; regular environmental inspections are conducted, and potential hazards are promptly rectified.

Project Closeout Phase

Site cleanup, vegetation restoration, and soil and water conservation efforts are executed. A comprehensive check is performed to address any residual environmental issues from construction, ensuring that environmental impacts remain controllable throughout the project's full lifecycle. This approach effectively prevents and mitigates negative impacts on the surrounding ecological environment, putting the concept of green construction into practice.

Cultivating an Environmental Protection Culture

SIG organizes and conducts thematic training on ecological and environmental protection in diverse formats. These initiatives continuously strengthen and enhance employees' awareness of ecological conservation and their environmental management capabilities, laying a solid foundation for the improvement of the Company's overall environmental management standards.

On October 20, 2025, the Group's Safety and Environmental Protection Department organized promotional and training sessions on the newly revised Environmental Protection Management System. The objective was to ensure that relevant personnel within the Group were fully familiar with and had mastered the specific requirements regarding environmental protection at SIG. The training content focused on the organizational structure, management responsibilities, environmental protection management measures, on-site environmental protection measures, emergency management for environmental pollution, environmental pollution incident management, and accountability for liability as outlined in the new system. A total of 401 people participated in this training.





Strengthening Pollution Discharge Management

SIG continues to improve its pollution prevention and control mechanisms. Under the overall coordination of the Safety and Environmental Protection Department, the Company comprehensively manages atmospheric pollutants, wastewater, waste, light pollution, and noise pollution to ensure that all pollutant discharges meet standards, thereby protecting the ecological environment in all respects.

Exhaust Gas Management

The Company's exhaust gas emissions primarily originate from boiler combustion in affiliated projects and processes such as welding, sheet material treatment, sandblasting, grinding, and spraying during steel structure fabrication. The main pollutants include nitrogen oxides, smoke (powder) dust, and volatile organic compounds (VOCs).

During the reporting period, the Company strictly implemented exhaust gas emission control requirements. It conducted comprehensive verifications and routine inspections of emission conditions for owned fixed-source and mobile-source equipment and facilities, ensuring that all types of exhaust gas emissions complied with construction industry and local emission standards. Fixed Sources: For facilities such as on-site mixing stations and silos, dust removal and suppression devices were installed. Regular maintenance was performed to ensure their normal operation. Mobile Sources: The Company strictly controlled access standards for construction machinery and transport vehicles, selecting only low-emission, compliant models. Regular exhaust emission tests were conducted, and non-compliant equipment and facilities were strictly prohibited from entering sites for operations. Simultaneously, the Company established exhaust gas emission ledgers, assigned dedicated personnel for daily inspections and data recording, and promptly rectified emission hazards to comprehensively ensure compliance with exhaust gas emission standards for all equipment and facilities.

Exhaust Gas Management Goals

The Company has established three goals for exhaust gas emissions (in10,000 RMB)

- Nitrogen oxides
- Smoke (powder) dust
- VOCs

Year-on-year reduction

2025

The Company successfully achieved these established goals.

Nitrogen Oxide Management

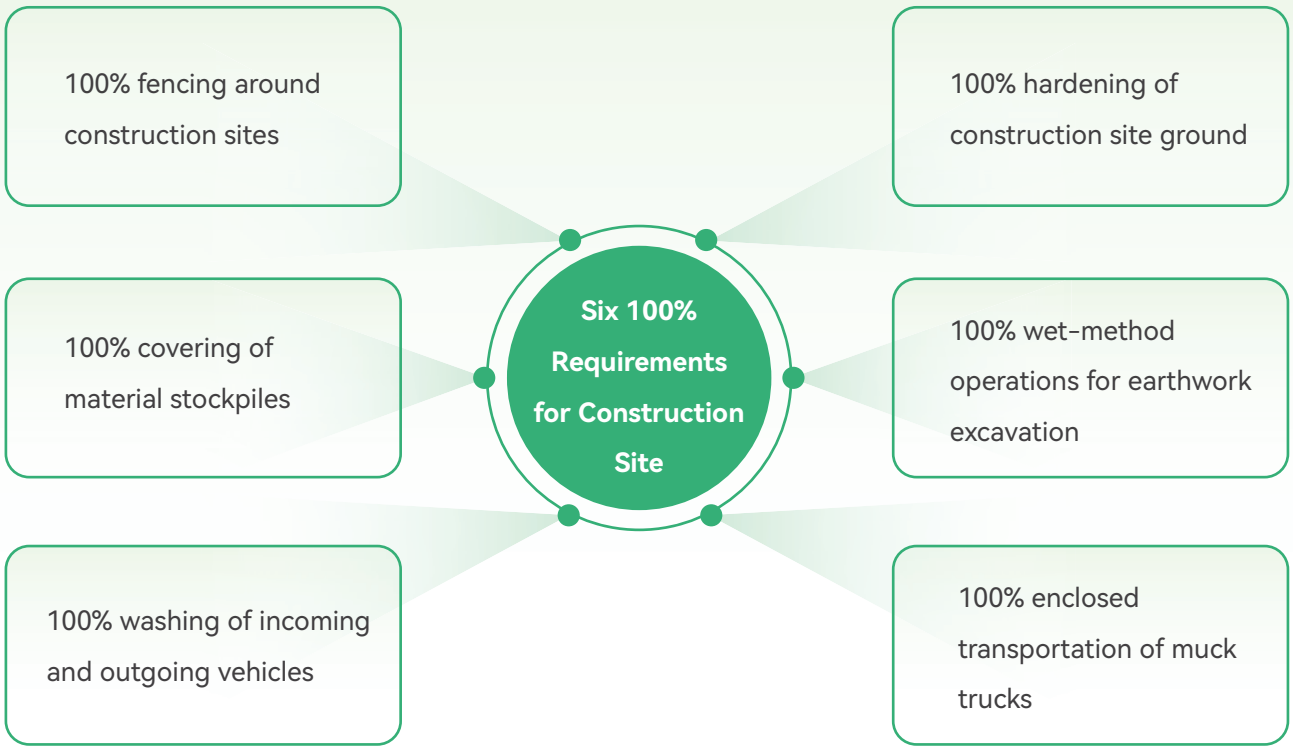
To control VOCs, the Company installed activated carbon and filter cotton paint mist filtration systems on its production lines and comprehensively renovated workshops in accordance with VOCs governance standards.

VOCS Management

To control VOCs, the Company installed activated carbon and filter cotton paint mist filtration systems on its production lines and comprehensively renovated workshops in accordance with VOCs governance standards.

Dust Control

SIG strictly implemented the "Six 100%" requirements for construction sites. Dust control measures included covering exposed soil with dust screens, assigning dedicated personnel to sprinkle water on temporary roads, equipping sites with dust monitoring systems connected to government supervision platforms, and installing automatic spraying and dust suppression systems to comprehensively control construction dust.

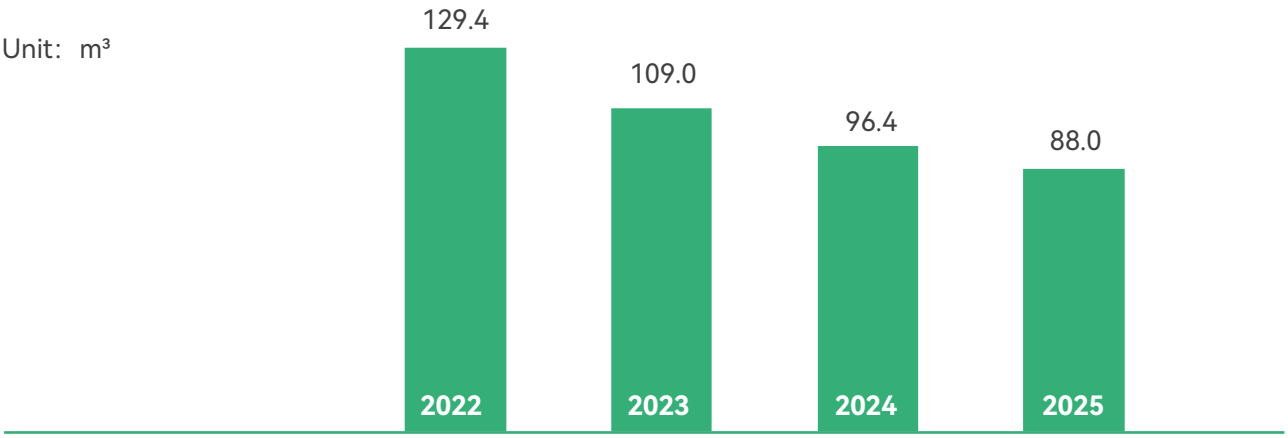


Effectiveness of Air Pollution Control

In 2025, all major exhaust gas pollutants from the Company were within the permitted emission limits and achieved compliant discharge.

Total Exhaust Gas Emissions

Unit: m^3











Wastewater Management

Shanxi Installation categorizes its wastewater discharge primarily into construction wastewater and domestic sewage. Through classified disposal, facility operation and maintenance, and routine monitoring, the Company comprehensively ensures compliant wastewater discharge and resource utilization, thereby minimizing the impact on surrounding water resources.

Regarding construction wastewater, the Company installs collection and treatment devices such as sedimentation tanks. After multi-stage sedimentation and filtration, the water is recycled. Additionally, anti-seepage, anti-overflow, and anti-leakage measures are implemented at on-site fuel depots to prevent water pollution risks at the source. For domestic sewage, specialized facilities such as sedimentation tanks, oil separators, and septic tanks are used for collection and storage. After purification, the water is prioritized for site sprinkling and green irrigation, with the remainder transported by professional agencies for standardized disposal. The Company standardizes the layout of wastewater treatment facilities at project sites and conducts regular maintenance. A routine wastewater discharge monitoring mechanism has been established, where dedicated personnel regularly test water quality indicators and maintain monitoring records. Potential facility operation hazards are promptly rectified. Furthermore, the Company strengthens awareness among workers regarding water conservation and standardized sewage treatment to ensure comprehensive process control.

Wastewater Management Goals

In 2025, the Company established core goals for wastewater discharge at construction sites

- to achieve 100% compliant discharge of treated construction production wastewater and domestic sewage
- to strictly prohibit direct discharge without treatment
- to focus on controlling indicators such as suspended solids and chemical oxygen demand in construction wastewater to meet industry and local emission standards, thereby maximizing the recycling of wastewater resources

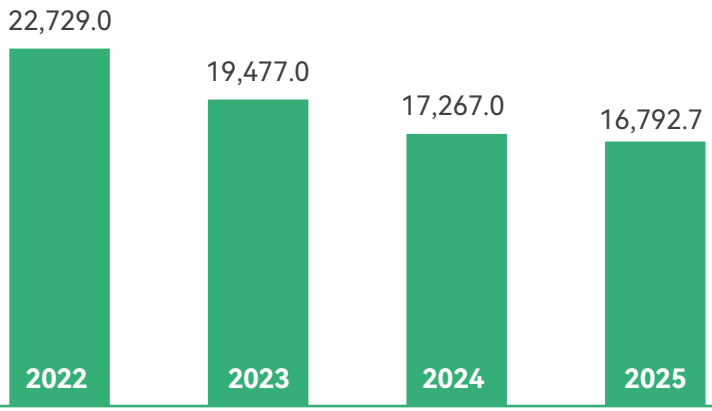
Wastewater Management Effectiveness

Currently, through the implementation of classified sewage treatment methods, the Company has achieved

100 % compliance in sewage management.

Wastewater discharge volume

Unit: Tons

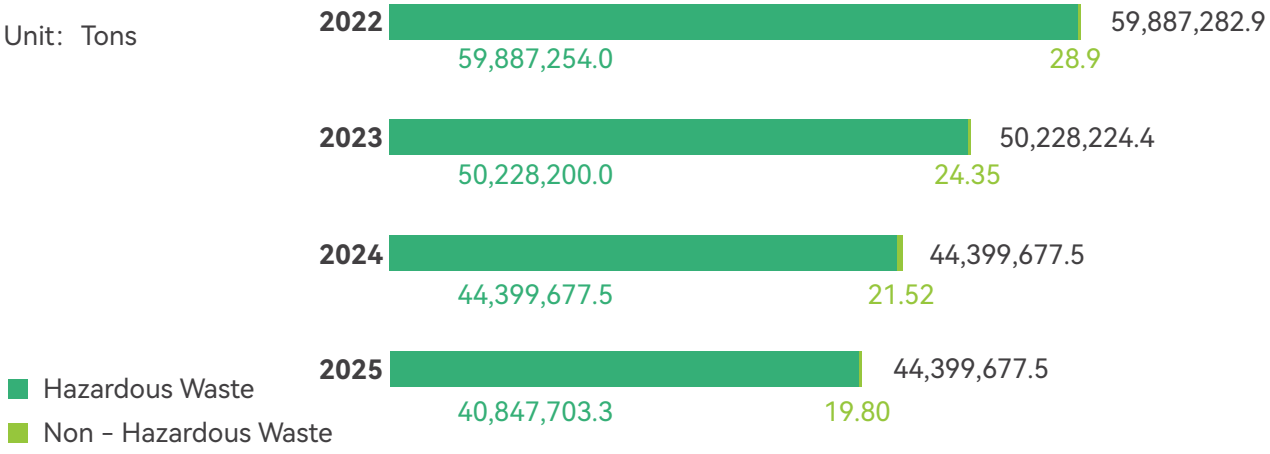


Waste Management

The waste generated during the Company's operations primarily consists of domestic waste and construction waste. For domestic waste, the Company uses sealed containers for storage and entrusts qualified units or facilities approved by the government for processing. Regarding construction waste, the Company adheres to the principles of "reduction, resource utilization, and harmlessness". It comprehensively promotes "waste reduction and resource recovery", actively engages in the harmless treatment and comprehensive utilization of muck and construction waste, reduces the generation of solid waste, and promotes the comprehensive utilization of solid waste to achieve maximum resource utilization and sustainable environmental development.

Total Waste Volume

Unit: Tons



Waste Management Goals

SIG attaches great importance to the comprehensive utilization of waste. In 2025, the Company set goals to achieve a year-on-year reduction in the discharge of non-hazardous and hazardous waste per ten thousand yuan of output value amidst expanding business scale, while maintaining a 100% disposal rate.

Waste Management Measures

01

The Company implements classified control for non-hazardous construction waste. Materials such as sand, gravel, and blocks are prioritized for on-site recycling, while those that cannot be reused are compliantly transported for recycling treatment. By optimizing construction organization plans, implementing the "Four Savings and One Environmental Protection" requirements, and increasing investment in environmental funds and equipment, the Company has improved the recycling efficiency of non-hazardous waste. The comprehensive utilization rate reached 99%, and the disposal rate was 100%.

02

For hazardous waste, the Company adopts measures such as separate sealed storage, exclusive labeling, and dedicated management to strictly distinguish and prevent mixed storage or transportation. In strict accordance with national hazardous waste regulations, the Company entrusts qualified entities to conduct designated transportation and professional disposal of waste paint, waste batteries, waste waterproofing materials, and waste engine oil from engineering equipment. The disposal rate for hazardous waste is 100%.

Light Pollution

The Company actively promotes the green and energy-efficient retrofitting of lighting facilities to mitigate the impact of light pollution. We have upgraded lighting circuits and fixtures in large conference venues, office areas, and public spaces. By installing remote control devices or replacing control circuits to move away from the original single-control mode, we prioritize the use of LED light sources or modules while ensuring that lighting requirements are met. Furthermore, we strictly adhere to prescribed construction hours and exercise reasonable control over nighttime construction lighting. It is strictly prohibited for tower crane spotlights to shine directly on residential buildings. Additionally, shielding measures are implemented during welding operations to prevent welding arc light from leaking out. In 2025, the Company received no complaints regarding light pollution.

Noise Management

The Company strictly regulates on-site working hours in full compliance with local jurisdictional requirements and prohibits unauthorized night construction. For operations where night work is absolutely necessary, the Company ensures all relevant permits are obtained in accordance with regulations. Meanwhile, the Company employs various measures to mitigate construction noise. In term of engineering, priority is given to low-noise equipment. Noise reduction measures such as vibration damping and soundproof barriers are applied to high-noise machinery, and construction processes are optimized to minimize noise accumulation. In terms of supervision, a routine noise monitoring mechanism has been established. Dedicated personnel are assigned to patrol and manage the site, promptly identifying and rectifying any instances of noise exceeding standards. These efforts ensure construction noise remains within regulatory limits, minimizing the impact on the surrounding environment.



Real-time monitoring of on-site noise



Optimizing Resource Utilization

Energy Conservation

The Company focuses on enhancing energy management capabilities to promptly identify and address energy wastage. We actively promote and deploy high-efficiency energy-saving equipment, while deeply exploring and applying new energy technologies, thereby delivering long-term economic benefits to the Company.

Optimizing the Management System

The Company strengthens the implementation of the responsibility system for energy conservation and emission reduction, and solidly advances energy efficiency initiatives. In accordance with the latest national requirements for energy conservation and ecological environmental protection, we promote related work by adjusting the management organizational structure, upgrading monitoring systems, assigning assessment and incentive targets, and conducting technical research and development.

Consolidating the energy conservation and environmental protection management system to enhance management capabilities: The Company continuously optimizes its management system by integrating the responsibilities for ecological environmental protection and energy conservation/emission reduction into the Group's Safety and Environmental Protection Department. We have established a three-tier energy management structure consisting of "Headquarters—Subsidiaries/Branches—Project Departments". In this structure, the Safety and Environmental Protection Department is responsible for planning and goal setting, subsidiaries/branches oversee implementation, and project departments handle execution. Subsidiaries and branches report relevant data and information to the Safety and Environmental Protection Department annually, ensuring that energy management responsibilities are implemented step-by-step at all levels. We also continuously and dynamically revise and improve environmental protection management regulations to guarantee the comprehensive advancement of energy conservation and ecological environmental protection efforts.

Establishing Energy Conservation Targets

The energy efficiency targets established by SIG for 2025 are as follows

- The comprehensive energy consumption per RMB 10,000 of operating revenue (comparable price) shall be [ ] tce/RMB 10,000, representing a decrease of [ ]% compared to the same period last year, thereby fulfilling the established annual work objectives for energy conservation and environmental protection.

Implementing Energy Conservation Strategies

The Company reduces the consumption of electricity, fuel, natural gas, and other energy sources by upgrading equipment, optimizing construction processes, and adopting more efficient energy usage technologies. While reducing energy consumption, the Company places significant emphasis on improving energy efficiency. Key measures include introducing intelligent energy management systems, conducting real-time monitoring and regulation of energy consumption, and promoting energy-saving technologies and products. The Company will regularly monitor and evaluate the achievement of energy efficiency targets, making timely adjustments and optimizations to related measures to ensure the smooth realization of these goals. Furthermore, by benchmarking against historical data and industry standards, we continuously explore new potential for energy conservation and constantly expand the scope for improvement.

Clean Energy Utilization

In 2025, SIG kept pace with national development strategies by actively expanding technical innovation in the new energy sector. We have explored extensively in wind power and clean green energy, accumulating rich experience and robust capabilities. The Company has established a comprehensive management framework for new energy systems, supported by specialized task forces such as the Carbon Asset Research Team, successfully achieving full coverage of new energy products. Furthermore, through a strategic three-pronged layout—provincial, domestic, and overseas—we fully leverage domestic client and partner resources while focusing on developing markets in Southeast Asia, South Asia, and Oceania, striving to become a leading new energy enterprise both domestically and internationally.

The Company is dedicated to developing renewable energy and promoting energy conservation and emission reduction. We are committed to building centralized and distributed renewable energy supply systems and deeply exploring the potential of industrial waste heat and pressure recovery. We firmly adhere to a sustainable development path that is green, low-carbon, and eco-friendly. By leveraging our advantages in the photovoltaic sector, we utilize industrial and commercial rooftops to install PV modules for distributed power generation projects. Adopting the "self-consumption with surplus power fed into the grid" model, we connect to the state grid and have established mutually beneficial partnerships with rooftop owners for synergistic resource development.

The Company continuously supports economic activities that improve the environment, address climate change, and promote the efficient use of resources. Key investment projects include the Linfen Urban Construction Waste Resource Utilization Project, the Changzhi Construction Waste Treatment Project, the 50MW Decentralized Wind Power Project (Xiyang County Rural Revitalization Wind Action), the Linfen Chengbei New City (No. 4) Sewage Treatment Plant, and the Construction Waste Resource Treatment Project in the Xiaohe Industrial Park of the Shanxi Transformation and Comprehensive Reform Demonstration Zone.

Goal	Actual Progress
To increase the proportion of renewable energy usage to over 30% by 2030.	As of the end of 2025, the proportion of non-fossil energy reached 26%.

Subsidiary SIG Maode Actively Expands New Energy Business

Leveraging its wholly-owned subsidiary, SIG Maode, the Company has expanded into new energy sectors such as wind power and photovoltaics (PV), officially obtaining Green Power Certificates in December 2025. SIG Maode invested in and constructed rooftop PV projects across eight industrial parks with a total capacity of 25MW, representing a total investment of RMB 87.58 million. Notably, the 2.51MW PV project at the Xiaohe Industrial Park has shown outstanding performance. It took the lead in realizing Green Power Certificate trading. Adopting the "self-consumption with surplus power fed into the grid" model, the project has generated over 6.58 million kWh of electricity and reduced carbon emissions by 2,767.27 tons since it was connected to the grid in 2022.









2025

The Company's total energy consumption	Clean energy consumption	Proportion
113,621.4 MWh	29,534.33 MWh	26 %

Water resources protection

SIG attaches great importance to water resource management. On one hand, we focus on source control, strengthening the utilization and management of unconventional water resources such as reclaimed water, rainwater, and foundation pit dewatering to enhance water use efficiency. On the other hand, we fully implement water-saving measures across our business operations; water-saving fixtures cover 100% of our project sites and office areas, and we actively guide contractors and employees to cultivate water-saving habits. To scientifically set water conservation goals and optimize subsequent management, the Company has established a mechanism for regular water usage data collection, requiring project teams and subsidiaries to report to the Safety and Environmental Protection Department on a quarterly basis. We fully consider water usage risks throughout the entire lifecycle of investment, design, construction, and operation to minimize resource waste and sewage generation. Management of construction water is a key focus for the Company. Collecting and utilizing natural precipitation or recycled treated wastewater has become a standard practice in project water management. Furthermore, we widely promote water-saving facilities such as automatic spray systems and sedimentation tanks, applying them in scenarios like concrete curing, vehicle washing, and dust suppression. By strengthening water recycling and increasing wastewater recovery rates, we effectively achieve tangible water conservation.

Setting Water Conservation Targets

By 2025, the water consumption density decreases by 6% compared to 2020, and we have achieved the target. In 2025, our water consumption was 535,000 tons, -13.6% YoY. The fresh water consumption was 552,000 tons, -13.3% YoY.

Strengthening Water Resource Risk Management

SIG regularly assesses and manages water usage risks. In 2025, the Company established a routine mechanism for monitoring and evaluating water resources. We conducted regular special inspections on water usage and control at construction sites and various projects, precisely monitoring total water consumption, water usage indicators, and drainage compliance. Combining these efforts with actual construction and production realities, we dynamically assessed potential risks such as water scarcity and pollution. By analyzing the causes and implementing tiered risk control, we simultaneously optimized water-saving plans and improved water treatment facilities. Timely rectification of risk hazards has helped fortify the defense line for water resource safety management.

Promoting a Water Conservation Culture

The Company has carried out publicity campaigns related to water conservation. We posted water-saving tips and set up promotional signage at water access points in project sites and office areas to raise water conservation awareness among all employees.



2025

Fresh water consumpiton

552,000 tons

Total water consumption

535,207.3 tons

Water consumption density

0.51 tons per RMB 10,000 revenue

Recycled water usage

10.3 tons

Water recycling and reuse rate

15.7 %

Commitment to Green Operations

Developing Eco-friendly Technologies

SIG attaches great importance to the R&D and innovative application of environmental protection technologies. Taking this as the core support for driving green transformation and fulfilling the "Dual Carbon" goals, we continue to improve our technological innovation system. We focus on key areas such as solid waste resource utilization to conduct technical breakthroughs, empowering the green development of the industry through technological innovation.



In 2025, the Company focused on the disposal of new energy and industrial solid waste by centering on the Bulk Solid Waste Comprehensive Utilization Research Institute, thus promoting the deep integration of R&D and industrial application. We led key projects under Shanxi Province's major science and technology initiatives, such as the "Open Competition for Key Projects" tackling disposal technologies for decommissioned wind turbine blades and waste photovoltaic modules, and filing two invention patents in this regard. We also deepened industry-university-research collaboration, establishing stable partnerships with institutions like Wuhan University and the Institute of Coal Chemistry Chinese Academy of Scieces. Furthermore, we advanced the construction of Phase I of the Shan'an Longjin New Energy Solid Waste Resource Utilization Demonstration Project, transforming R&D achievements into industrial value and providing replicable technical support and practical solutions for the industry's green development.



2025 Design Rendering of the Shan'an Longjin Shanxi Province Demonstration Project for Resource Utilization of New Solid Waste from the Decommissioned New Energy Industry

Promoting Green Construction

To practice the concept of green development and promote the coordinated development of construction production and ecological protection, we focus on "Four Savings and One Environmental Protection" to comprehensively advance green construction management. Our specific measures and achievements are as follows:

1. We will improve the management and control system by establishing a special leading team for green construction. We will develop targeted green construction plans and define quantitative indicators for energy saving, water conservation, material saving, land saving, as well as the control of dust, wastewater, and noise. Responsibilities will be cascaded down to each project department and work team.

2. We strengthen control at the source. We prioritize the selection of green building materials, such as ready-mixed concrete and high-strength steel bars, while phasing out high-energy-consuming and highly polluting construction equipment. Additionally, we actively promote new technologies and processes, including prefabricated construction and BIM optimization.

3. We implement process control. We enforce closed management at the construction site, equipped with dust suppression facilities such as fog cannons and sprinkler systems, to ensure wet methods are used for earthworks and all exposed soil is fully covered. We promote the separation of rainwater and sewage, along with wastewater recycling; domestic sewage is treated by integrated equipment and reused for dust suppression sprinkling. We optimize the general construction site layout and adopt reusable temporary facilities—such as prefabricated steel processing sheds, offices, dormitories, and standardized protective railings—while utilizing high-strength reusable materials like aluminum formwork during construction to improve the reuse rate of temporary facilities and materials. We also implement a "permanent-temporary integration" model, combining fire protection pipelines, facilities, and temporary roads with the site's permanent roads. Construction waste is sorted into clearly labeled collection containers based on categories like "recyclable, engineering spoil, and general construction waste", with dedicated personnel assigned for regular sorting and collection to strictly prevent mixed disposal and transportation. Scrap steel bars, formwork, and timber generated during construction are sorted, processed, and cut for secondary use in temporary support and small component fabrication. Furthermore, by optimizing cutting plans, we conduct precise calculations and custom-sized processing for materials like steel bars and plates, minimizing material waste and reducing construction waste generation at the source.

Through the implementation of the aforementioned control measures, key indicators such as dust and noise at the construction site have all met the required standards. The resource recycling rate has been significantly improved, and the concept of green construction has been fully realized, achieving a synergistic advancement of construction production and ecological protection.



Practicing Green Office

The Company has integrated green office practices into the core of its sustainable development strategy, fostering a low-carbon and eco-friendly work environment. We have formulated comprehensive green office policies that clearly define the responsibilities of departments and employees. Besides, we established a coordination team and supervision mechanisms, while enhancing employee participation through training and awareness campaigns. In terms of energy management, energy-saving renovations for lighting and air conditioning systems have yielded significant results. Water resource management has achieved full coverage of water-saving fixtures. We have strengthened the management of paper and office supplies by promoting paperless and online operations. Regarding waste management, strict waste sorting and recycling are enforced, resulting in a 60% reduction in the use of disposable items. These initiatives have delivered outstanding results, effectively demonstrating our commitment to the concept of green development.

Caring for the Ecological Environment

SIG strictly adheres to laws and regulations, including the *Regulations of the People's Republic of China on Nature Reserves and the Urban and Rural Planning Law of the People's Republic of China*, throughout the lifecycle of its projects. We strictly avoid construction or development within national-level nature reserves. Instead, we focus on developing projects that comply with green building standards to minimize our impact on the ecological environment. Meanwhile, we actively promote ecosystem restoration. We participate in the rehabilitation and utilization of polluted wastelands, bare rock areas, and gravel lands, contributing to brownfield remediation and the restoration of the original natural ecology.

Land Resource Management

From the initial phase of engineering projects, the Company integrates ecological restoration into project management by ensuring scientific site selection, standardized spoil disposal, proactive protection measures, and active waste absorption. Upon the completion of each construction site, we ensure the surface is covered with suitable soil, construction debris along access roads is cleared, and the land is returned to its natural state. For temporary land use involved in construction, we strictly formulate and implement land use and reclamation plans. We place great emphasis on protecting environmentally sensitive areas, such as densely populated residential zones and nature reserves. Furthermore, we restored land in accordance with regulations upon project completion to maximize the protection of the ecological environment.

Biodiversity Conservation

In 2025, SIG upholds the philosophy of "ecology first" and green development for biodiversity conservation. We integrate biodiversity protection into the entire process of corporate production and operations, establishing it as a core strategic direction for green construction and sustainable development.

The Company has incorporated biodiversity conservation into its annual strategic development plan. We have defined protection requirements for the full project lifecycle and established a comprehensive, end-to-end protection mechanism encompassing "preliminary assessment, process control, and post-project restoration".



The Company solemnly commits to strictly abiding by relevant laws and regulations, including the *Wildlife Protection Law of the People's Republic of China, the Forest Law of the People's Republic of China, and the Regulations of the People's Republic of China on Nature Reserves*. During the planning phase, we conduct environmental and biodiversity impact assessments. During construction, we implement measures such as vegetation protection, soil and water conservation, and dust and noise control to minimize ecological disturbance. We strictly prohibit the destruction of habitats for flora and fauna within and surrounding the construction area. We ensure site ecological remediation and vegetation restoration upon project completion. The Company is dedicated to safeguarding ecological balance through concrete actions, promoting the synergistic development of construction activities and biodiversity conservation, and fulfilling our corporate social responsibility for ecological and environmental protection.

Measures for Biodiversity Conservation

01

The Company strictly complies with all national and local laws, regulations, and ordinances concerning biodiversity conservation. We have integrated biodiversity protection into our corporate management system, defining specific measures to minimize the disturbance of our operations to the ecological environment.

02

Besides, we rigorously implement biodiversity conservation measures across the design, construction, and operation phases of our projects. For instance, we avoid areas within ecological conservation red lines during the planning stage to minimize damage to the natural environment. We employ new technologies and processes focused on noise reduction and emission control during construction to mitigate impacts on surrounding wildlife. In addition, the Company actively adopts measures such as route realignment and animal relocation to safeguard the biodiversity of the project location.

Ecological Restoration and Governance

In 2025, SIG focused on the synergistic development of ecological protection and construction. We implemented various measures to promote the balanced development of the ecosystem in project locations. Addressing potential ecological disturbances caused by construction activities, we adhered to a combination of natural recovery and artificial restoration to advance ecological rehabilitation. In pre-construction phase, we conducted comprehensive surveys of the ecological status of the construction area and its surroundings, delineated ecological conservation red lines, and optimized construction plans to avoid flora and fauna habitats. During construction, we strictly controlled the scope of operations to minimize surface disturbance. Simultaneously, we implemented temporary measures such as soil and water conservation and vegetation protection to reduce the ecological load and pressure caused by construction. In post-construction phase, we promptly carried out site ecological restoration, including land reclamation and vegetation replanting in disturbed areas. We utilized native plants to restore vegetation communities and employed ecological maintenance measures to enhance the ecosystem's self-regulation capabilities. Furthermore, we established a long-term ecological restoration monitoring mechanism. By regularly tracking restoration effectiveness and dynamically optimizing measures, we aim to guide disturbed ecosystems toward a virtuous cycle of recovery, effectively safeguarding the ecological balance of the project location.



Creating a Green Ecosystem

In recent years, SIG has firmly established the philosophy that "Lucid waters and lush mountains are invaluable assets", unswervingly pursuing a path of green development. For seven consecutive years, the Company has continuously carried out the "Fengshang Action", a voluntary tree-planting initiative. Focusing on transformation project development, factory beautification, and construction site greening, we fulfill our tree-planting obligations through various forms such as afforestation, tending and management, and volunteer services. These efforts aim to increase the total volume of greenery, improve its quality, we accelerate the promotion of transformation projects with co-create green parks .







Society

Building a Better Future Together

Challenges

At present, the global sustainability landscape is undergoing rapid restructuring, while China's "dual carbon" goals are advancing in depth. The construction industry is experiencing a critical transition from scale expansion to quality- and efficiency-driven growth. Against this backdrop, SIG operates in an environment characterized by tighter regulatory policies, intensifying market competition, and accelerating technological iteration. The Company faces not only practical challenges such as compliance upgrades for green construction and shifts in workforce composition, but also rising expectations from the public regarding ESG disclosure transparency, harmonious community relations, and employee well-being protection. In this context, the Company must take proactive measures to break new ground—by strengthening the integration of ESG governance with business operations at the strategic level, and by promoting the intelligentization of safety management systems, the institutionalization of labor rights protection, and the ecologization of partnership collaboration mechanisms at the operational level. Only by internalizing responsibility as a core driver of development can the Company secure its future in the tides of our time.

Goal setting

- Employee career development goals: Further improve the construction and application of career development channels, and guide each employee to find their development path.
- Safety Production Management Goals: Deepen the standardization of safety production, fully implement the safety production responsibility system for all employees, and ensure production safety and employee health.
- Supplier management goals: Conduct hierarchical control of suppliers and improvement of performance quality.

Addressed SDGs goals



Progress Review

- An innovative dual-track mechanism was adopted for the job grade evaluation, with a total of 560 individuals applied through self-nomination, 403 of whom ultimately passed the review; 255 were recommended through exceptional nomination, with 225 approved. A total of 628 employees were promoted, resulting in promotion rate of 77.1%.
- Safety production responsibility agreements were signed at all levels, achieving full coverage of safety responsibilities. Efforts to identify and address safety hazards were intensified, and digital tools were used to enhance regulatory efficiency. No major safety production liability accidents occurred throughout the year.
- Supplier lifecycle management was optimized, a fair and transparent procurement mechanism was established, and integrity and anti-corruption requirements were strengthened. Ten special ESG training sessions for suppliers were conducted, covering over 100 core suppliers.

Chapter Performance

- Convened **48,960** training hours, with **2,690** employees participated
- Improved employee satisfaction score to **89.4**, achieved improvement in four consecutive years
- Invested RMB **13,995.13** million in safety production, achieved safety education and training coverage rate of **100** % and work-related injury rate of **0** %
- Supplier integrity clause signing rate: **100** %; subcontractor process evaluation coverage: **100** %
- Newly registered volunteers: **86**; cumulative volunteer service hours: **27,456.3** hours

Protecting Employee Rights and Interests

Equal Employment and Diversity

SIG strictly complies with relevant laws and regulations, such as the *Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Rights and Interests of Women, and the Regulation on the Prohibition of Child Labor*, and abides by the requirements of relevant international standards, norms and conventions. The Company has established internal policies such as the *Employee Recruitment and Employment Management Policy, the Labor Contract Management Policy, and the Employee Training Management Policy,* which set forth clear provisions on recruitment and promotion, benefits and compensation, dismissal, leave, working hours, equal opportunity, diversity, anti-discrimination, and other aspects, thereby effectively safeguarding employees' rights and interests.

The Company consistently adheres to the recruitment principle of "fairness, justice, and openness", strictly complies with labor laws and regulations in its places of operation, and firmly opposes any form of discrimination based on gender, age, ethnicity, religious belief, marital or maternal status, or physical condition. Throughout the entire process of recruitment, hiring, promotion, and compensation, we use individual competence and job fit as the sole criteria, providing equal employment opportunities and development space for every job seeker and employee.

At the same time, we actively foster an inclusive, open, and respectful workplace culture, encouraging employees from diverse backgrounds to fully realize their potential. In 2025, we introduced talent for critical and specialized positions through dedicated recruitment campaigns, targeted recruitment, online recruitment, and referrals from grassroots units, thereby diversifying the Company's talent pool.

We maintain a zero-tolerance policy toward child labor. Strict identity verification procedures are implemented during recruitment to ensure that applicants have reached the legal working age, and any form of improper employment practices are resolutely prohibited. Furthermore, the Company strictly prohibits any form of forced or compulsory labor. Working hours and leave arrangements are clearly defined in Company policies, fully respecting employees' rights to rest and leave, and safeguarding their fundamental rights and dignity.

The Company places great emphasis on protecting the rights and interests of outsourced personnel. By signing cooperation agreements with third-party agencies and clearly defining respective rights and responsibilities, outsourced personnel information is incorporated into the Company's human resources information system for unified management. Monthly monitoring of wage payments and social insurance contributions is conducted. At the same time, the Company strictly standardizes both social and campus recruitment processes, comprehensively strengthening the standardized management of labor and employment.

During the reporting period, the Company **had no** major labor disputes, nor any violations such as child labor or forced labor.

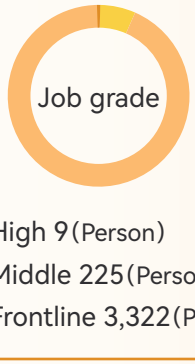
Total number of employees 3,556 人

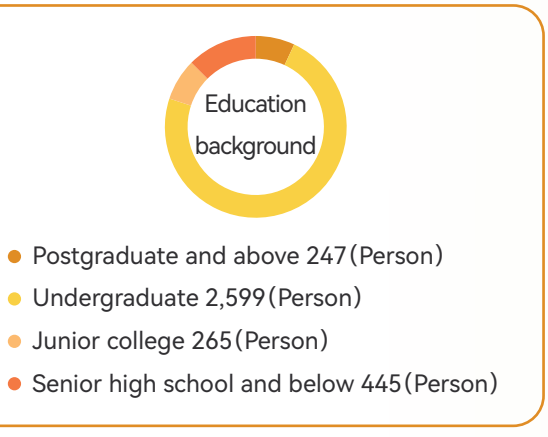
2025

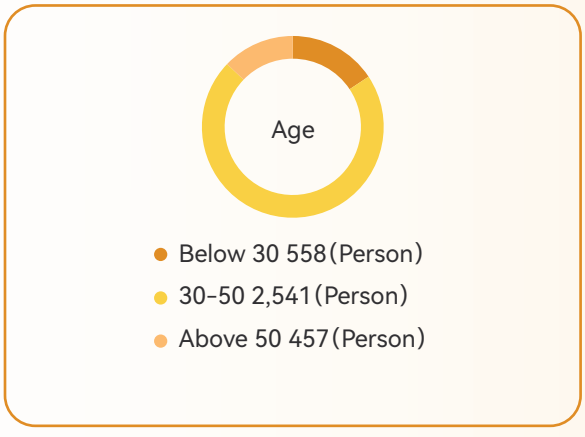
Employee labor contract signing rate: 100 %





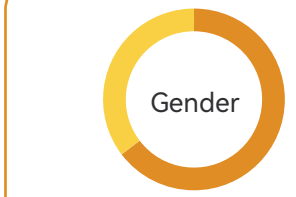


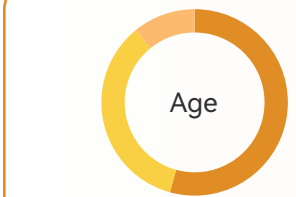






Turnover rate of employees 6.6 %







Improving the Compensation and Welfare

The Company issues regulations such as the Notice on Strictly Implementing the Timely Payment of Employee Wages and the Notice on Standardizing the Performance Assessment of Project Departments, and establishes a monthly salary payment notification mechanism; it issues the Notice on the Revision of Individual Provisions of the Group's Remuneration Management Measures (Trial) and conducts special remuneration inspections on all departments. During the reporitng period, the Company had no major wage arrears incidents, and the timely payment rate of salaries reached 100%.

SIG is committed to establishing a comprehensive multi-tiered welfare protection system. On the basis of statutory contributions to the "Five Insurance and Housing Fund", the Company has further introduced supplementary medical insurance and an enterprise annuity, forming a "six insurances and two funds" framework to enhance employees' sense of security and belonging. In 2025, the number of insured employees reached 3,556, with a social security coverage rate of 100%.

In 2025, the Company achieved a 100% contribution completion rate for social insurance, and its subsidiaries and branches also achieved a 100% rate. The total social insurance contributions amounted to RMB 150.4264 million, an increase of 5.35% compared to 2024. The contribution completion rate for the enterprise annuity was 100%, an increase of 11.14% from 2024. The contribution completion rate for the housing provident fund was 100%, an increase of 4.2% from the previous year.

2025

Timely payment rate of salaries: 100 %

Social insurance coverage rate: 100 %

Optimizing Career Development and Promotion

The Company's career promotion pathway consists of two tracks: the Management track (M) and the Professional track (P). In 2025, we continued to optimize the career development system, expanding the Professional tracks from 14 to 16, effectively covering the growth needs of employees in different roles. The annual job grade evaluation was carried out in a standardized manner, with an innovative dual-track evaluation mechanism of "self-nomination + exceptional nomination" to fully stimulate employees' motivation for promotion. Among them, 560 individuals applied through self-nomination, with 403 passed; 255 were recommended through exceptional nomination, 225 of whom were approved. A total of 628 employees were promoted, resulting in a promotion rate of 77.1%.

We continuously improved the performance appraisal indicator system, increasing the proportion of quantitative indicators and building an indicator library tailored to business realities. The *Performance Management Handbook* was developed and published, clarifying appraisal standards and standardizing workflows, and establishing a dual evaluation mechanism of "performance assessment + professional conduct". During the reporting period, we conducted special supervision and inspections at the grassroots level to ensure effective implementation of the appraisal system.

Empowering Employee Growth

SIG has established policies such as the *Employee Training Management System* and the *Career Development Management Measures (Trial)* to standardize the training and development system. The training system focuses on five core sequences: project management, commercial management, safety management, technical management, and labor management. It systematically strengthens the comprehensive competence and performance capabilities of key personnel across multiple dimensions, including professional skills, practical abilities, and leadership.



In 2025, closely aligned with career development pathways, we conducted 37 job grade training sessions, covering a total of 14,846 participants across 14 sequences. An innovative dual-track training mechanism of "general + professional" for new employees within their first three years of joining the Company was established, covering 1,448 individuals with a pass rate of 95%. Meanwhile, we continued to strengthen the internal trainer team, conducting the fourth phase of internal trainer empowerment training with 661 participants. We also organized participation in the third Engineering Construction Industry Internal Trainer Competition, winning one gold award and five silver awards.

We encourage employees to continuously upgrade their academic qualifications and professional credentials, achieving a synergy between personal value and corporate development.

In 2025, over **60** employees obtained senior engineer titles in the construction industry, and over **10** obtained professor-level senior engineer titles.

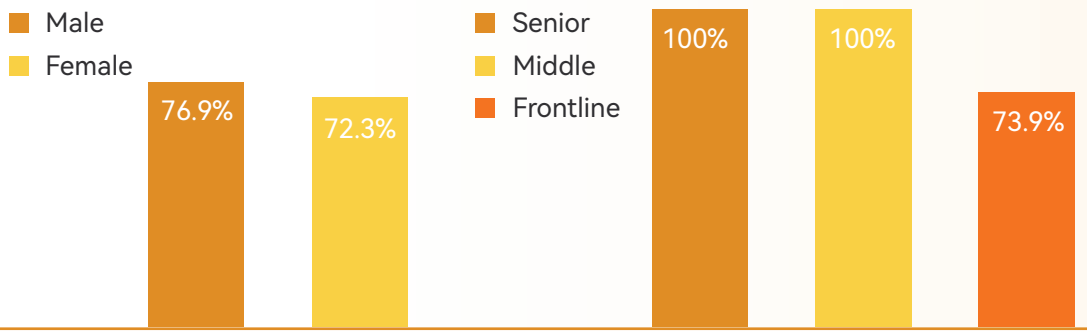
2025

Invested a total of RMB **1.703** million in employee training

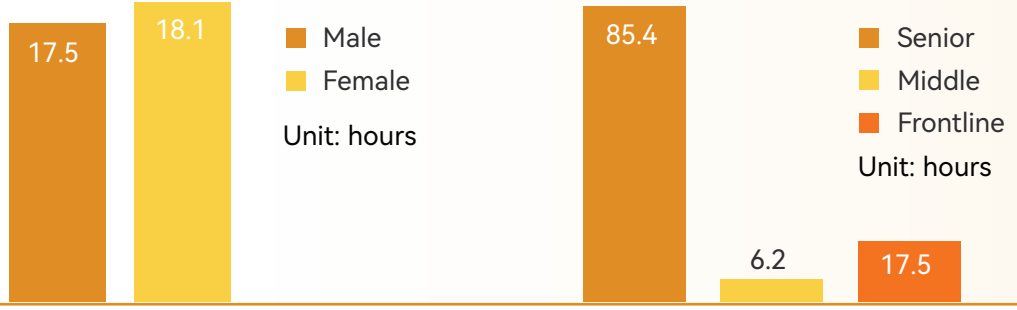
Average training hours per employee
13.77

Total training houurs
48,960

Employee training coverage rate **75.6 %**



Average training duration **13.8 (Hour)**



Optimizing Career Development and Promotion

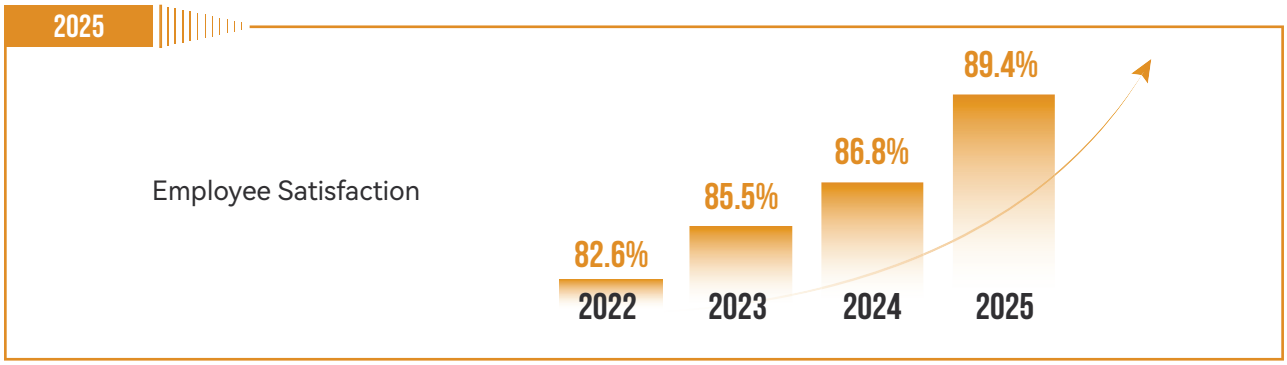
SIG places great emphasis on building employee communication mechanisms, establishing a diverse and smooth regular communication system to safeguard employees' rights to information, participation, and expression. Through channels such as the "Dual Congresses" (the Workers' Congress and the Trade Union Members' Congress), suggestion boxes, and email, we collect employee feedback, ensuring that "employees' voices are heard and responded to".

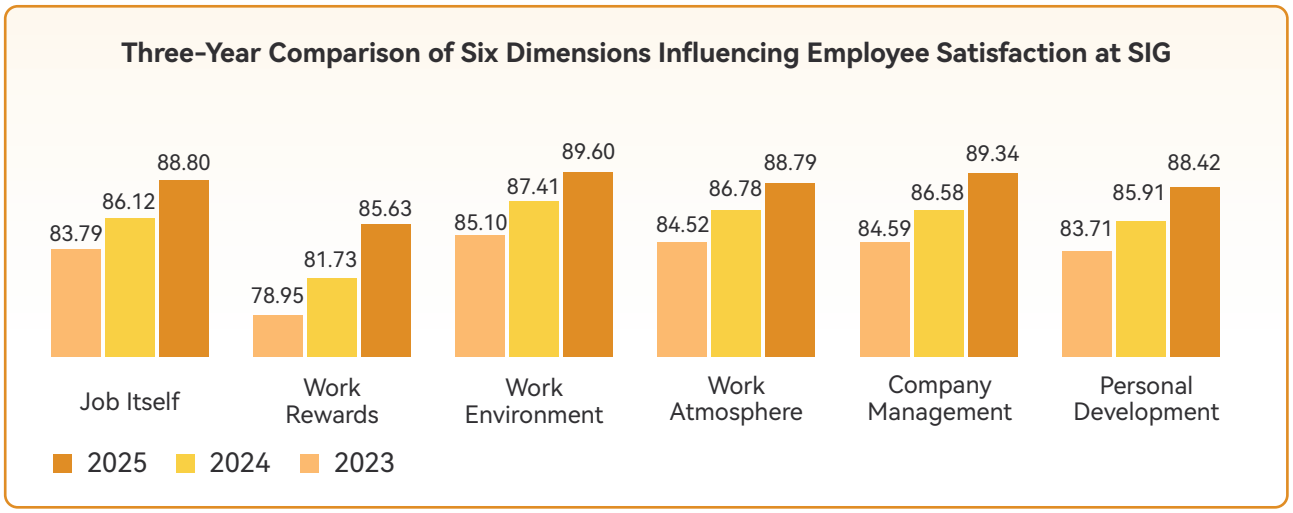
In terms of democratic management, we continuously improve the democratic management system centered on the Workers' Congress and the Trade Union Members' Congress. In 2025, the second session of the 13th Workers' Congress and Trade Union Members' Congress was convened, during which 145 proposals covering 16 categories were collected and duly assigned for implementation. Regular meetings of the workers' delegation leaders were held three times, and guidance was provided to 36 grassroots trade unions to standardize the convening of workers' assemblies, thereby extending democratic management to the grassroots level.



Regarding day-to-day communication, in 2025, four employee representative inspection activities were carried out, conducting special supervision on work safety and rights protection to drive issue resolution. Five employee questionnaire surveys were conducted to inquire about employees' needs in areas such as daily life, career development, and welfare, effectively safeguarding employees' legitimate rights and interests. In 2025, the Company conducted questionnaire surveys with 3,603 employees participated in, achieved a satisfaction score of 89.38, which has risen for four consecutive years.

The Company has established a regular performance feedback and appeal mechanism. If an employee disagrees with their appraisal result, they may file an appeal with the Human Resources and Administration Department. The Company will investigate and verify the matter, and provide feedback on the outcome to the appellant within the specified timeframe.





Caring for Employees' Well-being

We place great emphasis on the development of employees' spiritual and cultural life, organizing a variety of recreational and sports activities, including staff sports meets, mental health lectures, reading activities, knowledge contests, and cultural seminars. In 2025, the Company held its fifth Staff Sports Meet, with the participation of over 1,000 employees from more than 30 subsidiaries. We also actively take part in external sports events to enrich employees' lives and enhance team cohesion.





Staff Sports Games



Employee Birthday Celebration



Free Haircut Service for Employees

We have established a sound support mechanism for employees in difficulty. Before the Spring Festival, we extended condolences to employees in difficulty and to the families of overseas employees, distributing RMB 39,000 in hardship allowances. Mutual aid claims totaling over RMB 85,000 were processed for 56 employees with illnesses. Hardship allowances of RMB 11,120 were distributed to employees in need. In overseas and remote projects, we collected "micro-wishes"; all 38 wishes of employees were fulfilled. Regular initiatives such as "Summer Cooling" and "Winter Warming" were carried out, alongside labor protection supervision and inspection.

Over the course of the year, the Company invested more than RMB **300,000** in care funds, reaching over **2,900** person-times, demonstrating care through concrete actions.



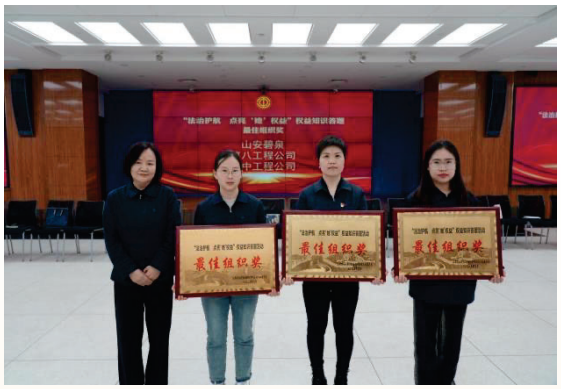
"Winter Warming" Care Visit and Labor Protection Supervision & Inspection



"Summer Cooling" Care Activity

Caring for Female Employees

The Company attaches high importance on the rights and development of female employees, organizing a range of activities including rights and knowledge quizzes, tea culture lectures, and paper-cutting workshops during the "March 8th" International Women's Day, enhancing female employees' sense of fulfillment and happiness.



"March 8th" Women's Day Legal Rights Knowledge Quiz Activity



"March 8th" Women's Day Paper-cutting Activity

Building a Strong Safety Defense Line

Occupational Health and Safety Production Management System

SIG has always placed work safety at the core of its corporate development. The Safety and Environmental Protection Department is responsible for the overall management of work safety and occupational health, forming a three-tier management and control structure consisting of Group-Engineering Company-Project Department. The Group's Safety and Environmental Protection Department is responsible for planning and target setting, the Engineering Company is responsible for supervision and implementation, and the Project Department is responsible for execution and quarterly data reporting. The Company strictly comply with laws and regulations including the *Work Safety Law of the People's Republic of China, the Special Equipment Safety Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. With the fundamental objectives of safeguarding employees' life safety, ensuring stable project performance, and protecting the public interest, we have formulated the *Three-Year Action Plan (2024–2026) of Shanxi Installation Group Co., Ltd. for Tackling Root Causes and Hardening Defenses in Work Safety* .

In 2025, the Company comprehensively revised the *Management System for Occupational Health Hazard Prevention and Health Monitoring,* focusing on organizational structure and responsibilities, occupational health hazard prevention, occupational health monitoring management, and accountability, to fully align with industry regulatory requirements and the Company's actual development needs.

The Company has obtained certification for its Occupational Health and Safety Management System (GB/T45001-2020/ISO 45001:2018 standard).



Certificate of Occupational Health and Safety Management System

2025

During the reporting period, the Company had **no** major work safety accidents.

Occupational Health and Work Safety Strategy

SIG adopts the core policy of "safety first, prevention foremost, comprehensive management, full participation, and continuous improvement", integrating occupational health and work safety into all processes of corporate development. The Company focuses on high-risk areas on construction sites, health protection for operators of special equipment, and other key domains. Through institutional development, technology empowerment, education and training, and hazard identification and control, we comprehensively enhance the standardization, refinement, and intelligentization of safety management, effectively preventing work safety accidents and occupational hazards, and safeguarding the life and health of employees.

2025

Fatalities from work-related accidents **0**

Work-related injury rate: **0** %

Work-related injury rate: **0** day

Investment in work safety: RMB **139.95** million

Number of safety education and training sessions: **1,714**

Safety education and training coverage rate: **100** %

Occupational Health and Work Safety Targets

SIG strictly implements quantitative work safety management requirements and has established the following management targets. In 2025, the Company successfully achieved all targets.

Work Safety Targets

- Zero major injuries and zero fatalities
- Zero fire-related or machinery-related accidents
- Zero group food poisoning incidents
- Minor injury frequency rate controlled below 8‰
- On-site hazard elimination rate: 100%

Safety and Civilized Site Standardization Targets

- 1 national-level "work safety standardization construction site for construction projects"
- 2 industry-level safety and civilized model construction sites
- 3 municipal-level safety and civilized model construction sites

Safety Investment Target

- To meet the requirements of the management system, the Company provisioned safety funds in full and put into use in accordance with the *Measures for the Collection and Use of Enterprise Work Safety Funds* (Cai Zi [2022] No.136) and the *Company's Measures for the Collection and Use of Work Safety Funds*, closely followed the planning and progress of major projects to ensure that safety investment is properly in place.

Strengthening Emergency Management

SIG places great emphasis on emergency management. The Company formulated the *Work Safety Accident Emergency Plan* and filed it with the relevant administrative authorities in January2025, ensuring effective alignment with local authorities. The plan consists of a comprehensive emergency plan and specific emergency response plans, clearly defining the emergency management system, procedures, and response processes.

The Company has established an emergency material management warehouse and a sharing platform to enable regional resource sharing. Extreme weather warnings are promptly issued to project frontline teams, urging them to take preventive measures in advance. Fire emergency evacuation drills were organized under the theme "Fire Safety for All, Life First-Safe Use of Fire and Electricity", further strengthening employees' safety awareness and their ability to help themselves and others in emergencies.









2025

In 2025, the Company organized **2** emergency response training drills at the Group level, involving **821** participants. A total of **242** emergency drills were conducted by various subsidiaries and projects, involving **6,640** participants, effectively enhancing the emergency response capabilities of all personnel.

Strengthening Safety Risk Control

In 2025, SIG continued to strengthen safety management, revising a total of 24 safety management policies, and organized all units to prepare the latest safety inspection checklists.

1 Hazard Identification and Control

The Safety and Environmental Protection Department conducted monthly safety inspections, combined with seasonal, special, and ad-hoc inspections. Over the year, 193 hazard inspections were carried out, identifying 2,278 hazards, all of which have been rectified.

2 Risk Identification and Control

Following the process of "company-wide identification, professional recognition, and graded assessment", full-spectrum risk identification for occupational health and work safety was completed. A safety risk register was established, enabling graded risk control.

In addition, the Company has incorporated subcontractors into a rigorous safety management system. The subcontract agreement explicitly stipulates the special use of work safety measure funds, requiring all subcontractors to set aside sufficient safety measure funds. These funds are dedicated to upgrading safety protection systems at construction sites, standardizing the living areas of industrial workers, and improving the occupational health management environment. Through the establishment of a full-chain work safety investment guarantee mechanism, the Company effectively manages safety risks in partner collaboration.

Project Site Inspection





Safeguarding Employee Occupational Health

In 2025, SIG adopted multiple measures to continuously improve its occupational health protection system and effectively safeguard the physical and mental health of its employees.

Optimizing Working and Living Environments

The Company incorporated living areas of operational personnel into monthly safety inspections, and promptly urged the projects that did not meet the standards for correction. By strictly controlling the harmful factors such as dust and noise, and taking protective measures including ventilation, dust suppression, and noise reduction, the Company improved the working environment at the source. Project departments rationally arranged working hours and shift rotations based on construction schedules, strictly controlling excessive workloads to ensure a proper balance between work and rest for employees.

Strengthening Protection and Health Monitoring

The Company provided standard-compliant labor protection supplies for employees and organized health monitoring and occupational health training simultaneously. For employees with potential occupational risks, the Company established occupational health records, and regularly monitored their health indicators, thereby building a comprehensive occupational health defense line.

Fostering a Culture of Health and Care

The Company actively promoted the concept of "happy work, healthy life", organized health awareness activities such as occupational disease prevention and mental health lectures to enhance employees' health awareness. At the same time, the Company enriched employees' after-work life through caring activities such as group birthday celebrations and summer cooling initiatives, comprehensively promoting the physical and mental well-being of employees.





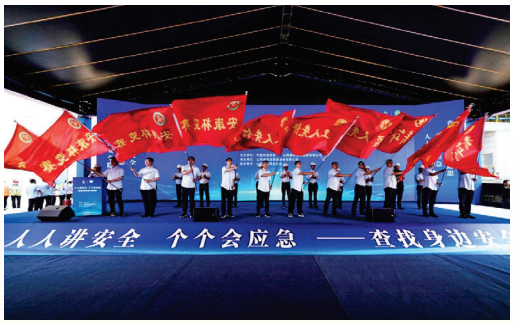
Deepening the Construction of a Safety Culture

During the reporting period, SIG systematically advanced safety training and cultural development, continuously enhancing the safety awareness and practical capabilities of all employees.

Training, Certification, and Talent Development	Throughout the year, 12 certification training sessions were organized for three categories of personnel, with 1,645 employees currently holding certificates. An additional 38 employees obtained Certified Safety Engineer qualifications. The promotion criteria for the safety sequence job grades were optimized, and the training system for project safety officers and safety directors was improved.
Training Implementation and Targeted Coverage	Fifteen safety training sessions were conducted, with a total of 7,996 participants. Performance briefings were provided to 341 management personnel from 67 new projects, and special safety training sessions were organized for newly promoted leaders. Guidance and support were provided to construction subsidiaries and branches to enhance safety management effectiveness.
System Improvement and Mechanism Optimization	The *Management Measures for Work Safety Publicity, Education, and Training* were revised, improving the training responsibility system and clarifying accountability mechanisms. Category-specific targeted training was implemented, integrating online and offline methods. An internal and external professional trainer team was established, and training assessments were linked to job eligibility and promotions, effectively enhancing the safety competence of all personnel.







Undertaking the "Safe Production Month" and "Ankang Cup" Competition organized by China Installation Association



"Ankang Cup" Competition and Safety Lecturer Contest

Consolidating the Quality Foundation

Improving the Engineering Quality Management System

SIG strictly complies with laws, *regulations, and industry standards such as the Regulations on the Administration of Construction Project Quality and the Code for Construction Project Management*. The Company has formulated internal policy documents including the *Quality Management Manual, Technical Management Regulations, and Technical Management Regulations for Overseas Projects* to establish a comprehensive engineering quality management system tailored to different regions and project types.

Through measures such as strengthening front-end planning for key projects, cultivating quality talent, promoting project standardization, improving quality inspection mechanisms, and advancing the development of a quality culture, SIG systematically enhances project quality management capabilities, ensuring that engineering quality is controllable and traceable throughout the entire process.

During the reporting period, the Company adhered to a single main line of quality management. The Engineering Management Department is responsible for overall coordination, establishing a three-tier management and control structure at the Group, Engineering Company, and Project Department levels, with clearly defined responsibilities. This structure spans five processes: objective management, detailed planning, process control, stage assessment, and continuous improvement. Project departments collect and summarize relevant data quarterly and report it to the Engineering Management Department. The Company prepared the *Technical Quality Planning and the Manual for the Prevention of Common Quality Issues in Building Engineering,* clarifying quality policies and objectives, and implemented dynamic monitoring and assessment.

2025

In 2025, the Company had **no** major quality-related accidents.

Strengthening Quality Assurance

In 2025, the Company conducted in-depth quality guidance activities, organizing experts to provide 96 technical quality services across 21 engineering companies and 60 projects. A total of 386 quality issues were identified, and corrective actions were vigorously supervised. To effectively prevent and address common quality issues, the Company issued the Manual for the Prevention of Common Quality Issues in Building Engineering in July 2025. Training was provided to 577 personnel across 21 units, and the implementation of the manual was incorporated into special inspections.

During the reporting period, the Company's quality management achievements received multiple recognitions from the industry. Two projects participated in the Quality Management Standardization Competition organized by the China Construction Industry Association. In the inaugural Quality Improvement Competition of the China Construction Enterprise Management Association, the Taiyuan Airport Project won first prize for its Electrical and Mechanical Installation Quality Excellence Plan, and the Computing Power Project won second prize for its Quality Planning Proposal. In addition, the Company obtained 45 QC achievements at the provincial/ministerial level and above, including 4 at the national level and 41 at the provincial/ministerial level. For the first time, the Company achieved 8 QC achievements in the China Electric Power Construction sector, marking a breakthrough in this field.

Project Quality Inspection



Zhongyang Project Inspection Work



Yuanqu Centralized Photovoltaic Project

Optimizing Customer Service

Upgrading the Customer Service System

SIG adheres to the business philosophy of "honoring commitments and pursuing win-win cooperation". With the goal of establishing a full-lifecycle customer service assurance system, the Engineering Management Department is responsible for overall coordination, establishing a three-tier management and control structure at the Group, Engineering Company, and Project Department levels. Relevant data is reported quarterly and dynamically monitored to continuously improve customer service management and control service risks.

The Company has formulated the *Customer Service Management Measures of Shanxi Installation Group Co., Ltd.* , which were revised in 2025 by the Market Development Department. The revised measures incorporate modules such as customer service support and ecosystem collaboration, refine credit evaluation and rights and responsibilities provisions, and further optimize the customer service management system.

We have established a Group-level key account resource library and implemented a tiered and categorized visitation mechanism. In 2025, 489 customer visits were conducted, enabling in-depth communication to accurately identify needs and deepen cooperation.

Customer First

Guided by customer needs, provide high-quality services.

Performance First

Ensure projects are delivered on time and meet quality standards.

System Integration

All departments collaborate to create a unified service force.

Win-Win Cooperation

Build long-term, stable relationships with customers, suppliers, and subcontractors.

Value Creation

Enhance customer value and corporate performance through quality services.

As of December 31, 2025, the Company and its subsidiaries have obtained 29 Class I and above qualifications, including

- 2 Class I General Contracting qualifications for construction
- 6 Class I General Contracting qualifications for construction
- 2 Class A qualifications in design industry
- 3 Class A qualifications in design specialization
- 16 Class I professional contracting qualifications in engineering

Enhancing Customer Satisfaction

SIG remains the principle of customer-centric. In 2025, we further improved the customer service mechanism through the following measures:

Optimizing Service Standards

The Company organized company-wide customer relationship management (CRM) training, focusing on enhancing service awareness and communication skills, and improving the customer response capability of frontline personnel. Through the exchange and review of "benchmark projects with high-quality service", outstanding service practices were systematically summarized and promoted, driving continuous optimization of service standards.

Deepening Long-term Customer Relationship Mechanisms

The Company advanced the development of a digital platform for "full-lifecycle customer management", enabling traceable and interactive processes from project initiation to operation and maintenance, thereby improving service transparency and response efficiency. Regular "customer co-construction and win-win" activities were carried out. Through in-depth exchanges and collaborative efforts, trust and loyalty of strategic customers and long-term partners were strengthened, consolidating the foundation for win-win development.

2025

Received only **16** complaints throughout the year

Achieved an yoy decrease of **11.11** % in complaint rate

Received **69** letters of commendation from owners









Customer Complaint Management Process

① Customer-Centric Principle

Aim for customer satisfaction by responding quickly and handling customer complaints properly.

② First-Contact Responsibility Principle

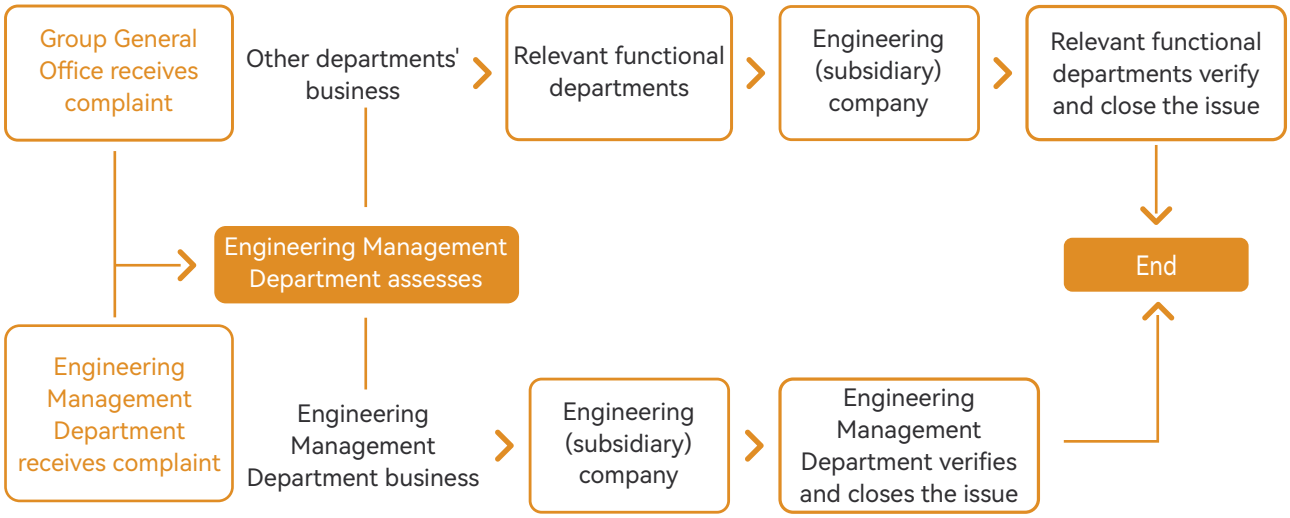
The employee who first receives a complaint is responsible for end-to-end follow-up and resolution, ensuring the issue is addressed.

③ Timely Feedback Principle

Provide customers with progress updates and resolution results within the specified timeframe.

④ Closed-Loop Management Principle

After a complaint is resolved, conduct a summary and analysis to prevent recurrence of similar issues.



Customer Satisfaction Survey

To accurately understand customer needs, we continue to conduct customer satisfaction surveys twice a year, using both internal and third-party survey methods. Based on the survey results, we identify "common issues" and "outstanding issues", identify management gaps, and formulate targeted improvement measures in areas such as project management, schedule management, and quality management.

In 2025, the Company handled 16 complaints throughout the year, representing an 11.11% decrease in the complaint rate compared to the previous year. Customer satisfaction steadily improved, and the Company received 69 letters of commendation from clients over the year, fully demonstrating customers' high recognition and trust in the service quality of SIG.

Supporting Major Projects

Leveraging its outstanding project management and service capabilities, during the reporting period the Company efficiently delivered key benchmark projects including the Indonesia Detian Coking Project, the Shanxi Weilong Coalbed Methane Liquefaction Project, and The Hong Kong University of Science and Technology (Guangzhou) Project, fulfilling its responsibilities through high-quality performance and earning high recognition from clients and the market.

The Detian Coking (Indonesia) 4.7 million tons/year coking project

The largest single-scale coking project in Indonesia.


化工建设工程质量评价等级证书
德天焦化（印尼）股份公司470万吨/年焦化工程
AAAAA
（境外优质精品工程）
施工单位
山西省安装集团股份有限公司
中国化工建设企业协会
2025年9月



The Shanxi Weilun Energy 600,000 Nm³/day coalbed methane liquefaction project

Key transformation project in Jincheng City.


化工建设工程质量评价等级证书
山西伟联能源有限公司60 万Nm³/日煤层气液化项目
AAAA
（优质工程）
施工单位
山西省安装集团股份有限公司
中国化工建设企业协会
2025年9月



The core building of Phase I of The Hong Kong University of Science and Technology (Guangzhou)

Strategic importance for deepening education reform and serving the development of the Greater Bay Area.



Activating the Innovation Engine

SIG upholds the spirit of "innovation breakthroughs and energetic development" to accelerate the transformation of technological achievements through systematic R&D planning and scientific management. At the same time, the Company drives industry upgrades through digital transformation and leads high-quality development with new quality productive forces.

R&D and Innovation Management System

SIG encourages innovation and has successively formulated a series of policies, such as *the Management Measures for the Development of Technical Standards (Trial), Special Fund Management Measures for Technology-Driven Efficiency Projects (Trial), Management Measures for the Transformation and Application of Scientific and Technological Achievements, Management Measures for Science and Technology Projects (Trial), and the Management Measures for the Development of Technical Standards (Trial),* to standardize the management of R&D projects, design efficiency, technical standards, and the transformation of scientific and technological achievements.

The Company has also developed the *Selection and Assessment Management Measures for Outstanding Engineering Technical Talents and the Assessment Management Measures for Engineering and Technical Personnel,* establishing a sound mechanism for cultivating and recruiting technical talents. SIG places great emphasis on innovation incentives. Special awards and honorary commendations are given to individuals who make outstanding contributions to technology R&D and the transformation of achievements, fully stimulating innovation vitality.

2025

SIG invested RMB **220.74** million in R&D, and gathered **805** talents for the R&D work.

Innovation Achievements

During the reporting period, the Company achieved substantial R&D results and received multiple industry honors. It successfully secured two projects under the "Open Competition" mechanism of the Shanxi Provincial Major Science and Technology Special Program, and one project under the Science and Technology Plan of the Shanxi Provincial Department of Housing and Urban-Rural Development. It passed the acceptance review of one project under the Science and Technology Plan of the Ministry of Housing and Urban-Rural Development / Shanxi Provincial Department of Housing and Urban-Rural Development, and passed the acceptance review of one project funded by the Central Government's Guide to Local Science and Technology Development Fund in Shanxi Province. The Company won one Second Prize of the Shanxi Provincial Science and Technology Progress Award, one Second Prize and one Third Prize of Industry Science and Technology Progress Awards, nine Shanxi Provincial Construction Methods, one Major Achievement (First Class) in Shanxi Construction Science and Technology, three Outstanding Achievements (Second Class) in Shanxi Construction Science and Technology, and two Innovation Achievements (Third Class) in Shanxi Construction Science and Technology. It also won two Third Prizes in the 5th Engineering Construction Industry High-Value Promotion Patent Competition organized by the China Construction Enterprise Management Association, and one Outstanding Patent in the Chemical Construction Industry for 2025 awarded by the China Chemical Construction Enterprise Association.

2025

During the reporting period, the Company obtained **57** invention patents granted

Obtained **162** new utility model patents

219 valid patents

Awards in 2025	Awarded Unit	Awarded Project
Second Prize of Shanxi Provincial Science and Technology Progress Award	SIG	Research and Application of Key Technologies for Intelligent Construction of Super-Large-Span Bolted Spherical Node Spherical Shell Structures
Second Prize of Science and Technology Progress Award of China Installation Association	SIG	Research and Application of BIM+ Digital Intelligence Collaborative Management Technology for the Whole Process of MEP Projects
Third Prize of Science and Technology Progress Award of China Installation Association	SIG	Research on Refrigeration Construction Technology for Large Cold Storage in Intelligent Cold Chain Logistics Parks
Guangdong Provincial Construction Project Construction Quality Evaluation Project / Guangzhou Municipal Construction Engineering Quality Level Evaluation	South China Engineering Company	Hong Kong University of Science and Technology (Guangzhou) Project Phase I
Fen Shui Cup of Shanxi Construction Industry Association	First Engineering Company; Sixth Engineering Company	Shanxi Nonggu Intelligent Cold Chain Logistics Park; Xiong'an Engineering Company / Qinshui Phase II 80MW PV Project; Intelligent High-End Equipment Industrial Park Infrastructure Construction and Plant Supporting Project-Casting and Forging Combined Plant Project
Shanghai's "Magnolia" High-Quality Construction Project	Shanghai Engineering Company	Fudan University Zhangjiang Fudan International Innovation Center No. 3 Research Building Project
Shanxi Provincial Municipal Public Industry Exemplary Demonstration Project	Municipal Road and Bridge Engineering Company	Xing County Caijiaya 4A Scenic Area Supporting Road Renovation Project Section 1 (Road Section)

Advancing Digitalization and Intelligentization

In 2025, the Company vigorously advanced the development of digital and intelligent construction, achieving significant results in BIM technology application, digital intelligence platform development, talent cultivation, and system operation and maintenance.

In the field of electromechanical engineering, the Company deeply cultivated the "BIM + prefabricated" digital and intelligent construction technology. A total investment of RMB 4.6 million was made in the R&D of three major BIM+ digital intelligence platforms. Taking the airport project as a demonstration, a replicable and scalable model was developed. The BIM + Digital Intelligence Construction Model Management Manual was completed, and three platforms-for design, construction, and accounting-were established and are now operating stably, enabling refined full-process management. Through digital applications, the Company saved over RMB 10 million in costs, improved modeling efficiency by three times, shortened the construction period by 120 days, and significantly increased the accuracy of detailed design, effectively reducing rework and material waste in projects.

The Company continued to promote the application of BIM technology, achieving tangible results in several key projects. The relevant management model has been successfully replicated and applied to projects including the Shanghai Metro. A three-tier, ladder-style talent development system was established, and 14 online and offline BIM-related training sessions were conducted, involving 5,128 participants. Over the year, the Company efficiently solved various system issues, completed multiple system optimizations and server room facility upgrades, and strengthened the network security protection.

SIG's "BIM+" Platform



BIM-related Training



The Company's integrated digital intelligence management and control platform completed development and pilot operation, and will be officially launched in 2026, laying the foundation for the Company's digital and intelligent management. Through extensive research, a construction plan for a chemical engineering project management platform was developed, and full-process testing was completed, providing support for the information-based management and control of chemical engineering projects. In addition, the Company's artificial intelligence technology has been successfully applied to the intelligent review of technical proposals, enabling one-click review and precise error correction, thereby improving proposal compliance and review efficiency, and comprehensively empowering the Company's intelligent construction and high-quality development.

Integrated Digital Intelligence Management and Control Platform Pilot Launch Meeting



Deepening Industry-University-Research Collaboration

We actively establish long-term and stable partnerships with universities and research institutions. Through joint platforms and collaborative research, we achieve deep integration of resources in areas such as clean heating, solid waste disposal, environmental governance, new energy, and prefabricated construction, thereby accelerating the transformation of scientific and technological achievements.

In 2025, the Company's main achievements in industry-university-research collaboration include:

- SIG Design Institute, together with South China University of Technology, Shanxi University, and three other parties, carried out research on green power direct supply technology for industrial parks and successfully secured an "Open Competition" project under the 2025 Major Science and Technology Special Program of the Shanxi Provincial Department of Science and Technology.

- The Bulk Solid Waste Comprehensive Utilization Research Institute, in collaboration with the Institute of Coal Chemistry of the Chinese Academy of Sciences, Taiyuan University of Technology, and four other parties, worked on chemical depolymerization technology for decommissioned wind turbine blades and successfully secured an "Open Competition" project under the 2024 Major Science and Technology Special Program of the Shanxi Provincial Department of Science and Technology.
- The subsidiary SIG Lide, in cooperation with Taiyuan University of Technology, conducted research on the resource utilization of waste materials in construction. It has completed the analysis of domestic and international research trends and the design of experimental plans, and plans to apply for two to three provincial or ministerial-level science and technology projects.
- The subsidiary SIG Lantian Company, in collaboration with institutions including the Shanxi Clean Energy Research Institute of Tsinghua University, carried out research on key technologies for new intelligent heating. It has been granted three invention patents and has applied for a project under the Shanxi Provincial Key Research and Development Program.
- The subsidiary SIG Biquan Company, in partnership with Chang'an University, conducted research on energy-saving and consumption-reducing technologies for wastewater treatment, carrying out production-scale experiments at the Anze and Guodao wastewater treatment plants, achieving preliminary benefits.

Technical Exchange with Taiyuan University of Technology



Strengthening Intellectual Property Protection

We place great importance on intellectual property protection, strictly complying with laws and regulations such as the *Patent Law of the People's Republic of China*, *the Trademark Law of the People's Republic of China, and the Copyright Law of the People's Republic of China*. We have also formulated internal policy documents including *the Patent Management Measures of Shanxi Installation Group Co., Ltd. and the Intellectual Property Management Manual*, which cover the entire process of IP application, implementation, protection, and utilization, and define clear management standards. Since first obtaining IP management system certification in 2019, the Company has maintained valid certification status for seven consecutive years. In 2025, SIG successfully passed the recertification audit, demonstrating the continued standardized operation of the system.

During the reporting period, the Company organized three IP protection training and awareness activities, covering cutting-edge topics such as AI algorithm patents and data copyright. The IP ledger was dynamically managed, and a digital platform was used to achieve standardized management.

At the same time, we continued to promote patent applications and utilization. Over the year, we won three awards in industry high-value promotion patent competitions and one outstanding patent in the chemical construction industry.



Intellectual Property Compliance Management System Certificate

Intellectual Property Protection Training　　Patent and Trademark Agency Training





Enhancing Data Security and Customer Privacy Protection

During the reporting period, we strictly complied with the *Data Security Law of the People's Republic of China* and continuously strengthened data security and information technology development. Over the year, we processed 1,937 system issues and completed 41 data adjustments, achieving a 100% issue resolution rate. For frequently occurring issues, 61 operating guidelines were developed and disseminated. Twenty-four system optimization and upgrade initiatives were carried out; through functional iteration and interface improvements, the recurrence rate of similar issues was effectively reduced.

In terms of upgrading the old large-scale business management platform, we prioritized the implementation of 19 system optimization tasks, including human resources, market development, and three-category personnel management.

Regarding network security, three cybersecurity training sessions were organized, three specialized penetration tests and 40 routine tests were conducted, and three high-risk vulnerabilities were remediated, comprehensively strengthening the Group's network security defense line.

Special Training on Network and Information Security



Customer Privacy Protection

In terms of customer privacy protection, the Company strictly complies with laws, regulations, and internal policies such as the Personal Information *Protection Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, and the Customer Data Security Management Regulations*. The Company clearly defined the responsible parties and their duties for customer data management, protected customer privacy against being disclosed through secure technical measures and sound management processes. All employees are required to sign an Employee Confidentiality Agreement, committing to protect customer data security, thereby enhancing customer trust in the Company.

Philosophy

Responsibility: We recognize that protecting customer data security is an important part of our corporate social responsibility, ensuring that customer data is properly protected.

Customer First: Customer data security is our top priority. We promise not to disclose or misuse customer data under any circumstances.

Measures

Technical Security: Use encryption technologies to protect the transmission and storage of customer data; regularly update and maintain information systems to prevent security vulnerabilities.

Access Control: Implement permission management to ensure that employees access customer data only within the scope of their duties.

Training and Education: Regularly provide data security training to employees to enhance their data security awareness.

Performance

The Company regularly inspected the implementation of data security policies, organized data security training that covers all employees, collected customer satisfaction regarding data protection through surveys or interviews, and conducted regular data security compliance assessments.

Promoting Industrial Co-development

Establishing a Responsible Supply Chain

To standardize supplier management, the Company has formulated the Supplier Management Measures of Shanxi Installation Group Co., Ltd.. The Engineering Management Department serves as the dedicated supply chain management department, reporting to the Group's Deputy General Manager. The Company has established a unified qualified supplier database to centrally manage supplier approval as well as the inclusion and exclusion of strategic suppliers. Leveraging its "Four Standards and Three Systems" management framework and the Shanxi Construction Investment Supply Chain Ecological Platform, the Company has put in place a robust mechanism for managing environmental and social risks in the supply chain, actively participating in collaborative supply chain development and continuously improving supply chain management capabilities.

We actively promote digital supply chain management by developing a supplier management module on our internal OA system, enabling systematic aggregation of supplier information and full-process control. Additionally, we have established the Shanxi Construction Investment Zhufu Cloud Procurement Platform to facilitate online, transparent procurement operations.

Supplier Management Measures:

Supplier Access

Procurement officers are responsible for conducting access reviews and due diligence on supplier qualifications, supply capacity, product quality, pricing, and reputation. They fill out the Qualified Supplier Investigation and Recommendation Form in the material management system. The material supervisor of the primary-level unit approves the supplier; only after approval can the supplier be added to the qualified supplier database. During the reporting period, 828 suppliers were processed under this mechanism.

Dynamic Supplier Evaluation

Regularly assess suppliers' routine operational quality, conduct interim and final evaluations, and use the review results as an important reference for guiding subsequent supplier selection.

When a qualified supplier experiences quality incidents, poor management, declining creditworthiness, commercial infringement, fraud, or other serious performance risks, the Company will immediately conduct an emergency evaluation. Suppliers that fail the evaluation will be moved to the inactive supplier database.

Conduct annual year-end evaluations, summarizing and assessing suppliers based on cooperation frequency and transaction value. Annual evaluations are formed according to predefined rules, and suppliers are classified into four tiers (A, B, C, D) based on their annual evaluation scores.

Supplier Exit

Establish a "Supplier Blacklist". Suppliers that violate rules are placed on the blacklist, and penalties or accountability measures are imposed in accordance with signed contracts and agreements.

Supplier ESG Management

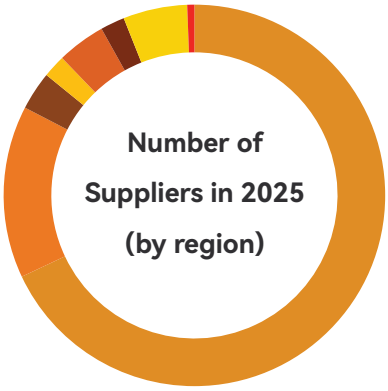
We place great emphasis on the development of the supply chain ecosystem. Adhering to the principles of equality, transparency, and mutual benefit, and guided by openness and sharing as fundamental values, we continuously improve our subcontractor management system, promote the optimal allocation of resources, and foster synergies along the upstream and downstream of the industrial chain, thereby fulfilling our ESG responsibilities in supply chain governance. As of the end of the reporting period, the Company's platform had 7,328 qualified subcontractors on record, with a subcontractor access review approval rate of 86%, and 100% full coverage of subcontractor process evaluations.

In material procurement through tenders, the Company requires suppliers to provide at least the following certifications: Quality Management System Certification (ISO 9001), Environmental Management System Certification (ISO 14001), and Occupational Health and Safety Management System Certification (OHSAS 18001). The bid evaluation expert panel verifies the validity of these certifications to ensure that cooperating suppliers have well-functioning management systems, thereby safeguarding the performance quality of suppliers across various aspects.

When selecting suppliers of special equipment and their components, the Company logs into the 「National Special Equipment Public Information Inquiry Platform」 to verify the supplier's production license for special equipment, ensuring that the licensed items and validity period meet the corresponding requirements.

Priority is given to suppliers that provide environmentally friendly products and services. The Company comprehensively considers all environmental factors related to the equipment to be procured, and carries out the procurement based on the results of the advanced equipment evaluation and the verification results of the bid evaluation expert panel, thereby ensuring that the procured equipment can provide efficient, environmentally sustainable support for the project.

Total number of suppliers	828
North China	563
East China	121
South China	27
Central China	16
Northeast China	34
Southwest China	17
Northwest China	45
Overseas	5



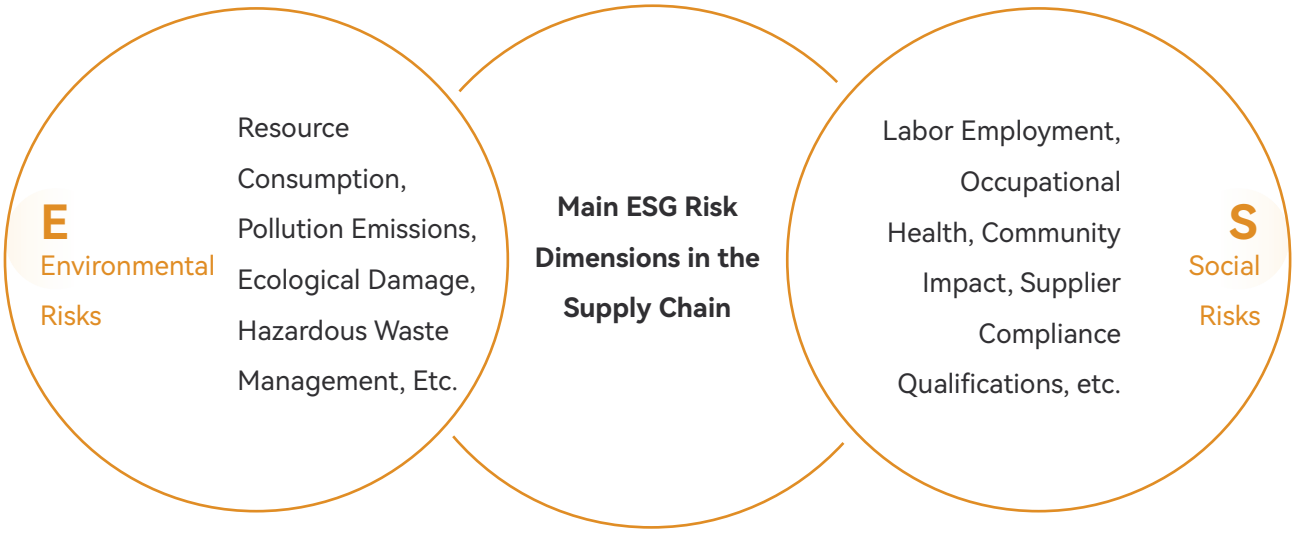
Supply Chain Risk Identification and Control

We have established a systematic mechanism for identifying and analyzing supply chain risks and have developed multi-dimensional control measures. At the access stage, we set supplier entry thresholds to select compliant partners from the source. At construction sites, we strengthen on-site management and conduct specialized training for all personnel to enhance frontline risk prevention capabilities. We promote the green transformation of the supply chain, establish a construction waste recycling mechanism, and practice the circular economy concept. We also formulate emergency response plans and organize regular emergency drills to improve our ability to respond to unexpected events.

The Company simultaneously strengthens internal supervision and performance accountability. Special task forces have been established to carry out routine and special inspections, implement a ledger-based closed-loop management mechanism, and conduct penetrating reviews. At the same time, supply chain control effectiveness is incorporated into performance assessments, with clear rewards, penalties, and accountability mechanisms to ensure that all risk control measures are effectively implemented.

We place great emphasis on protecting the legitimate rights and interests of industrial workers. The *Detailed Rules for the Agency Payment of Migrant Workers'* Wages have been formulated, establishing a three-tier wage protection model consisting of "owner payment guarantee + subcontractor deposit + bank special account supervision". Through closed-loop management, the entire wage payment process is subject to review and supervision, ensuring that labor remuneration is paid in a standardized and transparent manner. In 2025, the Company strictly implemented safety and civilized construction

standards, and working conditions on construction sites and the living environment of industrial workers continued to improve. Relying on the wage agency payment mechanism, migrant workers' wages were paid in full and on time, and no complaints regarding labor remuneration arrears occurred throughout the year, demonstrating the Company's sense of social responsibility.



Building an Integrity-Based Supply Chain

In 2025, we continued to deepen the development of an integrity-based procurement system, adhering to the principle of "transparent procurement and integrity-based cooperation". We have established a two-tier system of "measures + procedures" (the *Material Procurement Management Measures and the Material Procurement Comparison and Selection Procedures*), defining the entire procurement process and centralized procurement standards to ensure openness, fairness, and impartiality. We maintain a zero-tolerance policy toward corruption. Suppliers must sign an Integrity Agreement when cooperating, and we strengthen checks on related-party relationships to prevent bid rigging and collusion. We have built a prevention and control network combining "internal education + two-way supervision". Through training, process audits, random inspections, and reporting channels, we achieve early detection and prompt handling of violations. Suppliers that violate the rules are held strictly accountable: cooperation is terminated, they are blacklisted, and losses are recovered. If illegal conduct is suspected, the case is referred to judicial authorities. We are fully committed to maintaining a clean and fair supply chain ecosystem.

During the reporting period, the Company actively conducted anti-corruption training for suppliers, using a combination of online and offline methods, covering more than 150 relevant personnel, with over 500 visits to the online column.

2025

During the reporting period, the Company achieved **100%** supplier integrity clause signing rate.

Supplier Anti-Corruption Training Session



Empowering the Supply Chain

SIG places great importance on supply chain ecosystem development and is committed to building close, efficient, and long-term strategic partnerships with suppliers. Through multi-dimensional collaboration, we work together to build a sustainable supply chain system.

In terms of communication and coordination, we have established a regular communication platform, focusing on demand in the new energy sector, organizing regular technical exchange meetings, and using a digital information-sharing platform to enable upstream and downstream collaborative responses. At the same time, we conduct regular supplier site visits to verify production quality control capabilities and explore areas of cooperation through technical seminars.

In terms of capacity building, we have established a tiered and categorized supplier training system, offering specialized training in technology, quality, compliance, and other areas to enhance suppliers' core capabilities. We have established an ESG communication and training mechanism, conducting a total of 10 specialized ESG training sessions for suppliers, covering more than 100 core suppliers, and have guided over 50 suppliers to complete ESG self-assessments.

2025 Supplier Conference



Promoting Industry Exchange

SIG actively participates in industry collaboration, exploring sustainable development paths together with partners. We closely track industry trends, leverage our influence in the industrial chain, actively participate in industry exchanges, and contribute to the development of industry standards, supporting the healthy development of the industrial ecosystem. During the reporting period, the Company attended 18 industry exchange meetings organized by the China Construction Enterprise Management Association, the China Construction Industry Association, the China Chemical Construction Enterprise Association, the China Installation Association, and others, continuously deepening corporate collaboration and industrial synergy.

In 2025

- The Company participated in the development of **2** national standards and **2** local standards;
- Led the development of **2** local standards;
- Participated in the formulation of **5** group standards.

Participation in the 7th Science and Technology Innovation Conference of the Engineering Construction Industry



Participation in the China Installation Association Science and Technology Progress Award Review Meeting



New Energy Solid Waste Comprehensive Disposal Development Forum



Practicing Public Welfare and Charity

The Company has always regarded the fulfillment of social responsibility as an important mission of corporate development, continuously strengthening the development of its volunteer service brand, the "Fengshang Action". In 2025, the Company widely organized and mobilized Party members, Youth League members, and young volunteers to carry out diverse volunteer activities on a regular basis in areas such as environmental protection, blood donation, exam assistance for students, poverty alleviation, and community services. Over the year, the Company conducted a total of 91 volunteer activities, attracted 86 newly registered volunteers and provided public welfare and charity service of cumulative 2,737 hours .

From planting trees and clearing snow, to donating blood and running winter donation drives, from helping students with exams to rushing into disaster relief and clearing mud — our volunteers have spread warmth with their dedication and hard work. Through every concrete action, they have embodied the commitment of a state-owned enterprise and infused community development with heartfelt strength.

"Fengshang Action" Snow and Ice Removal Volunteer Activity



"Fengshang Action" Blood Donation Activity



"Fengshang Action" Voluntary Tree Planting Activity



"Fengshang Action"

"Fengshang Action"
Voluntary Exam Assistance Activity



"Fengshang Action"
Voluntary Activity Assistance Activity



"Fengshang Action"
Voluntary Charity Donation Activity



"Fengshang Action"
Volunteer Service for Building a Civilized City



Governance

Integrity as the Foundation, Good Governance for Long-term Success

SIG adheres to the principles of compliance-based governance, honesty, and integrity. The Company strictly follows its rules and regulations in management decision-making and operational oversight, continuously promoting standardized corporate operations and effectively improving the quality of corporate governance. It steadily advances the comprehensive enforcement of strict Party discipline, striving to foster a positive internal culture of entrepreneurship and a powerful force of collaborative endeavor.

Goal Setting

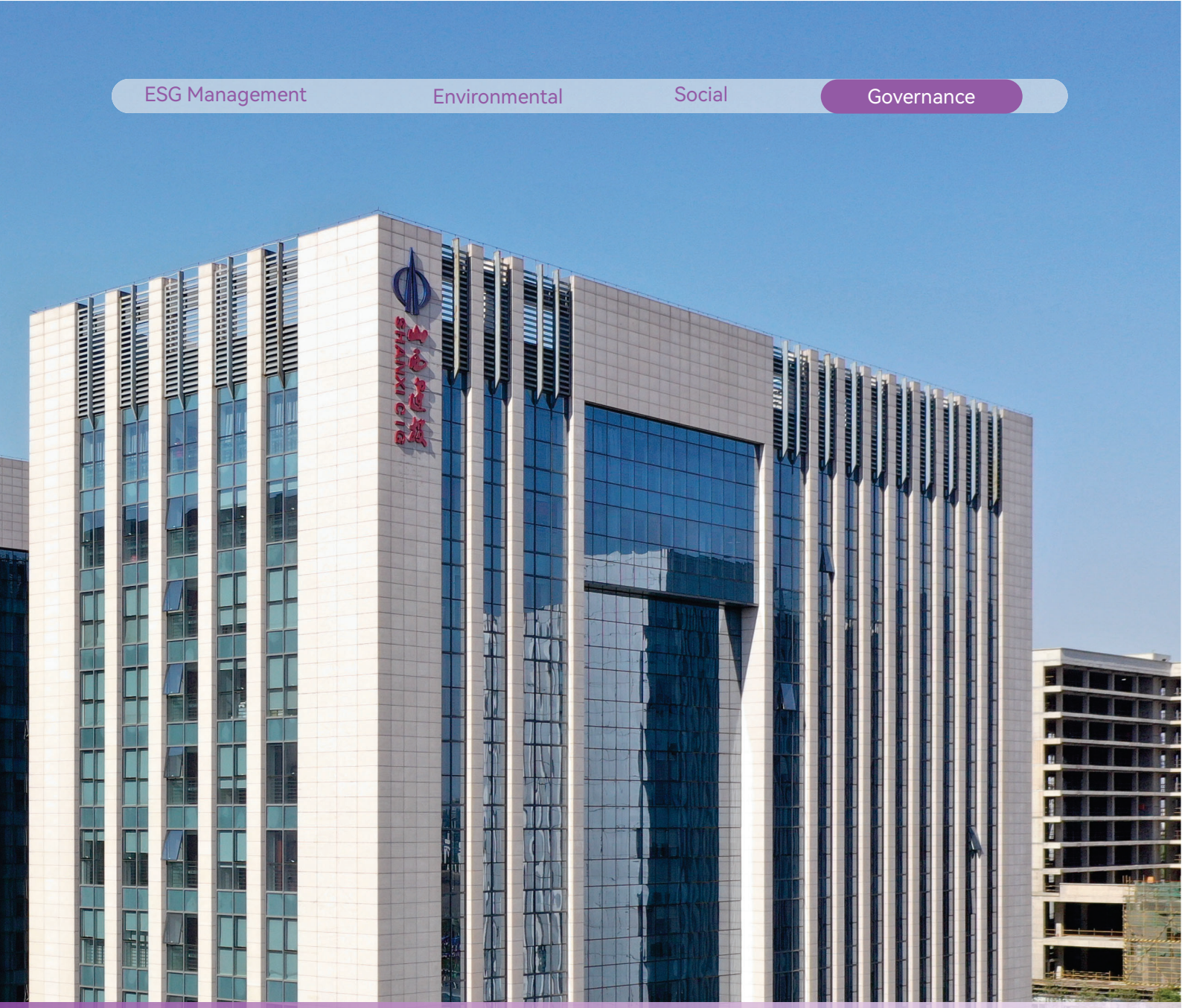
- Anti-corruption goal: Zero corruption incidents throughout the year
- 100% coverage rate for anti-commercial bribery and anti-corruption training
- Continuous improvement of compliance and risk management system

Progress Review

In 2025, the Company integrated anti-corruption education and training into its enterprise-wide capability enhancement system. In the further deepening of risk prevention and control, the Company completed operational performance audits of 37 subsidiaries and branches, identified six issues and rectified all of them. Additionally, the Company completed economic responsibility audits for eight units. In project auditing, the Company completed audits of 65 completed and closed projects, with a reconciled amount of RMB 1.6073 million, and provided audit guidance for four ongoing projects.

Addressed SDGs goals





Chapter Performance

- During the reporting period, the Company has **0** corruption incidents occurred.
- The Company achieved **100** % legal review rate for rules and regulations, major economic contracts, and major decisions.
- **100** % of directors, management, and employees have received anti-commercial bribery and anti-corruption training.
- A total of **15** compliance-related policies have been issued, including the Compliance Management Rules (Trial) and the Compliance Review Management Measures.



Party Building and Leading High-Quality Development

In 2025, SIG adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the fundamental guide, thoroughly implemented the guiding principles from the 20th National Congress of the Communist Party of China and all its plenary sessions. Following the work approach of "emphasizing innovation, staying grounded, achieving practical results, and gaining popularity", the Company solidly carried out education and training to deeply implement the spirit of the Central Committee's eight-point regulation on improving conduct, and efficiently completed the special initiative to standardize and enhance Party building work.

[Building a Clean and Honest State-Owned Enterprise, Fostering a Culture of Integrity, and Stimulating Internal Drivers for Corporate Governance]

The Company held special meetings to conduct in-depth research on the comprehensive enforcement of strict Party discipline, ensuring that decision-making remains democratic and science-based. Newly established legal entities have fully incorporated Party-building provisions into their articles of association, thereby defining the statutory role of Party organizations. The Party Committee assumes primary responsibility, while the leadership team fulfills its dual role of overseeing both business operations and integrity building. Identified issues are managed through a ledger-based system with a closed-loop accountability mechanism. The Company has streamlined the meetings and events and is committed to practicing frugality and economy.

[Strengthening Discipline and Integrity, Deepening a Comprehensive Approach to Combating Corruption, and Enhancing the Effectiveness of Anti-Corruption Efforts]

SIG launched the initiative to "Rectify the Four Forms of Misconduct and Strengthen Management", completing comprehensive compliance inspections of engineering companies and projects, and taking corrective actions on identified issues. The supervision approach has been transformed through the introduction of "on-site supportive assistance", which has successfully recovered overpayments and eliminated the risk of duplicate claims in subcontracting costs. Before major holidays, the Company carries out integrity education and self-inspection, establishing a dedicated ledger to track the “four forms” of misconduct and reinforce the ethical awareness of Party members, officials, and employees, thereby safeguarding the healthy development of the enterprise.

[Strengthening Grassroots Foundations, Promoting Standardization, and Enhancing the Organizational Capacity of Party Building]

The Company carried out a special initiative to "Strengthen Foundational Work and Enhance Capabilities", focusing on three areas: oversight and inspection, branch development, and talent cultivation, so as to raise the level of standardization and normalization in Party building. Two-way exchanges of personnel have been promoted. Following the principle of the "Four Synchronizations", the Company has optimized the structure of Party organizations. By strengthening the performance assessments, the Company evaluated branches and rated them at different star levels. Additionally, the Company has completed reminders and guidance for leadership transitions, ensuring that branch structures are standardized.



SIG held a "Red July" themed Party day activity.



SIG organized some of its Party members and leading officials to visit the Shanxi Provincial Education Base for Party Conduct and Integrity to tour the special exhibition titled "Upholding Iron Rules".



SIG organized some of its Party members and leading officials to visit the Shanxi Provincial Education Base for Party Conduct and Integrity to tour the special exhibition titled "Upholding Iron Rules".

Standardization of Governance System

Governance Structure

SIG strictly complies with the *Company Law of the People's Republic of China, Securities Listing Rules of the Stock Exchange of Hong Kong Limited* and other domestic and international laws and regulations as well as the regulatory requirements for listed companies.

In 2025, the company completed the optimization and adjustment of its governance structure, establishing a modern corporate governance framework centered on the "Three Meetings", namely the Shareholders' Meeting, the Board of Directors, and the Audit Committee. This framework has formed a decision-making mechanism characterized by statutorily-defined and transparent rights and responsibilities, coordinated operation, and effective checks and balances. At the same time, a tracking mechanism for the implementation of decisions was established to ensure that decisions can be effectively advanced and executed, thereby guaranteeing the company's standardized operations and effectively preventing operational risks.

Governance Structure Optimization and Upgrade	In accordance with the *Company Law, the Guidelines for the Articles of Association of Listed Companies*, and other relevant laws and regulations, the Company abolished the supervisory board, incorporated all statutory functions of the supervisory board as prescribed by the Company Law into the responsibilities of the Audit Committee, achieving deep integration of supervisory functions with governance processes and establishing a full-chain oversight system covering "prevention before the event, control during the event, and supervision after the event".
Governance System Iteration	During the year, the Company completed the systematic revisions for 12 core governance documents, including the *Articles of Association, the Rules of Procedure for the Shareholders' Meeting, the Rules of Procedure for the Board of Directors*, and the working rules of each special committee, clearly defined the "categorized and tiered decision-making mechanism for major matters", and refined the pre-review procedures for key matters such as connected transactions, major investments, and financial decisions, thereby forming a three-tier governance system consisting of "basic policies + special rules + operational guidelines", ensuring that governance mechanisms evolve in tandem with regulatory requirements and business development.

Diligence and Due Care

The Company strictly complies with the *Hong Kong Listing Rules, the Articles of Association*, and other applicable regulations, standardizing the entire process of meeting convening, notification, deliberation, voting, and archiving. All meetings are conducted in compliance with legal and regulatory requirements, with a 100% completeness rate for meeting document archiving. No regulatory inquiries, compliance complaints, or procedural defects have occurred.

In addition, the Company has established a four-level proposal review mechanism consisting of "business department submission-compliance review by the Board Office-special review by external counsel--pre-meeting review by the Board of Directors". A tracking ledger for Implementation Progress of Board Deliberated Matters has also been set up, clearly defining the responsible parties, implementation timelines, key milestones, and assessment criteria for each resolution. A closed-loop management model of "monthly tracking and follow-up, quarterly summary and analysis, and annual evaluation and review" is implemented.

2025

In 2025, the Company successfully convened **1** Annual General Meeting, **3** extraordinary general meetings, **15** Board meetings (4 regular, 11 ad hoc), and **3** Supervisory Committee meetings, deliberating a total of over **150** key matters.

All Board resolutions in 2025 progressed as scheduled; **95** matters were closed (completion rate of **77.87**%, an increase of **4** percentage points over 2024), and **22** matters progressed as planned.

The efficiency and quality of decision implementation have significantly improved.

Audit Committee Meetings **5**	Remuneration and Appraisal Committee Meetings **1**
Nomination Committee Meetings **1**	Independent Board Committee Meetings **1**

Enhancing Diversity and Professionalism

The Company places great emphasis on building a diverse and professional Board of Directors, continuously improving the governance structure and enhancing the quality of scientific decision-making. During the reporting period, the Company optimized and adjusted the composition of the Board Nomination Committee by adding a female Independent Non-executive Director with profound industry expertise as a committee member. This not only strengthens the professional capacity of the committee but also further enriches gender diversity and diverse perspectives, effectively enhancing the independence, professionalism, and inclusiveness of the Board's special committees, thereby providing a solid governance foundation for the Company's high-quality and sustainable development.

2025

Proportion of female directors **10%**	Proportion of non-executive directors **40%**
Proportion of executive directors **20%**	Proportion of independent non-executive directors **40%**

Protection of Investor Rights and Interests

Compliant Information Disclosure

The Company strictly complies with domestic and overseas regulatory requirements, including the Securities Law, the *Hong Kong Listing Rules, and the Measures for the Administration of Information Disclosure by Listed Companies*, establishing an information disclosure management system characterized by "full-process quality control, full-dimension coverage, and dynamic monitoring", ensuring that information is disclosed in a true, accurate, complete, timely, and fair manner.

In 2025, the Company disclosed a total of 33 interim announcements (9 relating to corporate governance, 6 relating to changes in shareholders and directors, 7 relating to connected transactions, 1 relating to inside information, and 10 in other categories). During the year, the Company had no regulatory inquiries, penalties, or investor complaints from untimely, inaccurate, or incomplete information disclosure.

Investor Relations Management

The Company adheres to the management philosophy of "investor-demand orientation", establishing an investor relations management system that integrates "online + offline" and "precision + diversification", comprehensively showcasing the Company's strategic value and core competitiveness, and enhancing market recognition.

In 2025, the Company built a multi-dimensional communication platform comprising "investor zone on the Company website, investor hotline, dedicated email, results briefings, and investor exchange meetings", responding promptly to investor inquiries with a 100% response rate.

We organized 2 offline investor exchange meetings and held 2 online results briefings for the 2024 annual results and the 2025 interim results, effectively enhancing corporate transparency.

Anti-Corruption Culture Development

SIG strictly complies with relevant laws and regulations, including the *Oversight Law of the People's Republic of China*, and has formulated internal policies such as the *SIG Position Integrity Prevention and Control Measures and the Anti-Fraud and Reporting Mechanism Management Measures*. The Discipline Inspection Commission carries out anti-corruption management and continuously advances the system development.

During the reporting period, the Company integrated anti-corruption education and training into its enterprise-wide capability enhancement system, establishing a tiered, category-specific, and precisely targeted integrity education mechanism. Collective integrity talks and specialized training on integrity in employment were carried out, and Personal Integrity Self-Discipline Commitment Letters were signed. Party members and leading officials were organized to visit the Shanxi Provincial Education Base for Party Conduct and Integrity to tour the special exhibition "Upholding Iron Rules", and to conduct experiential warning education at Taiyuan Second Prison in Shanxi Province, reinforcing the disciplinary awareness of "respecting rules, fearing consequences, and observing red lines".

In addition, the Company conducts regular integrity culture publicity for all employees. Columns such as "Building a Clean and Honest State-Owned Enterprise" and "Learning in Progress" have been launched, and an animated integrity education film ("Breeze of Integrity") and a warning education film have been produced. A "Clean Breeze Gallery" cartoon exhibition area and integrity culture publicity points have been innovatively established, creating a multi-dimensional and diversified integrity education landscape.

Furthermore, the Company innovated in educational formats by producing a micro-video titled "The Wind Rises" to vividly promote integrity culture. The video won a bronze award in the provincial discipline inspection commission's micro-video competition.

Through a series of training and educational activities, the Company has effectively enhanced the anti-corruption compliance awareness of all employees, building a strong ideological defense against corruption.

2025

Number of corruption incidents **0**

Percentage of directors, management, and employees who received anti-commercial bribery and anti-corruption training **100** % for all categories.

Anti-Corruption Warning Education Activity

The Company's Discipline Inspection Commission, together with the Party Committee Office, organized an integrity education activity. A collective integrity talk was conducted for 58 leading cadres who were newly promoted, newly recruited, or reassigned to key positions, and they signed Personal Integrity Self-Discipline Commitment Letters. Ren Rui, Chairman and Party Secretary, and Du Jiang, Discipline Inspection Commission Secretary, attended the meeting and emphasized the requirements for integrity in employment. Participants watched a warning education film titled "Don't Let Young Promise Turn into Reckless Act", further strengthening their awareness of discipline and rules.



Warning Education Meeting on Implementing the "Spirit of The Party's Eight-Point Frugality Code"

The Company's Discipline Inspection Commission, in coordination with the Party Committee Office, organized a Group-level warning education meeting on thoroughly implementing the spirit of the Party's eight-point frugality code. At the meeting, 155 attendees watched a warning education film, and 13 typical cases of violations of the spirit of the Party's eight-point frugality code, circulated internally by the Central Commission for Discipline Inspection and the Provincial Commission for Discipline Inspection, were reported.



Whistleblower Protection

SIG places high importance on integrity building and maintains a zero-tolerance policy toward corruption. To standardize complaint management and protect the legitimate rights and interests of whistleblowers, the Company has established a comprehensive complaint handling and protection mechanism. The Company has set up open and unimpeded reporting channels, accessible to all stakeholders, encouraging the reporting of corruption-related violations.

The Discipline Inspection Commission is the responsible department for complaint management, overseeing channels such as hotlines and email, and receiving and recording both named and anonymous complaints. After receiving a complaint, registration and assessment are completed within 24 hours, and the matter is handled according to its seriousness: major complaints involving senior management are reported directly to the Board of Directors and the Party Committee. Investigations follow the principles of confidentiality and recusal, and the investigation results are promptly communicated to the whistleblower.

We strictly implement the whistleblower confidentiality system, protect whistleblower rights, and prohibit the disclosure of whistleblower identity information. Complaint materials are managed by designated persons to prevent leaks. Investigations are conducted without revealing the whistleblower's identity, and complaint materials are not disclosed. The Company explicitly prohibits any form of retaliation and strictly deals with any retaliatory acts.

Company Reporting Channels

Address	Discipline Inspection Commission, No. 8 Xinhua Road, Demonstration Zone, Taiyuan, Shanxi, China
Tel	0351-5679480



Compliance Management

Compliance Governance

The Company consistently aims for comprehensive compliance management, promoting the principles that "No business management without risk management" and "No business management without compliance management" and has built a full-chain, penetrating legal compliance management system. To further strengthen compliance management, the Company has formulated the Implementation Plan for System Development and Compliance Management System Development. Based on this plan, a total of 15 compliance policies have been issued, including the *Compliance Management Rules (Trial) and the Compliance Review Management Measures*. In addition, 13 compliance guidelines for key areas issued by Shanxi Construction Investment Group are implemented, clarifying the compliance management organizational structure and establishing the "three lines of defense" for compliance and risk management.

Compliance Management Structure



In 2025, the Company incorporated compliance management assessment indicators into the annual operational management responsibility agreements. Functional departments across the Company introduced corresponding "red lines and bottom lines" to promote the transformation of compliance awareness from "passive adherence" to "active practice".

- The Company formulated the *Compliance Management and Legal Risk Prevention Guidelines*, which covered 14 key business areas of the Company.

- The Company prepared the Measures for Legal Compliance Review of Investment Matters; focusing on key matters such as investments in construction waste recycling projects, decommissioned photovoltaic (PV) projects, and green power direct supply projects, the Company issued a total of nine legal compliance review opinions over the course of the year, effectively ensuring the legality and compliance of various decisions.

- The Engineering Management Department issued the "*Red Lines and Bottom Lines" for Engineering Management*.

- The Safety Management Department issued the *Management Requirements for Red Lines and Bottom Lines in Work Safety.*

- The Technology and Quality Department issued the "*Ten Red Lines" for Technology and Quality Management*.

- The Market Development Department issued the *Management Requirements for Red Lines and Bottom Lines in Market Development*.

The Company has implemented a tiered and category-based compliance training plan, establishing an "online + offline" multi-dimensional legal education matrix. Through OA columns and WeChat postings, 66 case interpretations, the Company conducted comprehensive, multi-faceted compliance culture training and promotion, to achieve the normalization of building compliance values.

For middle and senior management	Lawyers with extensive experience in corporate compliance are invited to conduct compliance training, followed by the signing of a Compliance Commitment Letter.
For the legal compliance leaders and personnel of subsidiaries and branches	18 specialized training sessions have been organized, including training on the new Company Law, legal risk guidance for construction projects, and training on the application of judicial interpretations regarding labor disputes.
For new employees	Compliance training has been provided for three consecutive years as part of the onboarding process, continuously embedding compliance awareness.





SIG held a legal training seminar under the theme "Upholding the Spirit of the Constitution and Strengthening the Foundations of Risk Control". The seminar promoted the spirit of the Constitution and featured a lawyer who delivered a specialized lecture titled *"Risk Insights from Litigation: Typical Precedents and Risk Control Recommendations for New Energy Projects"* aiming to enhance the legal literacy and risk compliance awareness of management personnel at all levels.

Risk Control

The Company has established a risk management and internal control system with the Audit Committee of the Board of Directors at its core, independently implemented by the Audit and Risk Control Department. The Audit Committee operates independently of the executive management and is responsible for overseeing internal controls, finance, and internal audit, reporting directly to the Board of Directors. The Audit and Risk Control Department is staffed by full-time audit professionals holding intermediate or higher professional titles, forming a specialized team that works independently without interference from other departments. In terms of institutional development, the Company has formulated the *Internal Audit Policy, Audit Regulations for Engineering Construction Projects, and Management Measures for the Internal Audit Talent Pool*, standardizing audit practices and strengthening oversight and accountability.

In 2025, the Company further deepened risk prevention and control. It completed operational performance audits of 37 subsidiaries and branches, identified six issues, all of which have been rectified. Economic responsibility audits were completed for eight units. In project auditing, the Company completed audits of 65 completed and closed projects, with a reconciled amount of RMB 1.6073 million, and provided audit guidance for four ongoing projects. Collaborating with multiple departments, the Company participated in the pre-investment review committee, issued audit opinions for five investment projects, and attended kick-off meetings for 11 key monitored projects to identify contract performance risks. Throughout the year, 42 internal audit findings were identified, 40 of which have been rectified, achieving a rectification rate of 95%. A total of 25 management recommendations were adopted, leading to the revision of three internal policies. For external audits, 21 findings were raised, 16 have been rectified, and the remaining issues are being addressed in coordination with relevant parties.



Anti-Unfair Competition and Anti-Monopoly

The company consistently upholds the principles of fairness, justice, and integrity in market competition, strictly complies with the *Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China*, and other relevant laws and regulations, and firmly opposes any form of monopolistic behavior and unfair competition practices. In its business activities, the company adheres to commercial ethics, maintains market order, and wins the market through high-quality services.

The company integrates the concept of fair competition into the entire process of its operations and management, and continuously improves its compliance system. It has established a fair competition compliance management framework, clearly defining the red lines for anti-monopoly and anti-unfair competition, and regulating activities such as market development, pricing strategies, and partner selection. The company strengthens employee training and communication, regularly organizes specialized training sessions on relevant laws and regulations, enhances the compliance awareness of all employees, and ensures that business operations meet fair competition requirements. Additionally, it has set up an internal supervision mechanism, whereby the Audit and Risk Control Department conducts compliance reviews of market-related business activities to promptly identify and correct potential risks.

Related Party Transaction Management

The Company has formulated the Related Party Transaction Management Policy, establishing a full-process control mechanism covering "Pre-identification, in-process approval, and post-disclosure". *A Pending Related Party Transaction Ledger* has been created, and a monthly communication mechanism with business departments is in place to track transaction progress in real time. The Company strictly enforces procedures such as the recusal of interested directors/shareholders from voting, prior approval and special opinions from independent directors, and review by the Audit Committee. These measures ensure that related party transactions are priced on a fair basis, conducted in compliance with procedures, and disclosed in a timely manner. No non-compliant related party transactions occurred throughout the year.

Appendix

ESG Policy List

ESG indicator	Key policies of the Company
A1 Emissions	*Regulations on the Safety Management of Dangerous Goods* *Management Measures for Environmental Protection at Construction Sites*
A2 Use of resources	*Management Measures for Environmental Protection at Construction Sites*
A3 Environment and natural resources	*Management Measures for Environmental Protection at Construction Sites*
A4 Climate change	*Management Measures for Environmental Protection at Construction Sites*
B1 Employment	*Implementation Rules for Management of Human Resource Allocation Center (Trial)*
B2 Occupational health and safety	*Measures for the Prevention and Control of Occupational Health Hazards and Health Surveillance Management* *Work Safety Responsibility System* *Management System of Emergency Response Plans for Safety Incidents* *Measures for Work Safety Interview* *Implementation Measures for the One-Vote Veto System in Work Safety* *Management Measures for Regular Meetings of Work Safety* *Management Measures for the Safety Expert Committee* *Vertical Management Measures for Safety Management Personnel* *Measures for the Safety Director System and the Assignment of Full-time Safety Management Personnel for Projects* *Measures for On-site Leadership in Work Safety Construction* *Management Rules of Safety Education and Training* *Management Measures for Construction Site Safety* *Measures for Safety Risk Identification and Hierarchical Control* *Management Measures for Major Safety Risks* *Management Measures for Work Safety Technology* *Safety Management Measures for Engineering Subcontracting* *Approval Measures for Hazardous Operations Management* *Regulations on the Safety Management of Dangerous Goods* *Management Measures for Fire Safety* *Standardized Management Measures for Work Safety and Civilized Construction at Construction Sites* *Management Measures for Safety, Environment and Occupational Health in Overseas Projects*
B3 Development and training	*Employee Training Management System of Shanxi Installation Group Co., Ltd.*
B4 Labor standards	*Employee Labor Contract Management System of Shanxi Installation Group Co., Ltd.* *Employee Labor Discipline Management System of Shanxi Installation Group Co., Ltd.*
B5 Supply chain management	*Material Procurement Comparison and Selection Procedures of Shanxi Installation Group Co., Ltd.*
B6 Product responsibility	*Customer Service Management Measures* *Market Operation Management System* *Construction Contract Management System for Projects* *Management Measures for Evaluation and Decision-making of Business Project*
B7 Anti-corruption	*Anti-fraud and Reporting Mechanism Management System of Shanxi Installation Group Co., Ltd.* *Guidelines for Integrity Risk Prevention and Control of Overseas Projects of Shanxi Installation Group Co., Ltd.*
B8 Community investment	

Key performance

Environmental Performance

Indicator	Unit	2023	2024	2025
Pollutant Emissions				
Exhaust Gas				
Total exhaust gas emission	m^3	109.0	96.4	88.6
By pollutants				
NOx	t	69.7	61.6	56.7
SOx	t	-	-	0.5
VOC	t	-	-	0.8
PM	t	39.3	34.7	31.9
Wastewater				
Total wastewater disposal	t	19,477.0	17,267.0	16,792.7
By category				
Industrial wastewater	m^3	-	-	1,281.5
Domestic wastewater	m^3	-	-	6,496.0
By pollutants				
TN	t	-	-	2,511.2
TP	t	-	-	502.2
COD	t	564.8	499.3	2,218.0
BOD	t	-	-	1,109.0
SO_2	t	39.8	35.2	32.0
NH_3-N	t	156.0	138.0	251.1
Solid Wastes				
Output of solid wastes	t	50,228,224.4	44,399,677.5	40,847,703.3
By category				
General solid wastes	t	50,228,200.0	44,399,656.0	40,847,683.5
Hazardous wastes	t	24.35	21.52	19.80
Output of wastes /RMB 10,000 revenue	t/RMB10,000	45.78	36.27	38.79
By category				
Non-hazardous	t/RMB10,000	45.78	36.27	38.79
Hazardous wastes	kg/RMB10,000	0.02219	0.01758	0.01880
Resource Utilization				
Energy				
Total energy consumption	MWh	109,171.6	97,085.1	113,621.4
By category				
Direct energy	MWh	21,352.0	19,456.2	36,932.8
Indirect energy	MWh	87,819.6	77,628.9	76,688.6

Indicator	Unit	2023	2024	2025
Energy				
By category				
Diesel	L	1,188,520.0	1,050,602.6	424,385.0
Gasoline	L	752,870.0	665,506.0	99,578.5
Liquefied petroleum gas	kg	38,780.0	34,279.9	4,039.4
Coal	kg	169,110.0	249,486.3	246,214.8
Gas	Nm^3	203,928.1	180,264.0	161,704.0
Electricity	MWh	87,762	77,578	76,646
Natural gas	tce	2.3	2.1	2.4
Hydroenergy	tce	-	-	3,625.5
Outsourced electricity	MWh	86,857	76,778	76,646
Outsourced heat	kJ	207,690,000	183,590,000	152,020,000
Comprehensive energy consumption/RMB10,000 revenue (at comparable prices)	MWh/RMB10,000	0.10	0.08	0.11
By category				
Direct energy	MWh/RMB10,000	0.02	0.02	0.04
Indirect energy	MWh/RMB10,000	0.08	0.06	0.07
Comprehensive energy consumption/RMB10,000 added value (at comparable prices)	tce/RMB10,000	19.0	17.1	15.4
Proportion of non-fossil fuels	%	2.7	3.1	26.0
Total consumption of clean energy	MWh	-	-	29,534.3
Coal consumption of power supply	gce/kWh	-	-	0.7
Water				
Total water consumption	10,000 m^3	70.1	61.9	53.5
Total water consumption/RMB10,000 revenue	t/RMB10,000	0.64	0.51	0.51
Fresh water consumption	10,000 m^3	72.0	63.7	55.2
Volume of Water Saved	10,000 m^3	15.89	15.18	15.10
Recycled water consumption	10,000 m^3	9.90	9.46	10.30
Water recycling and reuse rate	%	-	-	15.7
Combating Climate Change				
Greenhouse gas emission	tCO_2e	46,931.2	46,497.3	43,058.6
By scope				
Scope 1	tCO_2e	5,280.1	4,848.8	1,913.5
Scope 2	tCO_2e	41,651.1	41,648.5	41,145.1
Carbon dioxide emission /RMB 1 mn revenue	tCO2e/RMB1 mn	4.28	3.80	4.09
Carbon intensity	t/RMB10,000	1.1811	1.0544	0.9701

Indicator	Unit	2023	2024	2025
Environmental Management				
Total environmental investment	RMB10,000	563.4	523.7	696.0
Investment in energy conservation and emission reduction- related technological upgrade	RMB10,000	260.4	242.0	223.7
Office electricity consumption	10,000kWh	234.6	235.8	243.2
Office water consumption	t	14,224	15,284	14,790

Social Performance

Indicator	Unit	2023	2024	2025
Employment				
Total number of employees	Person	3,722	3,704	3,556
Number of ethnic minority employees	Person	21	22	25
New employees	Person	178	211	52
New fresh graduate employees	Person	50	62	44
Employee turnover rate	%	5.1	3.8	6.6
Total Employee Compensation	RMB10,000	44,043.6	43,105.1	41,740.5
Per capita employee compensation	RMB10,000	13.0	12.7	12.4
Employee labor contract signing rate	%	100	100	100
Employee social insurance coverage rate	%	100	100	100
Employee satisfaction score	Points	85.5	86.8	89.4
Average age of employees	Years old	36.2	36.5	38.0
Annual average days of paid leave per employee	Day	8.3	8.3	8.5
Number of labor disputes	Count	1	0	1
Occupational Health and Work Safety				
General and above work injury accidents	Times	0	0	0
Fatalities due to work injury accidents	Person	0	0	0
Fatality rate per 1,000 employees	‰	0	0	0
Severe wound rate per 1,000 employees	‰	0	0	0
Injury rate per 1,000 employees (accident frequency)	‰	0	0	0
Number of working days lost due to work-related injuries	Day	0	0	0
Employee injury rate (million work hours)	%	0	0	0
Lost Time Injury Frequency Rate（LTIFR）	%	0	0	0
Total Recordable Case Frequency（TRCF）	%	0	0	0
Fatal Accident Rate（FAR）	%	0	0	0
Work safety accidents having severely damaged the market and social reputation of the Company	Nos.	0	0	0

Indicator	Unit	2023	2024	2025
Occupational Health and Work Safety				
Coverage rate of occupational safety and health records	%	100	100	100
Number of new occupational diseases	Person	0	0	0
Work safety investment	RMB10,000	22,931.2	23,141.3	13,995.1
Safety drills	Times	307	272	261
Number of safety training for employees	Person times	45,552	43,800	44,670
Number of safety training for stakeholders	Person times	281,459	275,940	263,760
Coverage rate of employee safety training	%	100	100	100
Number of full-time safety officers	Person	264	287	304
Number of registered safety engineers	Person	101	133	140
Expenditure on work-related injury insurance	RMB10,000	372.2	642.9	631.3
Work-related injury insurance coverage rate	%	100	100	100
Employee Health Checkup Coverage Rate	%	100	100	100
Career Development and Training				
Total investment in employee training	RMB10,000	29.0	45.0	170.3
Number of employees trained	Person	2,108	2,564	2,690
Employee training coverage rate	%	56.6	69.2	75.6
Total training duration	10,000 hours	3.347	4.105	4.896
Average training duration per employee	Hour/person	8.99	11.08	13.77
Training investment per employee	RMB/person	77.9	121.5	478.9
Supply Chain Security				
Total number of suppliers	No.	2,551	2,599	828
Number of suppliers reviewed during the reporting period	No.	278	1,680	543
Number of suppliers suspended for non-compliance	No.	3	2	30
Number of supplier training sessions	Times	4	11	10
Duration of supplier training	Hour	20	38	33
Acceptance rate of construction and installation work	%	100	100	100
Product and Service Safety and Quality				
Customer satisfaction score	Points	93.58	93.74	93.99
Number of complaints	Count	24	18	16
Resolution rate of complaints	%	100	100	100
Monetary value involved in major product/service safety and quality incidents	RMB10,000	0	0	0
Innovation				
R&D investment amount	RMB10,000	44,321	59,341	36,171
Proportion of R&D investment in revenue	%	4.04	4.85	3.51
Number of R&D personnel	Person	802	880	805
Ratio of R&D personnel to the total employees	%	23.19	25.06	29.10
Number of invention patents applied to main business	Item	50	48	57
Number of invention patents applied	Item	52	62	53

Indicator	Unit	2023	2024	2025
Innovation				
Number of invention patents granted	Item	50	48	57
Number of valid patents	Item	243	190	219
Number of national/provincial construction methods obtained	Item	10	11	9
Number of software copyrights	Item	9	8	6
National High-tech Enterprise Certification	Item	6	7	7
Certification of Specialized, Refined, Differential, and Innovative SMEs	Item	4	4	4
Social Contribution				
Charity donation	RMB10,000	5.55	6.70	3.00
Total volunteer hours	Hour	3,546.3	2,971.6	2,737.0
Number of volunteer participants	Person times	2,369	1,967	2,194
Average volunteer hours per employee	Hour/person	1.0	0.8	0.8
Special fund investment for rural revitalization	RMB10,000	10	10	2

Governance

Indicator	Unit	2023	2024	2025
Corporate governance				
Number of directors	Person	11	11	10
By gender				
Male	Person	10	10	9
Female	Person	1	1	1
By age				
Below 40	Person	0	0	0
40-50	Person	3	3	2
Above 50	Person	8	8	8
ESG Management				
Number of ESG training sessions	Times	1	1	1
Duration of ESG training	Hour	2	2	2
Number of ESG training participants	Person times	20	24	20
Compliance				
Performance rate of economic contracts[1]	%	84.11	85.24	80.04
Investment in compliance training	RMB10,000	-	2	2.5
Number of compliance training	Times	4	4	5
Anti-Bribery and Anti-Corruption				
Incidence of corruption	Count	0	0	0
Number of legal cases regarding corruption, bribery, extortion, fraud and money laundering	Count	0	0	0
Total number of personnel participating in anti-commercial bribery and anti-corruption training[2]				
By category				
Directors	Person	11	11	10
Management personnel[2]	Person	256	259	234
Frontline employees	Person	3,466	3,445	3,322
Percentage of personnel participating in anticommercial bribery and anti-corruption training				
By category				
Directors	%	100	100	100
Management personnel	%	100	100	100
Frontline employees	%	100	100	100

[1]This data is used to calculate the ratio of performance that begins in construction, design and other contracts signed.

[2]Management team including senior and middle-level managers.

Index of indicators

Main categories, levels, general disclosure and key performance indicators			Disclose position
Environment		General disclosure: regarding exhaust emissions, emission to water and land, generation of harmful and harmless waste, etc.: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer	■ Environmental Management System ■ ESG Policy List
	A1 Emissions	A1.1 Types of emissions and related emission data	■ Strengthening Pollution Discharge Management ■ Key Performance
		A1.3 Total amount of harmful wastes generated (calculated in tons) and (if applicable) density (e.g. calculated per production unit and facility)	■ Key Performance
		A1.4 Total amount of harmless wastes generated (calculated in tons) and (if applicable) density (e.g. calculated per production unit and facility)	■ Key Performance
		A1.5 Describe the emission goals set and the steps taken to achieve such goals	■ Strengthening Pollution Discharge Management
		A1.6 Description of the method to dispose of hazardous and harmless wastes, waste reduction goals set and the steps taken to achieve such goals	■ Strengthening Pollution Discharge Management
	A2 Use of resources	General disclosure: Policies for the effective use of resources (including energy, water and other raw materials)	■ Environmental Management System ■ ESG Policy List
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (0,000 kWh) and intensity (e.g. calculated per production unit and facility)	■ Optimizing Resource Utilization ■ Key Performance
		A2.2 Total water consumption and density (e.g. calculated per production unit and facility)	■ Optimizing Resource Utilization ■ Key Performance
		A2.3 Describe the energy use efficiency goal and the steps taken to achieve such a goal	■ Optimizing Resource Utilization
		A2.4 Description of any problems in obtaining the applicable water sources, the water use efficiency goals set and the steps taken to achieve such goals	■ Optimizing Resource Utilization
		A2.5 Total packaging material used for finished products (in tons), and, if applicable, the proportion of per production unit	■ N/A[3]

[3]Given that the Company's operations do not involve the production of physical products and the quantity of self-owned packagings used in operations is small, this indicator is not applicable to the Company.

Main categories, levels, general disclosure and key performance indicators			Disclose position
Environment	A3 Environment and natural resources	General disclosure: Policies on minimizing the issuer's significant impact on the environment and natural resources.	■ Caring for the Ecological Environment
		A3.1 Description of the significant impacts of activities on the environment and naturalresources and the actions taken to manage them	■ Caring for the Ecological Environment
Society	B1 Employment	General disclosure: For remuneration and dismissal, recruitment and promotion,working hours, holidays, equal opportunities, diversity, anti-discrimination and other salaries and welfare: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer	■ Protecting Employee Rights and Interests ■ ESG Policy List
		B1.1 Total employees by gender, employment type (full-time or part-time), age group and region	■ Protecting Employee Rights and Interests
		B1.2 Turnover rate of employees by gender, age group and region	■ Protecting Employee Rights and Interests
	B2 Occupational health and safety	General disclosure: For providing a safe working environment and protecting employees from occupational hazards: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer	■ Building a Strong Safety Defense Line ■ ESG Policy List
		B2.1 Number and proportion of occupational deaths in each of the past three years (including the reporting year)	■ Key Performance
		B2.2 Number of working days lost due to work-related injuries	■ Key Performance
		B2.3 Describe occupational health and safety measures adopted, as well as the relevant implementation and monitoring methods	■ Building a Strong Safety Defense Line
	B3 Development and training	General disclosure: Policies on improving employees' knowledge and skills in performing their responsibilities. Description of training activities.	■ Protecting Employee Rights and Interests ■ ESG Policy List
		B3.1 Percentage of trained employees by gender and category (such as senior management and middle management)	■ Protecting Employee Rights and Interests
		B3.2 Average training hours of employees by gender and category	■ Protecting Employee Rights and Interests

Main categories, levels, general disclosure and key performance indicators			Disclose position
Society	B4 Labour standards	General disclosure: For the prevention of child or forced labor: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer	■ Promoting Industrial Co-development
		B4.1 Description of measures to review employment practices to avoid child and forced labour	■ Protecting Employee Rights and Interests
		B4.2 Description of the steps taken to eliminate violations when they are found	■ Protecting Employee Rights and Interests
	B5 Supply chain management	General disclosure: Manage environmental and social risk policies of the supply chain	■ Protecting Employee Rights and Interests
		B5.1 Number of suppliers by region	■ Protecting Employee Rights and Interests
		B5.2 Describe practices relating to engaged suppliers, the number of suppliers where the practices are being implemented and how they are implemented and monitored	■ Protecting Employee Rights and Interests
		B5.3 Describe the practices of identifying environmental and social risks in each link of the supplier and the implementation and monitoring methods	■ Protecting Employee Rights and Interests
		B5.4 Describe practices of promoting the use of environment-friendly products and services during the selection of suppliers, and relevant implementation and monitoring methods.	■ Protecting Employee Rights and Interests
	B6 Product responsibility	General disclosure: For the health and safety, advertising, labeling and privacy matters of the products and services provided and the remedies: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer	■ Optimizing Customer Service
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	■ N/A[4]
		B6.2 Number of complaints about products and services received and countermeasures	■ Optimizing Customer Service
		B6.3 Description of practices relating to observing and protecting intellectual property rights	■ Activating the Innovation Engine
		B6.4 Description of quality assurance process and recall procedures	■ Optimizing Customer Service
		B6.5 Describe consumer data protection and privacy policies, how they are implemented and monitored	■ Optimizing Customer Service

Main categories, levels, general disclosure and key performance indicators			Disclose position
Society	B7 Anti - corruption	General disclosure: For the prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer	■ Anti-Corruption Culture Development Compliance Management
		B7.1 Number of corruption litigation cases filed against the issuer or its employees and concluded during the reporting period and litigation results	■ Key Performance
		B7.2 Describe preventive measures and whistle-blowing procedures, how they are implemented and monitored	■ Anti-Corruption Culture Development ■ Whistleblower Protection
		B7.3 Description of the anti-corruption training provided to the board of directors and employees	■ Key Performance
Community	B8 Community investment	General disclosure: Policies on community participation to understand the needs of the community in which it operates and ensure that business activities consider the interests of the community	■ Practicing Public Welfare and Charity
		B8.1 Focus on contribution categories (such as education, environmental matters,labor needs, health, culture and sports)	■ Practicing Public Welfare and Charity
		B8.2 Resources (such as money or time) contributed to focusing categories	■ Practicing Public Welfare and Charity ■ Key Performance
		B8.2 Resources (such as money or time) contributed to focusing categories	■ Practicing Public Welfare and Charity ■ Key Performance
		Part D: Climate-related disclosure	■ Combating Climate Change

[4]Since the company's operations do not involve the production of physical products, this indicator does not apply to the compan

Feedback

Dear readers:

Thank you for reading the *2025 Environmental, Social, and Governance Report of SIG* . The Company highly values and looks forwardto hearing your feedback on SIG's sustainable development management, practices and information disclosure. Your opinions andsuggestions are an important basis for the Company to continuously advance sustainable development management and practices. Looking forward to your reply!

Selective question (please mark √ in the corresponding position)

Option	Yes	General	No
1. Do you think the report reflects the significant impact of SIG on the economy, society and environment?			
2. Do you think the analysis of stakeholders identified in the report and their relationship with SIG is accurate and comprehensive?			
3. Do you think the information provided in the report is comprehensive?			
4. Do you think the information provided in the report is readable?			

Open question

Your other opinions and suggestions on the 2025 Environmental, Social, and Governance Report of SIG are welcome.

Your contact information

Name:	Employer:
Tel.:	Email:

山西省安装集团股份有限公司
SHANXI INSTALLATION GROUP CO., LTD.